



BUDGET The United States
Department of the Interior
JUSTIFICATIONS

and Performance Information
Fiscal Year 2021

**BUREAU OF TRUST
FUNDS ADMINISTRATION**

(formerly 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
BUREAU OF TRUST FUNDS ADMINISTRATION
BUDGET JUSTIFICATION FOR FISCAL YEAR 2021**

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Executive Summary

Mission—The mission of the Bureau of Trust Funds Administration (BTFA) is to honor America’s trust responsibilities by incorporating a beneficiary focus and participation while providing superior stewardship of trust assets. BTFA provides fiduciary guidance, management, and leadership for Tribal Trust and Individual Indian Money (IIM) accounts and oversees and coordinates efforts to establish consistent policies, procedures, systems, and practices throughout the Department of the Interior for the Indian Trust Administration System.

The 2021 budget requests \$108.4 million in current appropriations for the BTFA, which will serve as the new permanent home for the ongoing trust management functions performed by the Office of the Special Trustee for American Indians (OST).

The budget proposes to create the BTFA within the Office of the Assistant Secretary—Indian Affairs (AS-IA) and move OST’s functions into BTFA. The proposal positions the Department of the Interior for the eventual termination of OST in accordance with the American Indian Trust Funds Management Reform Act of 1994, reflecting the Department’s successful trust reform efforts. The budget also proposes to realign certain OST offices to gain efficiencies and reflect functional changes or operational emphasis under BTFA.

Actions, initiatives, policy and planning that took place prior to FY 2021 are reflected as performed by OST in this budget. Future actions, initiatives, policy and planning are addressed as the newly proposed organization, BTFA.

BTFA is responsible for the financial management of Indian trust funds, including receipt, investment, disbursement, and reporting of trust funds on behalf of individuals and Tribes. BTFA manages approximately \$5.5 billion, held in roughly 3,600 trust accounts for more than 250 Indian Tribes and approximately 406,000 open Individual Indian Money (IIM) accounts. In addition, BTFA provides litigation and document production support for lawsuits related to those accounts. BTFA managed trust funds include payments from judgment awards, settlements of claims, land use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income.

In FY 2017, Executive Order 13781 directed each agency to submit a plan to improve efficiency, effectiveness, and accountability, including reorganization. A significant investment was made with the conversion of OST to a new trust accounting system that will be fully implemented in FY 2020. Simultaneously, another investment includes replacing OST’s outdated legacy Information Technology (IT) systems and infrastructure; and in FY 2019 OST began funding IT investments for migration of the existing hardware infrastructure to a cloud computing environment.

The Land Buy-Back Program (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 BTFA will continue to provide support to the LBBP and as a result of the realignment, will seek opportunities to streamline LBBP processes. In

reporting to AS-IA, BTFA will function as a separate bureau, like the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE). This re-alignment will continue to enhance planning and coordination of policies and services related to Indian Country.

The 2021 budget supports needed reforms to strengthen the culture of ethics within Interior. Over the last two years, Interior has taken several steps to enhance the emphasis on ethics in the Department, including increasing the number of ethics officers and vigilance regarding the obligation of the Department's leaders and employees to hold themselves and their colleagues accountable for ethical conduct. Ethics is a top priority in all decision making and operations.

This past summer, Secretary Bernhardt advanced his commitment to transform Interior's ethics program by signing Secretarial Order 3375, which restructures the ethics program by unifying disparate bureau ethics programs into a centrally-managed office under the Solicitor. The Order streamlines the reporting structure for ethics personnel, establishes the Departmental Ethics Office, and clarifies roles and responsibilities for the Department's employees. The FY 2021 budget implements this reorganization to restructure the ethics program by transferring bureau ethics funding and FTEs to the Departmental Ethics Office in the Office of the Solicitor budget.

The budget request supports the President's Management Agenda Workforce Cross-Agency Priority Goal #3, Developing a Workforce for the 21st Century. The Department will support strategic recognition through the year, address workforce challenges, and recognize high performance employees and those employees with talent critical to mission achievement. The budget assumes agency pay for performance efforts increase one percentage point for non-Senior Executive Service (SES)/Senior Leader (SL)/Scientific or Professional (ST) salary spending.

Organizational and Budget Realignment

The FY 2021 budget proposes the following organizational and budget realignments:

- To establish BTFA as a new permanent organization under the AS-IA to continue the ongoing essential functions currently performed by OST.
- To realign and restructure OST offices to consolidate trust operations in one activity and program operations in another.

BTFA's core functions, as further described below, will be executed under the Trust Operations activity, which includes the following sub activities: Field, Accounting Operations, Settlement Support, and Information Resources and Trust Records. BTFA's core functions will be supported by the Program Support activity, which consists of the following sub activities: Business Management, and Trust Risk, Evaluation and Compliance. Both Trust Operations and Program Operations will be supported by the Executive Direction activity, which will provide executive leadership, planning, monitoring and guidance. Please refer to the BTFA Organization Chart on page 9.

Trust Operations - Field (formerly "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, and provide other trust asset information, such as statutory or regulatory changes affecting trust asset management. Trust Operations - Field 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 for Tribal Nations and other programs significant to Indian Country. This office operates the Trust Beneficiary Call Center (TBCC) and the Office of Trust Funds Investments (OTFI), which provide in-house professional investment management of more than \$5 billion held in trust. OTFI manages, buys and sells permissible fixed income government guaranteed and government sponsored enterprise(s) securities as authorized by 25 U.S.C. 162(a) and 25 U.S.C. (subsection) 4001.

Trust Operations - Accounting Operations (formerly "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.

Trust Operations - Settlement (formerly "Office of Historical Trust Accounting") will manage historical accounting of Tribal Trust and IIM accounts. Settlement Support includes the Office of Trust Analysis and Research (OTAR) and the LBBP. Settlement Support will provide 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 OTAR will also work to resolve the ownership of residual balances in the Special Deposit Accounts and Youpee Escheat Accounts. The OTAR will also research historical account transactions to reconcile and distribute account balances to Tribes, individual Indians, and Alaska Natives, and non-trust entities.

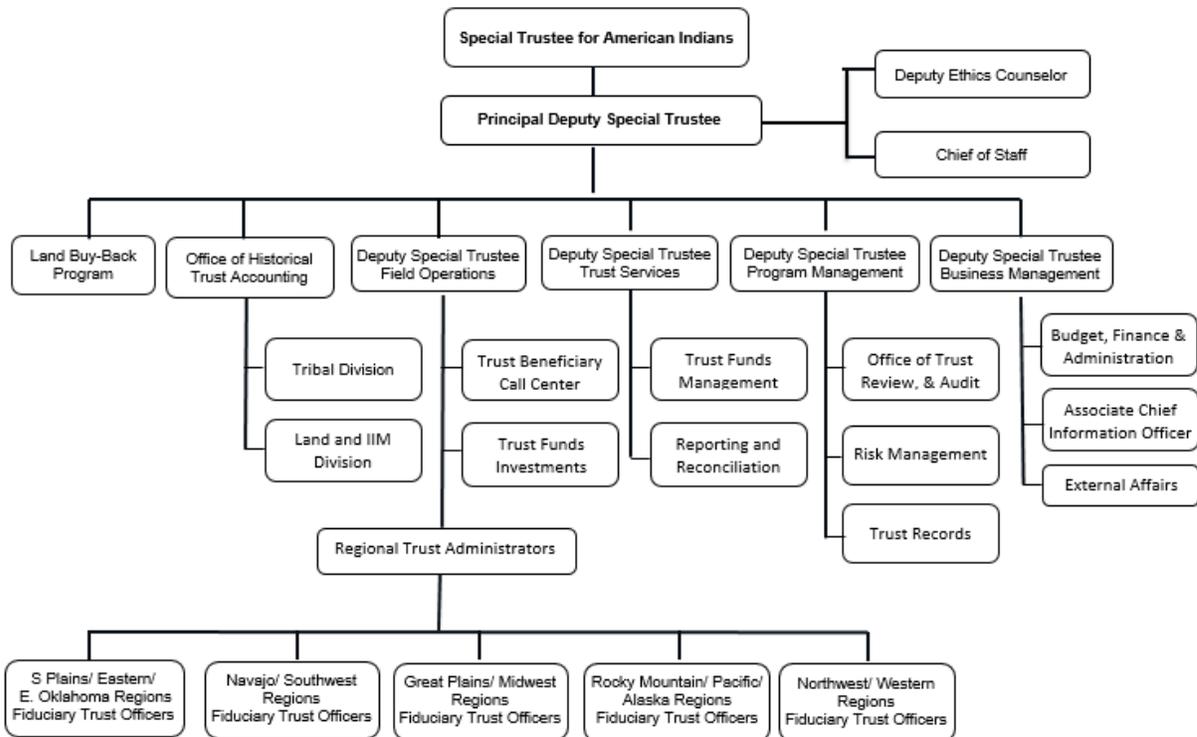
Trust Operations - Information Resources and Trust Records (IRTR) (formerly "Information Resources" and "Trust Records") will provide organization-wide information resources and support for BTFA in carrying out fiduciary trust responsibilities to Tribal and individual Indian beneficiaries. IRTR will develop, maintain, and operate the trust information technology (IT) enterprise architecture; provide day-to-day computer support to BTFA personnel nationwide; and develop and maintain applications in support of the BTFA mission. In FY 2021, IRTR will continue work in completing its mobile workforce, consolidating its data centers, and driving intra-agency shared services, as well as work to migrate from a data centric environment to the cloud, including Voice over Internet Protocol (VoIP), and mobile beneficiary banking. The IRTR will be further responsible for the management and operations of Trust Records (TR) and manage and operate the American Indian Records Repository (AIRR), develop records management policies, and provide records management training and support services to the BTFA and the BIA.

