

**UNITED STATES DEPARTMENT OF THE INTERIOR**

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

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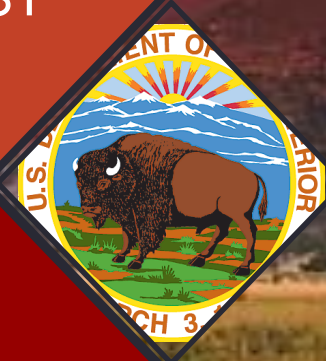
**Budget Update**

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**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.

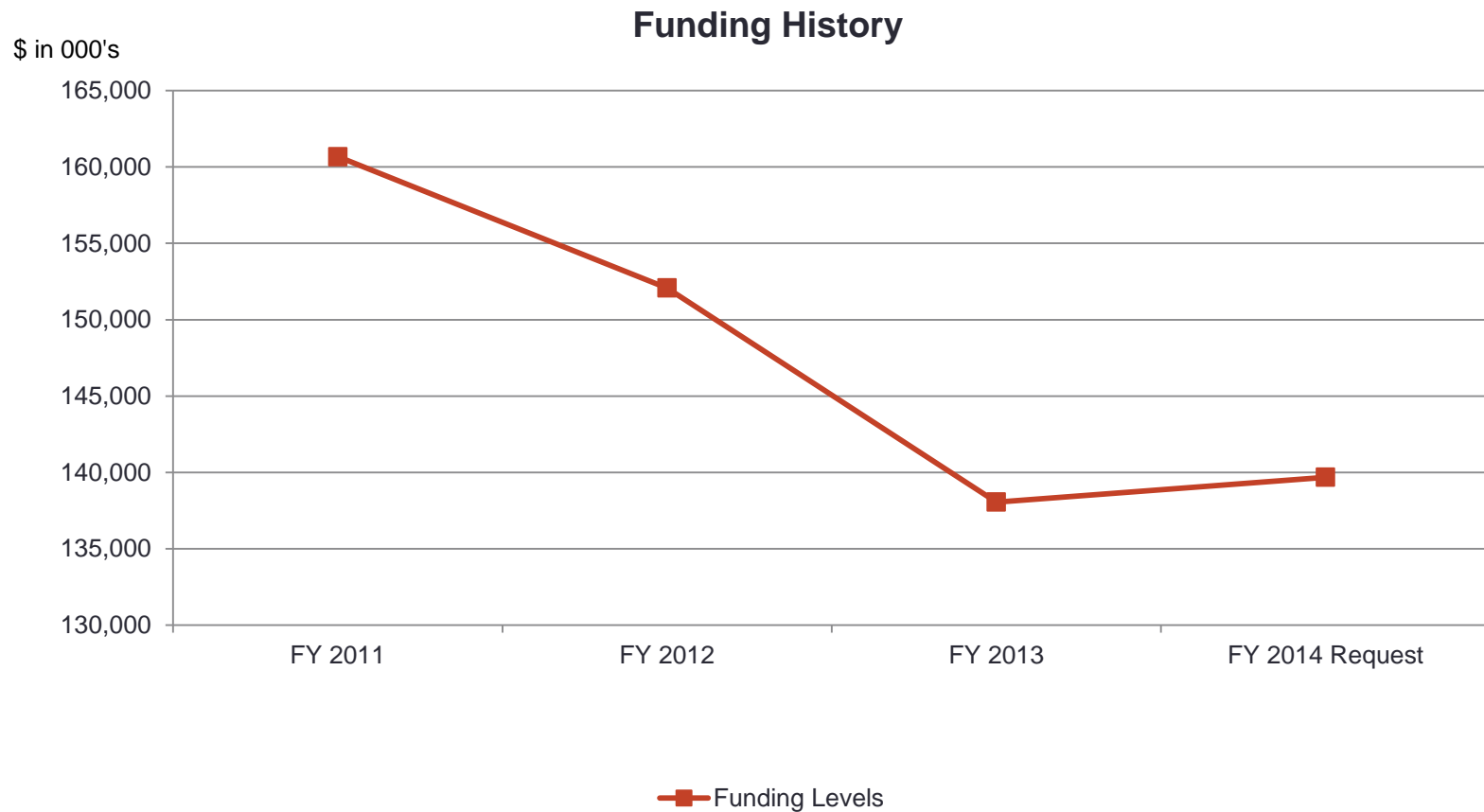


# 2014 – Current Status (cont'd)

- 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
<b>TOTAL</b>	<b>138,058,000</b>	<b>139,677,000</b>	<b>135,957,000</b>	<b>139,677,000</b>	<b>-3,720,000</b>	<b>0</b>



# 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  
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*Thank you!*

