

UNITED STATES DEPARTMENT OF THE INTERIOR

**OFFICE OF THE SPECIAL TRUSTEE
FOR AMERICAN INDIANS**

Budget Update

**Tribal/Interior Budget Council
Washington, D.C.**

November 8, 2013

OST



2014 - Current Status

- Currently OST is operating under a Continuing Resolution (C.R.) through January 15, 2014.
- Under the C.R., OST is held to the FY 2013 funding level that includes:
 - 5% sequestration reduction of \$7.7 million.
 - An additional across-the-board reduction of \$292,000.
 - The C.R. is prorated for a length of 107 days.
- Funding available through January 15, 2014, is \$40.5 million.

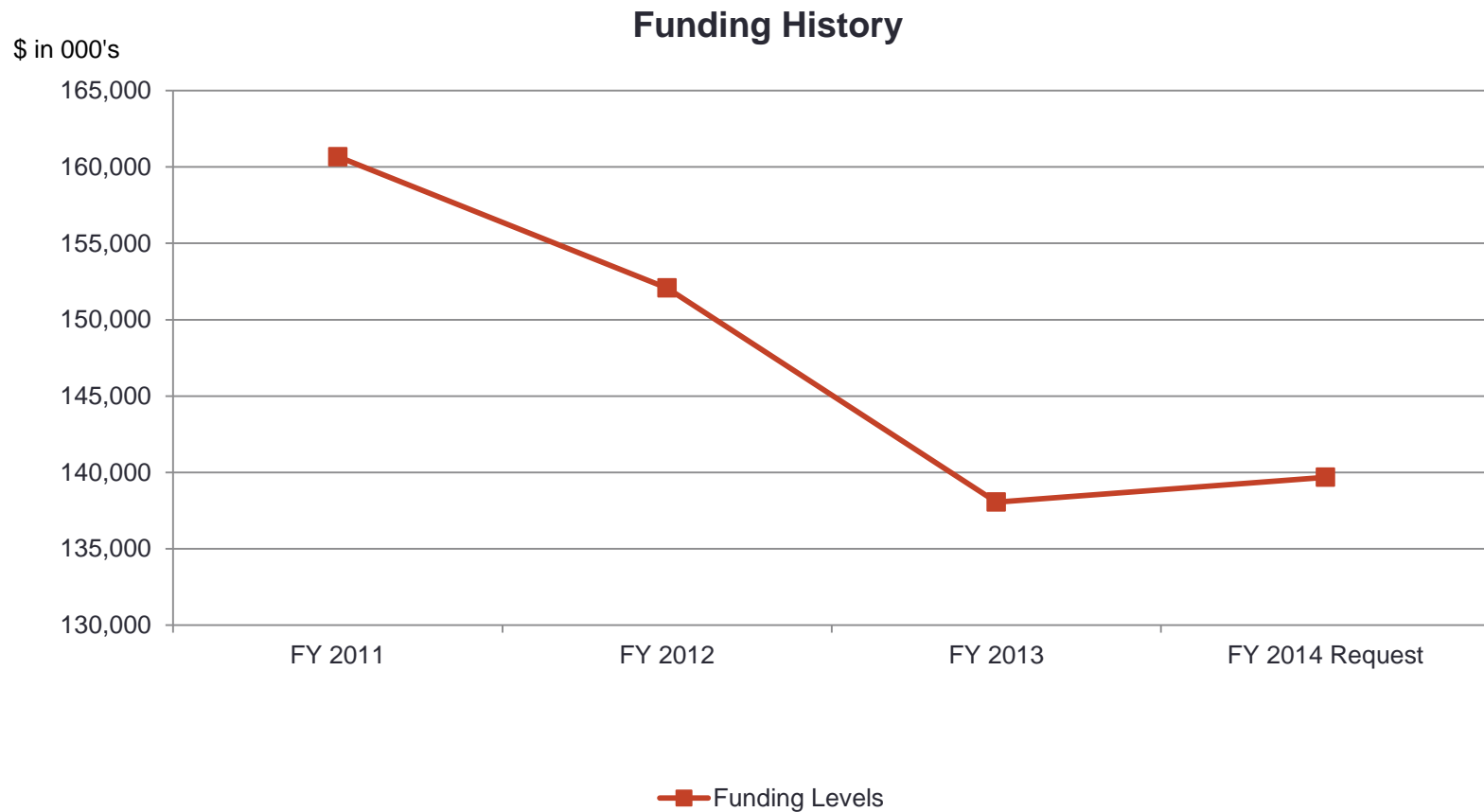


2014 – Current Status (cont'd)

- The 2014 budget request of \$139.7 million is 13% percent below 2011.
- OST has minimized impacts to beneficiary services through streamlining and implementing process efficiencies.
- The 2014 House level is \$3.7 million below the 2014 President's budget request.
- OST is reaching the point that process improvements will be unable to offset the continued erosion of its budget.