Program Support – Business Management. The Office of Business Management (BM) will maintain responsibility for providing the following support functions: budget formulation and execution, finance, procurement, space management, the Government Charge Card Program, communications, and facilitation of Public Law 93-638 self-governance activities. Delivery of administrative training, human resources, acquisitions, and fund accounting will be managed by BM through Reimbursable Support

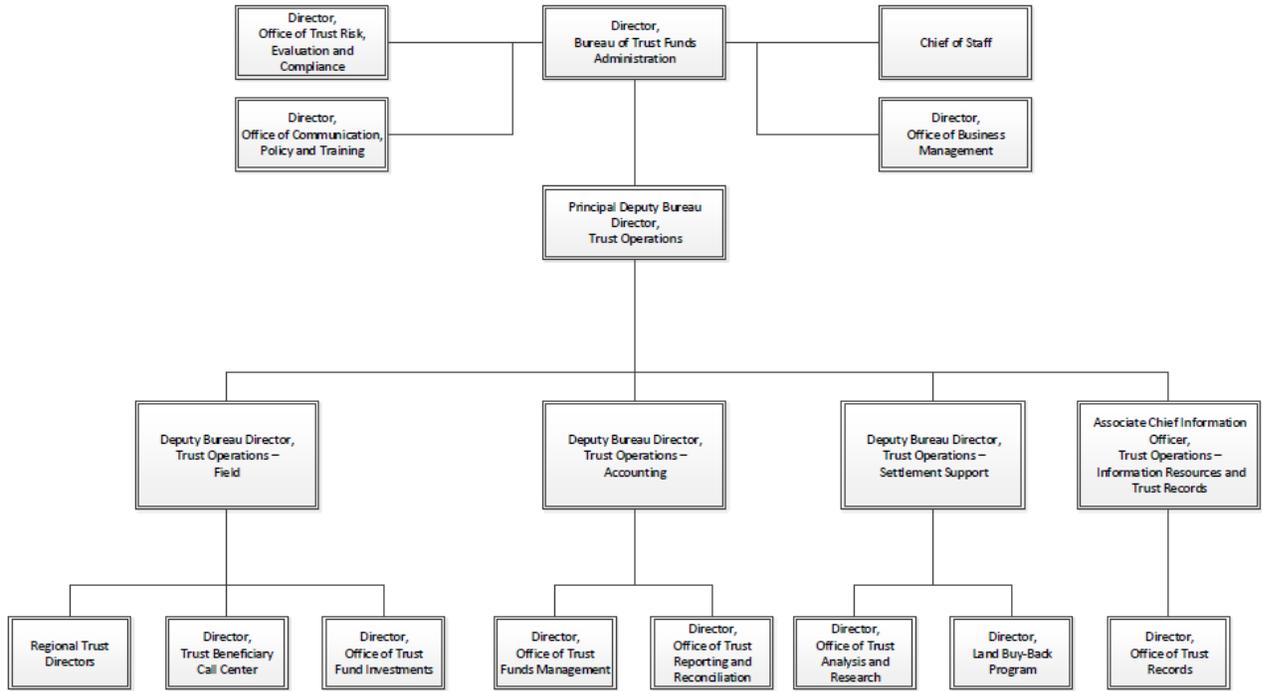
Agreements with other DOI entities. The funding for the Office of the Chief of Staff; and the Office of Communications, Policy, and Training is included within the Business Management line. The Office of the Chief of Staff supports the BTFA and the BTFA Director. The Office of Communications, Policy, and Training supports communications within BTFA, beneficiaries, and Congress. It also coordinates BTFA’s policy and training programs, and leads the BTFA’s culture change initiatives.

Program Support – Trust Risk, Evaluation and Compliance (formerly “Trust Review and Audit” and “Risk Management”) The Office of Trust Risk, Evaluation and Compliance will oversee and evaluate the Indian fiduciary trust programs and manage a comprehensive program to help ensure BTFA has an effective system of internal controls and compliance reviews. The current and proposed organizational and the proposed budget realignment follow:

Office of the Special Trustee for American Indians Current Organizational Structure



BUREAU OF TRUST FUNDS ADMINISTRATION Proposed Organizational Structure



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Budget Realignment OST to BTFA

Proposed New Structure

Existing Structure

2020 Enacted Budget SubActivities Federal Trust Programs (000's)	Executive Direction	Trust Operations					Program Operations		Total
		Field Operations	Accounting Operations	Settlement Support	Information Resources and Trust Records		Business Management	Trust Risk, Evaluation and Compliance	
					Information Resources	Trust Records			
Executive Direction	1,697								1,697
Program Operations and Support									
Program Operations									
Field Operations		23,085							23,085
Appraisal Services									
Trust Services			20,034						20,034
Historical Trust Accounting				18,587					18,587
Program Support									
Business Management									
DST Business Management							1,513		1,513
Budget, Finance, & Admin							21,101		21,101
[Litigation Support]							[3,086]		[3,086]
[Hearings & Appeals]							[8,516]		[8,516]
Information Resources					8,111				8,111
External Affairs							2,058		2,058
Program Management									
Trust Records						10,233			10,233
Trust Review & Audit								4,561	4,561
Risk Management								560	560
TOTAL, FEDERAL TRUST PROGRAMS									
TOTAL, OFFICE OF THE SPECIAL TRUSTEE	1,697	23,085	20,034	18,587	8,111	10,233	24,672	5,121	111,540

Budget Realignment OST to BTFA

Proposed New Structure

Existing Structure

2021 President's Budget Request Former Budget SubActivities Federal Trust Programs (000's)	Executive Direction	Trust Operations					Program Operations		Total
		Field Operations	Accounting Operations	Settlement Support	Information Resources and Trust Records		Business Management	Trust Risk, Evaluation and Compliance	
					Information Resources	Trust Records			
Executive Direction	1,766								1,766
Program Operations and Support									
Program Operations									
Field Operations		19,513							19,513
Appraisal Services									
Trust Services			17,932						17,932
Historical Trust Accounting				17,940					17,940
Program Support									
Business Management									
DST Business Management							1,364		1,364
Budget, Finance, & Admin							20,276		20,276
[Litigation Support]							[2,571]		[2,571]
[Hearings & Appeals]							[7,096]		[7,096]
Information Resources					8,445				8,445
External Affairs							1,278		1,278
Program Management									
Trust Records						15,113			15,113
Trust Review & Audit								4,205	4,205
Risk Management								567	567
TOTAL, FEDERAL TRUST PROGRAMS									
TOTAL, OFFICE OF THE SPECIAL TRUSTEE	1,766	19,513	17,932	17,940	8,445	15,113	22,918	4,772	108,399

Total 2021 Budget Request*(Dollars in Thousands)*

Budget Authority	2019 Actual	2020 Enacted	2021 Request
Current	111,540	108,540	108,399
Permanent	146,336	147,000	147,000
Total Current and Permanent	257,876	255,540	255,399
<i>FTEs - (Includes Land Buy-Back Program)</i>	<i>453</i>	<i>435</i>	<i>433</i>

FY 2021 Budget Highlights

Executive Direction – The budget includes \$1.8 million for Executive Direction to fund executive leadership activities within BTFA. Staff within Executive Direction will provide guidance affecting performance at all levels of BTFA and develop closer working relationships with Indian Affairs to identify opportunities for more cost-effective delivery of services. Within this budget request, the term “Indian Affairs” is meant to include the Bureau of Indian Affairs (BIA), the Bureau of Indian Education (BIE), and the Office of the Assistant Secretary-Indian Affairs (AS-IA).

Trust and Program Operations – The 2021 budget includes \$106.6 million for Trust and Program Operations activities. That amount includes \$19.5 million for Trust Operations - Field. Field staff (140 FTE) serve as 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 staff will prioritize resources to provide vital services to beneficiaries, maintain an adequate level of service at the Trust Beneficiary Call Center (TBCC), and preserve outreach and financial education services.

The budget provides \$17.9 million for Trust Operations - Accounting Operations. The request reflects cost efficiencies gained through the OST re-compete of the Trust Fund Accounting System (TFAS) contract in FY 2018. Accounting Operations conducts all fiduciary accounting activities, including receipt, disbursement, reconciliation, and financial reporting related to the 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 for Trust Operations - Settlement Support, which funds OTAR.

The request also includes \$23.6 million for Trust Operations – Information Resources and Records. Of this amount, \$8.4 million is requested for Information Resources to fund critical IT investments to migrate the existing BTFA hardware infrastructure to a Federal Risk and Authorization Management Program-certified (FedRAMP), Federal Information Security Management Act (FISMA) moderate cloud computing environment, and operation of the trust information technology architecture. BTFA anticipates the more robust IT infrastructure will provide options for more cost-effective delivery of services within Trust Operation – Field and Accounting Operations. This includes continuing to exploring the feasibility of developing a mobile application that will allow beneficiaries to access their accounts from mobile devices. Use of the application should reduce

beneficiaries' need to call the TBCC or visit a field office.

