

Trust Administration System

Department of the Interior

➤ Comprehensive Assessment



Grant Thornton

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Executive Summary

[Executive Summary]

SUMMARY OF METHODOLOGY

Pursuant to Section 4d of DOI Secretarial Order No. 3292, Grant Thornton was engaged by the Department of the Interior (DOI) Secretarial Commission on Indian Trust Administration and Reform (Commission) to perform a comprehensive assessment of the Trust Administration System (TAS). The purpose of the assessment is to:

- Provide a current depiction of TAS across stakeholders (e.g., DOI bureaus/offices, beneficiaries).
- Assess the maturity level of TAS operations.
- Identify opportunities for improvement that will guide the future state analysis and resulting recommendations.
- Evaluate alternative governance structures, identify additional necessary reforms, and present recommendations to enhance the management of TAS.

Grant Thornton is conducting this assessment in five phases: 1) Baseline; 2) Assessment; 3) Future State; 4) Audit Process; and 5) Final Recommendations. This report only includes the findings from the first three phases with a review of the audit process and final recommendations to follow in separate reports.

PHASE 1: BASELINE

- Describes current TAS operations.
- Includes definitions of the seven key functions that encompass TAS operations, a discussion of current roles and responsibilities, a list of policies, procedures, and regulations that impact each function, a list of IT systems that enable the function, and a summary of beneficiary feedback on performance.

PHASE 2: CURRENT STATE

- Reviews the current state of TAS operations described in *Phase 1: Baseline* and evaluates how well DOI is performing.
- Concludes with a current-state maturity score and a set of findings for each of seven categories: 1) innovation management; 2) financial and risk management; 3) operational and process management; 4) customer relationship management; 5) human capital management; 6) organizational management; and 7) information technology and knowledge management.

PHASE 3: FUTURE STATE

- Examines structural changes that could be made to TAS to address the findings from *Phase 2: Current State*. These options are presented as alternative models and supplementary options.
- Describes the alternative models and supplementary options, how each framework addresses the findings from *Phase 2*, and the feasibility and impact of each model, as well as relevant benchmarks and case studies.

SUMMARY OF FINDINGS

TAS service delivery meets beneficiary needs at the intra-bureau/office level. Key processes are generally producing the outputs they are intended to (e.g., appraisals), and although many processes remain manual, none are fundamentally “broken.” The predominant service delivery challenge facing TAS occurs at the inter-bureau/office level, where communication breakdowns, lack of end-to-end TAS accountability (by a single party), and varying bureau/office priorities cause significant process delays and backlogs. For this reason, this assessment focuses on TAS-wide findings and recommendations, ensuring DOI focuses on tackling the challenges that will help achieve a transformative change in performance rather than small-scale, incremental improvements. The following provides a summary of key findings:

Efficiency in Delivery of Trust Services

- Within the distinct bureaus/offices, trust services are delivered at a level that meets basic customer needs. Delays and backlogs are experienced in areas where inter-bureau/inter-office coordination is required. For example, oil and gas leasing is an important issue to beneficiaries because they experience delays caused by sub-processes performed by bureau/offices across DOI (e.g., timely appraisals, specialty compliance items).
- OST’s Fiduciary Trust Officers (FTO) have helped improve beneficiary service and issue resolution. The Tribal Beneficiary Call Center (TBCC) also has over a 95% first line resolution rate with beneficiary inquiries and technical assistance.

Communication and Accessibility of Services

- DOI communications to beneficiaries are sufficient in quantity, but lacking in quality. There are currently numerous outreach avenues available to beneficiaries; however, communication to individual beneficiaries remains unclear, inconsistent, or inaccessible due to cultural differences, remote locations, and/or language barriers.
- Outside of the TBCC, beneficiaries noted a lack of timely responses to their inquiries regarding account information, land tract and leasing information, and probate case status, among other issues.

Accountability and Transparency

- TAS lacks a single point of ownership and accountability for the complete operational lifecycle. This generates inconsistency in operational priorities and inconsistent standards

across DOI bureaus/offices such that beneficiaries experience delays in service and often feel ignored when inquiring about status.

- From the perspective of federal processes, programs and services that have established central points of accountability, clear chains of command, and dedicated resources have experienced significant progress toward meeting performance targets (e.g., forestry, Fee-to-Trust).

Introduction

OBJECTIVE, SCOPE & METHODOLOGY

[Objective, Scope & Methodology]

OBJECTIVE: WHAT IS THE PURPOSE OF THIS STUDY?

This report provides a baseline, assessment, and recommendations for the Department of the Interior (DOI) Trust Administration System (TAS) including the trust-related services performed by six partner bureaus/offices.¹ These partners include the 1) Office of the Special Trustee for American Indians (OST); 2) Bureau of Indian Affairs (BIA); 3) Office of Natural Resources Revenue (ONRR); 4) Bureau of Land Management (BLM); 5) Assistant Secretary of Indian Affairs (AS-IA); and 6) Office of Hearings and Appeals (OHA).

The purpose of this report is to assess TAS' current operations and identify opportunities for improvement. This required the completion of several key activities:

1. Identifying the current performance of TAS' operations through consultation with stakeholder groups (e.g., individual beneficiaries, tribal leaders, and DOI bureaus/offices), a review of existing planning and process documents, and an evaluation of progress toward prior reforms and recommendations.
2. Assessing the maturity level of TAS operations.
3. Determining opportunities to improve TAS operations through researching performance benchmarks and best practices.
4. Evaluating alternative governance models and identifying additional reforms to enhance accountability, responsiveness, efficiency, and effectiveness of services provided to beneficiaries.
5. Recommending actions to improve the management of TAS.

BACKGROUND: WHY IS THIS STUDY NEEDED?

Under current federal law, DOI is responsible for managing Indian trust land on behalf of tribes and individual beneficiaries. DOI's mandate is to optimize and sustain trust land assets totaling almost 55 million surface acres and 57 million sub-surface acres (mineral estates). The scope of the funds generated from trust lands and judgments related to land and water is massive. DOI manages approximately \$4.4 billion on an annual basis. For Fiscal Year (FY) 2012, funds from leases, use permits, land sales, and income from financial assets alone totaled nearly \$516 million, which DOI then collected and distributed to 387,000 individual beneficiary accounts. In FY 2012, approximately \$1.4 billion was collected for 3,000 tribal accounts, representing nearly 250 federally-recognized tribes.

¹ Grant Thornton was hired to conduct this study pursuant to Section 4d of DOI Secretarial Order No. 3292.

The American Indian Trust Fund Management Reform Act of 1994 (Reform Act) affirmed the government's duty to account for Indian trust funds.² The Reform Act also detailed specific improvements to trust fund administration including the appointment of a Special Trustee to oversee comprehensive reform of Indian trust fund management and accounting. This legislation represented the first significant reform effort by Congress to address the federal government and DOI's management of Indian trust funds.

Since the Reform Act, DOI has undertaken continuous improvements to achieve greater trust administration efficiency and effectiveness. Following an extensive review of the existing TAS business environment in 2002, DOI created a Comprehensive Trust Management Plan (CTMP) that laid out an enterprise strategic direction, business model, organizational structure, and transformation initiatives that would achieve desired reforms. Various external reviews and DOI-led studies have been conducted since the creation of the CTMP to monitor and assess progress toward stated outcomes and to identify further opportunities for improvement. Most recently in 2012, OST operations were assessed and options were identified to improve internal coordination and service delivery to beneficiaries.

As noted in the *Cobell* litigation, however, the need for substantial improvement of TAS operations continues. In response to *Cobell*, DOI established the Secretarial Commission on Indian Trust Administration and Reform (Commission) to conduct a comprehensive review of DOI's management of TAS and to determine recommendations for future improvement. To assist the Commission in reviewing TAS operations and management, the Grant Thornton team, consisting of Grant Thornton LLP, Cherokee Services Group, and Moss Adams, was hired as independent management consultants to:

1. Understand and assess current TAS operations.
2. Identify additional opportunities to improve TAS that integrates external (individual beneficiaries and tribes) and internal (DOI and other federal government institutions) perspectives.

This report represents Grant Thornton's findings related to these two objectives. Grant Thornton will also prepare a summary report of final recommendations for improving TAS that addresses governance (structural) concerns, as well as process-level fixes. That report will be appended to this document upon completion. Finally, Grant Thornton is also preparing a separate report on the effectiveness of the TAS audit function.

SCOPE: WHAT DOES THIS STUDY INCLUDE?

The scope of this study encompasses all TAS Operations, a term which refers to the collective set of services provided by DOI bureaus and offices to manage beneficiary monetary (e.g., IIM accounts, tribal accounts) and non-monetary accounts (e.g., land surface and sub-surface resources). Audit operations and functions associated with the Reform Act of 1994 and the *Cobell* litigation fall under the definition of TAS Operations, however, these functions will be

² Pub. L. 103-412, Oct 25, 1994, 108 Stat. 4239.

assessed in a separate report of findings and recommendations. For the purposes of this assessment, the term TAS Operations incorporates seven functions performed by six partner bureaus/offices at DOI:

1. **Accounting and Accounts Management:** The processes and controls that collect, safeguard, account for, and distribute proceeds to beneficiaries resulting from both monetary and non-monetary resources. This includes any historical accounting and associated litigation support.
2. **Land Ownership (Probate and Ownership Maintenance):** The processes that determine the appropriate distribution of a decedent's estate (e.g., trust cash assets and/or trust, restricted land) in the absence of a legally binding will. This includes determination of heirs, approval of wills and beneficiaries, and transfers of any funds held in trust by the Secretary for a decedent to the heirs, beneficiaries, or other persons or entities entitled by law.
3. **Real Estate Management:** The processes that protect, manage, and develop trust land assets (non-mineral) including: 1) surveys; 2) mortgages; 3) rights of way; 4) land titles and records; 5) conveyances, leasing, and permitting; 6) lease compliance; 7) appraisals; 8) land acquisition and disposal; and 9) developing and maintaining land records.
4. **Indian Land Consolidation:** The initiatives designed to consolidate trust land assets including the resolution of tract ownership interests.
5. **Land Management and Preservation – Natural Resources:** The processes that manage, develop, and protect natural resources assets (e.g., parks, wildlife, fisheries, agriculture, and range) and water resource management capabilities (e.g., irrigation, power, and dam safety).
6. **Land Management and Preservation – Minerals:** The processes that manage, develop, enhance, regulate, and protect Indian surface and sub-surface mineral assets (e.g., oil, gas, and coal).
7. **Land Management and Preservation – Forestry:** The processes that manage, develop, enhance, regulate, and protect Indian forestlands. This includes wildland fire management.

The six partners that perform TAS Operations are described below. For a more thorough analysis of which functions each partner performs refer to the *Phase 1: Baseline*.

1. **BIA** was established in 1824 to enhance the quality of Indian life, promote economic opportunity, and to protect/improve the trust assets of Indians, Indian tribes, and Alaska Natives. Within BIA, the Office of Trust Services (OTS) and the Office of Indian Services are primarily responsible for trust-related services.
2. **OST** was established by the Reform Act for the purpose of improving trust fund management and accountability.
3. **BLM** was established in 1946 through a merger of the General Land Office and the U.S. Grazing Office to sustain the health, diversity, and productivity of America's public lands for the use and enjoyment of present and future generations. BLM's involvement in Indian trust assets is most often in the form of sustainability planning and compliance.

4. **AS-IA** assists and supports the Secretary of the Interior in fulfilling the United States' trust responsibilities to federally-recognized Indian and Alaska Natives/individual beneficiaries. AS-IA is specifically tasked with maintaining the federal-tribal government-to-government relationship.
5. **ONRR** was established in 2010 from the former Minerals Management Service (MMS). ONRR is tasked with the management of revenues associated with federal offshore and federal/Indian onshore mineral leases, as well as revenues received as a result of renewable energy efforts.
6. **OHA** exercises the delegated authority of the Secretary of the Interior to conduct hearings and decide appeals from decisions of DOI bureaus/offices. This includes probates of Indian trust estates, as well as resolutions of appeals regarding management of American trust assets (surface/sub-surface).

This assessment does not include a discussion of non-trust related services (e.g., Bureau of Indian Education (BIE), Law Enforcement, and/or Indian Social Services). The Office of Surface Mining, Office of Minerals Valuation Services, and Bureau of Reclamation (BOR) were also excluded from the scope of this assessment. However, these entities were interviewed as part of the data collection process to understand their role in the complicated TAS structure.

