



L A N D

B u y - B a c k P r o g r a m

f o r



T R I B A L N A T I O N S

Presentation Summary



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Program Overview – Background



- The Buy-Back Program is a collaborative effort - involving Interior, tribes, and individuals - to reduce the number of fractional interests in tracts of trust or restricted lands. Fractionated tracts are defined as any tract with more than one landowner.
- Settlement background and intentions.
- Purchases are voluntary.
- No liens - lands will stay in trust or restricted status and be transferred to the tribe that has jurisdiction over the land, without any liens attached.

Program Overview: Organizational Structure



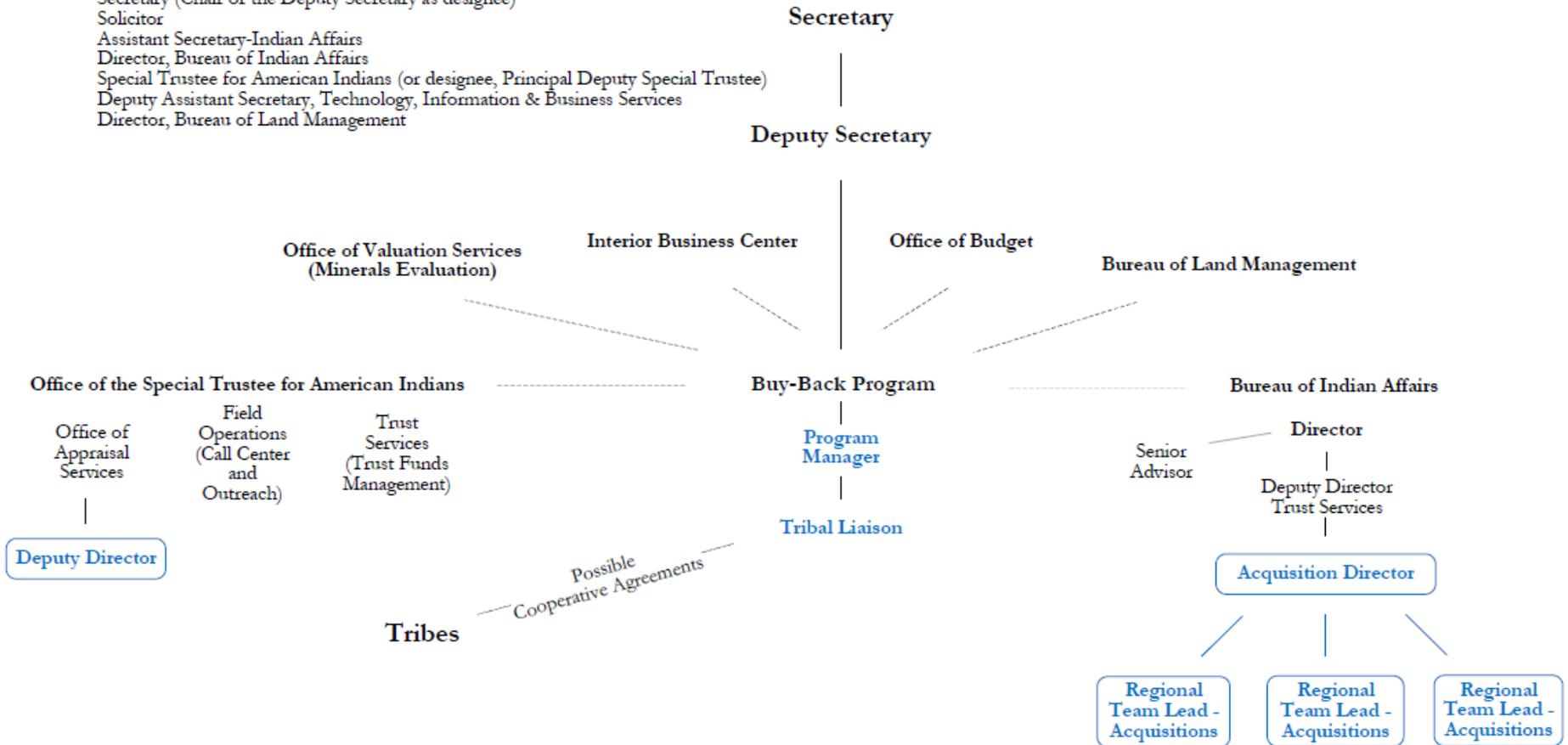
- The Buy-Back Program is headed by a **Program Manager** (John McClanahan) in the Office of the Secretary who reports to the Deputy Secretary.
- The Oversight Board provides policy guidance, ideas for improvement, oversight, and other assistance to the Buy-Back Program. David Hayes, the Deputy Secretary, chairs the Board, which includes the following members:
 - Hilary Tompkins, Solicitor
 - Kevin Washburn, Assistant Secretary - Indian Affairs
 - Michele Singer, Principal Deputy Special Trustee for American Indians
 - Michael Black, Director, Bureau of Indian Affairs
 - Andrew Jackson, Deputy Assistant Secretary - Technology, Information and Business Services
 - Neil Kornze, Principal Deputy Director, Bureau of Land Management
- An **Acquisitions Director** will be housed in the Bureau of Indian Affairs (BIA). A **Deputy Director for Valuations** will be housed in the Office of the Special Trustee for American Indians (OST).

