

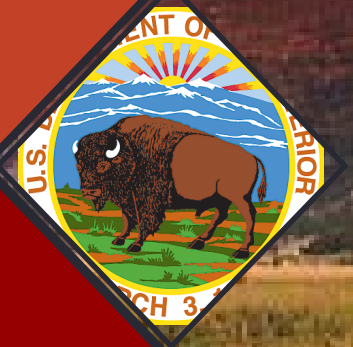
UNITED STATES DEPARTMENT OF THE INTERIOR

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

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

March 5-6, 2015

OST



Today's Presentation

- Budget Update
 - FY 2015 Enacted Budget
 - FY 2016 President's Budget Request
- FY 2014 Accomplishments

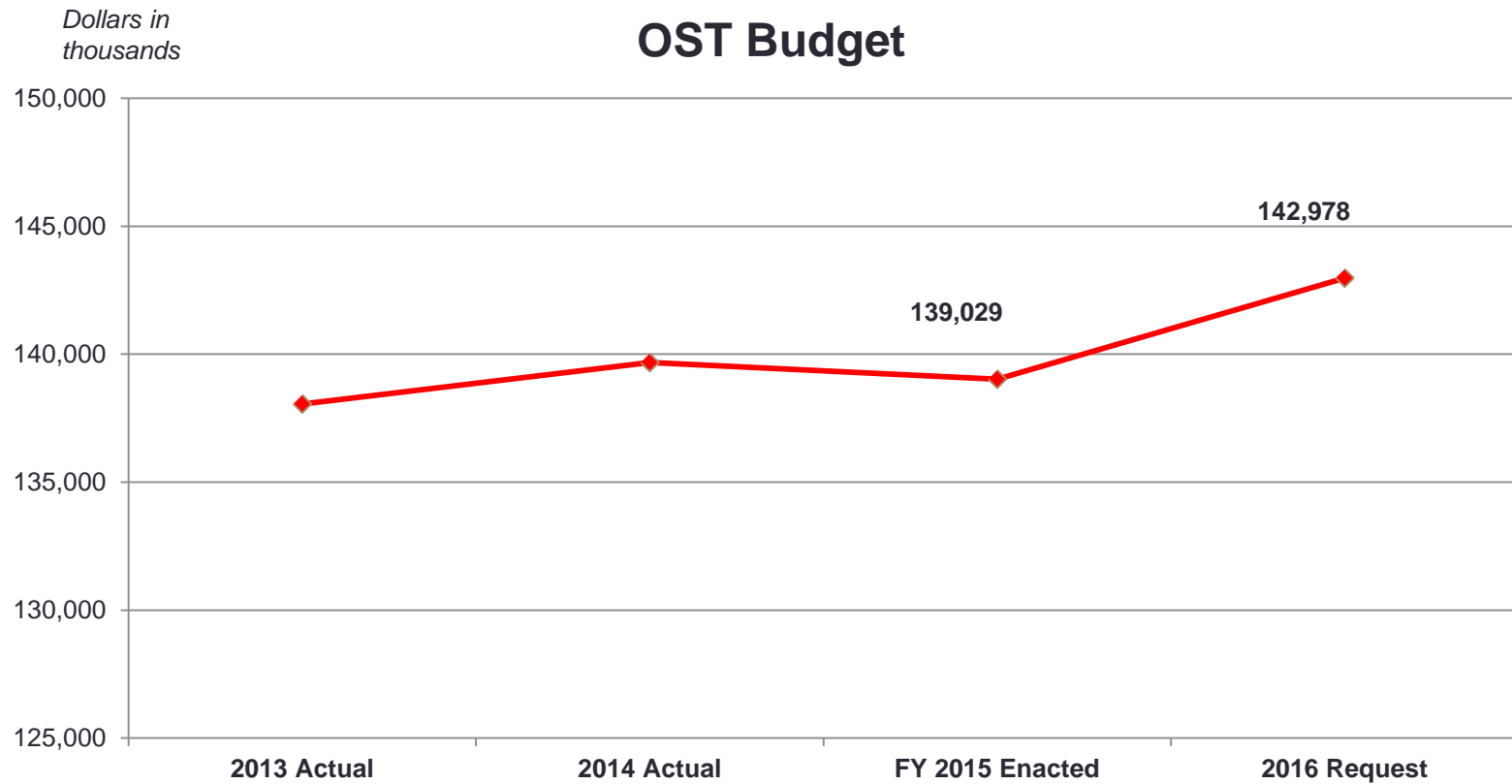


OST Budget Update

- FY 2015 budget appropriation enacted by H.R. 83; Public Law 113-235.
- OST's FY 2015 appropriation is \$139,029,000; \$1.6M below the FY 2014 enacted budget.
- OST's FY 2016 President's Budget Request is \$142.9M; \$3.9M above FY 2015 enacted budget.



OST Budget Trend



FY 2016 - 2.8% increase from FY 2015



OST Budget FY 2013 – FY 2016

Dollars In Thousands (\$000)	2013 Actual	2014 Actual	FY 2015 Enacted	2016 Request
EXECUTIVE DIRECTION	1,693	2,026	2,031	2,040
PROGRAM OPERATIONS AND SUPPORT				
PROGRAM OPERATIONS:				
Field Operations	24,457	24,747	24,952	26,892
Appraisal Services	10,598	10,744	10,811	12,122
Trust Services	28,834	28,946	29,063	29,257
Historical Trust Accounting	23,029	23,045	23,061	22,120
SUBTOTAL PROGRAM OPERATIONS	86,918	87,482	87,887	90,391
PROGRAM SUPPORT:				
Business Management:				
DST Business Management	1,602	1,872	1,964	1,987
Budget, Finance, & Accounting	25,411	24,615	23,398	23,549
[Litigation Support]	[3,986]	[3,986]	[3,486]	[3,486]
[Hearings & Appeals]	[8,216]	[8,716]	[8,516]	[8,516]
Information Resources	6,202	6,599	6,631	6,684
External Affairs	1,679	1,620	1,549	1,562
Subtotal Business Management	34,894	34,706	33,542	33,782
Program Management:				
Trust Records	9,284	9,887	9,963	11,110
Trust Review & Audit	4,922	4,939	4,964	5,005
