



BUDGET The United States
Department of the Interior

JUSTIFICATIONS

and Performance Information
Fiscal Year 2020

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.



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**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE
FOR AMERICAN INDIANS
BUDGET JUSTIFICATION FOR FISCAL YEAR 2020**

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Executive Summary

The Congress designated the Secretary of the Interior with responsibility for approximately 56 million surface acres, 58 million acres of subsurface mineral interests, and over \$5 billion held in trust by the Federal Government on behalf of American Indians and Indian Tribes. The Office of the Special Trustee for American Indians (OST) has operational purview for financial trust fund management, including receipt, investment, and disbursement of Indian trust funds. Trust fund operations entail management of over \$5 billion held in about 3,500 trust accounts for more than 250 Indian Tribes and nearly 406,000 open Individual Indian Money (IIM) accounts. Trust fund balances result from judgment awards, claims settlements, land-use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income. In FY 2020, the OST will continue to focus on fulfillment of the Department's fiduciary trust responsibilities while advancing the Department's Strategic Plan, Departmental priorities and the President's Management Agenda.

This is an era of change in the Federal Government and the Department of the Interior is no exception. In FY 2017, Executive Order 13781 directed each agency to submit a plan to improve efficiency, effectiveness, and accountability, including reorganization, if appropriate, to achieve improvements. OST and the Department continue to support organizational changes to improve efficiency and effectiveness first proposed in the FY 2019 President's Budget request:

- **Transfer of the Land Buy-Back Program for Tribal Nations (LBBP)**
The budget proposes to realign the Land Buy Back Program for Tribal Nations from the Office of the Secretary to OST. The LBBP is responsible for the expenditure of the \$1.9 billion Trust Land Consolidation Fund authorized by the Settlement Agreement in *Cobell v. Salazar*, No. 96-CV-1285-JR and confirmed by the Claims Resolution Act of 2010. The OST currently provides significant support to the LBBP. Thus, the realignment of the LBBP should enhance the coordination of support activities and technical assistance provided by OST to the LBBP and present opportunities to streamline processes.
- **Transfer of OST to the Assistant Secretary – Indian Affairs (AS-IA)**
The budget proposes to change the reporting relationship of the OST from the Office of the Secretary to the Assistant Secretary – Indian Affairs. The OST will continue to be a separate organization reporting to the AS-IA, as do the Bureau of Indian Affairs (BIA) and Bureau of Indian Education (BIE). This re-alignment within the Department will enhance planning and coordination of policies and services related to Indian Country.
- **Transfer of the Office of Appraisal Services to Office of the Secretary**
The budget also reflects the approved transfer of the Office of Appraisal Services to the Office of the Secretary's Appraisal and Valuation Services Office (AVSO). Under AVSO, all appraisal and valuations are conducted by a single entity within the Department as required by the Indian Trust Asset Reform Act.

OST's core functions, as further described below, will continue to be executed by the offices of Field Operations, Trust Services and Historical Trust Accounting. The Office of Business Management and the Office of Program Management will continue to provide support for OST's core functions. Please refer to the OST Organization Chart on page 7.

The Office of Field Operations (Field Operations) is the first and primary point of contact for trust beneficiaries (Tribes, individual Indians, and Alaska Natives) seeking information and services in conjunction with their trust assets. Field staff assist beneficiaries on a daily basis throughout Indian Country regarding all aspects of their accounts, as well as providing other trust asset information, such as statutory or regulatory changes affecting trust asset management. Field Operations plays a key role in leading the Department's outreach efforts to beneficiaries, including conducting financial skills education for Tribes and individuals, estate-planning education, attending Tribal/community meetings, disseminating information about the Land Buy-Back Program and other programs significant to Indian Country. This office operates the Trust Beneficiary Call Center (TBCC) and the division of Investment Services, which provides in-house expertise in the investment and management of more than \$5 billion held in trust.

The Office of Trust Services is responsible for all fiduciary accounting activities, reconciliation, and financial reporting related to the individual Indian, Alaska Native, and Tribal trust funds under management by the Department.

The Office of Historical Trust Accounting (OHTA) manages historical accounting of Tribal Trust and IIM accounts. OHTA provides litigation support in coordination with the U.S. Department of Justice (DOJ) to defend against litigation alleging breach of the Department's fiduciary trust duties filed in 18 cases in Federal courts, against the Department. The OHTA also works to resolve the ownership of residual balances in the Special Deposit Accounts and Youpee Escheat Accounts and distribute account balances to Tribes, individual Indians, and non-trust entities.

The Office of Business Management performs a myriad of functions supporting OST's core programs to ensure compliance and alignment with Federal, Departmental, and OST policies. The Office of Business Management maintains responsibility for providing the following support functions: budget formulation and execution, finance, information technology, procurement, space management, the Government Purchase Card Program, communications, and facilitation of Public Law 93-638 self-governance activities. Delivery of select training services, human resources, acquisitions, and fund accounting are managed by the Office of Business Management through Reimbursable Support Agreements with other DOI entities. The Office of the Chief of Staff, which supports the Office of the Special Trustee and the Principal Deputy Special Trustee, is also located within Business Management.

The Office of Program Management oversees and evaluates the Indian fiduciary trust programs and manages a comprehensive program to help ensure OST has an effective system of internal controls. This office also manages and operates the American Indian Records Repository (AIRR), develops records management policies, and provides records management training and support services to OST and the BIA.

Total 2020 Budget Request
(Dollars in Thousands)

Budget Authority	2018 Actual	2019 CR	2020 Request
Current	119,400	119,400	105,143
Permanent	99,132	142,000	147,000
Total Current and Permanent	218,532	261,400	252,143
<i>FTEs (Includes Land Buy-Back Program and Reimbursable FTE)</i>	<i>563</i>	<i>546</i>	<i>504</i>

2020 Budget Highlights

Executive Direction – The 2020 OST budget includes \$2.4 million for Executive Direction to fund leadership activities within OST. Staff within Executive Direction will provide guidance affecting performance at all levels of OST and develop closer working relationships with Indian Affairs to identify opportunities for more cost-effective delivery of services.

Program Operations and Support – The 2020 OST budget includes \$102.7 million for Program Operations and Support, including \$22.0 million for Field Operations. Field Operations’ staff are the primary point of contact for trust beneficiaries – Tribes, individual Indians, and Alaska Natives – seeking information and services in conjunction with their trust assets. Field Operations will prioritize resources to continue providing vital services to beneficiaries, maintain an adequate level of service at the beneficiary call center, and preserve outreach and financial education services.

The budget provides \$17.7 million for the Office of Trust Services. The request reflects cost efficiencies gained through the re-compete of the Trust Fund Accounting System contract in 2018. Trust Services conducts all fiduciary accounting activities, liquidity investments, reconciliation, and financial reporting related to the individual Indian, Alaska Native, and Tribal trust funds under management by the Department. To manage the expected workload for historical accounting of Tribal Trust and IIM accounts, the budget includes \$17.9 million.

In FY 2019 and FY 2020, OST will fund critical IT investments for migration of the existing OST hardware infrastructure to a certified Federal Risk and Authorization Management Program (FEDRAMP) and Federal Information Security Modernization Act (FISMA) moderate cloud computing environment. This investment supports the Department’s Strategic Plan, the Departmental priority of modernizing infrastructure, and will improve OST’s ability to recover IT systems critical to its core fiduciary responsibilities in the event of a disaster. OST anticipates this more robust IT infrastructure will provide options for more cost-effective delivery of services within Field Operations and Trust Services. OST will continue to explore the feasibility of developing a mobile application that will allow beneficiaries to access their accounts from mobile devices. Use of the application would reduce beneficiaries’ need to call the Trust Beneficiary Call Center or visit a field office.

In conjunction with the Department's priority of leading the Department forward, the FY 2020 OST budget funds training for staff development and the elimination of harassment in the workplace. Skills development training facilitates cost-effective operations and quality service to the public and beneficiaries. Civil leadership and anti-harassment training ensure the workplace environment is conducive to employee productivity and that individuals are accountable for violations of DOI policies.

OST Management Initiatives

OST is actively involved in the government-wide effort to identify and promote the most promising ideas to improve government effectiveness, efficiency, accountability and promote people and culture. OST's FY 2018-FY 2022 Strategic Plan is in development and many of the FY 2020 management initiatives listed below will be included as action items in the forthcoming Strategic Plan.

- Continue to work to attain a clean audit on the Tribal accounts; however, pending litigation prevents auditors from performing certain audit functions. For the sixth consecutive year, OST received an unmodified opinion for the IIM Trust Fund Financial statements in the independent annual audit for FY 2018.
- Continue development and delivery of financial education programs to empower Indian Country with financial skills.
- Prioritize strategies and continue work toward probate reform. There are multiple avenues for reducing the time, cost, and complexity of probates. Some solutions may require legislation.
- Continue digitization of paper records at the American Indian Records Repository to comply with OMB/NARA Directive M-12-18 - Managing Government Records – that "requires that to the fullest extent possible, agencies eliminate paper and use electronic recordkeeping" and NARA's Strategic Plan provides that they will no longer accept paper records beginning January 01, 2023.
- Work with the US Treasury Department and others to aggregate certain long-term unclaimed trust funds into a single account at Treasury rather than maintaining separate IIM accounts. Owners would still be able to claim monies.
- Provide effective training to: 1) develop staff skills to facilitate cost-effective operations and quality service, and 2) eliminate harassment in the work place.

Support the Department's Strategic Plan

Interior's Strategic Plan for FY 2018-2022 frames organizational responsibilities and operational assumptions, and converts them into expectations for performance and accomplishment. It establishes measurable performance targets in defined mission areas. These mission areas reflect the Secretary of the Interior's priorities while the goals and strategies describe the means by which these priorities will be achieved.