The budget provides \$15.1 million for Trust Records. This program operates the American Indian Records Repository and provides records management training and services to BTFA, Tribes, the Bureau of Indian Affairs, the Bureau of Indian Education, and the Office of the Assistant Secretary—Indian Affairs. Included in the requested amount are funds to accelerate the digitization of trust records, which will help BTFA meet new Federal records retention requirements.

The budget requests \$22.9 million for Program Operations - Business Management, which includes BTFA's communication, policy, and training functions and its budget, finance, and administration entities. Within this amount, \$4.8 million is requested for the Office of Trust Risk, Evaluation, and Compliance, which oversees and evaluates the Indian fiduciary trust programs and manages a comprehensive system of internal controls of BTFA operations.

The FY 2021 BTFA budget funds training for staff development and the elimination of harassment in the workplace. This skills development training facilitates cost-effective operations and quality service to the public and beneficiaries. Civil leadership and anti-harassment training will be required for all employees to ensure the workplace environment is conducive to employee productivity, engagement and performance, and accountability for violations of DOI policies.

BTFA Management Initiatives

Many of the OST management initiatives will be implemented by BTFA including:

- Work to attain a clean audit on the Tribal accounts as OST has in the past; 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 2019.
- Develop and deliver 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.
- Promote digitization of paper records at the American Indian Records Repository to comply with Office of Management and Budget/National Archives and Records Administration Directive M-12-19 – Transition to Electronic Records – that "requires that to the fullest extent possible, agencies eliminate paper and use electronic recordkeeping." NARA's Strategic Plan provides that they will no longer accept paper records beginning January 01, 2023.
- Work with the U.S. 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 workplace.

Good Accounting Obligation in Government Act Report

The Good Accounting Obligation in Government Act (GAO-IG Act, P.L. 115-414) enacted January 3, 2019, requires that Agencies report the status of each open audit recommendation issued more than one year prior to the submission of the Agency's annual budget justification to Congress. The Act requires Agencies to include the current target completion date, implementation status, and any discrepancies on closure determinations.

The Department of the Interior leadership takes audit follow-up very seriously and considers our external auditors, to include the Government Accountability Office (GAO) and Office of the Inspector General, valued partners in not only improving the Department's management and compliance obligations but also enhancing its programmatic and administrative operations. As stewards of taxpayer resources, the Department applies cost-benefit analysis and enterprise risk management principles in recommendation implementation decisions.

The Department's GAO-IG Act Report is available at the following link: <https://www.doi.gov/cj>

Strategic Objective Performance Summary

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.

BTFA's operations will be 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. BTFA will handle all fiduciary accounting activities, reconciliation, and financial reporting related to \$5 billion in trust funds held for individual Indians, Alaska Natives, and Tribes. Trust Operations - Field will serve 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 Trust Operations – Field, the Investment group will manage and invest all trust funds. Although less visible to the public, maintaining trust related records is a vital component of the Department's fiduciary trust responsibilities. Trust Records will receive, process, index, store, and manage records at the American Indian Records Repository. BTFA will contribute significantly to the Department's achievements through continual improvements in processes that improve efficiency and by achieving or surpassing performance goals.

Implementation Strategy: In FY 2021, BTFA plans to:

- Process up to 10,000 probate orders and distribute funds to beneficiaries.
- Process up to 500,000 account maintenance transactions.
- Develop enhanced capabilities in the new trust financial accounting system.
- Answer 192,000 (est.) beneficiary calls, an average of 800 beneficiary interactions per day in the TBCC, and achieve a first-line resolution rate of 95.6%.
- Assist with LBBP questions by responding to an estimated 6,000 calls regarding the LBBP program at the TBCC.
- Service over 105,000 beneficiaries at field locations with a two business day response rate of 93%.

- Research and identify ownership of unclaimed Youpee Escheat and Special Deposit Accounts (SDA), disbursing an estimated \$350,000.
- Receive and process over 8,000 boxes of records.
- Respond to over 2,000 records retrieval requests.
- Transition towards records digitization.
- Utilize analytics to mitigate risk(s), increase transparency, and streamline the investment process when buying, selling, and/or rebalancing trust investments.
- The Trust Risk, Evaluation & Compliance Division will evaluate and refine its system of internal controls, conduct process reviews to verify that the timeliness and accurate processing of financial information in trust beneficiaries' accounts.

Performance Metrics: In FY 2021, BTFA will use three Government Performance Results Act (GPRA) metrics to measure achievement in fulfilling the Department's fiduciary trust responsibilities:

- Percent timeliness of financial account information provided to trust beneficiaries.
- Percent of financial information initially processed accurately in Trust beneficiaries' accounts.
- Percent of oil and gas revenue transmitted by the Office of Natural Resources Revenue (ONRR) recorded in the TFAS within 24 hours of receipt.

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 looks 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.

Bureau Level Tables
Bureau of Trust Funds Administration Budget at a Glance
 Dollars in Thousands (\$000)

Bureau of Trust Funds Administration	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	2021 Program Changes (+/-)	2021 Request
Appropriation: Federal Trust Programs						
Executive Direction	1,697	1,697	+22	+0	47	1,766
Continued focus on staff development, elimination of harrassment in the workplace	[1,697]	[1,697]	[+22]	[+0]	[+47]	[1,766]
Trust and Program Operations	109,843	109,843	+1,691	+0	-4,901	106,633
Trust Operations	80,050	80,050	+973	+254	-2,334	78,943
Field Operations	23,085	23,085	+456	+0	-4,028	19,513
Prioritization of resources to provide vital services to beneficiaries, maintain Trust Beneficiary Call Center services and preserve outreach and financial education	[23,085]	[23,085]	[+456]	[+0]	[-4,028]	[19,513]
Accounting Operations	22,004	20,034	+262	+0	-2,364	17,932
Realize cost efficiencies gained through implementation of the new TFAS system	[22,004]	[20,034]	[+262]	[+0]	[-2,364]	[17,932]
Settlement Support	18,587	18,587	+29	+0	-676	17,940
Realize savings from lower contract costs.	[18,587]	[18,587]	[+29]	[+0]	[-676]	[17,940]
Information Resources and Trust Records	16,374	18,344	+226	+254	+4,734	23,558
Information Resources	6,141	8,111	+80	+254	0	8,445
Trust Records	10,233	10,233	+146	+0	+4,734	15,113
Initiate Electronic Records Management Program promoting the digitization of records	[10,233]	[10,233]	[+146]	[+0]	[+4,734]	[15,113]
Program Operations	29,793	29,793	+718	-254	-2,567	27,690
Business Management	24,672	24,672	+650	-254	-2,150	22,918
Renegotiate service contracts, execute efficiencies in services	[24,672]	[24,672]	[+650]	[-254]	[-2,150]	[22,918]
Trust Risk, Evaluation and Compliance	5,121	5,121	+68	+0	-417	4,772
Continued focus on agency and Tribal evaluations, records assessments and risk management services	[5,121]	[5,121]	[+68]	[+0]	[-417]	[4,772]
TOTAL, Federal Trust Programs	111,540	111,540	+1,713	+0	-4,854	108,399
2020 Recission of Unobligated Balances	0	-3,000	+0	+0	+3,000	0
TOTAL, Bureau of Trust Funds Administration	111,540	108,540	+1,713	+0	-1,854	108,399

Summary of Requirements for Bureau of Trust Funds Administration
(Dollars in Thousands)

Bureau of Trust Funds Administration	2019 Actual Amount	2020 Enacted Total FTE	2020 Enacted Amount	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-) FTE	Program Changes (+/-) Amount	2021 Request FTE	2021 Request Amount	Change from 2020 Enacted (+/-) FTE	Change from 2020 Enacted (+/-) Amount
FEDERAL TRUST PROGRAMS											
Executive Direction	1,697	5	1,697	+22	+0	+0	+47	5	1,766	0	+69
Trust and Program Operations	109,843	412	109,843	+1,691	+0	-13	-4,901	399	106,633	-13	-3,210
Trust Operations	80,050	347	80,050	+973	+254	-13	-2,334	334	78,943	-13	-1,107
Field Operations	23,085	153	23,085	+456	+0	-13	-4,028	140	19,513	-13	-3,572
Accounting Operations	22,004	102	20,034	+262	+0	+0	-2,364	102	17,932	0	-2,102
Settlement Support	18,587	11	18,587	+29	+0	+0	-676	11	17,940	0	-647
Information Resources and Trust Records	16,374	81	18,344	+226	+254	+0	+4,734	81	23,558	0	+5,214
Information Resources	6,141	27	8,111	+80	+254	+0	+0	27	8,445	0	+334
Trust Records	10,233	54	10,233	+146	+0	+0	+4,734	54	15,113	0	+4,880
Program Operations	29,793	65	29,793	+718	-254	+0	-2,567	65	27,690	0	-2,103
Business Management	24,672	40	24,672	+650	-254	+0	-2,150	40	22,918	0	-1,754
<i>[Litigation Support]</i>	<i>[3,086]</i>		<i>[3,086]</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>[-515]</i>	<i>0</i>	<i>[2,571]</i>	<i>0</i>	<i>[-515]</i>
<i>[Hearings & Appeals]</i>	<i>[8,516]</i>		<i>[8,516]</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>[-1,420]</i>	<i>0</i>	<i>[7,096]</i>	<i>0</i>	<i>[-1,420]</i>
Trust Risk, Evaluation and Compliance	5,121	25	5,121	+68	+0	+0	-417	25	4,772	0	-349
TOTAL, FEDERAL TRUST PROGRAMS	111,540	417	111,540	1,713	+0	-13	-4,854	404	108,399	-13	-3,141
2020 Recission of Unobligated Balances	0	0	-3,000	+0	+0	+0	+3,000	0	0	0	+3,000
TOTAL, Bureau of Trust Funds Administration	111,540	417	108,540	+1,713	+0	-13	-1,854	404	108,399	-13	-141