METHODOLOGY: HOW WAS THIS STUDY CONDUCTED?

Grant Thornton conducted this study in five phases: 1) Baseline; 2) Assessment; 3) Future State; 4) Audit Process; and 5) Final Recommendations. As previously discussed, this report only includes the findings from the first three phases, with a review of the audit process and final recommendations to follow in separate reports.

PHASE 1: BASELINE

The baseline phase of this study describes current TAS operations. The baseline does not make normative judgments regarding the effectiveness of TAS operations; reserving that analysis for the assessment in *Phase 2: Current State*. The baseline section of this report includes definitions of the seven key functions that encompass TAS operations, a discussion of current roles and responsibilities, a list of policies, procedures, and regulations that impact each function, a list of IT systems that enable the function, and a summary of beneficiary feedback on the function's performance.

The baseline phase of this study was completed through extensive interviewing of internal and external stakeholders for each function. External stakeholders consisted of individual beneficiaries and tribes, and internal stakeholders consisted of staff and executives from DOI bureaus and offices. Another input for the baseline phase was past studies and existing DOI documentation. Leveraging existing documentation allowed Grant Thornton to condense the time and resources required to complete this study.

PHASE 2: CURRENT STATE

Phase 2 reviews the current state of TAS operations described in Phase 1 and evaluates how well DOI is performing. To ensure an objective and consistent approach, Grant Thornton used the performance management maturity criteria established by the Consortium for Advanced Management-International (CAM-I) to conduct this evaluation.³ CAM-I is an international consortium of government, industry, and research organizations working together to develop performance assessment tools and methodologies. They are widely regarded as a leading forum for advanced management solutions.

The assessment phase concludes with a current-state maturity score and a set of findings for each of seven CAM-I categories: 1) innovation management; 2) financial and risk management; 3) operational and process management; 4) customer relationship management; 5) human capital management; 6) organizational management; and 7) information technology and knowledge management. The current-state maturity scores designate where TAS operations and management fall on a performance framework designed by CAM-I, and the findings describe any gaps in TAS' current management and operations strategies. The findings listed in Phase 2 were subdivided into three areas: 1) TAS Management and Operations; 2) Information Technology Environment; and 3) Beneficiary and Tribal Perspective.

PHASE 3: FUTURE STATE

The future state phase of this study examines structural changes that could be made to TAS to address the findings from *Phase 2: Current State*. These options are presented as alternative models and supplementary options. Alternative models represent broad realignment themes including enhanced national governance within the existing DOI framework, regionalization of TAS operations, and national governance through an independent agency. For each alternative model, a description, proposed organizational chart, graphic with alignment to Phase 2 findings, and analysis of feasibility has been included.

The supplementary options discussed in Phase 3 are small-scale add-ons that can be implemented within each of the three alternative models and include privatization of certain TAS functions and implementation of regional advisory councils.

The alternative models and supplementary options discussed in Phase 3 were developed after a rigorous review of relevant benchmarks and case studies. For each benchmark identified, Grant Thornton reviewed the opportunities and challenges associated with the organizational structure and methods of service delivery. Interviews and document reviews were conducted with benchmark organizations across federal, tribal, state/local, international and private organizations.⁴

³ See Appendix 2 for more information on the CAM-I criteria used to assess TAS operations.

⁴ This activity built upon the benchmark studies already performed by the Commission's Trust Models Subcommittee.

PHASE 4: AUDIT FUNCTIONS

This separate report will recommend options for improving audit functions associated with TAS to include the annual external audit, internal controls, and programmatic reviews. The alternative models and supplementary options described in *Phase 3: Future State* were developed to address the audit findings.

PHASE 5: FINAL RECOMMENDATIONS

Phase 5 builds on the analysis of *Phase 3: Future State*, and explains Grant Thornton's final recommendations for the structural changes that TAS should make to improve organizational operations and management. Phase 5 also includes a detailed evaluation of how TAS can improve service delivery and related internal processes within the selected future state governance structure. These process improvement recommendations are largely derived from best practices analysis of similar government agencies (national and international), as well as interviews conducted with tribes, beneficiaries, and DOI staff members.

A final input to the recommendations included in Phase 5 were brainstorming sessions conducted with the Commission on the impact and feasibility of alternatives identified in *Phase 3*. These discussions will strengthen Grant Thornton's alternatives and options without impacting the independent recommendations for the future state of TAS in the Phase 5 report.

PHASE 1

BASELINE

[Introduction]

Baseline Methodology

The Phase 1 Baseline assessment was conducted to establish a comprehensive understanding of DOI's current policies, procedures and processes for fulfilling both its monetary and non-monetary trust obligations to American Indians and Alaska Natives. This section of the report details the operational baseline of DOI's TAS, including the trust-related functions of the OST, BIA, BLM, ONRR, OHA and AS-IA.

To adequately perform this assessment, an understanding of the major functions performed in the delivery of trust services was needed. Based on the organizational structures of the aforementioned entities, the review of historical trust documentation, and interviews of various trust stakeholders, the following trust functions are baselined in this section:

- Accounting and Accounts Management
- Land Ownership (Probate and Ownership Maintenance)
- Real Estate Management
- Indian Land Consolidation
- Land Management and Preservation – Natural Resources
- Land Management and Preservation – Minerals
- Land Management and Preservation – Forestry

In defining the taxonomy of services, particular attention was paid to where beneficiaries interact with DOI (i.e., the general services they actually request) rather than how each of the trust organizations are structured. For instance, leasing, contracting and permitting were included in the Real Estate Management service, and probate and land titles and records (separate BIA divisions) are included in the Land Ownership service. The table below contains a summary of which organizations are involved in each TAS function.

Table 1: TAS Function by Organization

TAS FUNCTION	BIA	OST	ONRR	OHA	AS-IA	BLM
ACCOUNTING AND ACCOUNTS MGT.	X	X	X	X	X	
LAND OWNERSHIP	X	X		X		
REAL ESTATE MANAGEMENT	X	X				X
INDIAN LAND CONSOLIDATION	X	X			X	X
NATURAL RESOURCES	X					
MINERALS	X		X			X
FORESTRY	X					

TAS functions are delivered across an extensive national footprint based upon the 12 BIA geographic regions. Each organization's distribution of resources across these regions varies, as summarized below in Table 2.

Table 2: DOI Distribution of Resources (By Region)

DOI ORGANIZATION	REGIONAL LOCATIONS	
BIA*	<ul style="list-style-type: none"> • Washington, DC (headquarters) • Alaska region (Juneau, AK; 3 agencies/field offices) • Eastern region (Nashville, TN; 3 agencies/field offices) • Eastern Oklahoma region (Muskogee, OK; 6 agencies/field offices) • Great Plains region (Aberdeen, SD; 14 agencies/field offices) • Midwest region (Bloomington/Ft. Snelling, MN; 4 agencies/field offices) • Navajo region (Gallup, NM; 5 agencies/field offices) 	<ul style="list-style-type: none"> • Northwest region (Portland, OR; 16 agencies/field offices) • Pacific region (Sacramento, CA; 4 agencies/field offices) • Rocky Mountain region (Billings, MT; 7 agencies/field offices) • Southern Plains region (Anadarko, OK; 5 agencies/field offices) • Southwest region (Albuquerque, NM; 9 agencies/field offices) • Western region (Phoenix, AZ; 14 agencies/field offices)
OST	<ul style="list-style-type: none"> • Washington, DC 	<ul style="list-style-type: none"> • All BIA regions (primary business hub in Albuquerque, NM)
ONRR	<ul style="list-style-type: none"> • Washington, DC • Denver, CO • Dallas, TX • Houston, TX 	<ul style="list-style-type: none"> • Tulsa, OK • Oklahoma City, OK • Farmington, NM
OHA	<ul style="list-style-type: none"> • Albuquerque, NM (primary business center) • Billings, MT (field office) • Bloomington, MN (field office) • Oklahoma City, OK (field office) 	<ul style="list-style-type: none"> • Phoenix, AZ (field office) • Portland, OR (field office) • Rapid City, SD (field office) • Sacramento, CA (field office)
AS-IA	<ul style="list-style-type: none"> • Washington, DC (headquarters) • Juneau, AK (Alaska region) • Portland, OR (Northwest region) • Muskogee, OK (Eastern Oklahoma region) • Aberdeen, SD (Great Plains region) • Albuquerque, NM (Southwest region) • Gallup, NM (Navajo region) 	<ul style="list-style-type: none"> • Sacramento, CA (Pacific region) • Nashville, TN (Eastern region) • Billings, MT (Rocky Mountain region) • Anadarko, OK (Southern Plains region) • Ft. Snelling, MN (Midwest region) • Phoenix, AZ (Western region)
BLM	<ul style="list-style-type: none"> • Washington, DC (headquarters) • Alaska (6 field offices) • Arizona (8 field offices) • California (18 field offices) • Colorado (14 field offices) • Eastern States (3 field offices) • Idaho (13 field offices) • Montana/Dakotas (12 field offices) • Nevada (6 field offices) 	<ul style="list-style-type: none"> • New Mexico (9 field offices) • Oregon (10 field offices) • Utah (10 field offices) • Wyoming (10 field offices) • Operations Center (Denver, CO) • Fire and Aviation (Boise, ID) • Nat'l Training Center (Phoenix, AZ)

*Note: BIA has multiple locations within each region, including a regional office as well as multiple agency and field offices.

Each of TAS' seven functions are profiled in this section including: 1) a definition and description of the function; 2) the roles and responsibilities across all TAS organizations needed to deliver the function; 3) policies, procedures and regulations that impact the effectiveness and efficiency to which the function is delivered; 4) IT systems in place that facilitate the function's delivery; and 5) a summary of beneficiary feedback on function performance.

➤ DEFINITION

Accounting and accounts management (cash management) comprises the processes and controls that collect, safeguard, account for, and distribute proceeds to beneficiaries resulting from both monetary and non-monetary resources. This includes beneficiary services and any historical accounting and associated litigation support required to accurately discern ownership rights.

➤ ROLES AND RESPONSIBILITIES

Accounting and accounts management represents the point within TAS at which non-monetary (e.g., land and other natural resources) assets are converted to monetary assets (e.g., land sale) or when resources are derived from land and natural resources (e.g., oil/gas production).

Accounting and accounts management begins once up-front planning, leasing /permitting, and contracting actions are complete and an enforceable mechanism is in place to enable the collection and disbursement of revenue (monetary assets) to beneficiaries. These monetary assets are then managed by the Office of the Special Trustee for American Indians (OST) for the life of the beneficiaries' account(s). While OST administers the majority of accounting and accounts management services, some specific duties and services critical to this functional area are the responsibility of BIA, BLM, and ONRR. Consequently, a trust program may require the efforts of OST, BIA, BLM, and ONRR. For example, BIA is responsible for billing, collecting and reconciling trust receipts prior to depositing into OST's trust accounts held at the US Treasury, but may use other agencies like ONRR to assist with certain responsibilities in the billing, reconciling, and transferring of oil and gas receipts.

After funds have been collected (e.g., collected through Pay.gov, Lockbox, IPAC, or electronic payment and are ultimately transferred to OST trust accounts), accounting and accounts management services are administered predominantly by OST. OST delivers these services using an operational footprint that is dispersed across the 12 BIA regions with Fiduciary Trust Officers (FTO) physically located in each region. The primary headquarters for OST operations resides in Albuquerque, NM. OST responsibilities are classified under six categories: Field Operations, Trust Services, Program Management, Business Management, Historical Trust Accounting, and Appraisal Services.

1. **Field Operations** – Refers to business operations associated with customer service. OST provides beneficiary points of contact (five Regional Trust Administrators and 50 Fiduciary Trust Officers) that handle inquiries/requests regarding account statements (e.g., account balances, receipts, disbursements) and other services that touch beneficiaries such as probate processing and leasing. Included in OST Field Operations is the Trust Beneficiary Call

Center (TBCC) located in Albuquerque, NM that handles all forms of customer inquiries (e.g., email, phone, in-person) and provides beneficiary access to IIM accounts and trust assets. In addition to customer inquiry resolution, OST also provides technical advice/assistance to beneficiaries related to topics such as investment management; financial plan development, and (trust fund) investment strategy. This also includes educational outreach, financial literacy training, and guidance on power of attorney issues.