Program Overview: Organizational Structure



Buy-Back Oversight Board

- Secretary (Chair or the Deputy Secretary as designee)
- Solicitor
- Assistant Secretary-Indian Affairs
- Director, Bureau of Indian Affairs
- Special Trustee for American Indians (or designee, Principal Deputy Special Trustee)
- Deputy Assistant Secretary, Technology, Information & Business Services
- Director, Bureau of Land Management



Program Overview: Scholarship Fund



- Cobell Settlement Agreement also provides for an **Indian Education Scholarship Fund** to provide financial assistance to native American students attending post-secondary vocational and college institutions.
- Three avenues for funding: ¹ Consolidation Incentive Payments – Trust Land Consolidation Fund; ² Accounting/Trust Administration Fund Balance; and ³ Unclaimed Whereabouts Unknown Payments.
- Consolidation Incentive Payments (up to \$60 million) will be automatically calculated through TAAMS and transferred to the fund on a quarterly basis according to the Settlement Agreement as follows:
 - For every purchase of a fractional interest costing less than \$200, \$10 will be added to the Scholarship Fund.
 - For purchases costing between \$200 and \$500, \$25 will be added to the Scholarship Fund.
 - For purchases over \$500, 5% of the purchase price will be added to the Scholarship Fund.
- The Scholarship Fund will not be managed by the Department or Buy-Back Program; it will be managed by the non-profit organization American Indian College Fund.



Implementation Plan: Overview

- Interior issued an **Initial Implementation Plan** on December 18, 2012, after incorporating feedback from consultation on a draft plan dated January 2012.
- This plan is available on the web at: <http://www.doi.gov/buybackprogram>.
- Incorporates previous feedback and consultations.
- The Program also received feedback on the plan during 2013 consultations and will be responding to the comments in the coming weeks.



Implementation Plan: Overview

- There are about 150 reservations with 92,000 fractionated tracts containing 2.9 million fractional interests. These interests are owned by approximately 219,000 individuals.
- Ninety percent (90%) of the fractional interests are located in 40 locations.
- Under the Settlement, only fractional interests in trust or restricted lands will be purchased. (Fee lands will not be purchased.)
- **There will be NO forced sales.** The Buy-Back Program will only purchase interests from landowners willing to sell their fractional interests.

Implementation Plan: Purchase Ceilings



- In response to tribal feedback, preliminary purchase ceilings are proposed in the Initial Implementation Plan, based on the level of fractionation (a location's proportional amount of tracts, interests, and acres).
- Dollar amounts tentatively suggested as purchase ceilings are subject to change due to tribal feedback and as the Buy-Back Program evolves.
- Actual purchase amounts at any reservation depend on the number of individuals that decide to sell fractional interests at that location.