Bureau of Trust Funds Administration
Justification of Fixed Costs and Internal Realignments
(Dollars in Thousands)

Fixed Cost Changes and Projections	2020 Change	2020 to 2021 Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days (-1 day) between FY 2020 and FY 2021, from 2,096 hours in FY 2020 to 2,088 hours in FY 2021.	+201	-212
Pay Raise The President's Budget for FY2021 includes one quarter of a planned 3.1% pay raise and three quarters of a planned 1% pay raise for the FY 2021.	+0	+853
Employer Share of Federal Employee Retirement System The change reflects the directed 1.3% increase in the employer contribution to the Federal Employee Retirement System.	+116	+512
Departmental Working Capital Fund The change reflects the final FY 2021 Central Bill approved by the Working Capital Fund Consortium.	-57	+253
Worker's Compensation Payments The amounts reflect final chargeback costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the FY 2021 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.	+6	-4
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; in the case of GSA space, these 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.	-107	+311
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)	BY (+/-)
Budget Finance and Administration to Office of Information Resources Transfer management of wireless contract.	-254,000/+254,000

**Bureau of Trust Funds Administration
Employee Count by Grade
(Total Employment)**

Employee Count by Grade	FY 2019 Actuals	FY 2020 Estimate	FY 2021 Estimate
Executive Level II	0	0	0
SES	9	9	9
Subtotal	9	9	9
SL - 00	2	2	2
ST - 00	0	0	0
Subtotal	2	2	2
GS/GM -15	29	27	27
GS/GM -14	69	62	62
GS/GM -13	69	63	67
GS -12	38	38	38
GS -11	20	21	20
GS -10	0	0	0
GS - 9	17	17	15
GS - 8	23	26	25
GS - 7	114	112	109
GS - 6	22	22	20
GS - 5	17	17	17
GS - 4	4	4	4
GS - 3	0	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	422	409	404
Other Pay Schedule Systems	0	0	0
Total employment (actuals & estimates)	433	420	415

Section 403 Compliance

BTFA will adhere to the requirements of Section 403 contained in the Further Consolidated Appropriations Act, 2020 (P.L. 116-94) 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 BTFA administrative functions or headquarters, regional, or central office operations.

BTFA budgets for these support costs within the Business Management line item in the Program Operations sub activity as a chargeback (reference table below).

	2021 Request
External Administrative Costs	
WCF Centralized Billings	\$2,213,300
WCF Direct Billings	\$3,443,500
Total WCF Costs	\$5,656,800
Program Assessments	2021 Request
Human Resources Support	\$1,355,027
Acquisition Support (Included in WCF Direct billing)	\$1,330,100
Accounting Support (Included in WCF Direct billing)	\$328,400
Security	\$137,043
Space Rental	\$899,398
Chargeback Estimate	\$4,049,968

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DEPARTMENT OF THE INTERIOR
BUREAU OF TRUST FUNDS ADMINISTRATION
Appropriation Language

Appropriation: Bureau of Trust Funds Administration, Federal Trust Programs

(including Transfer of Funds)

For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, \$108,399,000, to remain available until expended, of which not to exceed \$17,940,000 from this or any other Act, may be available for settlement support: 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" and Bureau of Indian Education, "Operation of Indian Education Programs" accounts; 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 2021, 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 for American Indians or Bureau of Trust Funds Administration 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: Provided further, That the Secretary of the Interior, in order to implement an orderly transition of functions from the Office of Special Trustee for American Indians to the Bureau of Trust Funds Administration, may transfer funds among and between appropriations available to the Office of Special Trustee for American Indians and the Bureau of Trust Funds Administration: Provided further, That in order to create an orderly transition, the Director of the Bureau of Trust Funds Administration may carry out the duties of the Special Trustee for American

Indians during the transition period where the authorities may be extended to both positions or where there may be overlapping authority.

DEPARTMENT OF THE INTERIOR

BUREAU OF TRUST FUNDS ADMINISTRATION

Justification of Proposed Language Changes

1. Addition of the following provision: *Provided further, That in order to create an orderly transition, the Director of the Bureau of Trust Funds Administration may carry out the duties of the Special Trustee for American Indians during the transition period where the authorities may be extended to both positions or where there may be overlapping authority.*

The budget proposes to create the Bureau of Trust Funds Administration (BTFA) within the office of the Assistant Secretary-Indian Affairs (AS-IA), and move intact all the ongoing trust management functions of Office of the Special Trustee (OST) into BTFA. The eventual termination of OST will be done in accordance with the American Indian Trust Fund Management Reform Act of 1994 (ITARA)(Act). This request creates a permanent home for the ongoing functions now performed by OST. This provision will aid the orderly transition of executive duties from OST to BTFA.

In June 2016, Congress passed ITARA. Section 304 requires the Secretary to identify OST functions, other than the receipt, management, and investment of Indian trust funds, and after consultation with Indian Tribes, provide to Congress a description of any OST functions that will be transitioned to other bureaus or agencies within the Department along with a transition plan and timetable for the termination of OST. The Department held 10 consultations and one listening session throughout Indian Country on implementation of this section and other sections of ITARA. Review of the feedback received showed no clear consensus regarding the transition of OST functions to other DOI offices. Twelve commenters, 43 percent of all comments, wanted OST to stay intact in some manner. Nine commenters, 32 percent of all comments, wanted OST to move under the BIA. Seven commenters, 25 percent of all comments, wanted various functions of OST to be transferred piecemeal to other parts of the Department.¹

Management of Indian trust funds is an ongoing trust responsibility. OST receives, accounts for, and disburses more than \$1 billion a year of trust monies, and has over \$5 billion under active day-to-day management and investment on behalf of Tribes and individuals. As the Department continues to manage Indian trust funds, gains achieved as a result of the reform efforts are preserved within the new BTFA,

¹ Eight commenters suggested other options. These comments are not included in the percentages listed in the text.

such as the past four years of clean audits and trust fund management expertise developed by OST.²

The Department does not believe that reintegrating OST's core financial management functions into BIA is the appropriate organizational placement. Rather, moving OST's functions into a new bureau will preserve a successful system of checks and balance developed since these functions were moved from BIA. Many trust reforms have been implemented since these functions were moved from BIA to OST. Both organizations have evolved, and each organization has further developed the specialized skill sets and culture needed to administer their distinct portions of the trust system. In addition, it is a critical internal control to keep the management of the land and natural resources, which is under BIA's jurisdiction, and the management of the money generated from those lands, which is under OST's jurisdiction, under separate organizational leadership.

The organizational placement of BTFA under AS-IA will foster close cooperation and collaboration between BIA and BTFA while also ensuring that this critical internal control separating natural resources management and trust fund management remains in place.

² The KPMG audit of the IIM accounts has been clean for 4 consecutive years. KPMG has not given a clean audit on the Tribal Trust Accounts. They have not found deficiencies; they simply cannot confirm accurate balances with Tribes that are litigating matters with DOI.

DEPARTMENT OF THE INTERIOR
BUREAU OF TRUST FUNDS ADMINISTRATION
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 Bureau of Trust Funds Administration.
 - **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 \$17,940,000, from this or any other Act, may be available for Settlement Support:*
 - Interior and Related Agencies Further Consolidated Appropriations Act, 2020 (P.L. 116-94) 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, "Operation of Indian Programs" and 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:*

- **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 BTFA 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. *Provided further, That funds made available through contracts or grants obligated during fiscal year 2021, 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. *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:*
- **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. *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:*
- **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. *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:*
- **Interior and Related Agencies Appropriation Act, FY 2002.** Annual Appropriations Acts have continued this provision each year since FY 2002.
9. *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 for American Indians or Bureau of Trust Funds Administration 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 BTFA 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. *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.*
- **Interior and Related Agencies Appropriation Act, FY 2017.** Annual Appropriations Acts have continued this provision each year since FY 2017.
11. *Provided further, That the Secretary of the Interior, in order to implement an orderly transition of functions from the Office of Special Trustee for American Indians to the Bureau of Trust Funds Administration, may transfer funds among and between appropriations available to the Office of Special Trustee for American Indians and the Bureau of Trust Funds Administration: Provided further, That in order to create an orderly transition, the Director of the Bureau of Trust Funds Administration may carry out the duties of the Special Trustee for American Indians during the transition period where the authorities may be extended to both positions or where there may be overlapping authority.*
- This additional provision is requested in FY 2021 and will aid the orderly transition of executive duties from OST to BTFA.