2. **Trust Services** – Refers to business operations associated with trust fund accounting and investment. OST delivers centralized accounting services for trust fund management activities, including cash flow management and account maintenance to support documentation and compliance. Also included in this category is trust fund policy (e.g., development of policies, standards, procedures governing trust funds at the point of OST receipt), management reporting (e.g., regulatory, financial, managerial reports), accounts reconciliation (e.g., subsidiary and controlled accounts), and financial statement preparation (e.g., internal and external audited financial statements).
3. **Program Management** – Refers to business operations associated with general oversight. This includes trust records management, Indian Trust Rating System development/maintenance, independent reviews of Indian fiduciary trust programs, and risk management and compliance efforts (e.g., internal controls and other risk management initiatives).
4. **Business Management** – Refers to business operations associated with support functions (e.g., budget, finance, information technology, human resources, internal and external communication, training related to performance of OST business processes).
5. **Historical Trust Accounting** – The Office of Historical Trust Accounting (OHTA) was created in 2001 to provide historical accountings of IIM accounts in support of the Cobell litigation. The Office's mission has since been expanded to include general historical accounting work and litigation support for all trust fund litigation filed by Indian beneficiaries and tribes.
6. **Appraisal Services** - The Office of Appraisal Services located within OST provide various services related to appraisals including reviews, consultations, and valuations (e.g., impartial estimates of value of specific real property interests).

In addition to OST, there are other bureaus/offices with accounting and accounts management responsibilities. BIA maintains ownership of various accounting and accounts management-related functions including Lockbox processing, aging report processing, suspense account research, and Indian trust reconciliation with the US Treasury until funds are deposited into OST Treasury accounts. ONRR's role within accounting and accounts management involves the administration of revenue resulting from American Indian mineral assets (predominantly oil/gas) and Indian trust reconciliation with the U.S. Treasury until funds are deposited into OST Treasury accounts. Once funds are transferred to OST, it maintains beneficiary balances and reconciles beneficiary cash flow with the US Treasury. The following describes the interaction among bureau/offices responsible for accounting and accounts management:

1. OST – BIA: OST's interaction with BIA centers on payment and accounting activity. With the establishment of OST, the Reform Act sought to create a single point of ownership/accountability for the financial management of trust assets. To this end, OST took ownership of accounting and accounts management services. OST assumes cash management responsibility (ownership) upon receipt of account data that is initially collected, processed,

and compiled by BIA. This overlap in cash management responsibility requires close coordination between OST and BIA.

2. OST – ONRR: OST's interaction with ONRR centers on the management of revenue derived from Indian oil and gas mineral assets. Achieving accurate OST funds management and financial reporting (e.g., beneficiary statements, internal/external reports) requires timely transfer of funds from ONRR to OST Treasury accounts and accurate financial data from ONRR IT systems of receipt and distribution.
3. OST – OHA: OST's interaction with OHA focuses on probates and appeals. Without timely notification of probate/appeals case resolutions, OST and BIA are not able to accurately account for beneficiary ownership interests and distribution of proceeds can be delayed.
4. OST – AS-IA: OST's interaction with AS-IA involves mostly policy matters related to Indian trust administration. As policies are created and/or updated, OST will coordinate with AS-IA to understand the impact on trust administration.

Accounting and accounts management services involve various beneficiary interactions, both direct and indirect. The primary form of OST direct beneficiary touch comes in the form of customer service (e.g., inquiry resolution via email, telephone, in-person, technical assistance, provision of financial statements). Indirect interactions include those cash management services that while not requested by nor provided directly to a beneficiary pose the potential to delay other beneficiary trust services. For example, appraisals and valuations must be performed accurately and timely for the completion of BIA leasing/permitting/contracting transactions (e.g., oil/gas, grazing, timber). If an appraisal is inaccurate and/or untimely, beneficiaries will experience delays in realizing revenue from their trust assets.

➤ POLICIES, PROCEDURES, AND REGULATIONS IMPACTING THE FUNCTION^{5,6}

- | | |
|---|--|
| 1. Code of Federal Regulations (CFR) Title 25 - Indians | Beneficiary Contacts (effective June 12, 2012) |
| 2. American Indian Trust Fund Management Reform Act of 1994, Public Law 103-412, October 25, 1994, 108 Stat. 4239 | 7. Indian Affairs Records Management Manual |
| 3. Prudent man rule subject to limitations under 25 USC 162 (a) | 8. Interagency procedures handbook for BIA and OST |
| 4. Universal Standards of Professional Appraisal Practices | 9. Desk Operating Procedures (DOP) for Account Maintenance (OST) |
| 5. US Treasury Manual | 10. DOP for Receipting (EFTs, lockbox, IGTs, ONRR oil/gas royalties) |
| 6. OST Handbook for Management of Trust | 11. DOP for Funds Distribution (OST) |

⁵ Office of the Assistant Secretary for Indian Affairs. Indian Affairs Manual. Web. <http://iia.mabqzucmw01p.ia.doi.net:16200/inside.indianaffairs/Org/AS-IA/ORM/DirectSys/index.htm>

⁶ United States Department of the Interior. *Electronic Library of Interior Policies*. Web. <http://elips.doi.gov/elips/browse.aspx>

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|---|---|
| <p>12. DOP for Closing Multiple Accounts (Clarification) (OST)</p> <p>13. DOP for Osage Lake Funds Distribution (OST)</p> | <p>14. DOP for Osage Quarterly Payment Distribution (OST)</p> <p>15. OST Investment Policies</p> <p>16. Indian Affairs Manual (IAM)</p> |
|---|---|

➤ IT SYSTEMS SUPPORTING THIS FUNCTION⁷

1. Trust Fund Accounting System (TFAS)
2. SEI Compliance Services (SEI-C)
3. SEI Private Trust Company (SEI-PT)
4. Daily Account Distribution System (DADS)
5. Office of Appraisal Services Information System (OASIS)
6. Trust Beneficiary Call Center (TBCC)
7. Historical Query (ITSQ)
8. Bloomberg Market Systems (BLOOM)
9. Trust Compliance Rating System (TCRS)

In addition to the above systems, OST requires access to and interfaces with other systems to obtain information necessary for daily workload processing including:

1. Lockbox – The system used to manage lockbox activity.
2. Trust Assets Accounting Management System (TAAMS)
3. Other Systems – US Treasury, ONRR

➤ BENEFICIARY PERSPECTIVE

Beneficiaries are generally satisfied with existing TAS accounting and accounts management services. The FY12 OST Customer Service Survey (administered by the Trust Beneficiary Call Center (TBCC)) indicated an overall average of 92% of respondents were "Very Satisfied" across five different service attributes, including responsiveness (94%), professionalism (91%), accuracy (87%), knowledge of researcher (91%), communication (95%), and timeliness (92%). Additionally, the TBCC's first line resolution (FLR) rate for Field Operations calls was 95% for FY12.⁸ As reported in the April 2012 review of OST Organizational Efficiency/Effectiveness, OST achieved a quality score of 100% on work tickets and 99.97% accuracy on over 8.3 million annual transactions (1,700 errors).⁹

Beneficiary Feedback Highlights

- 92% 'Very Satisfied' with TAS Accounting and Accounts Management activities.
- 95% first line resolution rate for Field Operations calls.
- Quality score of 100% on OST work tickets.
- "Service-oriented" cash management activities.

⁷ For a more detailed description of each system, including DOI organizational ownership, please see the Information Technology section in the *Phase 2: Current State*.

⁸ FY12 OST Customer Service Survey.

⁹ Booz Allen Hamilton. *OST Organizational Efficiency/Effectiveness Study*. April 2012. (Note: OST and ONRR are the only DOI bureaus/offices that collect data regarding customer service).

The September 2012 report produced by the U.S. Institute for Environmental Conflict Resolution for the Commission also indicates general satisfaction with accounting and accounts management services. Of note, beneficiaries noted that this function was administered in a "service-oriented" fashion, including timely and accurate information. Further, it was perceived that OST had instituted an organizational culture of "trust responsibility."

Beneficiaries also noted various ways in which current accounting and accounts management services could be improved. One of the primary recommendations involved a perceived need for increased coordination and clarity/delineation between BIA and OST trust responsibilities, specifically between the BIA Agency Superintendent and the Regional Trust Administrator (RTA). In certain instances, beneficiaries expressed confusion in determining which bureau/office they should engage with, and for what purpose. Beneficiaries expressed further confusion as to the purpose behind OST assuming more operational responsibilities that were a perceived overlap/duplication of BIA responsibilities (e.g., the distinction between BIA Agency Superintendents and OST Fiduciary Trust Officers). The following presents additional recommendations and/or areas of concern provided by beneficiaries and federal employees:

1. Improved access and clarity – allow account holders to obtain all information online (similar to commercial online banking), standardize access across all bureaus/offices and services, and work with beneficiaries to develop more user-friendly statements.
2. Automate the work ticket initiation and approval process to hasten the distribution process.
3. Explore ways to reduce the cost of cash management services, including examination of workforce grade distribution and more efficient geographic positioning of staff.
4. Use other government databases to verify information or obtain information about account holders and consider alternatives for imaging and sharing documents electronically between agencies.
5. Find alternatives to reduce the expense incurred in distributing small payments (e.g., outsourcing the printing of checks and statements to the U.S. Treasury).
6. Continue to automate the reconciliation process (e.g., U.S. Treasury, ONRR).
7. Seek legislative relief to close accounts with nominal balances or unclaimed balances in an effort to reduce cost of producing and mailing statements.
8. Explore alternatives for authorizing distribution of funds held in trust at death. Strategies could include developing a beneficiary card to distribute funds like a commercial bank versus waiting for the final probate order.
9. Improve tracking of delinquent payments and reconciliation of these payments.
10. Consider an option for interest bearing accounts for funds involved in delayed decisions (e.g., if funds are held in a non-interest bearing escrow account until a communitization agreement is approved).
11. Give control over accounts back to the account holder. For example, loan payments could be better handled by the account holder and their private bank.

➤ DEFINITION

Land Ownership includes the processes that determine the appropriate distribution of a decedent's estate (e.g., trust cash assets and/or trust or restricted land) in the absence of a legally binding will. This includes determination of heirs, approval of wills and beneficiaries, and transfers of any funds held in trust by the Secretary for a decedent to the heirs, beneficiaries, or other persons or entities entitled by law.

➤ ROLES AND RESPONSIBILITIES

Probate represents a specialty service that can occur at any point during the course of core trust administration operations, with a trickle-through effect that touches nearly every aspect of trust administration. Unresolved or in-progress probate cases do not prevent and/or halt the completion of core trust administration operations. However, the longer a probate case remains unresolved or in-progress, the more difficult it becomes to perform necessary back-end reconciliations. Currently, there is no standard interagency process followed for probates, resulting in disparity of practices across the 12 BIA regions. In addition, probate is also a trust administration service that can be, and is in some instances, performed by compacted/contracted tribes under self-governance.

Probate services are delivered predominantly by BIA and OHA, with OST performing resulting account adjustments and distributions upon receipt of necessary information from BIA. Probate case files are created at BIA Probate upon notification of beneficiary death. This notification can be received by one of three DOI offices: 1) Agency or BIA regional office nearest to where the decedent was enrolled; 2) any agency or BIA regional office; or 3) the TBCC at OST. BIA develops the respective probate case file including documentation such as the death certificate, or adoption decrees and contacts the probable heirs. Should an appraisal be needed, BIA requests OAS to perform the appraisal of the decedent's trust property. Probate case files are then sent to OHA for adjudication. Concurrently, BIA notifies OST to close the decedent's account. In addition, BIA Probate is responsible for compiling and researching inventories of Indian Trust assets and family information for each probate case. Once adjudication has been completed and funds/assets are distributed from the decedent's account, the BIA Probate closes the case file.

Following completed probate cases, BIA's Land Titles and Records Office (LTRO) performs necessary updates within TAAMS, which is the system of record for Land Management. LTRO updates TAAMS by imaging/encoding documents that were approved by BIA Probate or other regional offices, ensuring current and accurate ownership data. Beyond system updates, LTRO also performs probate case compliance/monitoring (following case finalization). This includes

handling of gift deeds, exchanges, and recording of these transactions within TAAMS.

OHA is responsible for adjudicating probate cases and appeals. Typically, OHA is able to process (adjudicate) a probate case within eight months from receipt of the case file from BIA.¹⁰ Factors that increase this timeframe include incomplete and/or inaccurate case file information. This is especially prevalent in older probate cases, as some case files are not received until 15 or more years have elapsed following the death.¹⁰

Once a given probate case is closed, OST performs resulting account actions, including close-out and distribution of monetary assets to heirs. In the event that heirs do not already possess an IIM account, OST creates one on their behalf.