Implementation Plan: Purchase Ceilings



Rank	Land Area Name	BIA Region	Number of Fractionated Tracts	Associated Acres	Number of Purchasable Fractional Interests	Weighted Proportion	Estimated Initial Purchase Ceiling
1	Pine Ridge	Great Plains	5,982	1,194,669	194,401	8.11%	\$126,110,500
2	Standing Rock	Great Plains	6,268	761,758	214,947	7.09%	\$110,249,500
3	Blackfeet	Rocky Mountain	4,793	892,122	188,894	6.67%	\$103,718,500
4	Crow	Rocky Mountain	4,803	922,907	177,530	6.64%	\$103,252,000
5	Navajo	Navajo	4,355	685,949	255,472	6.62%	\$102,941,000
6	Fort Peck	Rocky Mountain	4,481	718,048	113,183	5.15%	\$80,082,500
7	Cheyenne River	Great Plains	4,026	730,114	64,833	4.48%	\$69,664,000
8	Gila River	Western	4,669	83,840	172,551	3.90%	\$60,645,000
9	Rosebud	Great Plains	3,068	560,021	90,734	3.89%	\$60,489,500
10	Fort Berthold	Great Plains	3,208	464,106	90,976	3.64%	\$56,602,000
11	Fort Belknap	Rocky Mountain	3,007	570,883	55,329	3.50%	\$54,425,000
12	Wind River	Rocky Mountain	2,514	172,503	136,834	3.00%	\$46,650,000
13	Fort Hall	Northwest	2,574	268,830	50,968	2.35%	\$36,542,500
14	Yakama	Northwest	2,190	175,135	53,239	1.94%	\$30,167,000
15	Colville	Northwest	2,039	165,298	35,939	1.66%	\$25,813,000
16	Sisseton - Wahpeton	Great Plains	1,316	93,018	52,882	1.37%	\$21,303,500
17	Minnesota Chippewa	Midwest	979	60,213	71,139	1.35%	\$20,992,500
18	Quinault	Northwest	1,421	103,823	35,838	1.24%	\$19,282,000
19	Spirit Lake	Great Plains	932	56,261	60,075	1.19%	\$18,504,500
20	Chickasaw Nation	Eastern Oklahoma	1,882	111,219	14,297	1.19%	\$18,504,500
21	Winnebago	Great Plains	642	35,888	74,105	1.19%	\$18,504,500
22	Cheyenne Arapaho	Southern Plains	1,129	96,787	39,264	1.16%	\$18,038,000
23	Salt River	Western	1,403	21,673	48,562	1.12%	\$17,416,000
24	Crow Creek	Great Plains	902	98,139	43,217	1.12%	\$17,416,000
25	Ute	Western	1,058	76,738	43,547	1.12%	\$17,416,000
26	Yankton	Great Plains	778	45,248	38,730	0.86%	\$13,373,000
27	Northern Cheyenne	Rocky Mountain	889	104,594	15,284	0.82%	\$12,751,000
28	Lower Brule	Great Plains	594	76,257	30,242	0.80%	\$12,440,000
29	Umatilla	Northwest	1,014	66,832	18,701	0.79%	\$12,284,500
30	Turtle Mountain	Great Plains	582	32,924	25,806	0.61%	\$9,485,500
31	Seminole	Eastern Oklahoma	952	37,627	8,022	0.55%	\$8,552,500
32	Bad River	Midwest	617	29,440	20,382	0.55%	\$8,552,500
33	Nez Perce	Northwest	622	44,498	12,083	0.50%	\$7,775,000
34	Ponca	Southern Plains	403	20,882	25,149	0.50%	\$7,775,000
35	Washoe	Western	409	59,310	14,073	0.49%	\$7,619,500
36	Muscogee (Creek)	Eastern Oklahoma	780	45,130	5,528	0.49%	\$7,619,500
37	Osage	Eastern Oklahoma	609	73,434	2,988	0.48%	\$7,464,000
38	Salish & Kootenai	Northwest	693	38,409	9,250	0.48%	\$7,464,000
39	Omaha	Great Plains	421	22,022	21,374	0.46%	\$7,153,000
40	Fort Yuma	Western	708	6,879	13,060	0.42%	\$6,531,000
	Total Top 40		79,712	9,823,427	2,639,428	89.51%	1,391,569,500
	Remaining Reservations		12,862	800,577	294,603	10.49%	\$163,430,500
	Overall Total		92,574	10,624,004	2,934,031	100.00%	\$1,555,000,000



Implementation Plan: Major Phases

There are four phases to the Buy-Back Program when implementation occurs at a particular reservation:

1. **Outreach** to advertise the Buy-Back Program, find willing sellers, and get Tribal priorities as to what type of fractionated tracts they wish to have purchased.
2. **Land Research** to collect data necessary to establish fair market value for fractionated tracts that might be acquired.
3. **Land Valuation** to determine the fair market value of tracts where Interior will offer to buy fractional interests.
4. **Land Acquisition** to purchase interests in fractionated tracts valued in phase 3 that individuals would like to voluntarily sell.