Account: Federal Trust Programs
Activity: Executive Direction

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Executive Direction	1,697	1,697	+22	+0	+47	1,766	+69
Executive Direction	1,697	1,697	+22	+0	+47	1,766	+69
<i>FTE</i>	5	5	+0	+0	+0	5	0

Summary of FY 2021 Program Changes for Executive Direction

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Executive Direction - Continued focus on general oversight of Indian trust effort, staff development and elimination of harassment in the workplace	+250	+1
Executive Direction – Transfer Ethics Program to Office of the Solicitor	-203	-1
TOTAL Program Changes	+47	0

Program Component – Executive Direction

Program Description

The Director, BTFA will provide general oversight of Indian trust 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.

FY 2021 Program Activities

The 2021 budget will fund 5 FTE to provide the following:

- Leadership for strategic planning and oversight of performance.
- Coordination of activities within BTFA and between other DOI organizations or Federal agencies.
- Coordination for the transfer of BTFA to the AS-IA.
- Implementation of programs to prevent harassment in the workplace and improve the workplace environment; create effective metrics and monitor performance.
- Work with other DOI Offices, bureaus and 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 outcomes.
- Support the cost of organization-wide training.

Proposed Program Changes

The 2021 budget request for Executive Direction is \$1,766,000 and 5 FTE which includes:

Ethics Transfer (-\$203,000/-1 FTE) Funding supports the Department's initiative to improve the Ethics Program through consolidation of ethics personnel implementing the direction in Secretarial Order 3375. In FY 2021, Executive Direction will transition one FTE to the consolidated ethics office under the Office of the Solicitor.

Executive Direction (+\$250,000/+1 FTE) – BTFA Executive Direction will focus on 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 BTFA-wide training in these areas.

Program Overview

Executive Direction (\$1,766,000/5 FTE) – The Director will be charged with general oversight of Indian trust 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 Plan of the Department and BTFA. The budget primarily funds personnel, such as the Deputy Bureau Director, performing organization-wide planning, performance monitoring, and coordination of activities. The Executive Direction staff provides guidance to all programs within BTFA, 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.

Account: Federal Trust Programs
Activity: Trust Operations
Subactivity: Field (Formerly “Field Operations”)

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Field	23,085	23,085	+456	+0	-4,028	19,513	-3,572
Field	23,085	23,085	+456	+0	-4,028	19,513	-3,572
<i>FTE</i>	<i>162</i>	<i>153</i>	<i>+0</i>	<i>+0</i>	<i>-13</i>	<i>140</i>	<i>-13</i>

Summary of 2021 Program Changes for Trust Operations - Field

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Trust Operations - Field – Provide services to beneficiaries, maintain TBCC services and preserve outreach and financial education	-4,028	-13
TOTAL Program Changes	-4,028	-13

Program Component – Trust Operations - Field

Program Description

Trust Operations - Field staff will 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 will provide 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, and leases. Other trust asset information important to beneficiaries, such as statutory or regulatory changes that affect trust asset management, will also be provided.

FY 2021 Program Activities

In 2021, Trust Operations - Field will prioritize service delivery to meet its fiduciary obligations to Tribes, individual Indians, and Alaska Natives. Specifically, Trust Operations - Field 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 TBCC will answer an estimated 192,000 beneficiary calls, an average of 800 beneficiary interactions per day.
- Achieve a first-line resolution rate in the TBCC of 95.6%.
- As a High Impact Service Provider (HISP), the TBCC continues to make improvements per OMB Circular A-11 Section 280.
- Assist the LBBP by responding to an estimated 6,000 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.
- Participate in over 2,000 outreach events providing information on services provided by BTFA, trust asset management, trust initiatives, and financial skills training reaching over 20,000 individual Indian 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) and other issues important to the Tribes and their communities.
- Provide financial skills training to IIM beneficiaries throughout Indian Country.
- Respond to 93% of beneficiary inquiries within two business days and respond to the balance of these inquiries within 30 days.
- Support administration of P.L. 93-638 self-governance and self-determination activities and services to Tribes who contract or compact the Beneficiary Process Program (BPP).

Proposed Program Changes

The 2021 budget request for Trust Operations - Field is \$19,513,000 and 140 FTE which includes:

Trust Operations - Field (-\$4,028,000/-13 FTE) – This requested amount will allow Trust Operations - Field to focus on those activities most central to fulfillment of the Secretary's fiduciary trust responsibilities. Direct contact with Tribes and beneficiaries by means of the TBCC, field office locations, and outreach events will remain the primary focus of Trust Operations - Field.

Program Overview

Trust Operations - Field (\$19,513,000/140 FTE) – Trust Operations – Field will play a key role in leading the Department's outreach efforts to beneficiaries. Outreach events will include staff attendance at community meetings, Tribal leadership conferences and social gatherings such as pow-wows and pueblo feasts, 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 will use culturally sensitive techniques and methods geared toward Native American audiences. Topics will 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 will provide a convenient "one-stop" service for beneficiary inquiries. Beneficiaries can access information and assistance regarding a wide range of account information by calling the toll free number. Additionally, beneficiaries will be able to request a disbursement from, or update their IIM account information. The TBCC will utilize a tracking and case management tool, which will also be shared with all BTFA offices and BIA Social Services to improve communication and collaborative efforts between BTFA and BIA for the management of supervised accounts.

Trust Fund Investments will have an increased its role in assisting other agencies within the Department, such as the Bureau of Reclamation, BIA, the Office of Natural Resources Revenue (ONRR), and the Bureau of Land Management, as well as 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. Trust Operations – Field will also provide estate planning opportunities to Indian Trust beneficiaries in accordance with American Indian Probate Reform Act of 2004 (AIPRA).

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Account: Federal Trust Programs
Activity: Trust Operations
Subactivity: Accounting Operations (formerly “Trust Services”)

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Accounting Operations	22,004	20,034	+262	+0	-2,364	17,932	-2,102
Accounting Operations	22,004	20,034	+262	+0	-2,364	17,932	-2,102
<i>FTE</i>	<i>103</i>	<i>102</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>102</i>	<i>0</i>
Major Program IT Investments:							
Trust Fund Accounting System	[9,762]	[5,200]	[0]	[0]	[-200]	[5,000]	[0]

Summary of 2021 Program Changes for Trust Operations - Accounting

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Trust Operations - Accounting	-2,364	0
TOTAL Program Changes	-2,364	0

Program Component – Trust Operations - Accounting Operations

Program Description

Trust Operations – Accounting Operations is responsible for the management of Tribal and Individual Indian Monies trust funds through the accurate and timely execution of investment, disbursement, receipt, accounting, and reporting functions.

2021 Program Activities

The 2021 budget will fund 102 FTE to provide the following services:

- Reconcile accounts with Treasury daily.
- Conduct receipting, accounting, reporting and disbursing.
- Record at least 99% of Office of Natural Resource Revenue (ONRR) royalty revenue within 24 hours of receipt.
- Manage over \$5 billion in trust funds.
- Attain 99.7% accuracy for financial information initially processed in trust beneficiary accounts.
- Disseminate timely financial account information to trust beneficiaries 100% of the time.
- Process over 10,000 probate orders and distribution of funds to beneficiaries annually.
- Process over 350,000 account maintenance transactions.
- Compile and analyze monthly and annual financial statements, applicable tax reports, and regulatory financial reports.

Proposed Program Changes

The 2021 budget request for Trust Operations - Accounting is \$17,932,000 and 102 FTE which includes:

Trust Operations - Accounting Operations (-\$2,364,000/ +0 FTE) – The funding will allow leadership, guidance, and oversight of the development of policies, procedures, and processes to ensure proper management of trust funds on behalf of beneficiaries and will support Indian Fiduciary Trust Responsibilities

Program Overview

Trust Operations - Accounting Operations (\$17,932,000/102 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 Alaska Natives 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 American Indian Trust Fund Management Reform Act of 1994, Congressional action, and other applicable laws.

Trust Operations - Accounting Operations will provide leadership, guidance, and oversight of the development of policies, procedures, and processes to ensure proper management of trust funds on behalf of beneficiaries. It will support Indian Fiduciary Trust Responsibilities by 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 Operations – Accounting Operations will manage over \$5 billion in funds held in trust for federally recognized Indian Tribes, individual Indian, and Alaska Native beneficiaries. Over \$4.1 billion will be held in about 3,600 Tribal and other trust fund accounts, including the Alaska Native Escrow Fund. Approximately \$1.0 billion will be held on behalf of individual Indians in nearly 406,000 beneficiary accounts. While under OST, the accumulated balances in the Tribal Trust are a result of 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 will be held generally on deposit as a result of restricted accounts (e.g., minors, estates, Whereabouts Unknown) and voluntary hold accounts.

Trust Operations - Accounting Operations will provide valuable assistance to litigation support through subject matter experts, development of presentations, and document production accounting support.

In 2021, Trust Operations – Accounting Operations' top priority will 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.