MISSION AREA: Fulfilling Our Trust and Insular Responsibilities

GOAL: Fulfill fiduciary trust

STRATEGY: Ensure accurate and timely management of fiduciary trust assets

OST's operations are critical to fulfilling the Department's responsibilities to accurately account for revenues and disbursements related to trust and restricted Federal Indian-owned lands in a timely and

efficient manner. OST handles all fiduciary accounting activities, reconciliation, and financial reporting related to \$5 billion in trust funds held for individual Indians, Alaska Natives, and Tribes. Field Operations serves as the primary point of contact for all Tribal and individual Indian trust beneficiaries seeking information and services in conjunction with their trust assets. Within Field Operations, the Investment group manages and invests all trust funds. Although less visible to the public, maintaining trust related records is a vital component of the Department's fiduciary trust responsibilities. The Office of Trust Records receives, processes, indexes, stores, and manages records at the American Indian Records Repository. OST contributes significantly to the Department's achievements through continual improvements in processes that improve efficiency and by achieving or surpassing performance goals.

In FY 2020, OST will:

- Process up to 10,000 probate orders and distribution of funds to beneficiaries annually
- Process up to .5M account maintenance transactions annually
- Develop enhanced capabilities in the new trust financial accounting system
- Answer (est.) 192,000 beneficiary calls (a daily average of 800 beneficiary interactions in the Trust Beneficiary Call Center and achieve a first-line resolution rate of 95.6%)
- Assist the Land Buy-Back Program by responding to an estimated 36,000 calls regarding the LBBP at the TBCC
- Service approximately 105,000 beneficiaries at field locations with a 2-day responsiveness rate of 93%
- Research and identify ownership of unclaimed Youpee Escheat and Special Deposit (SDA) accounts, disbursing an estimated \$350,000
- Receive and process 8,000 boxes of records per year
- Respond to 2,000 records retrieval requests

Government Reform

President Trump signed an Executive Order to modernize and reform the executive branch and Interior is leading the way, developing and executing a program that will streamline processes and better serve the American people. The absolute first step in building a better and more efficient executive branch though is fostering a culture of ethics and respect amongst colleagues.

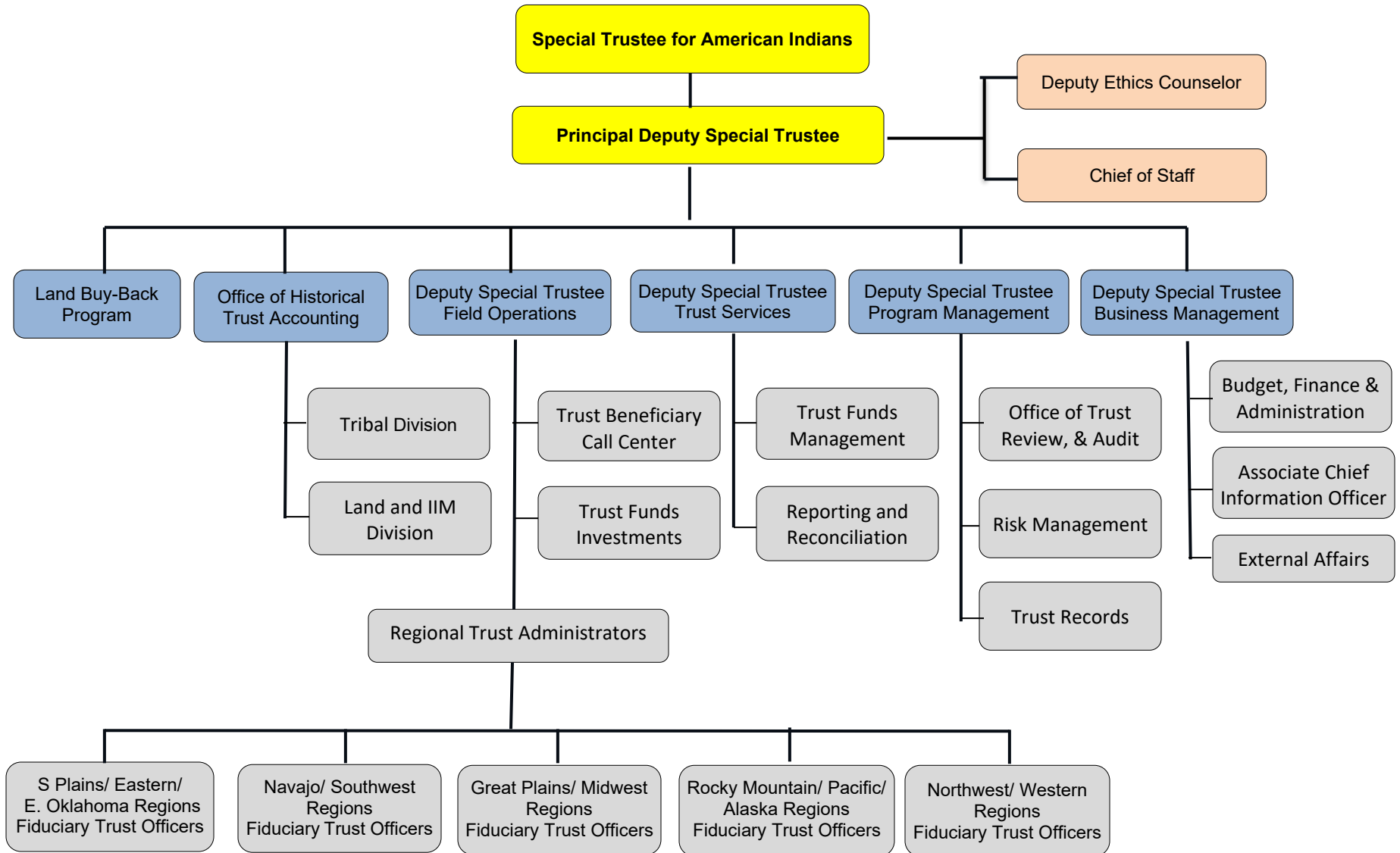
Interior has launched several top management objectives to better achieve Departmental goals and lead the agency moving forward. From day one of this Administration, Interior's leadership has made the work environment a priority. There is zero tolerance for any type of workplace harassment at Interior. The Department is instilling a culture change through clear management accountability, swift personnel actions, reporting procedures for harassment conduct, improved training, and substantive action plans.

In the area of anti-harassment efforts, each bureau and office has made significant headway in putting a diverse set of measures in place to prevent and address unacceptable conduct. Interior has also launched an internal Workplace Culture Transformation Advisory Council to include leadership from across the Department to keep a focus on Interior's commitment to the workplace environment. The Council will look at common issues raised in the Federal Employee Viewpoint Survey, ways to improve employee

engagement, and building career paths which cross bureau silos; all with the goal to transform Interior's workplace culture for our employees, so they can realize their individual potential and be their most productive selves for the American people.

Another management priority is creating a strong ethical culture to ensure Interior employees honor the public's trust to manage taxpayer funds responsibly and avoid conflicts of interest. The expectations for appropriate employee conduct have been made clear. The Department has set goals and expectations for qualified ethics officials within Interior sufficient to ensure our operations are conducted ethically and ensure all employees have access to prompt, accurate ethics advice.

**U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**



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**Office of the Special Trustee for American Indians
Budget at a Glance**

Dollars in Thousands (\$000)

Office of the Special Trustee	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	2020 Request Program Changes (+/-)	2020 Request
Appropriation: Federal Trust Programs						
Executive Direction	1,688	1,688	+6	+0	+753	2,447
Program Operations and Support						
Program Operations						
Field Operations	21,436	21,436	+129	+0	+416	21,981
Focus on activities most central to fulfillment of the Secretary's fiduciary trust responsibilities through direct contact with beneficiaries and Tribes by means of the Trust Beneficiary Call Center, field office locations and outreach events.	[21,436]	[21,436]			[+416]	[21,981]
Appraisal Services	9,438	9,438	+0	-9,438	+0	0
Movement of Office of Appraisal Services (OAS) to Appraisal and Valuation Services Office (AVSO)	[9,438]	[9,438]		[-9,438]		
Trust Services	25,042	25,042	+72	+0	-7,444	17,670
Cost Savings to be realized from the implementation and upgrade to a new Trust Funds Accounting System (TFAS)	[25,042]	[25,042]			[-7,444]	[17,670]
Historical Trust Accounting	18,990	18,990	+8	+0	-1,087	17,911
Provide litigation support services to the Department and conduct research to identify ownership of financial assets in Special Deposit Accounts and Youpee Escheat Accounts.	[18,990]	[18,990]			[-1,087]	[17,911]
Program Support						
Business Management	29,383	29,383	-115	+0	+1,195	30,463
Support OST's IT infrastructure, continue to implement FITARA and provide employee IT services while migrating to a cloud-based environment.	[29,383]	[29,383]			[+1,195]	[30,463]
Program Management	13,423	13,423	+59	+0	+1,189	14,671
Support Records Management activities.	[13,423]	[13,423]			[+1,189]	[14,671]
TOTAL, Federal Trust Programs	119,400	119,400	+159	-9,438	-4,978	105,143
TOTAL, OFFICE OF THE SPECIAL TRUSTEE	119,400	119,400	+159	-9,438	-4,978	105,143

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Office of the Special Trustee for American Indians
Summary of Requirements
(Dollars in Thousands)