The following describes the interaction among bureaus/offices responsible for Probates:

1. BIA – OHA: Once a probate case file is developed by BIA, it is submitted to OHA for adjudication. Should there be any remaining data inaccuracies and/or omissions, BIA will work with OHA to resolve. OHA is not reliant upon other DOI entities to perform the actual adjudication, except for information related to the case that they may not already possess.
2. BIA – OST: Once a probate case is finalized, BIA notifies OST to close out the respective account(s), perform necessary distributions, and establish new accounts (as needed).

There are various external and internal factors that enhance and/or detract from DOI's ability to expedite probate cases. Externally, the primary factor that complicates/prolongs probate case completion is the availability and/or accuracy of family history data (associated with the deceased beneficiary) necessary to build the probate case file (in the case where there is no legal will). In these cases, a significant amount of research is required to ascertain family history (ownership), which is sometimes exacerbated by the unknown whereabouts of family members (i.e., potential heirs). Once probate case files are completed, the actual adjudication of the case is usually routine. Delays during this segment of the process stem from logistical challenges in scheduling and conducting respective hearings (e.g., establishing a centrally-located physical location and/or convenient means to hold the hearing to accommodate geographic dispersion). Internally, delays can occur due to various factors such as difficulty in obtaining and/or expediting approvals or changes in BIA workload priorities (such that Probates wait in queue).

Probates have two primary interactions with beneficiaries: 1) Initiation - beneficiaries notify BIA of the need for a probate case; and 2) Distribution - beneficiaries receive the resulting distribution of monetary assets. During the course of probate case processing, beneficiaries may also reach to DOI to understand status – this reach can occur at multiple points within TAS operations, e.g., BIA regional offices, OST TBCC, ONRR, or other DOI staff members with which beneficiaries might have a prior relationship. In some instances (e.g., Eastern Oklahoma region), Tribes use third party entities (e.g., state/local government) to perform probates under self-governance.

¹⁰ Goodwin, Janet, Earl Waits, and Steven Linscheid. Office of Hearings and Appeals. Personal Interview. 17 Apr. 2013.

➤ POLICIES, PROCEDURES, AND REGULATIONS IMPACTING THE FUNCTION

1. American Indian Probate Reform Act of 2004 (AIPRA), Pub. L. 108-374, as codified at 25 U.S.C. 2201 et seq.
2. 25 CFR (15, 150-150.7, 162.209, 163.20, 169.3, 179 Life Estates and Future Interests)
3. 25 USC (Chapter 10)
4. 43 CFR Part 4
5. Federal Records Act 44 USC Section 3102
6. Privacy Act of 1974
7. Public Laws 92-443, 92-377, 91-627
8. 66 FR 67652 dated December 31, 2001 – Trust Management Reform: Probate of Indian Trust Estates.
9. Federal Register Vol. 60 12/31/01
10. Solicitor's Opinion M-36127, April 17, 1952
11. Indian Land Consolidation Act Amendments of 2000
12. Estate of Douglas Leonard Ducheneaux, 13 IBIA 169 (1985)
13. Estate of Clayton Daniel Prairie Chief Sr., 24 IBIA 131 (1993)
14. Estate of George Levi, 26 IBIA 50 (1994)
15. Estate of Madeline Bone Wells, 15 IBIA 165 (1987)
16. Stigler Act
17. Curtis Act
18. Decisions of the Interior Board of Indian Appeals
19. Solicitor's M-Opinions (Any affecting the appeal process)
20. Memorandum regarding "Procedure for Assigning Individual Indian Money Account Numbers and ID Numbers" issued by the Deputy Commissioner of Indian Affairs, April 8, 2002
21. Probate Case Management & Tracking System (ProTrac) April 9, 2004
22. The Office of Appraisal Services Handbook 66 FR 67652 dated December 31, 2001 – Trust Management Reform: Probate of Indian Trust Estates
23. IAM (incl. 51 and 49 IAM)
24. BIA Probate Business Process Flowchart
25. BIA Procedural Handbook
26. OST Handbook for Management of Trust Beneficiary Contacts
27. Interagency Procedures Handbook for BIA and OST
28. Indian Affairs Records Management Manual

➤ IT SYSTEMS SUPPORTING THIS FUNCTION

1. TAAMS
2. TFAS
3. ProTrac
4. COFAX
5. Internet search engines/sites
6. Geographic Information System (GIS)

➤ BENEFICIARY PERSPECTIVE

Satisfaction with probate services is mixed, and gauged by beneficiaries primarily by the cycle time required to complete the case and their access to information while cases are ongoing.

More recent probate cases are completed within six to eight months. However, older probate cases (e.g., those in which notification of death is not received significantly beyond the actual time of death) can experience a multi-year cycle time, which angers beneficiaries. In addition, BIA has focused its efforts on reducing the formal backlog, defined as those cases known to DOI on or before September 30, 2005, for which the date of death was either unknown or prior to November 1, 2000.¹¹

Inconsistent expectations between beneficiaries and BIA regarding probate case data requirements are one cause of beneficiary dissatisfaction during long probate cases. Beneficiaries prefer that BIA provide them with all documentation required of and associated with their probate case (e.g., death certificates and other related documentation). However, BIA does not have access to all of these documents nor the funding to obtain all related information. Therefore, BIA requires that beneficiaries provide all necessary case-related information. Absent beneficiary-provided data, BIA must perform their own research, significantly slowing down case file development. This situation is not transparent to beneficiaries, so they do not understand why their probate case experiences delay.

Dissatisfaction associated with multi-year cycle times are exacerbated by a lack of beneficiary visibility (status) into the probate process. Beneficiaries experience difficulty in gaining answers to their questions, resulting in increased dissatisfaction. This is the result of reactive collaboration across DOI bureaus/offices, as well as the accuracy of probate data housed within ProTrac. For example, should a beneficiary contact OST or OHA, the ability of those offices to provide status depends upon their access to ProTrac (ProTrac is a standalone application that does not interface with other TAS systems). If they do not have access, they either refer the beneficiary to another source within DOI or coordinate with BIA or OHA to ascertain status and relay it to the requesting beneficiary. Accuracy of ProTrac data can also be an issue, as staff interviews revealed several instances where probate cases or probate modifications were excluded from ProTrac to prevent internal perceptions that workload was not being accomplished.

Beneficiary Feedback Highlights

- Dissatisfaction with long probate cycle times.
- Beneficiaries expected to provide all documentation and paperwork for probates.
- Lack of visibility into probate process.
- Difficult to get questions answered.
- Inaccurate probate data given to beneficiaries.

¹¹ There are currently 519 cases that meet this definition of the backlog. The average case age of all trust-related probates was 2.02 years as of 03/31/2013. However, Grant Thornton did not receive the number of probate cases received and still outstanding since 1/1/2000 to assess this additional 'backlog.'

➤ DEFINITION

Real Estate Management includes the processes that protect, manage, and develop trust land assets (non-mineral) including 1) surveys; 2) mortgages; 3) rights of way; 4) land titles and records; 5) conveyances, leasing and permitting; 6) lease compliance; 7) appraisals; 8) land acquisition and disposal; and 9) developing and maintaining land records.

➤ ROLES AND RESPONSIBILITIES

Real Estate Management services are primarily managed and delivered by BIA across its 12 regional offices. These offices and associated agencies provide services including:

1. Protection, management, and development of Indian-owned lands; acquisition, transfer, and disposal of federally-owned excess and surplus land
2. Determination of land ownership and protection of ownership rights
3. Education and outreach on land use and land use contracts
4. Revision and approval of land use contracts; compliance related to land use contracts and enforcement of contract violations
5. Leasing, permitting and compliance activities related to various lease types (e.g., agricultural and grazing, residential, business, wind and solar energy, oil and gas, permitted use agreements, mortgages, surface and sub-surface, gift deeds, service line agreements, rights of way, easements, land disposals)
6. Management of the Fee-to-Trust Program
7. Development and preparation of a Grant of Easement for Right of Way

Within BIA, the Land Titles and Records Office (LTRO) performs the official recordation of the legal description, owners, and existing encumbrances of Indian lands. LTRO is also responsible for issuing a certified Title Status Report.

Several other DOI bureaus/offices play complementary roles within Real Estate Management, including BLM and OST:

1. **BLM:** BLM provides BIA with qualified land surveyors to expedite cadastral surveys. This enables BIA to maintain compliance with Indian trust boundary standards land description and chain of title issues.
2. **OST:** OST supports BIA in determining land ownership by providing historical trust and account information (as needed, by OHTA). Additionally, OST's Office of Appraisal Services (OAS) provides appraisal services necessary for completion of leases in coordination with BIA, which helps gather supporting information necessary to complete the appraisal. OAS ensures compliance with universal appraisal process and appraisal management standards. Real property transactions supported by OAS include, but are not limited to: acquisition, disposal, exchanges, probate, gift conveyances, negotiated and supervised sales, partitions,

leases, and right of ways and easements.

Real Estate Management services are performed in response to beneficiary requests received by BIA regional offices. In addition, various Real Estate Management services are performed by compacted/contracted tribes under self-governance.

➤ POLICIES, PROCEDURES, AND REGULATIONS IMPACTING THE FUNCTION

1. Indian Land Consolidation Act (ILCA)
2. 12 CFR 34C (Appraisals)
3. 25 CFR Part 2 (Appeals from administrative actions taken under part 169)
4. 25 CFR Part 151, 152 (Land Acquisitions, Disposal)
5. 25 CFR 162
6. 25 CFR 166 (Grazing permit regulations)
7. 25 CFR Part 169 (ROW over Indian Lands)
8. United States Code Annotated: 25 USC
9. 25 USC 323-328 (Rights of Way)
10. 25 USC 380 (Agricultural leasing)
11. 25 USC 415 (Agricultural leasing), 25 USC 415 et seq. (Residential leasing)
12. 25 USC 2218 Sec. 219
13. 25 USC 3715 - American Indian Agriculture Resource Management Act of 1994 (AIARMA) (Agricultural leasing)
14. 25 USC 4211 (Residential leasing)
15. 49 USC 24.103 (Appraisals)
16. 49 USC 4601
17. AIPRA of 2004
18. The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA)
19. American Indian Agricultural Resources Management Act (AIARMA)
20. National Environmental Policy Act (NEPA)
21. Uniform Standards of Professional Appraisal Practice (USPAP) (Appraisals)
22. Secretarial Order 3240 (Appraisals)
23. Uniform Appraisal Standards for Federal Land Acquisitions (Appraisals)
24. Public Laws: 93-638; 106-462; 108-374 (Appraisals)
25. OST Handbook for Management of Trust Beneficiary Contacts
26. Chapter 1, Section 2.1 of the Procedural Handbook – Leasing and Permitting, Agricultural Leasing (BIA)
27. Interagency Procedures Handbook for BIA and OST
28. IAM
29. Indian Affairs Records Management Manual

➤ IT SYSTEMS SUPPORTING THIS FUNCTION

1. TAAMS
2. TFAS
3. ProTrac
4. GIS
5. Quarterly reports from agencies on NEPA documents
6. NEPA tracker system (from DC office)
7. Office of Appraisal Services Information System (OASIS)

➤ BENEFICIARY PERSPECTIVE

In general, beneficiaries are pleased with the responsiveness of BIA, but indicate that budget cuts have reduced the focus on ensuring lease compliance.

Beneficiaries note that this was a key element of the *Cobell* litigation that requires more attention from TAS.

Additionally, beneficiaries also noted that the funding offered to them to compact or contract realty functions was insufficient to allow them to take over certain realty service functions. Beneficiaries also desire increased

access to and training on systems currently used by the government, specifically TAAMS.

Beneficiaries mentioned the need for access to their documentation (e.g., leases), stressing that they should not have to formally request this material from BIA. With regard to the Fee-to-Trust program, the team received feedback from an individual beneficiary stating that the overall process is broken, awaiting approval of applications dating from 1970s.

Beneficiary Feedback Highlights

- Lease compliance needs more funding and attention.
- Insufficient compact/contract funding.
- Need training on and access to government systems.

➤ DEFINITION

Indian Land Consolidation comprises the initiatives designed to consolidate trust land assets (e.g., fractionated interests) including the resolution of tract ownership interests.