Account: Federal Trust Programs

Activity: Trust Operations

Subactivity: Settlement Support (formerly “Office of Historical Trust Accounting”)

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Settlement Support	18,587	18,587	+29	+0	-676	17,940	-647
Office of Trust Analysis and Research	18,587	18,587	+29	+0	-676	17,940	-647
<i>FTE</i>	<i>11</i>	<i>11</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>11</i>	<i>+0</i>

Summary of 2021 Program Changes for Settlement Support

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Settlement Support	-676	0
TOTAL Program Changes	-676	0

Program Component: Settlement Support

Program Description

Settlement Support funds the Office of Trust Analysis and Research (OTAR) (formerly “The Office of Historical Trust Accounting”), which performs fulfillment of Freedom of Information Act requests, historical accounting of Tribal Trust and IIM Accounts, including identifying ownership and disseminate residual balances in the Special Deposit Accounts and Youpee Escheat Accounts, and the Land Buy-Back Program.

2021 Program Activities

The 2021 budget will fund 11 FTE to:

- Provide assistance in fulfilling Freedom of Information Act requests.
- Review the following types of documents for tracking, progress and status reporting to OTAR, BTFA, BIA, and Trust Services leadership:
 - Financial documents (e.g. journal voucher, public voucher for refund, SF1081, SF224, Collection voucher, Schedule of Collections, Field Receipt, Bill for Collection, etc).
 - Lease/Contract Instruments (e.g. Rights of Way, Mineral Leases, Business Leases, Permits, Farm Pasture Leases, Grazing Permits, etc.).
 - Ownership Documents (e.g. Probate, Land Sales, Gift Deeds, TAAMS ownership Reports, etc.).
- Identify, retrieve, and process accounting metadata forensic requirements and formats to support OTAR’s business needs to process and manage historical accounting (i.e. Research, Analysis, Distribution, Offsetting, Disbursement, and the documents listed above, etc.).

- Provide training to Federal OTAR staff to recommend forensic analysis distribution, offsetting, disbursement results and actions to BIA and Trust Operations - Accounting for approval.
- Fund 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, Youpee Escheat Accounts, individual Indians accounts, and non-trust entities and to distribute balances.
 - Address historical accounting requirements, verify system account codes, prepare interest calculations, generate system interface files, research system transactions, assist with backlog management, reconcile accounts and evaluate accounting document dispositions.

Proposed Program Changes

The 2021 budget request for Settlement Support is \$17,940,000 and 11 FTE which includes:

Office of Trust Analysis and Research (-\$676,000 /+0 FTE) The 2021 will allow OTAR to continue to provide Trust Service and Regional Agency delivery of historical accounting services, manage historical Tribal Trust and IIM accounts workloads, and allow other BTFA funding priorities to be addressed (assuming the number of active cases in litigation that the OTAR supports will remain stable).

Program Overview

Office of Trust Analysis and Research (\$17,911,000/11 FTE) – Office of Trust Analysis and Research (OTAR) will manage historical accounting of Tribal Trust and IIM accounts, and work to identify ownership and disseminate residual balances in the Special Deposit Accounts and Youpee Escheat Accounts, individual Indians' accounts and non-trust entities. OTAR will provide litigation support to defend the Department against litigation alleging breach of fiduciary trust duties.

In July 2001, the Office of Historical Trust Accounting within OST was created by a Secretarial Order to plan, organize, direct, and execute the historical accounting of IIM accounts. OHTA's responsibilities were later expanded to include the provision of historical accounting 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 approximately 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.

The OTAR will support active litigation and settlement negotiations in coordination with the DOJ and the Office of the Solicitor (SOL). The DOJ, SOL, and the Department will rely on the OTAR 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 and data analysis of Tribal and individual accounts and claims, among other litigation support activities.

Tribal and IIM Historical Accounting – The OTAR will 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 will focus on supporting resolution of breach of trust and related lawsuits brought by Tribes and individual Indians alleging violation of the Department’s trust relationship. OTAR will be the *sole* office within the Department, to provide litigation support (document research and retrieval, document reproduction, and analysis) for violations of trust claims against the Department.

Special Deposit Accounts/Youpee Escheat Funds Distribution Project – The OTAR will identify the proper ownership of residual balances in aged Special Deposit Accounts (SDA’s). The balances that have accumulated in these SDA’s, while under OST, 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. Settlement Support will plan, organize, direct, and execute 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 Alaska Natives 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. BTFA’s FY 2021 budget request will allow the annual closure goals of \$300,000 to be distributed to Tribes, individual Indians (both SDAs and Youpee accounts), and/or third parties.

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Account: Federal Trust Program
Activity: Trust Operations
Subactivity: Information Resources and Trust Records

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Information Resources and Trust Records	16,374	18,344	+226	+254	+4,734	23,558	+5,214
Information Resources	6,141	8,111	+80	+254	+0	8,445	+334
Trust Records	10,233	10,233	+146	+0	+4,734	15,113	+4,880
<i>FTE</i>	82	81	+0	+0	+0	81	0
Major Program IT Investments:							
	[15,092*]	[6,123]	[0]	[0]	[+1,514]	[7,637]	[0]

Summary of 2021 Program Changes for Information Resources and Trust Records

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Information Resources and Trust Records – Electronic Records Management Program implementation	+4,734	0
TOTAL Program Changes	+4,734	0

Program Component: Information Resources

Program Description

Overseen by the Associate Chief Information Officer, Information Resources (IR) will provide organization-wide information resources and support for BTFA in carrying out fiduciary trust responsibilities to Tribal and individual Indian beneficiaries.

2021 Program Activities

The 2021 budget will fund 27 FTE and contractors to:

- Provide IT Help Desk support to BTFA employees nation-wide.
- Migrate IT infrastructure to a cloud smart computing environment.
- Redevelop and consolidate IT applications for enhanced services to beneficiaries and improved operating efficiencies in Trust Operations - Accounting and Trust Operations – Field.
- Provide IT data recovery in the event of a disaster.
- Replace or modify in-house developed application programs originally written in cold-fusion and designed to work with the previous trust financial accounting system.
- Fund Working Capital Direct costs related to Federal and Departmental IT security.
- Fund contract support for the mobile banking application.
- Develop and test kiosk banking services for the beneficiary.

Program Overview

Information Resources (\$8,445,000 /27 FTE) - IR will develop, maintain, and operate the trust IT enterprise architecture; provide day-to-day computer support to BTFA personnel nationwide; and develop and maintain applications in support of the BTFA mission. IR will implement its comprehensive plan to centralize and automate BTFA's IT network services. This will include funding critical IT investments for migration of the existing BTFA 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 OIR TFAS hosting and security environment, generating savings as BTFA is modernizing TFAS services.

In FY 2021, OIR plans to:

- Advance existing mission support of IT applications/systems and develop applications to address new or changing requirements, specifically those in support of the new TFAS, which will move IT services to the cloud, automate beneficiary delivery services and invoke business intelligence to make more effective and longer term business decisions.
- Move toward the development of an enterprise architecture model ensuring shared-services, mobile workforce technologies and the consolidation of IT investments, applications and data, to incorporate mandated OMB directives such as Open Data, Controlled Unclassified Information, Records Management, Security and Privacy.
- Redesign of BTFA's infrastructure included identifying solutions to meet key mandates:
 - August 1, 2006, Data Center Optimization Initiative³
 - February 8, 2011, Federal Cloud Computing Strategy⁴
 - December 19, 2014, Federal Information Technology Acquisition Reform Act⁵
 - May 5, 2016, Improving Administrative Functions Through Shared Services⁶
 - May 16, 2018, U.S. Department of Homeland Cybersecurity Strategy⁷

Subsequent changes in Federal and Departmental guidelines and policies regarding privacy, records, open data, open source software, category management, mobile workforce, and shared services required further changes in how BTFA delivers IT services now and in the next decade. In FY 2019, OST made significant IT investments to replace outdated and end-of-life infrastructure. At the same time, IT operations Department-wide have incurred increased costs to meet new Federal requirements. While migration to a cloud-computing environment will require an up-front investment, following completion of

³ [Data Center Optimization Initiative](#)

⁴ [U.S. Department of the Interior Cloud First](#)

⁵ [FITARA Guidance Directive](#)

⁶ [Shared Services Directive](#)

⁷ [DHS Cybersecurity Strategy](#)

the migration, BTFA anticipates cost avoidance of \$500,000 and on-going operational savings of approximately \$200,000 annually.

Program Component: Trust Records

Program Description

Trust Records (TR) will continue to manage records at the American Indian Records Repository (AIRR), in Lenexa, KS in addition to providing records management training, guidance, and assistance to the BIA, BIE and the Office of the Assistant Secretary – Indian Affairs. The funding will also accelerate and expand the digitization of trust records at AIRR and to over one hundred BTFA, BIA, and BIE field locations.

2021 Program Activities

The 2021 budget will fund 54 FTE and contractors to:

- Fund leased space for records storage.
- Receive and process over 8,000 boxes of records.
- Respond to over 2,000 records retrieval requests.
- Electronically index records.
- Provide records management training.
- Provide remediation services for damaged inactive records.
- Develop records management policies.
- Provide guidance and support to Indian Affairs and Indian Tribes on records.
- Records digitization.

Proposed Program Changes

The 2021 budget request for Trust Records is \$15,113,000 and 54 FTE which includes:

Trust Records (+\$4,734,000 /+0 FTE) Funding at this level will support approximately 54 FTE. The increase in funding will support the implementation of the Electronic Records Management Program (ERMP) and accelerate the digitization of trust records. This will help BTFA meet new Federal records retention requirements.