Office of the Special Trustee	2018 Actual	2019 CR		Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes FTE (+/-)	Program Changes (+/-) Amount	2020 Request FTE	2020 Request Amount	Change from 2019 CR (+/-) FTE	Change from 2019 CR (+/-)
	Amount	Total FTE	Amount								
FEDERAL TRUST PROGRAMS											
Executive Direction	1,688	9	1,688	+6	+0	+0	+753	9	2,447	0	+759
Program Operations and Support	117,712	508	117,712	+153	-9,438	-42	-5,731	466	102,696	-42	-15,016
Program Operations											
Field Operations	21,436	188	21,436	+129	+0	+0	+416	188	21,981	0	+545
Appraisal Services	9,438	42	9,438	+0	-9,438	-42	+0	0	0	-42	-9,438
Trust Services	25,042	108	25,042	+72	+0	+0	-7,444	108	17,670	0	-7,372
Historical Trust Accounting	18,990	12	18,990	+8	+0	+0	-1,087	12	17,911	0	-1,079
Total, Program Operations	74,906	350	74,906	+209	-9,438	-42	-8,115	308	57,562	-42	-17,344
Program Support										0	
Business Management	29,383	70	29,383	-115	+0	+0	+1,195	70	30,463	0	+1,080
Business Management	1,492	10	1,492	6	-158	+0	+0	10	1,340	0	-152
Budget, Finance, & Admin	20,890	22	20,890	-145	+0	+0	-1,142	22	19,603	0	-1,287
[Litigation Support]	[3,086]	0	[3,086]	0	+0	+0	[-321]	0	[2,765]	0	[-321]
[Hearings & Appeals]	[8,516]	0	[8,516]	0	+0	+0	[-886]	0	[7,630]	0	[-886]
Information Resources	5,674	33	5,674	21	158	+0	+2,258	33	8,111	0	+2,437
External Affairs	1,327	5	1,327	3	+0	+0	+79	5	1,409	0	+82
Program Management	13,423	88	13,423	59	+0	+0	+1,189	88	14,671	0	+1,248
Trust Records	8,608	63	8,608	42	+0	+0	+1,317	63	9,967	0	+1,359
Trust Review & Audit	4,263	20	4,263	14	+0	+0	-128	20	4,149	0	-114
Risk Management	552	5	552	3	+0	+0	+0	5	555	0	+3
Total, Program Support	42,806	158	42,806	-56	+0	+0	2,384	158	45,134	0	+2,328
TOTAL, FEDERAL TRUST PROGRAMS	119,400	517	119,400	159	-9,438	-42	-4,978	475	105,143	-42	-14,257
TOTAL, OFFICE OF THE SPECIAL TRUSTEE	119,400	517	119,400	+159	-9,438	-42	-4,978	475	105,143	-42	-14,257

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**Office of the Special Trustee for American Indians
Justification of Fixed Costs and Internal Realignments**
(Dollars in Thousands)

Fixed Cost Changes and Projections	2019 CR Total or Change	2019 CR to 2020 Request Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days between 2019 and 2020.	+212	+201
Pay Raise The 2020 request reflects a pay freeze for civilian employees.	+279	+0
Employer Share of Federal Employee Retirement System The change reflects the directed 2.3% increase in the employer contribution to the Federal Employee Retirement System.	+0	+116
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are detailed in the Budget Justification for Departmental Management.	+72	-57
Worker's Compensation Payments The amounts reflect changes in the estimated costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2020 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.	+0	+6
Unemployment Compensation Payments The amounts reflect projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.	+0	+0
Rental Payments The amounts reflect changes in the costs payable to General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; which in the case of GSA space are paid to Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	+433	-107
Baseline Adjustments for O&M Increases In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.	+0	+0
Internal Realignments and Non-Policy/Program Changes (Net-Zero)		2020 Request (+/-)
Business Management This moves funding for 1 FTE from Business Management to Office of Information Resources.		-158/+158
Office of Appraisal Services The Office of Appraisal Services(OAS) was transferred to Appraisal and Valuation Services (AVSO) within the Office of the Secretary.		-9,438

**Office of the Special Trustee for American Indians
Employee Count by Grade
(Total Employment)**

	FY 2018	FY 2019	FY 2020
	Actuals	Estimate	Estimate
Executive Level II	0	0	0
SES	10	10	10
Subtotal	10	10	10
SL - 00	1	1	1
ST - 00	0	0	0
Subtotal	1	1	1
GS/GM -15	32	34	27
GS/GM -14	89	92	68
GS/GM -13	118	118	80
GS -12	43	43	37
GS -11	26	24	19
GS -10	0	0	0
GS - 9	51	52	28
GS - 8	22	21	20
GS - 7	122	125	112
GS - 6	29	28	27
GS - 5	34	32	27
GS - 4	3	3	3
GS - 3	0	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	569	572	448
Other Pay Schedule Systems	0	0	0
Total employment (actuals & estimates)	580	583	459

Section 403 Compliance

OST adheres to the requirements of Section 403 contained in the Interior, Environment and Related Agencies Appropriations Act requiring agencies to present in their annual budget justification any external and internal administrative costs, overhead charges, deductions, reserves, or holdbacks from programs, projects, and activities to support government-wide, Departmental, and OST administrative functions or headquarters, regional, or central office operations.

OST budgets for these support costs in the Office of Budget, Finance, and Administration (BF&A) line item within Business Management in the Program Support sub activity as a chargeback (reference table below).

	2020 Request
External Administrative Costs	
WCF Centralized Billings	\$2,138,000
WCF Direct Billings	\$3,169,000
Total WCF Costs	\$5,307,000
	2020 Request
Program Assessments	
Human Resources Support	\$1,277,434
Acquisition Support	\$1,101,315
Accounting Support	\$618,397
Security	\$144,822
Space Rental	\$1,014,640
Chargeback Estimate	\$4,156,608

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DEPARTMENT OF THE INTERIOR**OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS****Appropriation Language****Appropriation: Office of the Special Trustee for American Indians, Federal Trust Programs**

(Including Transfer of Funds)

For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, \$105,143,000, to remain available until expended, of which not to exceed \$17,911,000 from this or any other Act, may be available for historical accounting: Provided, That funds for trust management improvements and litigation support may, as needed, be transferred to or merged with the Bureau of Indian Affairs "Operation of Indian Programs" account, the Bureau of Indian Education "Operation of Indian Education Programs" account, the Office of the Solicitor, "Salaries and Expenses" account, and the Office of the Secretary, "Departmental Operations" account: Provided further, That funds made available through contracts or grants obligated during fiscal year 2020, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 5301 et seq.), shall remain available until expended by the contractor or grantee: Provided further, That, notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 15 months and has a balance of \$15 or less: Provided further, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder: Provided further, That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: Provided further, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose: Provided further, That the Secretary shall not be required to reconcile Special Deposit Accounts with a balance of less than \$500 unless the Office of the Special Trustee receives proof of ownership from a Special Deposit Accounts claimant: Provided further, That, notwithstanding section 102 of the American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412) or any other provision of law, the Secretary may aggregate the trust accounts of individuals whose whereabouts are unknown for a continuous period of at least five years and shall not be required to generate periodic statements of performance for the individual accounts: Provided further, That, with respect to the eighth proviso, the Secretary shall continue to maintain sufficient records to determine the balance of the individual accounts, including any accrued interest and income, and such funds shall remain available to the individual account holders.

Note.—A full-year 2019 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2019 (Division C of P.L. 115-245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF THE INTERIOR**OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS****Justification of Proposed Language Changes**

The Department of the Interior's 2020 budget proposes to establish the Bureau of Indian Education as an independent bureau separate for the Bureau of Indian Affairs. To establish the new bureau, DOI proposes to create two new Treasury accounts for BIE, the "Operation of Indian Education Programs" account and the "Education Construction" account. Previous versions of the Office of the Special Trustee for American Indians' appropriations language included a provision to permit funds for trust management improvements and litigation support to be, as needed, transferred to or merged with funds in the Bureau of Indian Affairs, "Operation of Indian Programs" account, the Office of the Solicitor, "Salaries and Expenses" account, and the Office of the Secretary, "Departmental Operations" account. The new "Operation of Indian Education Programs" account is added to the eligible transfer account list in the appropriations language in order to support the possible fund transfers as needed.

DEPARTMENT OF THE INTERIOR**OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS****Appropriations Language Citations**

1. *For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants,*
 - **25 U.S.C. 5321(a) and 5322(a)** directs the Secretary, upon the request of any Indian Tribe, to enter into a contract or contracts to plan, conduct, and administer programs which the Secretary is otherwise authorized to administer (P. L. 93-638, as amended).
 - **31 U.S.C. Chapter 63** provides procedures to be followed in the preparation of Federal contracts, grants, and cooperative agreements.
 - **25 U.S.C. 5363(cc)** provides procedures to be followed to establish and implement Tribal self-governance compacts.
 - **25 U.S.C. 162a** authorizes the deposit and investment of Indian trust funds.
 - **25 U.S.C. 4001 et seq.** provides procedures to be followed for Tribal withdrawal of trust funds, and authorizes the Office of the Special Trustee for American Indians.
 - **25 U.S.C. 459 et seq.** includes numerous provisions affecting specific Tribes related to distribution of claims, settlements, and judgments.
2. *to remain available until expended,*
 - **25 U.S.C. 13a** authorizes the carryover of funds, which were not obligated and expended prior to the beginning of the fiscal year succeeding the fiscal year for which such sums were appropriated.
3. *of which not to exceed \$17,911,000, from this or any other Act, may be available for historical accounting:*
 - Interior and Related Agencies Further Continuing Appropriations Act, 2018 (P.L. 115-141) caps funding for historical accounting in order to preserve funding for other Indian programs.
4. *Provided, That funds for trust management improvements and litigation support may, as needed, be transferred to or merged with the Bureau of Indian Affairs and Bureau of Indian Education, "Operation of Indian Programs" account; the Office of the Solicitor, "Salaries and Expenses" account; and the Office of the Secretary, "Departmental Operations" account:*

- **25 U.S.C. 4043(b) (1)** authorizes the Special Trustee to oversee all reform efforts within the Bureau (of Indian Affairs) and to ensure the establishment of policies, procedures, systems and practices to allow the Secretary to discharge his trust responsibilities in compliance with this chapter. This language also provides the authority for OST to transfer funds to the Office of Hearing and Appeals to address probate backlog reductions as part of trust reform efforts and to the Office of the Solicitor for litigation support.
5. *That funds made available through contracts or grants obligated during fiscal year 2020, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 5301 et seq.), shall remain available until expended by the contractor or grantee:*
- **25 U.S.C. 5301 et seq.** authorizes funds obligated for Tribal contracts to remain available until expended.
6. *That, notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 15 months and has a balance of \$15 or less:*
- **25 U.S.C. 4043(b)(1)** authorizes the Special Trustee to oversee all reform efforts within the Bureau (of Indian Affairs) and to ensure the establishment of policies, procedures, systems and practices to allow the Secretary to discharge his/her trust responsibilities in compliance with this chapter.
 - **25 U.S.C. 4041 et seq.** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
 - **25 U.S.C. 4011(b)** establishes the schedule for issuance of statements of performance. Periodic statement of performance Public Law 106-291, Title I Oct. 11, 2000 114 Stat. 939 and subsequent appropriations through HR 601 P.L. 115-141 provided in part: "That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 15 months and has a balance of \$15.00 or less: provided further, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder."
7. *That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder:*
- **25 U.S.C. 4041 et seq.** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
8. *That not to exceed \$50,000 is available for the Secretary to make payments to correct*

administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: Provided further, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose:

- **Interior and Related Agencies Appropriation Act, FY 2002.** Annual Appropriations Acts have continued this provision each year since FY 2002.