➤ ROLES AND RESPONSIBILITIES

DOI is engaged in multiple initiatives to consolidate land assets: 1) BIA Land Consolidation (in accordance with the American Indian Probate Reform Act (AIPRA), Indian Land Consolidation Act (ILCA)); and 2) Land Buy-Back (LBB) Program. The following describes different bureaus/offices' roles in Indian Land Consolidation efforts.

1. **BIA:** BIA administers the Indian Land Consolidation Program (ILCP), which is physically housed within the Indian Land Consolidation Center (ILCC). The ILCP Director manages the ILCP and coordinates the acquisition program to expand reservations across the U.S. The Director establishes policies, develops and implements cooperative agreements, provides technical assistance, and provides oversight, direction, monitoring, and program evaluation. The Director also coordinates with other areas within BIA (e.g., OTS), DOI, Office of Management and Budget (OMB), Congress, and other government and Tribal entities.¹² For consolidation programs pertaining to Forestry, the BIA Division of Forestry appraises merchantable timber interests. For the Land Buy-Back program, BIA established an Acquisition Director with the primary responsibility for planning and executing land acquisition and title-related functions of the Land Buy-Back Program.
2. **OST:** OST holds the primary responsibility for determining fair market values for trust or restricted land tracts with fractional ownership interests. These appraisals are conducted through OAS. For the Land Buy-Back Program, OST created a Deputy Director and supporting staff to conduct all land appraisals. OST's responsibilities also include the posting of payments from the fund to ILMs for the acquisition of fractional interests.
3. **OME:** Similar to OAS, OME performs mineral assessments and market analyses to determine the value of mineral deposits, a key step in the overarching appraisal process and in determining fair market value of Indian lands.
4. Various DOI offices also play a role in Land Consolidation programs, including AS-IA, Assistant Secretary – Land and Minerals Management, Office of the Solicitor, Assistant Secretary – Policy, Management and Budget, and the Office of the Secretary. For the Land Buy-Back program (as provided in the Cobell settlement), the Office of the Secretary created a Land

¹² United States Department of the Interior, Bureau of Indian Affairs. *Indian Land Consolidation Program*. 2013. Web. <http://www.bia.gov/WhoWeAre/BIA/ILCA/index.htm>

Buy-Back Program Manager (reporting to the Deputy Secretary) with a small support staff. The Program Manager provides leadership, coordination, communication, management, reporting, and oversight; maintains strong, collaborative government-to-government relationships with tribes, in part by establishing cooperative agreements with tribes and by active consultation, which is managed by a Tribal Liaison; manages the fund in accordance with the *Cobell* settlement; and establishes performance-based reimbursable support agreements or memorandums of understanding to facilitate fund expenditures by bureaus/offices. The LBB Manager has a direct relationship with the BIA Acquisition Director and the OST Deputy Director for Appraisals. In addition, a Tribal Nations Land Buy-Back Oversight Board (Board) exists to provide policy guidance, ideas for improvement, oversight, and other assistance to the Land Buy-Back Program. The Secretary, or the Deputy Secretary as designee, chairs the Board, which includes the following members: Solicitor; Assistant Secretary – Indian Affairs; Special Trustee for American Indians (or the Principal Deputy Special Trustee as designee); Director, Bureau of Indian Affairs; Deputy Assistant Secretary – Technology, Information & Business Services; and Director, Bureau of Land Management.

Land Consolidation services require direct interaction with beneficiaries. DOI works directly with beneficiaries in gaining participation in the program, as well as providing advisory and coordination services during the processing of consolidation applications.

➤ POLICIES, PROCEDURES, AND REGULATIONS IMPACTING THE FUNCTION

1. Secretarial Order No. 3325 Land Buy-Back Program for Tribal Nations (Dec 17, 2012)
2. Secretarial Order No. 3292 Individual Indian Trust Management (Dec 8, 2009)
3. *Cobell* Settlement Agreement (as confirmed by the Claims Resolution Act of 2010 (Pub. L. No. 111-291)
4. Reorganization Plan No. 3 of 1950 (64 Stat. 1262)
5. 25 USC
6. Indian Land Consolidation Act Amendments of 2004
7. Indian Affairs Records Mgt. Manual
8. IAM

➤ IT SYSTEMS SUPPORTING THIS FUNCTION

1. TAAMS
2. TFAS
3. ILCA Land Purchase Tracking System¹³

¹³ Used by BIA to account for lands purchased by the government and TAAMS ownership is also updated to reflect land purchases.

➤ BENEFICIARY PERSPECTIVE

Beneficiaries did not provide input on Indian Land Consolidation services. However, beneficiaries noted that valuations for oil and gas producing lands were not being performed timely and felt this may delay buybacks authorized under the *Cobell* Settlement.

Beneficiary Feedback Highlights

- Untimely valuations for oil & gas land.

➤ DEFINITION

Land Management and Preservation – Natural Resources comprises the processes needed to manage, develop, and protect natural resource assets (e.g., parks, wildlife, fisheries, agriculture, range) and water resource management capabilities (e.g., irrigation, power, dam safety).

➤ ROLES AND RESPONSIBILITIES

Like other Land Management and Preservations services, Natural Resources are administered by BIA across its 12 regional offices. During service delivery, BIA often works with tribes as well as other Federal (i.e., Environmental Protection Agency (EPA), US Forest Service (USFS), Fish and Wildlife Service (FWS), US Geological Survey (USGS)) and state agencies. Natural Resources consists of three different service lines:

1. **Natural Resources:** Includes management, development, and protection of natural resource assets; Rights Protection and Tribal Development Programs to address on and off-reservation rights protection; as well as providing damage assessments and restoration services.
2. **Information Product Data System (IPDS):** Includes planning and management of water resources through provision of funding for operation, maintenance, and rehabilitation of irrigation infrastructures; management and development of irrigation projects; and management, development, and operation of Power Generation Facilities.
3. **Water Resources:** Includes assistance to improve water resource management capabilities, and protection of water rights and resources.

Natural Resources have a direct touch point to beneficiaries, as BIA works directly with tribes/individuals to develop land management and preservation plans. Natural Resource services are also performed by certain compacted/contracted tribes, requiring BIA coordination as needed.

➤ POLICIES, PROCEDURES, AND REGULATIONS IMPACTING THE FUNCTION

1. 25 USC 380 (Agricultural leasing)
2. 25 USC 415 (Agricultural leasing)
3. 25 USC 415b (Agricultural leasing)
4. 25 USC 3715
5. 25 CFR part 2

6. 25 CFR Part 162 (Leases and Permits), which is applicable to leases that authorize the possession of Indian land except for:
 - a. Mineral leases, prospecting permits, and mineral development agreements covered by parts 211, 212 and 225 or other sections of the regulations.
 - b. Grazing permits covered by part 166 or sections specific to particular tribes.
 - c. Timber contracts covered by part 163
 - d. Management contracts, joint venture agreements or other encumbrances of tribal land covered by 25 U.S.C 81.
 - e. Leases of water rights associated with Indian Lands except when the use of the water is incorporated into the lease agreement.
 - f. Easements or rights-of-way covered by part 169.
7. 25 CFR 166 (Grazing permit regulations)
8. American Indian Agricultural Resources Management Act (AIARMA)
9. National Environmental Policy Act (NEPA)
10. Interagency Procedures Handbook for BIA and OST
11. IAM
12. Indian Affairs Records Management Manual

➤ IT SYSTEMS SUPPORTING THIS FUNCTION

1. TAAMS
2. GIS

➤ BENEFICIARY PERSPECTIVE

With regard to Natural Resource services, beneficiaries perceived that lands are not properly managed and protected as funding to control forest fires, invasive species, noxious weeds, and wild horses is insufficient to adequately protect the land. Additionally, beneficiaries felt that Rights of Way are not being monitored or enforced. For example, the tribes indicated that BIA is not doing enough to prevent or prosecute those who trespass and remove resources from trust land (e.g., timber). The tribes also indicated that they rarely receive any help from the Solicitor in getting restitution from trespassers.

Beneficiary Feedback Highlights

- Insufficient resources available to protect trust land assets.
- Rights-of-Way are not enforced.
- Inadequate support from Solicitor.



Land Management & Preservation - Minerals

➤ DEFINITION

Land Management and Preservation – Minerals includes the processes that manage, develop, enhance, regulate, and protect Indian surface and sub-surface mineral assets (e.g., oil, gas, coal).

➤ ROLES AND RESPONSIBILITIES

Minerals represent one of the specialty business lines offered under the umbrella of Land Management and Preservation Services. The Minerals function is initiated when a minerals lease is finalized. Similar to other Land Management and Preservation services, Minerals is an ongoing service, with BIA, BLM, ONRR, and OST working together to manage the lifecycle of a lease.

Minerals services are primarily managed and delivered by BIA, ONRR and BLM under a tri-party agreement across the 12 regional offices. Once a Minerals lease shifts into production and a contract or lease is in place, BIA and BLM monitor operations to ensure compliance with the terms and conditions of the lease and environmental standards. Field monitoring responsibility continues for BIA and BLM throughout the lifecycle of the contract or lease. At the conclusion of the lease, BIA ensures the lessee properly abandons the property by monitoring the BLM approval for the plugging of the wellbore. BIA then ensures that the reclamation is successful, which may require several years of monitoring. BLM is responsible for all downhole operations and all surface facilities to assure protection of the resource, and human health and safety. ONRR is responsible for royalty compliance monitoring, billing and collecting funds, providing distribution data to BIA, and transferring collections to OST. OST is responsible for reconciling collection and distribution activity and reporting to the US Treasury. The following describes the roles performed within Minerals by BIA, ONRR, OST and BLM:

BIA: BIA responsibilities begin with advertising and conducting lease sales. Prior to production, BIA will receive bonus funds and rentals. Once a lease reaches production status, BIA performs various roles throughout the lifecycle including:

1. Maintenance of current mineral ownership records and dissemination of approved leases, permits and mineral agreements to ONRR, BLM and Lessees. Copies of these documents are not sent to ONRR until the lease reaches production status.
2. Approval of assignments, communitization and unitization agreements, farmouts, and rights-of-way; subsequent approval of any agreement changes, such as successor operators, sub-operators, amendments, contraction and termination of agreements.
3. Approval of downhole abandonment procedures.
4. Cancellation of leases, permits and minerals agreements for due cause (e.g., violation of lease terms).

5. Cash management activities, such as approval of the distribution of funds from producing leases received through ONRR to tribal accounts and IIM accounts. Once approved, distribution files are received from ONRR and approved by BIA. Distribution is automated through TAAMS and posted to TFAS. OST performs reconciliation of all oil and gas receipts and distributions.
6. Assistance in the assumption of marginal wells by tribes.

BLM: BLM responsibilities within Minerals services begin with pre-sale and post-sale evaluation of tracts, including evaluation of leases derived from direct negotiations. BLM also issues drilling permits and prescribes the type and frequency of form submittals required by operators. Once a lease is in production, BLM collaborates with BIA to administer the following activities:

1. Monitoring all production activities and requiring temporary shutdowns of operations for violations of regulatory requirements.
2. Preparing environmental assessments for drilling wells and other surface disturbing activities using input from other surface managing agencies.
3. Enforcing compliance of environmental requirements including producing operations, plugging of wells, and restoration of disturbed areas.
4. Providing engineering and technical assistance as needed.
5. Advising and providing determination of bond adequacy.
6. Identifying drainage and due diligence issues, notifying BIA, and providing remediation recommendations.
7. Verifying production (e.g., Detailed Production Accounting Inspection - DPAI).

ONRR: ONRR is responsible for accurate accounting of the quality and quantity of the product(s) as reported by the lessee/operator and the subsequent funds distribution to both BIA and OST. Specific responsibilities include:

1. Billing, collecting, accounting for, and paying out proceeds owed on producing leases to Indian mineral owners; reconciling production volumes with revenue received.
2. Collecting Monthly Report of Operations forms MMS-4054 (Oil and Gas Operations Report) and MMS 2014 (Report of Sales and Royalty Remittance) from operators.
3. Conducting audits and compliance reviews related to minerals.
4. Publishing the quarterly bankruptcy list.
5. Negotiating settlements for disputed royalties with the approval of AS-IA.

OST: OST responsibilities (within Minerals services) pertain to cash management associated with minerals production including:

1. Disbursing funds received from ONRR according to BIA distribution instructions.
2. Disbursing funds received in the OST lockbox on non-producing leases according to BIA distribution instructions.
3. Recording receipts and disbursements in TFAS.
4. Reporting receipts to beneficiaries via an Explanation of Payments (EOP).
5. Reconciliation of oil and gas receipts to ONRR reports and the U.S. Treasury.