Outreach Phase: Goals



The Outreach Phase will have two primary goals:

1. Interior officials will meet with tribal governments and individuals to discuss:
 - a. Tribal priorities for acquisition
 - b. How best to conduct outreach on the reservation
 - c. Tribes interest and capacity to conduct Buy-Back Program operations through cooperative agreements
 - d. Implementation timeframe at each location (goal is 18-24 months)

2. Inform individuals owning fractional interests of the details of the Buy-Back Program and how they may participate in the Program if they so desire.

Outreach Phase: Tribal Purchase Priorities



- Interior wants to receive tribal priorities.
- Some criteria tribes may wish to use for setting priorities for purchase of fractionated tracts may include the following:
 - Specific tracts the tribe has a special interest in acquiring
 - Tracts in specific regions of the reservation
 - Tracts with a particular land use, such as range/grazing, dry farm cropping, irrigated cropping, commercial development, cultural importance
 - Tracts in which the tribe already owns a certain % interest

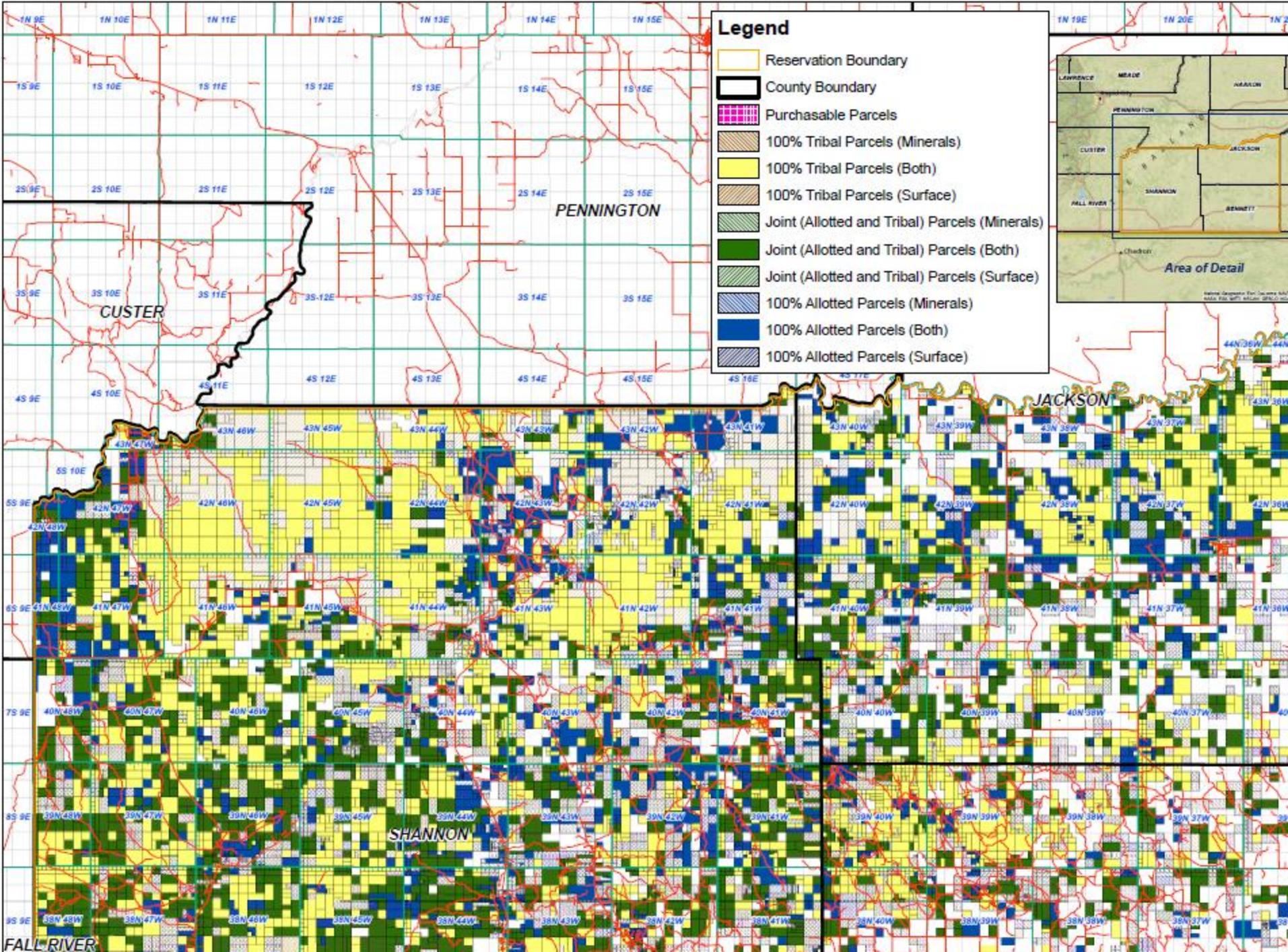


Land Research Phase

- The Land Research Phase will utilize information from the Trust Asset and Accounting Management System (TAAMS) system.
- The Land Research Phase will focus on collecting data necessary to make fair market value determinations during the Valuation Phase.
- Tract land uses or acreage types, such as range/grazing, dry farming, irrigated farming, or forestry will be noted in this phase.
- GIS capabilities will be instrumental to this phase.

Legend

- Reservation Boundary
- County Boundary
- Purchasable Parcels
- 100% Tribal Parcels (Minerals)
- 100% Tribal Parcels (Both)
- 100% Tribal Parcels (Surface)
- Joint (Allotted and Tribal) Parcels (Minerals)
- Joint (Allotted and Tribal) Parcels (Both)
- Joint (Allotted and Tribal) Parcels (Surface)
- 100% Allotted Parcels (Minerals)
- 100% Allotted Parcels (Both)
- 100% Allotted Parcels (Surface)



Land Valuation Phase



- The Office of the Special Trustee for American Indians (OST), Office of Appraisal Services (OAS) will be responsible for the appraisal of the tracts, incorporating any contributory value from timber and mineral estates.
- The Office of Mineral Evaluations (OME) will be responsible for the valuation of mineral interests.
- Land Valuation will rely heavily on mass appraisal valuation techniques.