9. *The Secretary shall not be required to reconcile Special Deposit Accounts with a balance of less than \$500 unless the Office of the Special Trustee receives proof of ownership from a Special Deposit Accounts claimant:*

- **American Indian Trust Management Reform Act of 1994, P.L. 103-412, esp. Title I.** The Dawes Act of 1887 and subsequent statutes continuing the allotment process prevent OST from making an operational decision to eliminate reconciliation of low dollar value Special Deposit Accounts. The Dawes Act established the process of creating allotments and the split style of ownership. The Act also charged the Department of the Interior with the responsibility to manage the allotted lands, collect revenue earned on those trust lands, and to pay the earned revenue to the equitable owners of the land.

10. *That, notwithstanding section 102 of the American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412) or any other provision of law, the Secretary may aggregate the trust accounts of individuals whose whereabouts are unknown for a continuous period of at least five years and shall not be required to generate periodic statements of performance for the individual accounts: Provided further, That, with respect to the eighth proviso, the Secretary shall continue to maintain sufficient records to determine the balance of the individual accounts, including any accrued interest and income, and such funds shall remain available to the individual account holders.*

- **Interior and Related Agencies Appropriation Act, FY 2017.** Annual Appropriations Acts have continued this provision each year since FY 2017.

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Activity: Executive Direction
Subactivity: Immediate Office of the Special Trustee

	2018 Actual	2019 C.R.	Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 (+/-)
Executive Direction							
Executive Direction	1,688	1,688	+6	+0	+753	2,447	+759
<i>FTE</i>	6	9	+0	+0	+0	9	0

Program Description

The Special Trustee is charged with general oversight of Indian trust asset reform efforts Department-wide to ensure proper and efficient discharge of the Department’s fiduciary trust responsibilities to federally recognized Indian Tribes, Alaska Natives, and individual Indians.

2020 Activities

The 2020 budget will:

- Fund costs of organization-wide training on operating processes and capabilities of the new Trust Financial Accounting System
- Fund 9 FTE to provide the following:
 - Leadership for strategic planning and oversight of performance
 - Coordination of activities within OST and between other DOI organizations or Federal agencies
 - Coordination for the transfer of the Land Buy-Back Program for Tribal Nations into OST
 - Coordination for the transfer of OST to the Office of the Assistant Secretary – Indian Affairs
 - Implementation of employee training to prevent harassment in the workplace and improve the workplace environment; create effectiveness metrics and monitor performance
 - Continue work with other DOI offices, bureaus and other Federal agencies to prioritize and implement various approaches to reduce the time, cost, and complexity of probates
 - Create informed partnerships with other bureaus and offices to achieve positive trust reform outcomes

Justification of 2020 Program Changes

The 2020 budget request for Office of the Special Trustee - Executive Direction is \$2,447,000 and 9 FTE, a program change of +753,000 from the 2019 C.R., which includes:

Executive Direction (+\$753,000/0 FTE) – The requested \$753,000 supports OST Executive Direction initiatives including working with other bureaus involved with Indian Country, particularly BIA, for the purpose of identifying opportunities for more cost-effective delivery of services. In alignment with the Department’s priority of creating a workplace free of harassment and a workforce embodying the highest ethical standards, Executive Direction will fund mandatory OST-wide training in these areas.

Program Overview

Executive Direction (\$2,447,000/9 FTE) – The Special Trustee is charged with general oversight of Indian trust reform efforts Department-wide to ensure proper and efficient discharge of the Department’s fiduciary responsibilities to federally recognized Indian Tribes, Alaska Natives, and individual Indians. Staff within this office provides guidance shaping the performance of the entire organization, ensuring support for the President’s Management Agenda, the Department’s priorities, and Strategic Plans of both the Department and OST. OST will complete its Strategic Plan for FY 2018-2022 by the end of FY 2019. The budget primarily funds personnel, such as the Principal Deputy Special Trustee, performing organization-wide planning, performance monitoring, and coordination of activities. The Executive Direction staff provides guidance to all programs within OST, coordinates with the Department’s executive leadership and other DOI bureaus, monitors progress, and measures effectiveness of multiple projects targeting increased efficiency, cost savings, and improved services to beneficiaries.

Activity: Program Operations and Support
Subactivity: Program Operations – Field Operations

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Program Operations							
Field Operations	21,436	21,436	+129	+0	+416	21,981	+545
<i>FTE</i>	<i>195</i>	<i>188</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>188</i>	<i>+0</i>

Program Description

Field Operations’ staff serve as the primary point of contact for all of our trust beneficiaries (Tribes, individual Indians, and Alaska Natives) seeking information and services in conjunction with their trust assets. The program will continue interaction with Tribal, individual Indian, and Alaska Native beneficiaries through local community outreach programs, focused on asset management and trust reform initiatives.

2020 Activities

In FY 2020, Field Operations will prioritize service delivery in order to continue to meet its fiduciary obligations to individual Indians, Alaska Natives, and Tribes. Specifically, Field Operations will continue to provide beneficiaries with a dedicated primary point of contact focused on providing beneficiary services in a trusted, timely, and accurate manner as follows:

- The Trust Beneficiary Call Center will answer an estimated 192,000 beneficiary calls (a daily average of 800 beneficiary interactions per day).
- Achieve a first-line resolution rate in the TBCC of 95.6%.
- Complete 100% of requested TBCC call-backs.
- Assist the Land Buy Back Program for Tribal Nations by responding to an estimated 36,000 calls.
- Maintain and enhance strategic partnerships with the Department’s bureaus and offices with Indian trust responsibilities. These partnerships enhance communication with beneficiaries and promote a beneficiary focus throughout the Department.
- Conduct approximately 4,500 outreach events providing information on services provided by OST, trust asset management, trust reform initiatives, and financial skills training, reaching approximately 59,000 individual beneficiaries. Outreach activities reach beneficiaries who might not otherwise be in contact with DOI.
- Continue interactions with Tribal leaders to discuss investment of Tribal trust funds (including investment training), land management and other issues important to the Tribes and their communities.
- Provide financial skills training to IIM beneficiaries throughout Indian Country.
- Respond to 93 percent of beneficiary inquiries within two business days and respond to the balance of these inquiries within 30 days.

Justification of 2020 Program Changes

The 2020 Request budget request for Office of the Special Trustee - Field Operations is \$21,981,000 and 188 FTE, a program change of +\$416,000 and 0 FTE from the 2019 C.R., which includes:

Field Operations (+\$416,000/0 FTE) – This request amount will allow Field Operations to prioritize service delivery to maintain responsiveness to inquiries and continue its ongoing education and outreach efforts to Indian Trust beneficiaries. As OST continues modernizing the Trust Financial Accounting System (TFAS), services and information will become more readily available to Trust account holders.

Program Overview

Field Operations (\$21,981,000/199 FTE) – Field Operations’ staff serve as the primary point of contact for all trust beneficiaries (Tribes, individual Indians, and Alaska Natives) seeking information and services in conjunction with their trust assets. Field staff provides technical assistance to beneficiaries on a daily basis at local levels throughout Indian Country from regional, agency, and urban locations regarding account statements, account balances, account updates, receipts, disbursements, probate processing, leases, and leasing. Other trust asset information important to beneficiaries, such as statutory or regulatory changes affecting trust asset management, is also provided.

Field Operations plays a key role in leading the Department’s outreach efforts to beneficiaries. Outreach events include staff attendance at community meetings, Tribal leadership conferences and social gatherings such as pow-wows, with a focus on providing information on asset management and trust reform initiatives, as well as holding financial skills training for Individual Indian Money (IIM) beneficiaries throughout Indian Country. This training uses culturally sensitive techniques and methods geared to Native American audiences. Topics include balancing checkbooks, applying for credit, estate planning, reading a credit application, budgeting, investing, and planning for the future. There will be a special effort to offer this training to minors approaching the age of majority through the deployment of an online curriculum. The training will also help elders with the special challenge of managing resources they may consider leaving to their heirs.

The TBCC provides convenient “one-stop” service for beneficiary inquiries. Beneficiaries can easily access information and assistance regarding a wide range of account information by calling the toll free number. Additionally, beneficiaries may request a disbursement from, or update their IIM account information. The TBCC utilizes a tracking and case management tool, which is also shared with all OST Agency offices and BIA Social Services to improve communication and collaborative efforts between OST and BIA for the management of supervised accounts.

The office of Trust Fund Investments has increased its role in assisting other agencies within the Department, such as the Bureau of Reclamation, Bureau of Indian Affairs (BIA), Office of Natural Resources Revenue (ONRR), Bureau of Land Management and the Departments of Justice and Treasury by providing trust investment expertise to extend the life of statutory funds and to provide a backdrop for legal settlement negotiations and constructs. Field Operations also provides estate planning opportunities to Indian Trust beneficiaries in accordance with American Indian Probate Reform Act of 2004 (AIPRA).

Activity: Program Operations and Support
Subactivity: Program Operations – Office of Appraisal Services

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Program Operations							
Appraisal Services	9,438	9,438	+0	-9,438	+0	0	-9,438
<i>FTE</i>	48	42	+0	+0	-42	0	-42

Justification of 2020 Change

The 2020 budget request for Office of the Special Trustee - Office of Appraisal Services is \$0 and 0 FTE, a program change of -\$9,428,000 and -42 FTE from the 2019 C.R., which includes:

Office of Appraisal Services (-\$9,438,000/- 42 FTE) The request level reflects the Congressionally approved transfer of the Office of Appraisal Services to the Office of the Secretary's Appraisal and Valuation Services Office in FY 2018. This will allow for the consolidation of all appraisal services into a single entity under the Office of the Secretary as required by the Indian Trust Asset Reform Act.