Program Overview

Trust Records (\$15,113,000/54 FTE) - The BTFA will manage trust records including training, guidance, and assistance to the BIA, BIE and the Office of the Assistant Secretary - Indian Affairs (AS-IA), and, to some extent, the Tribes. This will include the development of policies and procedures for



management of trust records, and the associated training and technical assistance. It also will include operation of the AIRR, an underground trust records storage facility in Lenexa, Kansas.

In addition, TR will develop and obtain approval from the Archivist of the United States for records schedules; develop computer-based records

management training; administer the disposition and safeguard of inactive records; retrieve records for authorized users; support the implementation of Interior's eERDMS initiative; and manage/administer all inactive record activities/processes. This will include the electronic index of inactive records; assure security safeguards are in place at AIRR; provide remediation services for damaged inactive records; and limit access to inactive records to authorized users only.

OST currently stores records in paper format. In 2021, BTFA will move toward a modern records management system via the ERMP. The ERMP will digitize and upload paper records into the cloud for storage in compliance with:

- The President's Management Agenda requiring a move towards digital services and tools.
- The National Archives and Records Administration (NARA) Strategic Plan, Goal 3.2, states that by December 31, 2022, NARA will, to the fullest extent possible, no longer accept transfers of permanent or temporary records in analog formats and will accept records only in electronic format and with appropriate metadata.
- The Office of Management and Budget/NARA memo M-19-21, Transition To Electronic Records
- The Individuals with Disabilities Education Act (IDEA) requires all government forms to be electronic and a move to digital signatures, no later than December, 2020.
- The Federal Cloud Computing Strategy also known as CloudSmart Act (10/5/1018).
- OMB memorandum M-12-18, dated August 24, 2012 entitled, "Managing Government Records Directive".
- The Office of Management and Budget Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce, M-17-22. The guidance proposes that government better leverage technology and improve the underlying business processes.
- The ERMP is a multi-year project with several components, including:
 - Development of policies and procedures (FY 19 and 20);
 - Purchase of high speed, air-based scanners (FY 19);
 - Movement of the database for digitized records to the cloud, and creating a portal to allow easier internal access for research and retrieval (FY 20);
 - Review of approximately 335,000 boxes of records at the AIRR to 1) identify and disposition General Records Schedule documents, and 2) to digitize trust records (FY 19, 20, 21);
 - Provide training to BTFA, BIA, and BIE staff on electronic records management (FY 21, 22);
 - Review and digitization of records at nearly 50 BTFA field sites, 12 BIA regional sites, and 85 BIA agencies (FY 20, 21, 22, 23);
 - Review and digitization of BIE records at operated schools (FY 20, 21, 22, 23, 24); and,
- Potentially, provide training and digitization services to Tribes that desire BTFA assistance (FY 22, 23, 24, 25, and beyond)

The end result of the ERMP will be that BTFA will:

- Have over a billion trust records available for electronic research and review;
- Collect records electronically from scheduled systems instead of generating duplicative paper records (eliminating print and file for electronic born records);

- Allow controlled sharing and management of records between agencies in an agile manner without costly contractor support;
- Retain and manage electronic records for easily retrievable information;
- Enable a common user experience, integrated and accessible data, and data security by leveraging the latest advancements in technology;
- Eliminate burdensome manual collections and reporting requirements, while improving the quality and integrity of these electronic records;
- Have the ability for Tribes to access their trust records online, a historical first, supporting Tribal sovereignty; and,
- Reduce costs and improve efficiency across BTFA, BIA and BIE.

BTFA will also prepare for digitization at field sites. In addition, in FY 2020, the focus will be to move the digitized records data to the DOI cloud environment, and develop a portal for research access to the data.

In FY 2021, the benefits from of the ERMP are:

- The current manual indexing process will be transitioned to a time saving scan/upload and quality control review process. The current AIRR research process will become a digital search process avoiding the costs associated with the recall of boxes from storage and increasing the preservation of the records. The long-term vision is to grant stakeholders Information Resources (IR) permissions to 1) upload documents ready for transfer to the electronic records repository and 2) research documents in the electronic records repository necessary for work functions from desktops, reducing costs and improving efficiency. Development of an application to search records stored in the cloud is required to implement this function.
- Digitization will eliminate further deterioration of paper records caused by manual handling. The technological advancement benefits include, but are not limited to, providing clearer images of old, brittle, and fragile documents while preserving the records.
- The use of a PDF/A as its file format, which is an ISO-standardized version of the Portable Document Format (PDF) specialized for use for archiving and long-term preservation of electronic documents. This format is also used in the Library of Congress and is a NARA requirement.
- An estimated reduction of the records storage footprint from 350,000 cu. ft. to less than 10,000 cu. ft.
- BTFA anticipates the current storage space of 350,000 cu. ft. at AIRR will be at capacity in approximately 2.5 years. Therefore, an additional 105,000 cu. ft. will need to be leased from NARA. In FY 2019, the cost for storage of 455,000 cu. ft. textual records is approximately \$1,188,000. By comparison, the cost of storing an equivalent amount of textual records as images in the cloud would be approximately \$175,000.

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Account: Federal Trust Programs
Activity: Program Operations
Subactivity: Business Management

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Business Management	24,672	24,672	+650	-254	-2,150	22,918	-1,754
Business Management	24,672	24,672	+650	-254	-2,150	22,918	-1,754
<i>Litigation Support</i>	<i>[3,086]</i>	<i>[3,086]</i>	<i>+0</i>	<i>+0</i>	<i>[-515]</i>	<i>[2,571]</i>	<i>[-515]</i>
<i>Office of Hearings and Appeals</i>	<i>[8,516]</i>	<i>[8,516]</i>	<i>+0</i>	<i>+0</i>	<i>[-1,420]</i>	<i>[7,096]</i>	<i>[-1,420]</i>
<i>FTE</i>	<i>40</i>	<i>40</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>40</i>	<i>0</i>

Summary of 2021 Program Changes for Business Management

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Business Management	-2,150	0
TOTAL Program Changes	-2,150	0

Program Component: Business Management

Program Description

Business Management houses three support functions: the Office of the Chief of Staff (CoS), Business Management, and Communication, Policy and Training (CPT).

2021 Request Program Activities

The 2021 budget will fund 40 FTE to:

- Perform workforce planning.
- Provide clerical and administrative support for senior management in Executive Direction.
- Perform special projects involving coordination with other BTFA programs.
- Perform budget formulation and execution functions.
- Provide budget execution reports to BTFA program managers, DOI, OMB, and Congress.
- Negotiate and manage internal shared services Inter-Agency Agreements.
- Oversee and provide guidance on conference planning and reporting.
- Provide telework guidance and policies and monitor the telework program.
- Provide T&A guidance and policies, monitor T&A reporting and assist users of the T&A system.
- Provide guidance on travel purchase, and fleet charge card use, policy and regulations.
- Monitor travel purchase and fleet card usage, advising supervisors when travel authorizations and vouchers are not reviewed for approval, filed, and closed in accordance with policy.
- Actively manage personal property, facilities and space.

- Continue development and dissemination of information concerning BTFA activities and new opportunities of importance to beneficiaries, Tribal leaders and Native organizations.
- Continue support of BTFA's national debit card and direct deposit programs for IIM account holders.
- Generate further awareness of Whereabouts Unknown (WAU) accounts across Indian Country.
- Develop and coordinate implementation of training activities within BTFA.

Proposed Program Changes

The 2021 budget request for Business Management is \$22,918,000 and 40 FTE which includes:

Business Management (-\$2,150,000 /+0 FTE) – The FY 2021 budget proposal supports workforce planning, execution of bureau initiatives, and administrative and clerical support to the Director, BTFA and Deputy Bureau Director. Business Management will continue to provide support as BTFA carries out its fiduciary trust responsibilities. BM provides pass-through funding to the SOL for ITLO and OHA for probate adjudication. The CPT will continue to work to improve external communications with the stakeholders through outreach activities regarding the BTFA activities, national debit card and direct deposit programs. CPT will continue to improve internal communication with employees and conduct training to increase employee engagement and operational performance by improving the workplace environment. Increasing opportunities for employee training for specific skill sets will further enhance efficient delivery of mission-critical services and employee engagement.

Program Overview

Business Management (\$22,918,000 /40 FTE) - Functions of the CoS include coordination of activities across the entire organization, conducting workforce planning, performing special projects as directed by Executive Management, and assisting with development and monitoring of BTFA's Strategic Plan. Business Management of reimbursable support agreements/contracts for accounting/financial, acquisitions/contracting, security, telecommunications, and human resource services for the entire organization. Additionally, this program will provide facilities, government fleet, and property management, health and wellness services, budget formulation and execution, purchasing, and numerous administrative services. This office will also coordinate the implementation of performance improvement throughout BTFA by closely monitoring program outputs and activities in accordance with the Government Performance and Results Act.