The following describes the interaction among bureaus/offices responsible for Minerals:

1. BIA – BLM: Collaborate to ensure completion of pre-production requirements such as evaluations of tracts and leases resulting from direction negotiation. Once into production, BIA and BLM coordinate the monitoring of production operations. Additionally, BIA consults with BLM and the EPA for off-lease water disposal, well conversion, and injection disposal under a business lease (commercial disposal well) on Indian trust lands.
2. BIA – ONRR: Once into production, BIA receives distribution files of minerals-related monies from ONRR and approves these files for posting to TFAS via the TAAMS oil and gas distribution module.
3. OST – ONRR: Once into production, OST receives transfers from ONRR for oil and gas receipts and reconciles distribution of minerals-related proceeds from ONRR and TAAMS distribution reports. OST also reconciles oil and gas receipts and distributions between TFAS and the U.S. Treasury.

The primary form of beneficiary interaction within Mineral services comes in the form of inquiry/issue resolution, including status inquiries, advisory services, as well as disbursement of proceeds to beneficiaries resulting from production operations. Mineral services are also performed by certain compacted/contracted tribes. Additionally, with respect to the Osage tribe, oil and gas operations and responsibilities are further governed by special CFR provisions and involve the use of different processes and systems.

➤ POLICIES, PROCEDURES, AND REGULATIONS IMPACTING THE FUNCTION

BIA Fluid Mineral Stewardship:

1. 25 CFR 211 (Leasing of Tribal Lands for Mineral Development)
2. 25 CFR 212 (Leasing of Allotted Lands for Mineral Development)
3. 25 CFR 213 (Leasing of Restricted Lands of Members of Five Civilized Tribes, Oklahoma, for Mining)
4. 25 CFR 225 (Oil and Gas, Geothermal, and Solid Minerals Agreements)
5. 25 CFR 226 (Leasing of Osage Reservation lands for Oil and Gas Mining)

Cultural Resources:

1. 16 USC 431 (Antiquities Act of 1906)
2. National Historic Preservation Act of 1966, as amended (section 106), 16 USC 470f
3. Archaeological and Historical Preservation Act of 1974, 16 USC 469a-1
4. 1979 Executive Order No. 11593 (Protection and Enhancement of the Cultural Environment)
5. Archeological Resources Protection Act of 1979, 16 USC 470a et seq.
6. American Indian Religious Freedom Act, 92 Stat. 469
7. Native American Graves Protection and Repatriation Act, 25 USC 3001 et seq.

Environmental Laws:

1. The National Environmental Policy Act of 1969, as amended (42 USC 4332(2)(c), as implemented by 40 CFR 1500-1508, 516 DM 6, Appendix 4, and 30 BIAM Supplement 1, NEPA Handbook
2. Endangered Species Act of 1973, as amended, 16 USC §1531 et seq., as implemented by 50 CFR 402.
3. Clean Air Act, 42 USC 7401 et seq.
4. Clean Water Act, 33 USC 1288, 1314, 1342-1344
5. Safe Drinking Water Act, 42 USC 300(h)

Allotted Lands:

1. Act of March 3, 1909, 35 Stat. § 783, 25 USC § 396 (as amended); as implemented by Title 25, Code of Federal Regulations (CFR), Part 212
2. Five Civilized Tribes: Act of May 27, 1908, 35 Stat. 312 for allotted lands
3. Five Civilized Tribes: District Court leasing authority is from Section 1 of the Act of August 4 1947, Stigler Act (State of OK) for "inherited restricted" lands

Tribal Lands:

1. 25 CFR 211 implements the Act of May 11, 1938, 25 USC 396 a et seq.
2. Act of March 1, 1933, as amended (47 Stat. 1418) (Certain Tribal lands in State of Utah)
3. Indian Mineral Development Act of 1982 (IMDA) (96 Stat. 1938), 25 USC 2101-2108
4. For Osage: 25 CFR 226 implements the Act of June 28 1906
5. Five Civilized Tribes: 25 CFR 211 implements the Act of May 11, 1938, 25 USC 396

Additional:

1. The 1938, Mining Act (25 U.S.C 396a - 396g)
2. The 1909, Allotted Land Leasing Act, as amended (25 U.S.C 396)
3. 30 CFR 200 (Royalty Accounting regulations)
4. Tripartite Memorandum of Understanding (MOU)
5. Secretarial Order No. 3087
6. 43 CFR parts 3160 and 3180
7. 30 CFR, chapter II, subchapters A (Royalty Management) and C (Appeals).
8. The 1982, Indian Mineral Development Act (IMDA) (25 U.S.C. 2101-2108)
9. The Act of May 27, 1908 for Five Civilized Tribes
10. The 1906 Osage Allotment Act
11. Tri-Partite Memorandum of Understanding (MOU)
12. OST Handbook for Management of Trust Beneficiary Contacts (effective June 12, 2012)
13. Interagency procedures handbook for BIA and OST
14. IAM
15. ONRR Standard Operating Procedures
16. Indian Affairs Records Management Manual

➤ IT SYSTEMS SUPPORTING THIS FUNCTION:

1. TAAMS
2. TFAS
3. ONRR People Soft AFS and Financial Management Module
4. Well Information System (WIS)
5. Automated Fluid Minerals Support System (AFMSS)
6. National Indian Oil & Gas Evaluation & Management System (NIOGEMS)
7. PeopleSoft
8. Osage Suite¹⁴

➤ BENEFICIARY PERSPECTIVE

The primary beneficiary feedback regarding Mineral services pertains to leasing backlogs. Specifically, key processes/leasing requirements such as permitting, surveys, appraisals, environmental, Endangered Species Act, and communitization agreements are not completed in a timely manner, causing delay in beneficiaries' ability to realize their mineral revenues. Beneficiaries experienced delays in oil and gas leasing, surveying, and appraisals due to: 1) approvals of communitization agreements by BLM 2) backlog of BLM surveying workload; and 3) requirements for DOI appraisers to have final approval of appraisal.

Additionally, beneficiaries experience difficulty understanding the explanation of benefits included in their account statements and do not understand how to accurately predict the amount of their next payment.

Beneficiary Feedback Highlights

- Complex permitting and environmental requirements create leasing backlogs.
- Delays in the ability to realize mineral revenues.
- Complex account statements

¹⁴ The primary IT system utilized by the Osage Agency for the administration of the oil and gas lease process, as well as the collection and distribution of the royalty income derived from the OSAGE mineral estate.



Land Management & Preservation - Forestry

➤ DEFINITION

Land Management and Preservation – Forestry comprises the processes needed to manage, develop, enhance, regulate, and protect Indian forestlands. This includes wildland fire management.

➤ ROLES AND RESPONSIBILITIES:

Forestry represents one of the specialty business lines offered under the umbrella of Land Management and Preservation services. Forestry services can be classified as an ongoing service, which is initiated by a beneficiary request for service. This initial request results in a plan that BIA manages for its duration in collaboration with the respective individual or tribe. Plans are then updated annually by BIA and the individual or tribe.

Forestry services are delivered by BIA across its 12 regional offices, primarily consisting of planning and management activities (e.g., forest land maintenance, enhancement, management, development) as well as wildland fire management. BIA also contracts with tribes, states and federal agencies for wildland fire and other services as applicable. Specifically, forestland management includes:

1. Providing program administration and executive direction by providing 1) policy and procedures, program oversight and evaluation; 2) legal assistance and handling of legal matters (related to forestland management); 3) budget, finance and personnel management; and 4) development of data bases and reports (as needed)
2. Developing, preparing, and revising forest inventories and management plans including: aerial photography, mapping, field inventories and re-inventories; growth studies, inventory analysis and annual harvest calculations; environmental assessment and forest history.
3. Developing forestland by monitoring forestation and thinning, tree improvement, and silvicultural activities.
4. Ensuring protection against wildfires including acquiring and maintaining firefighting equipment and detection systems, constructing fire breaks, developing cooperative wildfire management agreements, and conducting prescribed burning.
5. Protecting against insects and disease.
6. Assessing damage caused by trespass, infestation or fire.
7. Administering and supervising timber sale contracts, free and paid use permits and other types of harvest sales including: cruising, product marketing, appraisal, silvicultural prescription and harvest supervision; forest marketing assistance and advice to tribes; environment, historical and archeological reviews; advertising, executing and supervising contracts; marking and scaling of timber; and collecting and recording and distributing

receipts. This also includes work associated with assuring NEPA compliance.

8. Providing financial assistance for Indians enrolled in postsecondary forestry-related classes.
9. Implementing tribal integrated resource plans.
10. Improving and maintaining forest road systems.

Forestry services generally do not require BIA to coordinate with other DOI bureaus/offices and/or external agencies. When necessary, coordination occurs in the form of data sharing for matters such as issue resolution and/or compliance assurance (e.g., NEPA).

Forestry services have direct interaction with beneficiaries, as BIA works with tribes and individuals to develop and then manage corresponding forestry plans for non-compacted/contracted tribes. Forestry services are also performed by certain compacted/contracted tribes, requiring coordination between BIA and the tribe(s).

➤ POLICIES, PROCEDURES, AND REGULATIONS IMPACTING THE FUNCTION

1. 25 CFR Part 163 (General Forestry Regulations)
2. IAM
3. Indian Affairs Records Management Manual

➤ IT SYSTEMS SUPPORTING THIS FUNCTION

Forestry services are supported by the following IT systems/applications.

1. TAAMS

➤ BENEFICIARY PERSPECTIVE

Beneficiaries were generally satisfied with Forestry service delivery. Suggestions for improvement include enhanced training for BIA technical assistance staff. In certain instances, beneficiaries felt that BIA staff are not as proficient on new trends impacting Forestry-related services (e.g., international timber pricing). Tribal beneficiaries expressed a desire to better understand the funding formulas used to determine funding for compacted and contracted services, as some tribes felt that funding allocated to them was not adequate to fully perform assigned functions. With regard to wildland fire management, it was indicated that GIS would be helpful to both trust land holders and BIA in identifying trust lands quickly to be most responsive to fire risks.

Beneficiary Feedback Highlights

- BIA staff need more up-to-date training.
- Need better understanding of compact/contract service funding calculations.
- GIS capabilities are desired.

PHASE 2

CURRENT STATE

[Introduction]

Current State Assessment Purpose and Methodology

ASSESSMENT CRITERIA AND METHODOLOGY

The Grant Thornton team selected the Consortium for Advanced Management-International (CAM-I) Performance Management Maturity Framework (PMMF) as the criteria for conducting this assessment to ensure an objective, consistent review of TAS management and operations. CAM-I is an international consortium of government, industry, and research organizations working together to develop tools and methodologies to effectively address critical business issues facing industry. CAM-I is recognized worldwide as a leading forum for advanced management solutions that are changing how an organization manages its business.

The benefit of using the CAM-I PMMF lies in the breadth of industry knowledge and expertise that went into, and continues to shape, its development. CAM-I provides decades of industry-led collaborative research and knowledge into organizational best practices in enhancing operational performance. Currently, CAM-I has 34 enrolled members, including subject matter experts, academia, and thought leaders, across a wide array of industries such as manufacturing, government, service organizations, consulting companies and associations (e.g., Bank of America, Dresser-Rand, Pilbara Group, Inc., The Boeing Company, US Department of Agriculture, US Patent and Trademark Office, and Whirlpool).

The CAM-I PMMF comprises 12 different categories of management that represent the core business capabilities necessary for an enterprise to achieve its mission and advance its level of management maturity and agility.¹⁵ To ensure consistent application of the methodology across all seven TAS functional areas, 11 of the 12 CAM-I categories were incorporated in this current state assessment. This assessment includes the following:

1. Business/Operational Management – does the organization plan and achieve its strategic goals?
2. Customer Relationship Management – how well does the organization interact with its stakeholders?
3. Financial Management – does the organization understand, leverage, and optimize financial results?
4. Human Capital Management – does the organization optimize the performance of its staff?
5. Innovation Management – does the organization identify great ideas and implement them?
6. Knowledge Management – how well does the organization leverage intellectual capital for internal efficiency and competitive success?
7. Organizational Management – does the organization create a culture of success?
8. Process Management – how well does an organization execute?
9. Risk Management – how well does the organization anticipate and mitigate problems?
10. Strategic Management – does the organization identify paths to future success?
11. Information Technology Management – does the organization have the right IT tools,

¹⁵ For more information on the CAM-I methodology, please see Appendix 2.

processes, and standards to support mission achievement?