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Activity: Program Operations and Support
Subactivity: Program Operations – Trust Services

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Program Operations							
Trust Services	25,042	25,042	+72	+0	-7,444	17,670	-7,372
<i>FTE</i>	<i>107</i>	<i>108</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>108</i>	<i>0</i>

Program Description

Trust Services is responsible for all fiduciary accounting activities, liquidity investments, reconciliation, and financial reporting related to the individual Indian, Alaska Native, and Tribal trust funds under management by the Department.

2020 Activities

In FY 2020, Trust Services plans to:

- Attain at least 99 percent accuracy for more than 11,000,000 financial transactions initially processed in trust beneficiary accounts.
- Manage over \$5B in trust funds.
- Disseminate timely financial account information to trust beneficiaries 100% of the time.
- Support subject matter experts defending the Department during litigation.
- Record at least 99 percent of ONRR royalty revenue within 24 hours of receipt.
- Maintain necessary Tribal trust litigation support.
- Continue to process up to 7,000 probate orders and distribution of funds to beneficiaries annually.
- Continue to process up to 350,000 account maintenance transactions annually.
- Continue to compile monthly and annual financial statements, applicable tax reports, and required regulatory financial reports.

Justification of 2020 Program Changes

The 2020 budget request for Office of the Special Trustee - Trust Services is \$17,670,000 and 108 FTE, a program change of -\$7,444,000 from the 2019 C.R., which includes:

Trust Services (-\$7,444,000)/0 FTE) – Savings result primarily from implementation of the new Trust Financial Account System (TFAS). Annual TFAS contract costs will be reduced and the functional benefits of the new system will reduce the costs of supporting large data sets, eliminating internally generated custom reports. Certain processes previously required for reporting and data aggregation can be decommissioned.

Program Overview

Trust Services (\$17,670,000/108 FTE) – Congress has designated the Secretary of the Interior as the trustee delegate with responsibility for the monetary and non-monetary resources held in trust on behalf of American Indian Tribes, individual Indians, and other trust funds. In carrying out the management and oversight of the Indian trust funds, the Secretary has a fiduciary responsibility to ensure that trust accounts are properly maintained, invested, and reported in accordance with the Reform Act, Congressional action, and other applicable laws.

Trust Services is responsible for all fiduciary accounting activities, liquidity investments, reconciliation, and financial reporting related to the individual Indian, Alaska Native, and Tribal trust funds under management by the Department. This office provides leadership, guidance, and oversight of the development of policies, procedures, and processes to ensure proper management of trust funds on behalf of beneficiaries. Trust Services supports Indian Fiduciary Trust Responsibilities through performance measures of providing timely and accurate financial account information to trust beneficiaries, the timely recording of oil and gas royalties in the trust accounting system and the accurate processing of financial information in trust beneficiary accounts.

Trust Services manages over \$5 billion in funds held in trust for federally recognized Indian Tribes, individual Indian, and Alaska Native beneficiaries. Over \$4.2 billion is held in about 3,500 Tribal and other trust fund accounts, including the Alaska Native Escrow Fund. Approximately \$931 million is held on behalf of individual Indians in nearly 406,000 beneficiary accounts. The accumulated balances in the Tribal trust have resulted from claims and judgment awards, investment income, and revenues from approximately 56 million acres of trust lands. Revenues derive from subsurface mineral extractions (coal, oil, gas, and uranium) timber, grazing, and other surface leases. IIM balances are generally on deposit as a result of restricted accounts (e.g., minors, estates, Whereabouts Unknown) and voluntary hold accounts.

Litigation and Support Functions – Trust Services provides valuable litigation support services through subject matter experts, development of presentations, and document production accounting support.

In FY 2020, Trust Services' top priority will continue to be the management of Tribal and Individual Indian Monies trust funds through the accurate and timely execution of investment, disbursement, receipt, accounting, and reporting functions.

Activity: Program Operations and Support
Subactivity: Program Operations – Historical Trust Accounting

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Program Operations							
Historical Trust Accounting	18,990	18,990	+8	+0	-1,087	17,911	-1,079
<i>FTE</i>	<i>11</i>	<i>12</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>12</i>	<i>0</i>

Program Description

The Office of Historical Trust Accounting manages historical accounting of Tribal Trust and IIM accounts, and works to identify ownership and disseminate residual balances in the Special Deposit Accounts and Youpee Escheat Accounts. OHTA provides litigation support to defend the Department against litigation alleging breach of fiduciary trust duties.

2020 Activities

The 2020 request supports:

- 12 FTE to direct the work of contracted staff and provide assistance in fulfilling Freedom of Information Act requests.
- Funding of contracts to:
 - Provide supporting documentation and analysis to the Office of the Solicitor (SOL) and the Department of Justice (DOJ) defending the Department in trust lawsuits alleging breach of trust.
 - Assist in the Department’s work toward negotiated settlements of Tribal trust fund accounting and related claims.
 - Conduct research and analysis to identify ownership of financial assets in Special Deposit Accounts and Youpee Escheat Accounts, and to distribute balances. In FY 2020, OHTA anticipates distributing approximately \$300,000 to newly identified owners.

Justification of 2020 Program Changes

The 2020 budget request for the Office of the Special Trustee - Historical Trust Accounting is \$17,911,000 and 12 FTE, a program change of -\$1,087,000 from the 2019 C.R., which includes:

Office of Historical Trust Accounting (-\$1,087,000)/0 FTE) – This request level will allow other OST funding priorities to be addressed and assumes the number of active cases in litigation that the OHTA supports will remain stable.

Program Overview

Office of Historical Trust Accounting (\$17,911,000/12 FTE) – In July 2001, the Office of Historical Trust Accounting was created by Secretarial Order to plan, organize, direct, and execute the historical accounting of Individual Indian Money (IIM) accounts. OHTA's responsibilities were later expanded to include the provision of historical accountings for Tribal accounts. The OHTA's management model is based on a small staff of Federal employees directing the efforts of a number of individual contractors. The contractors have provided critical technical expertise in areas such as accounting services, data analysis, historical research, information resources, data security, statistical analysis, and document search, collection, imaging, coding, and reproduction.

The Department and OHTA are working to resolve 18 breach of trust lawsuits filed by or on behalf of Tribes and individual Indians that involve claims related to both trust funds and natural resources or land management. These cases are in various Federal District Courts and the Court of Federal Claims. OHTA continues to support active litigation and settlement negotiations in coordination with the Department of Justice (DOJ) and Office of the Solicitor (SOL). The DOJ, SOL, and the Department rely on OHTA to satisfy the critical, and often Court-ordered, information demands (e.g., formal discovery requests) of the litigating Tribes and of the Government for the defense of the lawsuits through document search, document production, accounting services, historical research, data analysis of Tribal and individual accounts and claims, among other litigation support activities.

The OHTA is providing data, analysis, and other support necessary to close out the Claims Resolution Act of 2010, which authorized settlement of the *Cobell v. Salazar* class action litigation and features, in part, various payments to class members and a substantial land consolidation effort.

Tribal Historical Accounting – The OHTA will continue to compile, share, and explain trust fund accounting and related information to help resolve the remaining Tribal and individual breach of trust cases and avoid future disputes or claims. The Tribal Division's efforts remain focused on supporting resolution of breach of trust and related lawsuits brought by Tribes and individual Indians alleging violation of the Department's trust relationship. The OHTA is the Department's *sole* office to provide litigation support (document research and retrieval, document reproduction, and expert analysis) – for violations of trust claims against the Department.

Special Deposit Accounts/Youpee Escheat Funds Distribution Project – The OHTA will continue to identify the proper ownership of residual balances in aged Special Deposit Accounts (SDA's). The balances that have accumulated in these SDA's resulted generally from judgment awards, settlement of claims, land-use agreements, royalties on the use of natural resources, other proceeds derived directly from trust resources, and financial investment income. OHTA plans, organizes, directs, and executes the historical accounting of IIM accounts, conducting the research and performing the necessary analysis to distribute trust funds residing in SDA's and Youpee Escheat Accounts to proper owners whether it be Tribes, individual Indians, and/or non-trust entities. The Youpee Escheat accounts reflect income from land interests that had escheated (transferred) to Tribes under legislation that the Supreme Court deemed unconstitutional. OST's 2020 budget request will allow the annual closure goals of \$300,000 to be

distributed to individual Indians (both SDAs and Youpee accounts), Tribes, and/or third parties.

IIM Historical Accounting – OHTA will continue to address claims arising from the *Cobell* account holders who identified themselves or their heir prior to November 2017. OHTA identified and now confirmed 17,297 estate records of the 23,908 estate Class Members Claims Administrator provided for which *it anticipates being able to provide a probate*. The associated payment amount for these estate Class Members total \$31,617,741. OHTA identified an additional 6,592 estates with a total payment value of \$7,985,062, where further research is needed to verify if Interior has a probate order or one is anticipated to be available in the future. OHTA will continue updating and improving the master database being used for litigation, and the database used to make *Cobell* award payments. OHTA anticipates that the distribution of the *Cobell* settlement payments will continue into FY 2020.

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Activity: Program Operations and Support
Sub-Activity: Program Support

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Program Support	42,806	42,806	-56	+0	+2,384	45,134	+2,328
Business Management	29,383	29,383	-115	+0	+1,195	30,463	+1,080
Program Management	13,423	13,423	+59	+0	+1,189	14,671	+1,248
<i>FTE</i>	<i>167</i>	<i>158</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>158</i>	<i>0</i>

Program Overview

Business Management and Program Management comprise the Program Support subactivity. Although the programs focus on different specialized aspects of OST, both support fiduciary trust responsibilities to Tribal and individual Indian beneficiaries.

Business Management provides strategic planning, workforce planning, training design and coordination for staff development, and the execution of special projects as directed by executive management. Administrative functions, including budget and finance services, information resources, interface with external organizations, and clerical support are also provided.