Risk Management	347	637	642	650
Subtotal Program Management	14,553	15,463	15,569	16,765
SUBOTAL PROGRAM SUPPORT	49,447	50,169	49,111	50,547
GRAND TOTAL	138,058	139,677	139,029	142,978

Numbers in [] represent fund transfers to Indian Trust Litigation Office and Office of Hearings and Appeals



FY 2016 Budget Request

- FY 2016 budget request fully funds fixed cost increases and includes three program increases:
 - +\$1.6 million for Field Operations for additional estate planning opportunities for trust beneficiaries to stem fractionation and the number of estates requiring probate.
 - +\$1.2 million for Appraisal Services for appraiser training program to address the shortage of qualified appraisers.
 - +\$1.02 million for Trust Records to expand records training program at Haskell Indian Nations University (HINU) and create new records training programs at two additional tribal colleges.



Estate Planning Services

- Initiative addresses underlying causes of increasing administrative costs of Indian trust probate.
- Will reduce fractionation by providing meaningful estate planning opportunities to Indian trust beneficiaries in accordance with the American Indian Probate Reform Act of 2004 (AIPRA).



Estate Planning Services (cont.)

- Four complimentary components:
 1. Funding third parties for legal services to facilitate beneficiaries' development of wills.
 2. Streamlining the gift deed process to provide trust beneficiaries a straight-forward tool to transfer property to beneficiaries free of probate.
 - Owner retains use and income derived from the property during his or her lifetime.



Estate Planning Services (cont.)