This current state assessment leverages the CAM-I PMMF to gauge how well TAS is managed. For each of the 11 PMMF categories of management, a TAS-wide score based on the rubric in Table 3 was determined.¹⁶ The aggregate of those categories represents the organizational performance of TAS at an enterprise-level. The current state assessment groups management and operations findings by bureau/office and by CAM-I category. Beneficiary-centric findings from interviews, site visits, and surveys are presented separately from management and operations.

Table 3: CAM-I PMMF Rubric Summary

Level 1 Basic/Operating	Level 2 Established/Integrating
Operations/performance regarded largely as non-systematic, non-periodic, and reactive	Operations/performance regarded as stable and repetitive
Level 3 Effective/Optimizing	Level 4 Adaptive/Innovating
Operations/performance regarded as internally efficient and continuously improving	Operations/performance regarded as externally efficient and dynamic (to market conditions)

¹⁶ Table 3 represents a simplified version of the CAM-I rubric, for additional information on how scores were assigned please see Appendix 2.

[Management & Operations]

Assessment Findings for Improving TAS Management and Operations

ASSESSMENT FINDINGS

The current state assessment of TAS operations resulted in an overall CAM-I PMMF score of 2.1 out of 4.0, meaning that TAS, as an enterprise is operating at the *integrating* level.¹⁷ Integrating-level organizations are regarded as stable and capable of conducting repetitive processes, but do not meet the efficiency, agility, and monitoring standards associated with *Level 3: Effective/Optimizing* and *Level 4: Adaptive/Innovating* organizations. The following bulleted-list provides high-level observations of TAS that led to this rating:

- Lack of an enterprise-wide strategic mission and vision, resulting in conflicting priorities across TAS bureaus and office and service breakdowns.
- Lack of a single point of accountability to improve end-to-end TAS.
- Lack of consistent skill sets to meet the current workload demands coupled with lack of training, leadership development, rotation, and incentive programs to meet training needs for specialized, technical positions.
- Inconsistent education/outreach with Tribal beneficiaries and lack of formalized education/outreach process with individual beneficiaries.
- Inconsistent beneficiary access to records and account information.
- Lack of system integration leading to duplicative efforts (e.g., multiple scanning and storing of the same document) and risk of data entry errors.
- Lack of a focused compliance plan to cover all leasing and contracting responsibilities and often no dedicated staff to support compliance efforts.
- Difficulty in conducting site visits with remote beneficiary locations to meet beneficiary demands for direct, in-person access.
- Inability to verify off balance sheet flow of trust funds, presenting substantial audit and liability risks.
- Inability to certify complete chain of title in TAAMS as information used in conversion was not fully integrated.
- Existence of cultural differences and non-standardized terminology between BIA, BLM, ONRR, and tribes, creating communication barriers and services delays

TAS' considerable progress on the following initiatives also factored into TAS' CAM-I PMMF score.

¹⁷ See Appendix 2 for more information on the characteristics of an organization operating at this level.

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

- Improvements in funds accountability and OMB Circular A-123 risk management resulting in an unqualified opinion on trust assets with no material weaknesses.
- Improvement of direct beneficiary access through debit cards, direct deposit accounts, explanation of statement, FTOs, and Trust Beneficiary Call Center.
- Progress toward outcome-based performance measures (not fully implemented yet).
- Implementation of the Trust Beneficiary Call Center (TBCC).
- Creation of an organizational culture of 'trust responsibility.'
- Progress toward integration of internal systems and further automation of manual processes.
- Documentation of clear, up-to-date policies, procedures, and handbooks for most processes.
- Improved timeliness of posting and processing funds through the use of lockbox and www.pay.gov.
- Digitization of historical records.
- Progress made through the Tribal Reconciliation Project.
- Development of a Historical Trust Accounting System blueprint.
- Establishment of a litigation requests office.
- Institution of the Appraisal Outreach Program.



BUREAU OF INDIAN AFFAIRS

- Documentation of clear, up-to-date policies, procedures, and handbooks for most processes; efforts underway to update remaining process documentation.
- Improved timeliness of posting and processing funds through the use of lockbox and pay.gov.
- Progress toward outcome-based performance measures.
- Progress toward establishing a 'one stop shop' in Lakewood, Colorado, aimed at improving service delivery.
- Institution of quarterly meetings with tribes and other agencies (i.e., Fish and Wildlife Service (FWS) and Environmental Protection Agency (EPA)) across some natural resources programs.
- Extensive use of MOA/MOUs and interagency agreements within most programs, improving delivery of service; yet sometimes experience service delays during handoffs.
- Development of implementation plans and/or regional strategic plans within Pacific region, aimed at mitigating loss of institutional knowledge.
- Rapid response to the HEARTH Act, improving the oil and gas leasing process, allowing long-term leases to be approved without Secretarial approval.
- Institution of A-123 audits as a result of the 2006 GAO Report: Indian Issues (GAO-06-781).



OFFICE OF NATURAL RESOURCES REVENUE

- Implementation of initiatives to improve internal governance structure and to foster interagency and cross-bureau collaboration regarding mineral issues (e.g., Federal Indian Minerals Office (FIMO) in Farmington, NM and the Indian Energy Steering Committee).
- Mechanisms in place to respond to and track beneficiary inquiries (e.g., ONRR call center and tracking system in place).
- Internal process management mechanisms are successful.
- Progress toward performance measures and milestones of customer service/satisfaction.



BUREAU OF LAND MANAGEMENT

- Increased coordination between BLM and BIA (e.g., Non-renewable Energy Committee).
- Enhanced collaboration with BIA when conducting tribal outreach.
- Increased effort to train oil/gas DOI and tribal technicians.



OFFICE OF HEARINGS AND APPEALS

- Ongoing efforts to reduce probate processing time from eight months to six months once OHA has received the case.
- Collaboration with impacted DOI bureaus/offices to improve process efficiency by identifying potential regulatory modifications and/or inter-agency agreements.



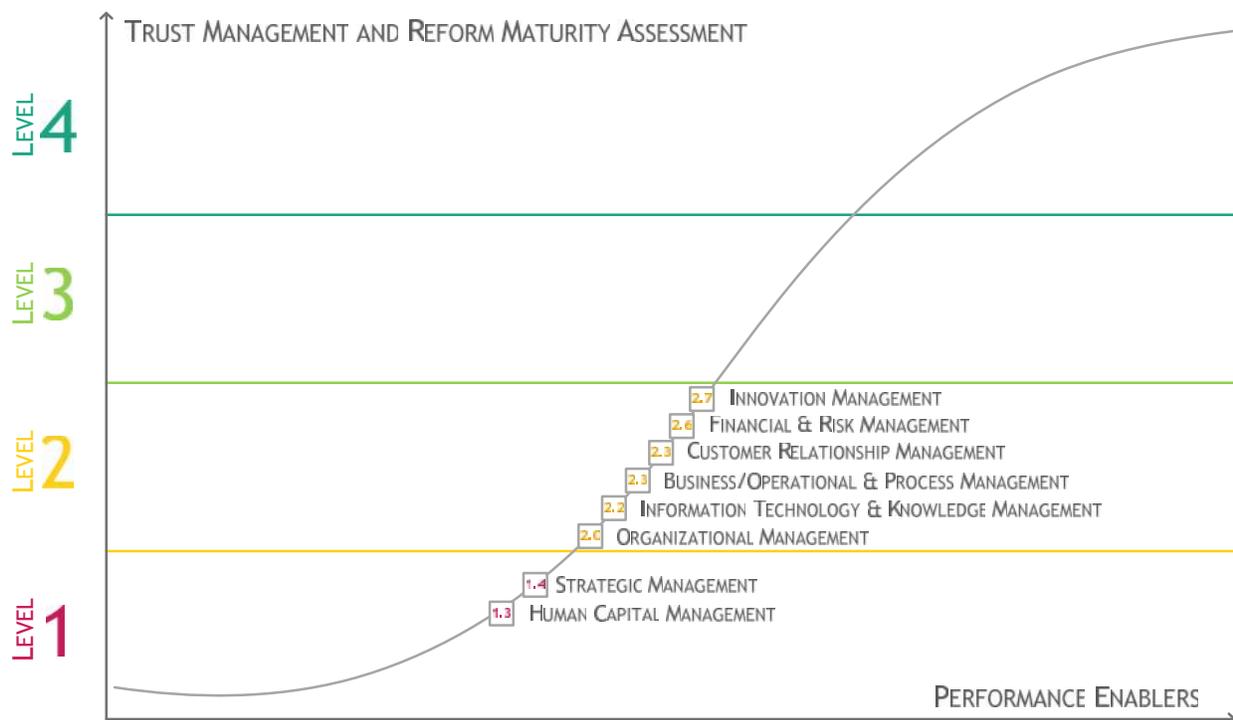
An additional factor incorporated in TAS' CAM-I PMMF score was the organization's ongoing management challenges:

- Maintenance of Special Deposit Accounts and cost of settlements remaining at nearly 4:1 with approximately 5,600 accounts with less than \$500.
- Requirements of probate processing for low threshold accounts.
- Undefined probate backlog for those cases received after January 1, 2000.
- Maintenance of unclaimed property (whereabouts unknown) and accounts with small dollar amounts.
- Provisions such as the National Environmental Policy Act (NEPA) and the Endangered Species Act of 2005, limiting tribes' asset development ability, even if tribes have a Tribal Environmental Policy Act in place.
- Requirements for provision by the beneficiary of original death certificate and other hard copy documentation, slowing the probate and appraisal processes between BIA, OST, and OHA.
- Burdensome documentation retention policies with no statute of limitation.

- Lack of legislative relief from current regulations governing debt collection of low threshold accounts.
- Burden of performing fee to trust off-reservation acquisitions.
- Costly valuation, survey, and appraisal requirements for specialized certifications and qualifications.
- Requirement for DOI to review appraisals even though many tribes have certified appraisers at their disposal.
- Lack of transparency with beneficiaries, and no clear communication plan for individual beneficiaries.
- No plan for integration of information technology systems.
- Need for consistent training requirements and capabilities, as well as cultural awareness initiatives for federal employees interacting directly with beneficiaries.

MANAGEMENT AND OPERATIONS CAM-I MATURITY SCORES

Figure 1: Trust Management and Reform Maturity Assessment



➤ INNOVATION MANAGEMENT [2.7]

There is currently an inconsistent focus across TAS for reviewing current operations and updating procedures to align with external best practices. No TAS-wide entity exists to identify, promulgate, and implement best practices from comparable public and private sector organizations. This lack of industry insight and foresight has led to a pattern of TAS reacting to trust administration trends, rather than proactively meeting beneficiary and tribal needs.

TAS also struggles to identify best practices within TAS itself, and disseminate these concepts and

standards throughout all relevant bureaus/offices. Therefore, ongoing TAS best practices remain isolated examples conducted within one bureau/office or locality. For example, ONRR currently uses an apprenticeship model that helps to educate and prepare tribes to take on increased levels of self-determination/governance. In addition, ONRR strives to employ a 'one-stop shop' approach to customer service, via the Federal Indian Minerals Office (FIMO). FIMO is staffed with personnel from across BIA, ONRR, and BLM under a single, rotational leadership position that holds complete accountability/ownership of the office (i.e., business and administrative; BIA leadership currently heads FIMO). Though differing opinions of its functionality were noted from interviews with federal employees, the attempt to integrate across disparate agencies is valuable. Another example of an internal best practice is OST's initiative to provide beneficiaries with online access to financial statements. OST has also made strides with the introduction of debit cards, direct deposit, quality of statement, and U.S. Treasury reconciliation and reporting.

TAS also must improve its ability to assist tribes in identifying and sharing best practices. For example, several compacted / contracted tribes have been successful in assuming trust responsibility and felt they were a best practice in providing Fee-to-Trust on- and off-reservation services.

➤ FINANCIAL AND RISK MANAGEMENT [2.6]

To help monitor TAS monetary financial risks, OST has an internal risk management department and system to ensure internal controls and processes comply with OMB Circular A-123. However, there is still a financial risk for funds that were derived under the authorization of the government (e.g., leasing, rights of way, permits) that may flow directly to tribal beneficiaries or allottees, or may be held by other agencies until transferred to OST. DOI does not have visibility into an uncertain amount of revenue/ funding paid directly to beneficiaries that bypasses DOI and the lockbox process.