Program Management provides independent audits of Indian fiduciary trust programs and monitors implementation of corrective actions to address any deficiencies. Independent from Trust Review and Audit, the Risk Management group conducts a comprehensive program to identify and mitigate risk. Management and operation of the American Indian Records Repository falls within Program Management. Tangent to the management of records, the program is responsible for the development of records management policies, and provides records management training and support services to OST and BIA.

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Activity: Program Operations and Support
Subactivity: Program Support – Business Management

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Business Management	29,383	29,383	-115	+0	+1,195	30,463	1,080
Business Management	1,492	1,492	+6	-158	+0	1,340	-152
Budget, Finance & Administration	20,890	20,890	-145	+0	-1,142	19,603	-1,287
<i>Litigation Support</i>	<i>[3,086]</i>	<i>[3,086]</i>	+0	+0	<i>[-321]</i>	<i>[2,765]</i>	<i>[-321]</i>
<i>Office of Hearings and Appeals</i>	<i>[8,516]</i>	<i>[8,516]</i>	+0	+0	<i>[-886]</i>	<i>[7,630]</i>	<i>[-886]</i>
Information Resources	5,674	5,674	+21	+158	+2,258	8,111	+2,437
Office of External Affairs	1,327	1,327	+3	+0	+79	1,409	+82
FTE	78	70	0	0	0	70	0

Program Description

Business Management provides administrative functions for the entire OST organization, including budget, acquisitions, and management of physical assets. This subactivity includes information resources, internal and external communications, strategic planning, workforce planning, coordination for staff development, and the execution of special projects as directed by executive management.

2020 Activities

- Supports IT infrastructure and services, ensuring continued confidentiality, integrity, and availability of the OST network, data center services, help desk response, and workstation (hardware and software) management.
- Advance existing mission support IT applications/systems and develop applications to address new or changing requirements.
- Oversees and monitors the protection of OST’s information technology assets.
- Continued development of an enterprise architecture model ensuring departmental shared-services, mobile workforce technologies and the consolidation of IT investments, applications and data.
- Administering the P.L. 93-638 self-governance and self-determination activities and services to Tribes who contract or compact the Beneficiary Process Program (BPP).
- Coordinating and reviewing formal applications from Tribes to withdraw their funds from trust status, for Tribal self-investment and management and encouraging enhanced Tribal involvement in this program whenever possible.
- Continuing the proactive development and dissemination of information concerning OST activities and new opportunities of importance to beneficiaries, Tribal leaders and Native organizations.
- Continuing to support OST’s national debit card and direct deposit programs for IIM account holders and seeking to further Whereabouts Unknown (WAU) awareness in Indian Country.
- Management of Reimbursable Support Agreements for Human Resources, Acquisitions, Accounting

functions and other services provided to, or by OST for other Federal entities.

- Management of OST's Travel Card and Purchase Card programs.
- Creation of all budget formulation and execution reports required by the Department, OMB, and Congress.
- Provide Workforce planning to: 1) create career development paths for employees, 2) align operating costs with projected funding, 3) identify new skill sets required to accommodate changes in processes and new technologies.

Justification of the 2020 Program Changes

The 2020 Request budget request for Office of the Special Trustee - Business Management is \$30,463,000 and 65 FTE, a program change of +\$1,195,000 and 0 FTE from the 2019 C.R., which includes:

Business, Finance and Administration (-\$1,142,000/0 FTE) – The program will continue to provide needed budget, finance, and administrative support as OST carries out its fiduciary trust responsibilities to federally recognized American Indian Tribes, individual Indian, and Alaska Natives. Funding to the Solicitor's Office for litigation support and the Office of Hearings and Appeals for probate adjudication will continue.

Information Resources (+\$2,258,000/0 FTE) – The Office of Information Resources (IR) will continue implementation of its comprehensive plan to centralize and automate OST's IT network services. This will include funding critical IT investments for migration of the existing OST hardware infrastructure to a FEDRAMP certified, FISMA moderate cloud computing environment. The new Business Intelligence program will eliminate the need for infrastructure costs associated with the previous IR TFAS hosting and security environment, generating savings as OST is modernizing TFAS services.

Office of External Affairs (+\$79,000/0 FTE) – This request level will allow for the OEA to designate a Chief Learning Officer to oversee the development and implementation of training programs and facilitate activities to improve employee productivity within OST.

Program Overview

Business Management (\$1,340,000/10 FTE) – Business Management includes the Deputy Special Trustee for Business Management and funding for the Office of the Chief of Staff providing a variety of services to the entire OST organization. This office coordinates activities across the entire organization, conducts workforce planning, performs special projects as directed by Executive Management, and assists with development and monitoring of OST's Strategic Plan.

Budget, Finance, and Administration (\$19,603,000/22 FTE) – The BF&A office supports OST in carrying out its fiduciary trust responsibilities to federally recognized American Indian Tribes, individual Indians, and Alaska Natives by providing budget, finance, and administrative support and services. BF&A coordinates or generates reports for the Department, the Office of Management and Budget and to the U.S. Congress. Functions of the BF&A program include management of reimbursable support agreements/contracts for accounting/financial, acquisitions/contracting, security, telecommunications, and

human resource services for the entire organization. Additionally, this program provides facilities, government fleet, and property management, health and wellness services, budget formulation and execution, purchasing, and numerous administrative services. This office also coordinates the implementation of performance improvement throughout OST by closely monitoring program outputs and activities in accordance with the Government Performance and Results Act.

Litigation Support (\$2,765,000) - BF&A’s budget includes pass-through funding for the Solicitor’s Office (SOL). Services provided by SOL include (but are not limited to): document production capabilities, case load review, analysis, management and support, as well as, ethics and internal controls counsel and advice.

OHA Probate Performance Data 2014-2018				
	Number of Cases Pending Beginning of Year	Number of New Cases Received	Number of Cases decided	Number of Cases Pending End of Year
FY 2014	5,365	7,044	6,919	5,490
FY 2015	5,490	6,505	6,843	5,152
FY 2016	5,152	6,317	6,233	5,236
FY 2017	5,236	6,051	6,604	4,683
FY 2018	4,683	5,635	4,607	5,711

Office of Hearings and Appeals (\$7,630,000) – The budget for BF&A includes pass-through funding for the Office of Hearings and Appeals. OHA uses the funding for probate adjudication of Indian trust estates, ensuring that individual Indian interests in allotted lands, their proceeds, and other trust assets convey to the decedents' rightful heirs and beneficiaries.

Office of Information Resources (\$8,111,000/33 FTE) – Overseen by the Associate Chief Information Officer (ACIO), the Office of Information Resources (IR) provides organization-wide information resources and support for OST in carrying out fiduciary trust responsibilities to Tribal and individual Indian beneficiaries. OIR develops, maintains, and operates the trust information technology (IT) enterprise architecture; provides day-to-day computer support to OST personnel nationwide; and develops and maintains applications in support of the OST mission. In FY 2020 IR will continue work in completing its mobile workforce, consolidating its data centers, and driving intra-agency shared services, as well as working to migrate from a data centric environment to the cloud, including Voice over Internet Protocol (VoIP), and mobile beneficiary banking.

IR Planning Strategies – IR completed a 5-year strategic plan in FY 2018 aligned with the Federal Information Technology Acquisition Reform Act (FITARA), the Departmental CIO’s office, and OST’s strategic plan. The use of the Department’s Government Wide Acquisition Contract (GWAC) vehicles and Blanket Purchase Agreements (BPA) will accelerate OST’s IT modernization efforts while leveraging economies of scale, and intra-agency shared services.

Office of External Affairs (\$1,409,000/5 FTE) – The OEA has four primary areas of responsibility in supporting the Special Trustee’s statutorily- required reform and oversight activities:

1. Communicating with a diverse group of internal and external stakeholders about OST’s programs and activities and the Department’s trust reform initiatives.
2. Training, Policies and Employee Engagement & Culture Change.
3. Support to Tribes desiring to withdraw and self-manage their financial trust assets.
4. Congressional liaison activities.

Communications – OEA provides Tribal and individual Indian trust beneficiaries, Department personnel, U.S. Congress, other government agencies, and the public with a wide range of information on the status of trust reform priorities, current initiatives, and benefits through personal contacts, dissemination of printed and electronic outreach materials, and news releases. Examples of information created and disseminated include brochures explaining: the probate process, applying to withdraw funds held in trust, and the Explanation of Payments statement. Communications generated for internal use focus on apprising employees of OST’s activities, new legislation affecting beneficiaries, promoting training opportunities and enhancing employee engagement.

Training, Policies and Employee Engagement & Culture Change – OST recognizes that the improvement of employee morale and satisfaction in the workplace and the supervisor/employee relationship is critical to building an effective organization. A Chief Learning Officer will be appointed to oversee the development and implementation of training programs and facilitate activities to foster a positive culture and improve employee productivity within OST.

Self-governance and Self-Determination – The American Indian Trust Funds Management Reform Act of 1994, Public Law 103-412, authorizes Tribes to withdraw Tribal funds held in trust status for Tribal self-investment and management, thereby eliminating Federal management. To withdraw Tribal funds, a Tribe must submit a formal application that includes data and information about how the Tribe intends to invest and manage the funds once withdrawn from trust status. OEA provides information and technical assistance to Tribes on the withdrawal process and helps coordinate the Department’s activities in response to requests for withdrawal.

In the past, a significant portion of OEA’s operating budget was used to support the administration of Indian self-governance and self-determination activities as authorized by Title I and Title IV of Public Law 93-638. With the transfer of the appraisal function to the AVSO, OEA will no longer contract or compact with Tribes for the appraisal function. OEA will continue to administer the Beneficiary Process Program (BPP) for Tribes who contract or compact that function.

Congressional Liaison – In fulfillment of congressional liaison responsibilities, OEA provides the Congress with an annual report and a wide range of information on the status of trust reform priorities, current initiatives and benefits through formal briefings, personal contacts, and printed materials.