3. Using AIPRA Family Limited Partnerships Pilot Project to explore use of legal entities to manage interests in trust property.
4. Developing Transfer on Death Beneficiary Designations to allow non-probate transfers of Indian trust assets.



Appraiser Trainee Program

- Difficult to recruit appraisers due to shortage of state certified general appraisers.
- Will fund twelve apprentice appraiser positions for Native Americans in three-year training program.
- Upon successful completion of program and attainment of licensure, newly certified appraisers qualified to fill critical positions in OST appraisal operations.



Records Training Program

- Expand records training program at Haskell Indian Nations University (HINU).
 - Trust Records currently funds program at HINU; graduating approximately 120 students per year with certificate in records management.
 - \$150,000 increase to expand program for additional 80 students.
- \$600,000 for new records training programs at two additional tribal colleges.
- \$270,000 to implement records programs at tribal colleges.



Key FY 2014 Accomplishments

- FY 2016 President's budget request includes OST's Annual Report for FY 2014; report contains more complete listing of FY 2014 accomplishments.
- For second consecutive year received unqualified opinion for the Individual Indian Money (IIM) trust fund financial statements in the independent annual audit for FY 2014.
 - Audit report contained no notice of findings and recommendations.



FY 2014 Accomplishments (cont.)

- Collaborating with U.S. Department of the Treasury to transition the printing and mailing of trust fund statements and checks from OST to the Treasury.
 - As of the beginning of FY 2015, printing of beneficiary checks has transitioned to Treasury.
 - Transition of all printing and mailing functions dependent on Treasury, but hope to complete in 2015.
 - Risks to OST and beneficiaries will be significantly reduced by transferring these functions to the entity (Treasury), whose primary function is the issue of checks on behalf of the U.S. Government.



FY 2014 Accomplishments (cont.)

- Completed negotiations and consolidated OST's office space in Albuquerque, reducing leased space by 50%.
- Reduced the number of returned checks per month from an excess of 800 to an average of 70 through use of National Change of Address database.



FY 2014 Accomplishments (cont.)

- In support of plaintiffs' discovery requests, searched 9,251 boxes of records and delivered 1,349,470 documents (2,543,737 pages/images) to Interior's Office of the Solicitor and Department of Justice.
- Processed and reconciled more than 37,000 transactions daily (over 9.9 million annually.)



FY 2014 Accomplishments (cont.)

- Migrated 100% of servers in applicable OST field sites to BIA's Storage as a Service environment.
 - Allowed decommission of failing or obsolete local servers while increasing file support.
- Successfully processed mass appraisals for over 10,000 tracts across 6 reservations for *Cobell* Land Buy-Back program.



FY 2014 Accomplishments (cont.)

- Currently testing a new system that automates control desk activities to manage workflow in OST's backroom accounting office (Trust Services.)
 - System electronically tracks all update documents for Trust Funds Accountability System.
 - System will reduce number of paper records sent to American Indian Record Repository (AIRR) for storage by 90%.
 - System provides accounting of time for each step in workflow process.



Special Trustee Priorities

- Financial Education
 - Develop comprehensive lifecycle approach to delivery of educational activities in Indian Country.
 - Develop educational and experiential learning formats designed specifically for children.
 - Provide life-cycle education and skills training from preparation for post-secondary education and first time home purchase to retirement and estate planning.