- Mass appraisal valuation techniques will be used to reduce administrative costs, expedite the appraisal process, and enable the most offers possible.
- Certain tracts may not be amenable to mass appraisal valuation techniques, which may preclude purchase of fractional interests in these tracts.

Land Acquisition Phase



- In order to be efficient, Interior proposes a one-step offer process.
- Purchase offer packages will be generated & mailed to individuals owning fractional interests in tracts valued by the Program. This packet will include:
 - Cover Letter;
 - Instruction sheet;
 - Deed and Purchasable Interests Report (next page); and
 - Map(s).
- Base Payment – Consistent with tribal feedback, Interior will provide landowners with a base payment of \$75 per offer, regardless of the value of the land. Recognizes the time and effort required for individual landowners to proceed through the acquisition process.

Sample Purchasable Interests Report



Exhibit A - Purchasable Interests Inventory (PII)
United States Department of Interior, Bureau of Indian Affairs

Date: (MM/DD/YYYY)

Grantor ID: #####

Grantor Name: XXXXXX XXXXXXXXXX

Reservation/Land Area Name: XXXXXXXXXXXXXXXXXXXX

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Offer/Deed ID#: #####

Date of Tract Values (Appraisal): MM/DD/YYYY

Instructions: Please use black or blue ink and fill in the circle(s) completely for each interest you wish to sell, OR you may fill in the circle for "Sell all Tracts Listed Below"

Sell	Tract ID	BIA Tract Name	Legal Description	Tract Resource	Total Tract Acreage	Total Owner Interest (%)	Owner Interests Value	(Barcode)	Matching Scholarship Contribution ¹
<input type="radio"/>	Sell All Tracts Listed Below				Total of All Owner Interests Value: \$496.95		Total Scholarship: \$30.00		
<input type="radio"/>	999 345	Walking Crane	S 12, T 12N, R 2W County, ST	Surface Only	80.00	.289%	\$389.20		\$10.00
<input type="radio"/>	999 650-B	Two Rivers	S 25, T 18N, R 2W County, ST	Surface & Mineral	40.00	.024%	\$74.50		\$10.00
<input type="radio"/>	999 780	Spotted Horse	S 32, T 21N, R 4W County, ST	Surface & Mineral	160.00	.003%	\$33.25		\$10.00

Base Payment: In addition to the owner interest value price offered for the tracts listed in this report, you will receive \$ 75.00 for completing the purchase offer package and deed for selling all or some of the interests listed.