In addition to providing all budget functions, Business Management will generate or coordinate required reports for the Department, the Office of Management and Budget (OMB), and the U.S. Congress. This office will provide pass-through funding for the Indian Tribal Litigation Office (ITLO) as well as the Office of Hearings and Appeals (OHA) for probate adjudication. Business Management will oversee reimbursable support agreements/contracts for shared services supporting all BTFA programs, including acquisitions, accounting, facilities management, government fleet and property management, human resources, personnel security, facility leases, and safety/security services. Administrative services provided will include internal acquisitions review, mail services, policy and procedure dissemination, safety and security inspections, assistance and oversight of telework, time and attendance (T&A), travel, assistance in arranging training, and budget and financial services and review of working capital fund

costs. Staff coordinates the implementation of performance improvement throughout BTFA by closely monitoring program outputs and activities in accordance with the GPRA.

CPT will have the following areas of responsibility in supporting the of Director, BTFA statutorily-required oversight activities:

- Communicate with a diverse group of internal and external stakeholders about BTFA's programs and activities and the Department's fiduciary trust activities.
- Coordinate and review 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.

Additionally, CPT will be responsible for Congressional liaison activities and coordination with the Department's external affairs and communications offices on communications to the public and Tribes. Communication, Policy and Training will also develop communications to BTFA staff on a variety of subjects unrelated to trust, such as Departmental and BTFA policies, information regarding BTFA events, and sharing of information of interest to employees. In FY 2021, this office will assume coordination of training activities previously dispersed across BTFA.

CPT will also provide 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, how to withdraw funds held in trust, and the Explanation of Payments statement. Communications generated for internal use will focus on apprising employees of BTFA's activities, new legislation affecting beneficiaries, promoting training opportunities and enhancing employee engagement.

Litigation Support (\$2,571,000) – The BM budget includes pass-through funding for the Solicitor's Office (SOL). Services that will be provided by SOL include (but are not limited to): document production capabilities, case load review, analysis, management and support, as well as, internal controls counsel and advice.

OHA Probate Performance Data 2015-2019				
	Number of Cases Pending Beginning of Year	Number of New Cases Received	Number of Cases decided	Number of Cases Pending End of Year
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
FY 2019	5,711	4,519	6,154	4,076

Office of Hearings and Appeals (\$7,096,000) – The budget for BM includes pass-through funding for the Office of Hearings and Appeals. OHA will use 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.

Account: Federal Trust Programs

Activity: Program Operations

Subactivity: Trust Risk, Evaluation and Compliance (formerly “Trust Review and Audit” and “Risk Management”)

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Trust Risk, Evaluation and Compliance	5,121	5,121	+68	+0	-417	4,772	-349
Trust Risk, Evaluation and Compliance	5,121	5,121	+68	+0	-417	4,772	-349
<i>FTE</i>	<i>25</i>	<i>25</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>25</i>	<i>+0</i>

Summary of 2021 Program Changes for Trust Risk, Evaluation and Compliance

Request Component	(\$000)	FTE
Program Changes:		
Trust Risk, Evaluation and Compliance – Focus on agency and Tribal evaluations, records assessments and risk management services	-417	0
TOTAL Program Changes	-417	0

Program Component: Trust Risk, Evaluation and Compliance

Program Description

Trust Risk, Evaluation & Compliance (TREC) evaluates trust programs and trust records management for deficiencies and monitor corrective actions for the identified deficiencies. TREC also evaluates trust programs managed by Indian Tribes under Self-Determination compact agreements (Title 25 CFR, Part 1000).

2021 Program Activities

The 2021 budget will fund 25 FTE to:

- Conduct 23 Tribal evaluations.
- Conduct 40 records assessments.
- Conduct reviews of mandated DOI programs.
- Conduct 20 internal control reviews.
- Review 17 financial business processes.

Proposed Program Changes

The 2021 budget request for Trust Risk, Evaluation & Compliance is \$4,772,000 and 25 FTE which includes:

Trust Risk, Evaluation and Compliance (-\$417,000 /+0 FTE) - Trust Risk, Evaluation and Compliance will conduct Departmental and Tribal evaluations and records assessments. Trust Risk, Evaluation and

Compliance will also provide enterprise risk management services by reviewing and testing internal controls within financial business processes and conducting program reviews to ensure operations comply with applicable laws and regulations, programs operate efficiently and effectively and financial reports are reliable.

Program Overview

Trust Risk, Evaluation and Compliance (\$4,772,000 /25 FTE) - The American Indian Trust Fund Management Act of 1994 requires the Special Trustee to oversee reform within BTFA, BIA, BLM, and ONRR to ensure that trust policies and procedures are consistent Interior-wide. To accomplish this, the Trust Risk, Evaluation & Compliance (TREC) will conduct independent examinations to determine if BTFA, BIA, BLM and ONRR have established policies and procedures that are consistent and comply with Federal trust laws. Trust Risk, Evaluation & Compliance will evaluate trust programs and trust records management for deficiencies, identify findings, issue reports, and monitor corrective actions for the identified deficiencies. Trust Risk, Evaluation & Compliance will also evaluate trust programs managed by Indian Tribes under Self-Determination compact agreements (Title 25 CFR, Part 1000).

Trust Risk, Evaluation and Compliance will help to ensure BTFA complies with OMB Circular A-123 and the FMFIA. Trust Risk, Evaluation and Compliance will coordinate management's annual self-assessment evaluation of the effectiveness of internal controls designed to mitigate risk associated with financial and non-financial program activities; conduct independent testing of the internal controls within financial business processes; conduct internal control reviews of programs; and provide assistance with risk management inquiries. Through the use of risk assessments completed by all program managers for their assigned programs, reviews conducted by TREC and independent external auditors, TREC will ensure that BTFA 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. TREC will assist the organization in its efforts to implement Enterprise Risk Management.

Tribal and Other Trust Funds

(Dollars in Thousands)

	2019 Actual	2020 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2021 Request	Change from 2020 (+/-)
Total	146,336	147,000	+0	+0	+0	147,000	+0
Tribal Special Fund	103,569	107,000	+0	+0	+0	107,000	+0
Tribal Trust Fund	42,767	40,000	+0	+0	+0	40,000	+0
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. The 2021 budget proposes to shift these accounts to the Bureau of Trust Funds Administration from the Office of the Special Trustee for American Indians.

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.
- *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 by Dr. Orrie Shaw, income used only for the training or education of American Indians.
- *Welman 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 law 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 2021 Program Changes

The FY 2021 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 BTFA 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 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 are immediately held in trust for the Tribe with jurisdiction, and will expand Tribal economic development opportunities across Indian Country. This, in turn, restores 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, in November 2022, will 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% of the Fund. The 2021 budget proposes to shift this account to the Bureau of Trust Funds Administration from the Office of the Special Trustee for American Indians.

As an additional incentive to participate in the LBBP, the Settlement provided that a portion of the Fund, up to \$60 million, would be contributed to a Cobell Education Scholarship Fund. Program contributions reached \$60 million in 2017. 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.

The principal goal of the LBBP is to maximize the reduction of 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. The value of the land equivalent to purchasable acres exceeds \$1.9 billion. Consequently, it is imperative that the Fund continue to be used thoughtfully on cost-effective acquisitions to have maximum impact.

The LBBP's appropriated funding will be used in strict accordance with the Settlement Agreement. The LBBP will remain separate from appropriated funding for BTFA operations. All LBBP staffing and operational costs will continue to be paid from the Fund.

FY 2021 Program Activities:

The LBBP will continue working to reduce fractionation by continuing to implement efforts at scheduled locations while effectively managing administrative costs. In FY 2021, the LBBP anticipates re-evaluating its resources and announcing additional locations if resources allow.

Program Performance Estimates

Land Buy-Back for Tribal Nations Spending by Fiscal Year			
(Dollars in Thousands)			
	2019	2020	2021
Trust Land Consolidation Fund	Actual	Estimate	Estimate
Land Purchases	\$170,737	\$140,366	\$65,119
Implementation/Administrative Costs	\$16,660	\$16,000	\$14,326
Total	\$187,397	\$156,366	\$79,445
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 the program could contribute under the terms of the Settlement Agreement.			

In FY 2019, the LBBP surpassed \$1.4 billion in cumulative land sales paying over \$170 million to landowners who accepted offers resulting in more than 103,000 fractional interests purchased (over 348,000 equivalent acres consolidated).

As of FY 2019, the LBBP has paid landowners over \$1.48 billion and it has created or increased Tribal ownership in over 46,000 tracts of allotted land – with more than 1,700 of those tracts reaching 100 percent Tribal trust ownership. The LBBP has acquired nearly 886,000 interests, which is a 30 percent reduction in total purchasable fractional interests identified by the LBBP in 2013. The LBBP has restored the equivalent of more than 2.5 million acres of land to Tribal trust ownership.

In FY 2020, the LBBP continues to mail offers for interests at scheduled locations as announced in July 2017. The LBBP estimates that it will acquire approximately 180,000 fractional interests and total payments to landowners will be approximately \$140 million. In addition, the LBBP estimates it will transfer the equivalent of more than 333,000 acres of land to Tribal trust ownership.

The LBBP will continue working to reduce land ownership fractionation in FY 2021 by continuing implementation efforts while effectively managing implementation (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 nearly 74,000 fractional interests and that total payments to landowners will exceed more than \$65 million. In addition, the LBBP estimates it will transfer the equivalent of more than 39,000 acres of land to Tribal trust ownership.

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