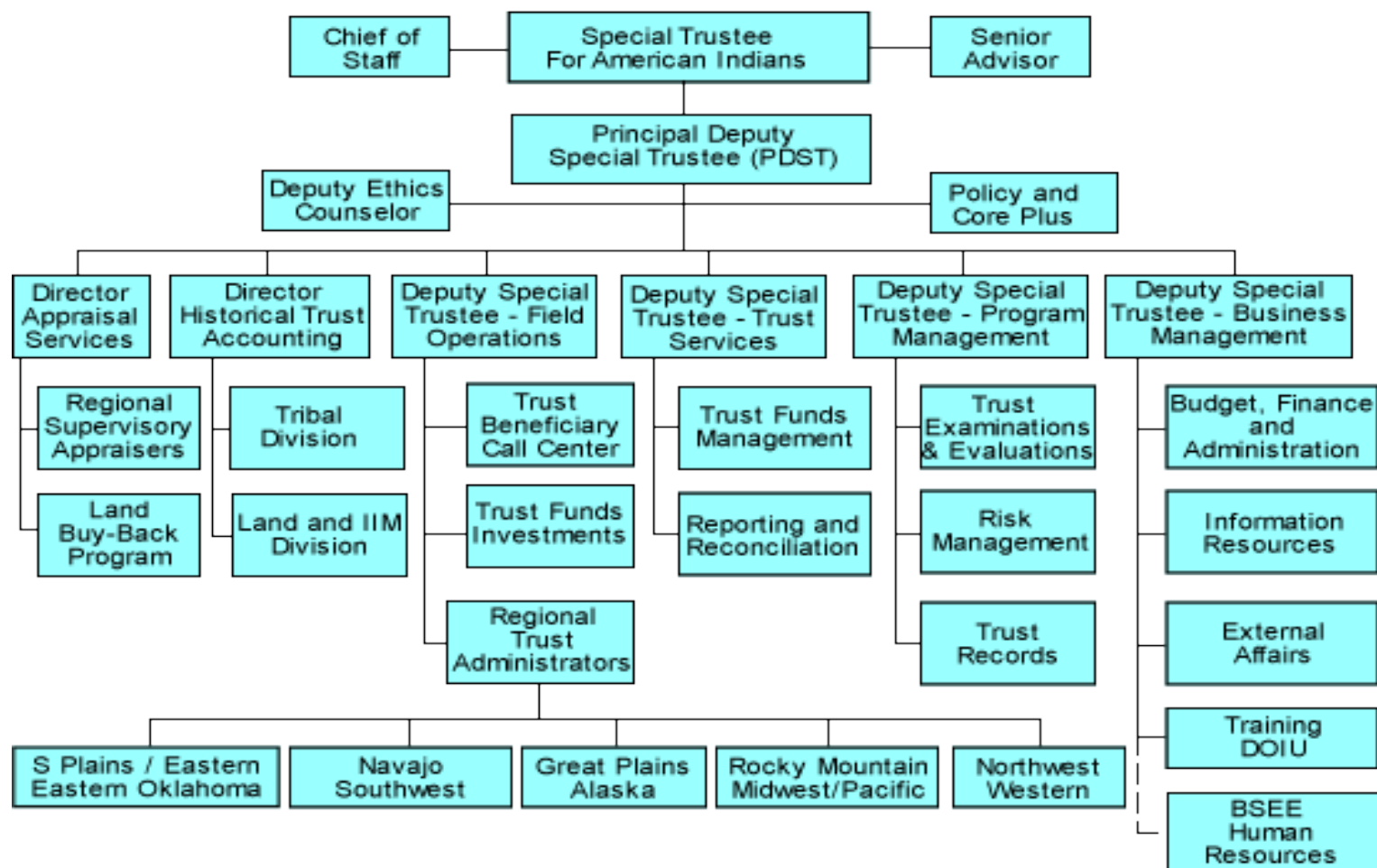


Special Trustee Priorities (cont.)

- Investment Review
 - Team assembled to conduct comprehensive review of OST's investment policies.
 - Review will culminate in report of findings that may include recommendations for changes.
- Facilitating Probate Reform
 - Working with BIA and Office of Hearings and Appeals to provide:
 - Useful estate planning opportunities.
 - Tools and approaches to reduce burden of probate process.



OST Organizational Chart



Questions?

For More Information Please
Contact:

Mark Davis

(202) 208-5841

mark_davis@ost.doi.gov

Thank you!