Activity: Program Operations and Support
Subactivity: Program Support – Program Management

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Program Management	13,423	13,423	+59	+0	+1,189	14,671	+1,248
Trust Records	8,608	8,608	+42	+0	+1,317	9,967	+1,359
Trust Review and Audit	4,263	4,263	+14	+0	-128	4,149	-114
Risk Management	552	552	+3	+0	+0	555	+3
FTE	89	88	+0	+0	+0	88	+0

Program Description

Program Management is comprised of the Office of Trust Records (OTR), Office of Trust Review and Audit (OTRA), and Office of Risk Management (ORM). These organizations’ duties include performing independent audits, trust records management assessments of Indian fiduciary trust programs, monitoring implementation of corrective actions to address any deficiencies, and facilitating OST’s compliance with the Federal Managers Integrity Act (FMFIA) and OMB Circular A-123.

2020 Activities

- Conduct 21 OST Financial Business Process Reviews.
- Provide 2,000 timely and efficient records research responses.
- Index and accession 8,500 boxes of records.
- Conduct online Records Management Training for 150 OST and Indian Affairs personnel.
- Improve delivery of records management training and expand records management outreach through utilization of the OST public website.
- Conduct 60 Trust Evaluations (Including Tribal Trust Evaluations completed utilizing a Reengineered Tribal Trust Evaluation process).
- Conduct 42 Trust Records Management Assessments.

Justification of 2020 Program Changes

The 2020 budget request for Office of the Special Trustee - Program Management is \$14,671,000 and 88 FTE, a program change of +\$1,189,000 and 0 FTE from the 2019 C.R., which includes:

Trust Records (+\$1,317,000/0 FTE) –Trust Records will continue to manage operations at the American Indian Records Repository (AIRR), develop records management policies and procedures, and provide records management training, authoritative guidance, and support services to OST, IA, and Indian Tribes/Consortia. Additionally, Trust Records will continue digitizing a portion of records in storage.

Trust Review and Audit (-\$128,000/0 FTE) – OTRA will continue its efforts to examine trust programs and trust records management for deficiencies, identify findings, and monitor corrective actions.

Program Overview

Program Management (\$14,671,000/88 FTE) – Three separate functional units comprise Program Management: Office of Trust Records (OTR), Office of Trust Review and Audit (OTRA), and Office of Risk Management (ORM). All three report to the Deputy Special Trustee – Program Management (DST-PM) and support OST in carrying out the fiduciary trust responsibilities to Indian Tribes and individual Indian beneficiaries. OTR develops records management policies; provides records management training and support services to OST and Indian Affairs (IA); and provides administrative oversight of the American Indian Records Repository (AIRR). OTRA provides independent examinations of Indian fiduciary trust programs; assesses records management compliance with established policies and procedures; and monitors the implementation of corrective actions to address identified deficiencies. ORM assists the organization in its efforts to implement Enterprise Resource Management, monitors risk management efforts to include the coordination and facilitation of OST’s compliance with OMB Circular A-123, with appendices, FMFIA, and Interior guidance.

Office of Trust Records (\$9,967,000/63 FTE) - OTR is comprised of two Divisions: 1) the Division of Records Management Operations in Lenexa, Kansas, and 2) the Division of Records Management Policies, Procedures, and Training in Albuquerque, NM. In addition to the Branch of Field Services, the former Division manages AIRR operations, while the latter Division develops records management policies and procedures and provides records management training, authoritative guidance, and support Services to OST, IA, and Indian Tribes/consortia. The Branch of Field Services provides training and technical assistance to field programs and offices.



The Entrance to the American Indian Records Repository

In addition, OTR develops and obtains approval from the Archivist of the United States for records schedules; develops computer-based records management training; administers the disposition and safeguard of inactive records; retrieves records for authorized users; supports the implementation of Interior’s eERDMS initiative; and manages/administers all inactive record activities/processes. This includes the electronic index of inactive records; assures security safeguards are in place at AIRR; provides remediation services for damaged inactive records; and limits access to inactive records to authorized users only.

Office of Trust Review and Audit (\$4,149,000/20 FTE) – OTRA examines trust programs and trust records management for deficiencies, identifies findings, issues reports, and monitors corrective actions for the identified deficiencies. OTRA also evaluates trust programs managed by Indian Tribes under Self-Determination compact agreements (Title 25 CFR, Part 1000).

Office of Risk Management (\$555,000/5 FTE) – ORM helps to ensure OST complies with OMB Circular A-123, with appendices, and the FMFIA. To help ensure compliance, ORM coordinates management’s annual self-assessment evaluation of the effectiveness of internal controls designed to

mitigate risk associated with financial and non-financial program activities; conducts independent testing of the internal controls within financial business processes; conducts internal control reviews of programs; and provides assistance with risk management inquiries. ORM ensures that among the program manager risk assessments for the reviews conducted by OTRA and independent external auditors, OST management can provide reasonable assurance that the financial reports are reliable, their programs operate efficiently and effectively, and their programs comply with applicable laws and regulations.

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Tribal and Other Trust Funds
(Dollars in Thousands)

	2018 Actual	2019 CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2020 Request	Change from 2019 CR (+/-)
Total	99,132	142,000	+0	+0	+5,000	147,000	+5,000
Tribal Special Fund	45,208	103,000	+0	+0	+4,000	107,000	+4,000
Tribal Trust Fund	53,924	39,000	+0	+0	+1,000	40,000	+1,000
FTE	0	0	+0	+0	+0	0	+0

Program Overview

The budget authority for the Tribal Special Fund and Tribal Trust Fund is equal to receipts of settlements and/or judgments from the Judgement Funds for on-budget trust funds as well as transaction activity from buying and selling investments outside of Treasury for on-budget trust funds; including investment income and proceeds from investment in government sponsored entity securities. Most of the assets of these funds are in investments held outside Treasury.

Tribal Special Fund

This fund includes activities associated with the following accounts:

- *Tribal Economic Recovery Fund*. This fund is authorized by the Three Affiliated Tribes and *Standing Rock Sioux Tribe Equitable Compensation Act of 1992* (P.L. 102-575) and holds funds which have been appropriated pursuant to the Act. Beginning in 1998, interest earned on the principal of this fund is available for both Tribes for economic development, education, and social services programs.
- *Three Affiliated Fort Berthold* (P.L. 102-575). The fund is not designated by law as a trust fund. The Act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of Tribal lands related to the Garrison Dam and Reservoir project. The Tribes are only entitled to the interest earnings, not the corpus (sec 3504(a)(4)).
- *Standing Rock* (P.L. 102-575, Title XXXV). The Act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of Tribal lands related to the Garrison Dam and Reservoir project. The Tribes are only entitled to the interest earnings, not the corpus (sec. 3504(a)(4)).
- *Papago Cooperative Fund* (P.L. 97-293). The fund was established for the Tribe to obtain services that are financed by earnings on investment of the fund.
- *Ute Tribe* (P.L. 102-575, Title V). The fund was established for certain environmental and developmental purposes. One of the expressed purposes of this Act is to put the Tribe in the same economic position it would have been in had features contemplated by a September 20, 1965 agreement with the United States and others been constructed and thus, resolve Tribal claims arising out of the agreement. In addition, the Act qualifies the Tribe’s reserved rights and provides for the waiver of Tribal claims related to this issue. The funds provided for by Section 504, like all funds provided for by the Act, with the exception of those funds provided for under Section 505, are intended to resolve legal claims related to the Tribe’s water rights.

- *Pyramid Lake Indian Reservation* (P.L. 101-618). (Specifically, the Lahontan Valley and Pyramid Lake Fish and Wildlife Fund). The Lahontan Valley and Pyramid Lake Fish and Wildlife Fund consist of payments for the use of certain water and transfers from the Fisheries Fund. Except for the transfers, the use of the funds is subject to the appropriations for fish and protection.
- *San Luis Rey Water Authority* (P.L. 100-675). This settlement resolved pending water rights litigation between the United States and the Bands local entities. The Act established the San Luis Rey Tribal Development Fund and authorized appropriations of \$30 million to the Fund. Following execution of the proposed settlement agreement, the Secretary of the Treasury is directed to make funds available upon the request of the Indian Water Authority.
- *Cochiti Wetfields Solution*. In 1994, the Army Corps of Engineers transferred \$4 million pursuant to P.L. 102-358 to fund the Department's responsibilities under the settlement agreement between Cochiti Tribe, the Corps, and the Department. The Secretary of the Interior is responsible for maintenance, repair, and replacement of a drainage system constructed by the Corps for the Cochiti Pueblo.

Tribal Trust Fund

This fund includes activities associated with the following accounts:

- *Funds Contributed for the Advancement of the Indian Race*. This fund accounts for any contributions, donations, gifts, etc., which are to be used for the benefit of American Indians in accordance with the donors' wishes (82 Stat. 171).
- *Bequest of George C. Edgeter*. This fund includes a donation made by George C. Edgeter; income is available according to the terms of the bequest for the expenditure as determined by the Assistant Secretary - Indian Affairs, for the relief of American Indians.
- *Ella M. Franklin Fund*. This fund consists of a bequest, the principal of which is invested in U.S. Treasury securities, and the interest is to be used for the relief of American Indians as specified by the donors' wishes (82 Stat. 171).
- *Josephine Lambert Fund*. This fund includes a donation made by Josephine Lambert, income to be used for the health or education of underprivileged Indian Children.
- *Orrie Shaw Fund*. This fund includes a donation made Dr. Orrie Shaw, income used only for the training or education of American Indians.
- *Welmas Endowment Fund*. This fund was established to receive revenue generated by land owned by the decedent for the period of ten (10) years whereby the annual interest earnings of the endowment can be distributed by the Assistant Secretary - Indian Affairs for the education of members of federally recognized Tribes; provided that 20 percent of the annual interest serves to benefit the education of Agua Caliente Tribal members. The Tribe has the option of obtaining complete control of the land, prior to the end of the endowment period, if it elects to fund the endowment so that the principal amount reaches \$750,000.
- *Arizona Intertribal Fund* (P.L. 100-696). The fund represents an exchange agreement for privately held lands in Florida for publicly held land in Arizona. Use of the money is subject to appropriations and is available to pay for supplemental education and child welfare programs.
- *Navajo Trust Fund* (P.L. 100-696). The fund ratifies an exchange of Federal Land in Arizona.
- *Crow Creek* (P.L. 104-223). The Act established a corpus that is to be invested and makes the interest

earnings available without appropriation for the various activities under Section 5. However, the Act does not appear to transfer ownership of the money to the Tribe or create a legal claim to the funds, until it is paid to them.