(Barcode) |||||

¹ The Claims Resolution Act of 2010 authorized matching contributions up to \$60 million, made to the Indian Education Scholarship Fund for each ownership interest purchased. A zero dollar amount in this column indicates that the Fund has reached \$60 million and no further matching contributions are being made.

Land Acquisition Phase



- Interior wants to send offers to as many individuals as possible.
- If the value of the tracts appraised for a particular location far exceeds the purchase ceiling amount, the Program will need to prioritize.
- Possible factors to determine/prioritize the offers to be made include:
 - Tribal Priority Tracts
 - Level Fractionated Ownership
 - Tract Values
 - Interested/Willing Sellers
 - Other criteria/factors (TBD)



Land Acquisition Phase

- Landowners will have a **set amount of time** to decide whether to sell some or all of their fractional interests that were valued (45 days).
- Staff at local field offices will be available to answer questions or assist with completing the packet.
- Payments will be made into the IIM account of the landowner for those who decide to sell.
- The Program will attempt to contact Whereabouts Unknowns (WAU's) for a period of 5 years, after which the landowner will be considered to have consented to the sale.

Program Rollout



- Active at each location for a limited period of time (approximately 18 months), given time and cost limits and goal of buying at many locations.
- Identification of key criteria (e.g., fractionation severity, ownership overlap, geographic diversity, appraisal complexity, tribal readiness, availability of resources).
- Pilot efforts with up to approximately 10 locations in the first year.
- Outreach and communication efforts to promote tribal involvement, build awareness, and encourage sales.
- Steady stream of information shared with tribes and the public.

Program Rollout



- The Program is launching the first phase of its pilot implementation effort – will seek to enter into cooperative agreements with up to 10 reservations.
- Pilot efforts will allow the Program to confirm its planning assumptions, gauge the effectiveness of its initial operating processes and procedures, and incorporate lessons learned into future activities/locations.
- Goal is to have a fairly diverse group of reservations in order to determine what procedures work best, or do not work, under a variety of factual circumstances and conditions.
- Mix is likely to provide the lessons necessary to implement the program quickly, efficiently, and effectively, within the allotted time period on as many of the 150 locations as possible.

Tribal Involvement



- Tribal involvement will be critical to the success of the Buy-Back Program.
- Tribes will be involved in the Program in various ways:
 - Tribes will be able to identify tracts of land as priorities for acquisition. While the Department will strive to incorporate these priorities, acquisition will be dependent on the number of willing sellers.
 - Cooperative Agreements will be entered into with tribes to conduct land consolidation activities required under the Buy-Back Program, especially in the area of outreach. (The provisions of the Self Determination Act do not apply to such agreements.)

Tribal Involvement



- Items necessary to establish a cooperative agreement include:
 - Standard forms requesting federal financial assistance
 - Scope of work
 - Statement(s) of work for proposed task(s), to include narrative and detailed budget(s)
 - Tribal resolution
 - Signed cooperative agreement template

Timeline



JUNE - JULY ~ Finalize Documents (Buy-Back Program) and Prepare Applications (Pilot Tribes)

End of June	Finalize all cooperative agreement documents.
Beginning of July	Final documents released to pilot tribes.
Month of July	Pilot tribes prepare application packages.

AUGUST ~ Application Review and Award (Buy-Back Program)

Beginning of August	Application packages due for pilot tribes.
Mid August	Complete application review and negotiation.
End of August	Signed cooperative agreements sent to tribes.

SEPTEMBER ~ FBMS Input of Awards (Buy-Back Program)

Early September	Signed cooperative agreements inputted into FBMS.
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Questions?