OST Funding History



FY 2014 – How the numbers look

Federal Trust Programs	2013 Enacted w/ Sequestration	FY 2014				
		President's Request	House Recom- mendation	Senate Recom- mendation	Change from 2014	
					House	Senate
Program Operations and Support	136,365,000	137,651,000	133,992,000	137,651,000	-3,659,000	0
Executive Direction	1,693,000	2,026,000	1,965,000	2,026,000	-61,000	0
TOTAL	138,058,000	139,677,000	135,957,000	139,677,000	-3,720,000	0



If funded at House level

Field Operations

- Reduced outreach events, potentially impacting over 3,500 individual beneficiaries.
- Reduced delivery of beneficiary services in the areas of:
 - Transaction processing.
 - Direct beneficiary contact.
 - Location of Whereabouts Unknown(WAU).
 - Current WAU balance as of 10/28/2013 is \$92 million.

Trust Services

- Service delays:
 - Processing time for 500,000 manual cash transactions would increase from 1 to 5 days.
 - Processing of 1 million account maintenance transactions per year would increase from 2 to 10 days.
 - Processing tribal credit liabilities would be reduced from two times per month to once a month.



If funded at House level (cont'd)

Appraisal Services

- Contract funding for outsourcing appraisal work would be reduced by 128 appraisal contracts.
- Backlog would increase and negatively impact real estate transactions that directly relate to income received by landowners and tribes, and delays of inheritance to eligible heirs in probate cases.

Trust Review and Audit

- Reductions would eliminate 20 trust examinations.

Trust Records

- Record retrieval to meet litigation discovery commitments would be impeded.
- Travel reduced by 30%, impacting technical assistance provided by 15 Regional Records Liaisons for Indian Affairs (including BIA, BIE and Law Enforcement) & OST.



If funded at House level (cont'd)

Pass-through funding

Office of Hearings and Appeals

- Only 6,500 cases would be processed.
- Probate cases would be decided at a slower rate, resulting in 560 fewer decisions.

Indian Tribal Litigation Office (ITLO)

- Limited legal resources, strict defensive litigation deadlines, and court ordered decision-making would have to take precedence over affirmative litigation such as oil and gas royalty and penalty enforcement actions.



Other Issues impacting OST

The Secretarial Commission on Indian Trust Administration and Reform

- The Commission is nearing the end (November 28, 2013) of its two-year charter and it is anticipated that their recommendations will be delivered to Secretary Jewell in late November.
- The Commission has not yet disclosed any recommendations regarding the future of OST.



Other Issues Impacting OST (cont'd)

Land Buy Back Program

- The *Office of Appraisal Services* is providing land valuation to an estimated 200,000+ parcels as a result of the land consolidation project.
- Field Operations' *Trust Beneficiary Call Center* serves as a key point of contact for Buy-Back Program inquiries, including providing information on the program; identifying “willing sellers;” performing account updates; and explaining the content of land acquisition purchase packages to landowners.



Other Issues Impacting OST (cont'd)

Cobell Settlement Payments

- OST participates with other federal partners (e.g., SOL, BIA, DOJ) and Garden City Group to resolve issues and questions raised by Special Master Richard Levie about Stage 1 and Stage 2 payments.
- Stage 2 payments are still expected to occur in 2013.
 - OST has expanded the capability of the Tribal Beneficiary Call Center to handle the anticipated surge in calls.



Other Issues Impacting OST (cont'd)

Special Trustee update

- Vincent Logan, a member of the Osage Nation, has been re-nominated by the President.
- He has met with Chairwoman Senator Cantwell, as well as other members of the Senate Committee on Indian Affairs.
- No confirmation hearing has been set.



Questions?

For More Information Please
Contact:

Michele F. Singer
Principal Deputy Special Trustee
Michele_Singer@ost.doi.gov
(202) 208-3947

Thank you!