- *Lower Brule Infrastructure* (P.L. 105-132). The Act provides additional compensation to the Lower Brule Sioux Tribe for the taking of land related to the construction of the Fort Randall and Big Bend dams. The Congress had originally provided compensation of \$4.3 million in 1958 and 1962. Total deposits are capped at \$39.3 million. The Act does not appear to transfer ownership of the money to the Tribe or create a legal claim to the funds, until it is paid to them.
- *Chippewa Cree Tribal Compact ADM/Chippewa Cree Future Water Supply* (P.L. 106-163). The fund was established in FY 2001. The trust fund is established under Title I, Sec. 104, Chippewa Cree Indian Reserved Water Rights Settlement Trust Fund. The ownership of the trust fund does not convey to the Tribe until such time as the Tribe waives all claims and meets the underlying settlement requirements.
- *Shivwits Band of Paiute Indians* (P.L. 106-263). The fund was established in FY 2002. Ownership of the trust fund does not convey to the Tribe until such time as funds have been appropriated and deposited into the Trust fund; the St. George Water Reuse Project Agreement, the Santa Clara Project Agreement and the Settlement Agreement are approved and in effect; the State Engineer of Utah has approved all applications necessary to implement the provisions of the Santa Clara Project Agreement, St. George Water Reuse Agreement and the Settlement Agreement; the Court has entered a judgment and decree confirming the Shivwitz Water Rights and is final as to all parties to the Santa Clara Division and the Virgin River Adjudication.
- *Northern Cheyenne Indian Reserved Water Rights Settlement Trust Fund* (P.L. 103-374). This fund established a \$21.5 million trust fund for the Northern Cheyenne Indian Tribe. These funds may be used by the Tribe to make \$11.5 million available to the State of Montana as a loan to assist in financing Tongue River Dam project costs; land and natural resources administration, planning, and development; land acquisition; and any other purpose determined by the Tribe. In addition, this fund holds \$31.5 million for the enlargement and repair of the Tongue River Dam project.
- *The Crow Creek Sioux Tribe Infrastructure Development Trust Fund of 1996* (P.L. 104-223, 110 Stat 3026). The Fund establishes a Crow Creek Sioux Tribe Infrastructure Development Trust Fund. In FY 1997, \$27.5 million was deposited into the Fund. The interest earned from the invested principal is available for payment to the Tribe for Tribal education, health care, recreation, and other projects.

Justification of 2020 Program Changes

The FY 2020 budget request for the Tribal Special Fund and Tribal Trust Fund totals \$147,000,000.

Budget Classification of Tribal Trust Funds

Tribal Trust funds are deposited into consolidated accounts in the U.S. Treasury pursuant to: 1) general or specific acts of Congress and, 2) Federal management of Tribal real properties, the titles to which are held in trust for the Tribes by the United States. These funds are available to the respective Tribal groups for various purposes, under various acts of Congress, and may be subject to the provisions of Tribal constitutions, bylaws, charters, and resolutions of the various Tribes, bands, or groups.

Commencing with FY 2000, most Tribal trust funds, including special funds managed by OST were reclassified as non-budgetary. Ownership of these funds did not change; changes were made for presentation purposes only. Some Tribal trust funds remain budgetary, in the Tribal Special or Tribal Trust Funds accounts.

The budgetary funds are included in either a budgetary special fund account or trust fund account. The distinction between a special and a trust fund is purely technical from a budgetary standpoint; if the law creating the fund delineates it as a “trust fund”, it is included in the trust fund account. If the law delineates the fund as something other than a trust fund (e.g., a “development fund”), it is included in the special fund account.

Trust Land Consolidation Fund

Appropriation Summary Statement

The Class Action Settlement Agreement resulting from the *Cobell v. Salazar* litigation (confirmed by the Claims Resolution Act of 2010, P.L. 111-291, and finalized on November 24, 2012), established a \$1.9 billion Trust Land Consolidation Fund for the purchase of fractional interests in trust or restricted land from Individual Indian landowners in accordance with the Indian Land Consolidation Act Amendments of 2000 P.L. 106-462. The fund also covers implementation costs to address the problem of fractionated interests by continuing the process of consolidating fractional interests through Tribal and landowner collaboration.

Activity: Land Buy-Back Program for Tribal Nations

Program Overview

In 2012, the Settlement Agreement established a new \$1.9 billion Trust Land Consolidation Fund (Fund) to acquire fractional interests in trust or restricted land from individual Indian landowners who are willing to sell their interests for fair market value. Acquired interests will remain in trust or restricted status, and will expand Tribal economic development opportunities across Indian Country, and in turn, restore Tribal control over Tribal lands to strengthen Tribal self-determination. The Settlement states the Fund must be expended within a 10-year period. Any funds remaining at the end of the 10-year period, (November 24, 2022), return to the U.S. Treasury. As provided in the Settlement, implementation costs to acquire fractional interests and associated trust reform activities, must not exceed 15 percent of the Fund. As an additional incentive to participate in the Land Buy-Back Program (LBBP), the Settlement provided that a portion of the Fund, up to \$60 million, would be contributed to an Indian Education Scholarship Holding Fund. Contributions reached \$60 million in 2017 and have been distributed to Indigenous Education Inc., which administers the Cobell Education Scholarship Fund. The Cobell Education Scholarship Fund provides financial assistance to American Indian and Alaska Native students attending post-secondary vocation schools or institutions of higher education. A Board of Trustees manages the Cobell Education Scholarship Fund.

The principal goal of the LBBP is to maximize the reduction of the fractional land interests through voluntary sales in the most effective manner possible. Despite the large size of the Fund, it is not sufficient to purchase all fractional interests across Indian Country. Consequently, it is imperative that the Fund continue to be used thoughtfully on cost-effective acquisitions, to have maximum impact.

Justification of 2020 Program Changes

The LBBP, authorized by the Settlement Agreement (Settlement) in *Cobell v. Salazar*, No. 96-CV-1285-JR (as confirmed by the Claims Resolution Act of 2010 (P.L. 111-291), was established by the Secretary (Secretarial Order 3325) to ensure implementation of the land consolidation activities in the Cobell Settlement and expenditure of the \$1.9 billion Trust Land Consolidation Fund. The Department continues to propose the transfer of the LBBP from the Office of the Secretary to OST. This transfer will enhance the coordination of support activities and technical assistance provided by OST to the LBBP and to present opportunities to streamline LBBP processes. This placement of the LBBP will continue until the Fund is exhausted or the statutory time period has expired.

The LBBP's funding will continue to be used in accordance with the Settlement Agreement. The Fund will remain separate from appropriated funding for OST operations; all LBBP staffing and operational costs will continue to be paid from the Fund. The Oversight Board created for the LBBP will continue to exist to provide policy guidance, oversight, and other assistance to the LBBP.

From the beginning, OST provided significant support to the LBBP in a variety of areas, and will continue to do so. OST employees organize and conduct local LBBP outreach events both prior to and during LBBP offer sets. OST staff develops outreach materials and conducts presentations at LBBP

outreach events. At LBBP outreach events and during regular office hours, OST staff provides general financial education to landowners and educates landowners about their individual interests and possible participation in the LBBP. In addition to in-person assistance, the OST’s TBCC is available to respond to landowner questions via telephone. To date, OST’s TBCC has received 163,107 LBBP-related inquiries. While many callers have general questions about the LBBP, the majority of callers request OST’s assistance with their offer packets. OST is also responsible for updating landowner contact information and registering individuals who self-identify as willing sellers. Lastly, OST manages and disburses all LBBP payments to landowners. OST’s contributions to and support of the LBBP have greatly enhanced the LBBP’s ability to fulfill its mandate.

Program Performance Estimates

Land Buy-Back for Tribal Nations Spending by Fiscal Year			
(Dollars in Thousands)			
	2018	2019	2020
	Actual	Estimate	Estimate
Trust Land Consolidation Fund			
Land Purchases	\$46,566	\$175,091	\$110,411
Administrative Costs	\$16,051	\$20,453	\$21,010
Total	\$62,617	\$195,544	\$131,421
Indian Education Scholarship Holding Fund*			
*The Buy-Back program transferred a cumulative amount of \$60 million to the Cobell Education Scholarship Fund effective March 2017, which was the maximum amount that could be made available under the terms of the Settlement.			

In 2018, the LBBP surpassed a billion in cumulative land sales paying nearly \$46.6 million to landowners who accepted offers resulting in more than 53,000 fractional interests purchased (nearly 72,000 equivalent acres consolidated).

As of FY 2018 the LBBP has paid landowners approximately \$1.3 billion and it has created or increased Tribal ownership in nearly 44,000 tracts of allotted land – with more than 1,600 of those tracts reaching 100 percent Tribal trust ownership. The LBBP has acquired nearly 783,000 interests, which is a 26 percent reduction in total purchasable fractional interests identified by the LBBP in 2013. The LBBP has restored the equivalent of more than 2.2 million acres of land to Tribal trust ownership.

In FY 2019, the LBBP continues to release offers at scheduled locations as announced in July 2017. The LBBP estimates that it will acquire approximately 110,000 fractional interests and total payments to landowners will be approximately \$175 million. In addition, the LBBP estimates it will transfer the equivalent of more than 372,000 acres of land to Tribal trust ownership.

The LBBP will continue working to reduce land ownership fractionation in 2020 by continuing implementation efforts at scheduled locations while effectively managing administrative costs. The LBBP

will implement at locations beyond its announced schedule, and will contact Tribes individually, as resources allow. The LBBP estimates that it will acquire more than 146,000 fractional interests and that total payments to landowners will exceed more than \$110 million. In addition, the LBBP estimates it will transfer the equivalent of more than 304,000 acres of land to Tribal trust ownership.