For example, seven of the largest oil and gas tribes rely on BIA, BLM, and ONRR to lease, bill, and ensure compliance for their oil and gas revenues, but those funds are deposited directly into each tribe's bank account. While legal (and permissible), these funds bypass trust funds held by OST. This creates a situation where DOI does not have complete visibility or knowledge of the total liability facing DOI regarding Indian trust assets.

Another off-balance sheet risk relates to non-monetary assets and the risks associated with environmental, endangered species, water rights, dam safety, ownership, fire prevention and response, where a lack of proper safeguards and controls could present a risk for mismanagement claims. To reduce these risks, DOI established controls to help ensure proper management, compliance, and safeguarding of assets. This is in recognition of the underlying financial risk associated with non-monetary assets.

For example, if all ownership and land record information is not properly maintained in TAAMS, the risk increases that the wrong owners receive payments or land ownership is not properly documented.

From a TAS perspective, DOI does not have an overall risk management plan covering all trust responsibilities. Risk management and compliance testing is required to ensure proper TAS

operations; however, trust responsibilities are far-reaching, and most compliance testing is based on the price volume or dollar throughput while other natural resource management and safeguarding of assets may be overlooked. Due to the nature of this finding, more detailed analysis of this issue area will occur as part of Phase 4 of the broader TAS Assessment Study.

➤ CUSTOMER RELATIONSHIP MANAGEMENT [2.3]

Numerous outreach and education programs have been established within different bureaus/offices (e.g., ONRR, OST) to educate beneficiaries on TAS operations and points of access for resolving any inquiries/issues that might arise regarding their accounts or trust assets. Some bureaus/offices track basic statistics on the number of outreach sessions conducted (e.g., ONRR increased its education sessions from 75 to 97 outreaches over the period of FY 2009 to FY 2012).

OST established a full-service call center (Trust Beneficiary Call Center) to handle beneficiary inquiries/issues; ONRR established FIMO that aims to emphasize a 'one stop shop' customer service approach; and BIA established a technical center in Lakewood, Colorado. Beneficiaries are afforded multiple types of access to TAS including a telephone number, email, physical address, and direct contact which typically occurs during outreach sessions. OST has also introduced services to improve the beneficiary experience, including the introduction of debit cards, direct deposit, and Fiduciary Trust Officers (FTOs), facilitating easier and enhanced beneficiary access to their account information.

The FTOs have been widely recognized by beneficiaries as a best practice. They often serve as the primary point of contact for beneficiary inquiries and work with the beneficiary to follow through on issue resolution. Grant Thornton witnessed the strong and personal relationships individual FTOs had with their beneficiaries at several conferences. Many beneficiaries specifically sought us out to express their gratitude for their FTOs.

Beneficiaries interviewed also stated that they seek help from sources with which they have a prior relationship in successful resolution (e.g., ONRR frequently receives customer inquiries appropriate for other bureaus/offices, but they still work to resolve the issue via collaboration across impacted bureaus/offices).

Similar to service delivery, challenges facing beneficiary relationship management occur at the inter-bureau/office level. This begins with the lack of an overall strategy regarding beneficiary relationship (e.g., uniform outreach strategies, metrics, centralized customer service center or network).

Across TAS, there are no formal survey mechanisms and/or analysis of service according to a defined standard. Despite efforts that have enhanced the beneficiaries' experience, uncertainty still exists regarding where to access TAS for their specific inquiry (i.e., which bureau/agency is responsible for handling which type of inquiry). For instance, beneficiaries experience particular difficulty in resolving issues or requests for information with inter-bureau/office processes such as probate, appraisals, and oil and gas leasing. Beneficiaries are often unsure of the correct point of contact or provided with conflicting information on their case's progress. Unclear points of contact, lack of follow through or response from the federal

bureaus/offices, disrespectful or unfriendly service, and conflicting information were raised as key issues from the beneficiary perspective. Beneficiaries also expressed the need for federal personnel to receive culture sensitivity training prior providing direct service to Indian Country.

While some bureaus/offices have basic customer/beneficiary profiles, profiles are incomplete or not used to anticipate beneficiary needs and reduce beneficiary complaints in the future, and TAS lacks a centralized beneficiary database to track account information or technical issues. Information sharing regarding beneficiaries occurs across bureaus/offices as needed during the course of issue resolution for a particular case. This maintains a reactive approach to inquiry resolution, as TAS lacks a mechanism to forecast or anticipate beneficiary demand by volume and type and adjust service delivery to match those workload demands.

➤ BUSINESS/OPERATIONAL AND PROCESS MANAGEMENT [2.3]

TAS lacks a common/uniform trust operating plan or budget to guide operations across all trust services. As a result, workload and resource planning occurs within each bureau/region and is based upon that bureau/region's prevailing mission priorities. This problem is exacerbated by constrained funding to conduct not only that bureau/office's primary mission, but also that of trust asset management. As a result compacted/contracted tribes are sometimes placed in an almost competitive position with BIA for funding. Further, with a lack of a strong budget allocation process that is driven by monetary and non-monetary responsibilities, it is difficult to determine if funding is fair and equitable.

Generally, TAS service delivery is functioning well at the intra-bureau/office level (i.e., workload is processed timely and accurately). Processes remain largely manual, but are fundamentally not broken. The predominant service delivery challenges facing TAS occur at the inter-bureau/office level, where communication breakdowns, lack of end-to-end TAS accountability, and varying bureau/office priorities cause delays or backlogs.

Performance is often directed at the individual bureau/office level rather than at the TAS enterprise level: 1) Performance measurements are not consistent across bureaus/offices to ensure a service is performed efficiently throughout the process, 2) performance data is not captured on a TAS-wide basis to include all bureaus/offices and compacted/contracted tribes. For instance, there is a performance goal for BIA probates to initiate a certain number of probates into the process each year but no linked performance measures for OHA to drive timely processing.

A current improvement initiative involves ONRR/BIA/BLM, currently working on updating the tri-party agreement to better define roles, responsibilities, and authority to ensure oil and gas funds are managed appropriately.

➤ ORGANIZATIONAL MANAGEMENT [2.0]

TAS does not have a single executive accountable for the entire operations, with the authority to enforce delivery of TAS services according to a uniform standard. TAS operations are currently dispersed across multiple DOI bureaus/offices, with each bureau/office having different strategic missions and underlying priorities.

As a result, the priority of bureaus across TAS is not always focused on trust-specific services. For example, many of the agencies serve in the fiduciary capacity of managing and overseeing both federal and Indian trust lands or they may be more apt to prioritize a tribal matter over an individual beneficiary.

Further, the delivery of services across TAS is prone to duplication of effort. For example, a lease might manually originate at BIA then manually entered into TAAMS and imaged. Then, it is not uncommon for other agencies like OST, BLM, ONRR and compacted/contracted tribes to obtain a copy of the same lease and manually input common lease information into their underlying systems even though the lease information and a copy of the lease may already be housed in TAAMS. Additionally, each agency later sends all of their lease copies to their respective records centers which compound storage and indexing requirements.

An additional example of duplicative effort is DOI's appraisal process which is currently performed by multiple bureaus/offices (e.g., OHA, OST, BLM, and DOI's Office of Valuation Services). Also, beneficiaries noted that appraisals are delayed due to DOI's requirement to have a DOI appraiser finalize approval on the valuation. Tribes and beneficiaries often aim to expedite the appraisal process by contracting a private, certified appraiser to conduct a valuation on the trust asset; however, no criteria exists to bypass the OAS approval requirement.

➤ STRATEGIC MANAGEMENT [1.4]

The emphasis placed on trust missions across DOI bureaus/ offices remains inconsistent. TAS currently lacks an overall strategic vision/mission and supporting goals/objectives to drive or guide delivery of trust services. Only BIA and OST have specific performance goals and strategies supporting DOI's trust mission and goal, with those goals being limited to only their portion of the process. In addition, they are primarily output instead of outcome oriented, focusing on completion of workload queues in a timely manner (e.g., Percent of Estates Closed – BIA output measure; Percent of financial information initially processed accurately in trust beneficiaries' accounts – OST process measure).

The trust administration function in other bureaus/offices is often not separated from other tasks that support their missions. As a result, trust issues and challenges important to beneficiaries do not necessarily receive equal treatment in non-BIA or OST bureaus/offices.

In addition, although DOI conducts numerous out-reach and listening sessions with tribal organizations, recommendations stemming from these sessions are not effectively implemented across DOI bureaus/offices because department-wide trust accountability is absent.

➤ HUMAN CAPITAL MANAGEMENT [1.3]

Consistent with other aspects of TAS, a uniform human capital strategy and workforce planning initiative does not exist. Human resource functions are not integrated with the personnel needs of field operations. Training, formal leadership development programs (e.g., cross-bureau/office, cross-region rotational programs), and incentive programs including defined career ladders are minimal, which leads to inadequate and inconsistent skillsets among the workforce. In turn, this leads to delays in TAS service delivery (e.g., discovery requests, litigation support, and appraisals). This includes actively supporting and training compacted/contracted tribes on changes in trust responsibilities.

Generally, the current available workforce is insufficient to handle increasing workload and eliminate historical backlogs. However, during workload surges at the respective bureaus/offices, available resources are re-prioritized to accomplish workload aligned to that bureau/office's primary mission.

In certain instances, trust-specific funding (i.e., OST) is provided to other agencies for support work in trust-related workload. In addition to limited resources, programs lack control over allocation of non-recurring resources, including wildland fire, irrigation, water, and dam safety programs.

Within the field, bureaus/offices face challenges in recruiting and retaining qualified employees which is also dependent upon local market conditions. Further, risk of knowledge loss is prevalent, as DOI lacks a formal workforce succession plan to mitigate loss of institutional knowledge from employees approaching retirement age.

➤ INFORMATION TECHNOLOGY AND KNOWLEDGE MANAGEMENT [2.2]

Currently, DOI bureaus/offices rely on numerous information technology (IT) systems and applications. Figure 2 provides a summary of the technology used across TAS, showing the inventory of IT systems and the ownership of those systems (by bureau/office).

IT systems used within each bureau/office generally meet the individual needs of that bureau/office. The primary IT challenges facing TAS occur at the inter-bureau/office level, with regard to data management, system interfaces/integration, and records management.

Four bureaus/offices share access to and ownership over multiple, stand-alone systems (i.e., TAAMS, TFAS, ProTrac). Obtaining access to another bureau/office's system is cumbersome, costly, and time-consuming. Many compacted and contracted tribes have requested access to DOI systems but are not provided access due to lack of capability or cost prohibition, and the few that have been granted access to TAAMS have limited use restrictions, based on privacy concerns.

In the past, tribal and other federal access to information, such as TAAMS, has been restricted prior to the *Cobell* settlement. In addition to this restriction, other issues have impeded accessibility, including limitation on resources, requirement for security background checks, bandwidth and IT hardware capability. Currently, several exploratory initiatives are underway to increase tribal access and improve access for other federal bureaus/offices.

Originally, tribal employees with adjudicated SSBI (Single Scope Background Investigations) could access TAAMS on government equipment through virtual private network (VPN) access. This method has seen limited use due to bandwidth limitations, costly requirements for federal IT equipment purchases, authentication and recurring background check requirements.

Another method currently underway is the memorandum of agreement (MOA) between BIA and tribes for routine data downloads from TAAMS. In addition, another potential option currently under evaluation is the use of Active Directory usernames and passwords. Through this option, tribal staff with favorable background investigation results would have access to BIA systems through Active Directory logon and password authentication.

In addition to restricted data access and limitations, systems may contain duplicative and inconsistent information (e.g., different data definitions, imperfect data) that is manually keyed into each system. Other information and knowledge management issues include: 1) lack of standardized terminology, creating barriers to communication across TAS; 2) manual creation of standard forms followed by manual entry into the system, creating duplicative work efforts; 3) individual fire walls, security, and system requirements; 4) no widespread use of document imaging and electronic sharing of documents, resulting in some cases attributed to legislative or regulatory requirements to maintain hard copies of documents with no statute of limitations; and 5) lack of unique identifiers to connect assets and/or beneficiaries across systems and sub-systems.

This latter challenge is exacerbated by the lack of a uniform TAS records/document management strategy. Extensive effort is required to maintain the TAS-related records, including multiple copies of the same record.

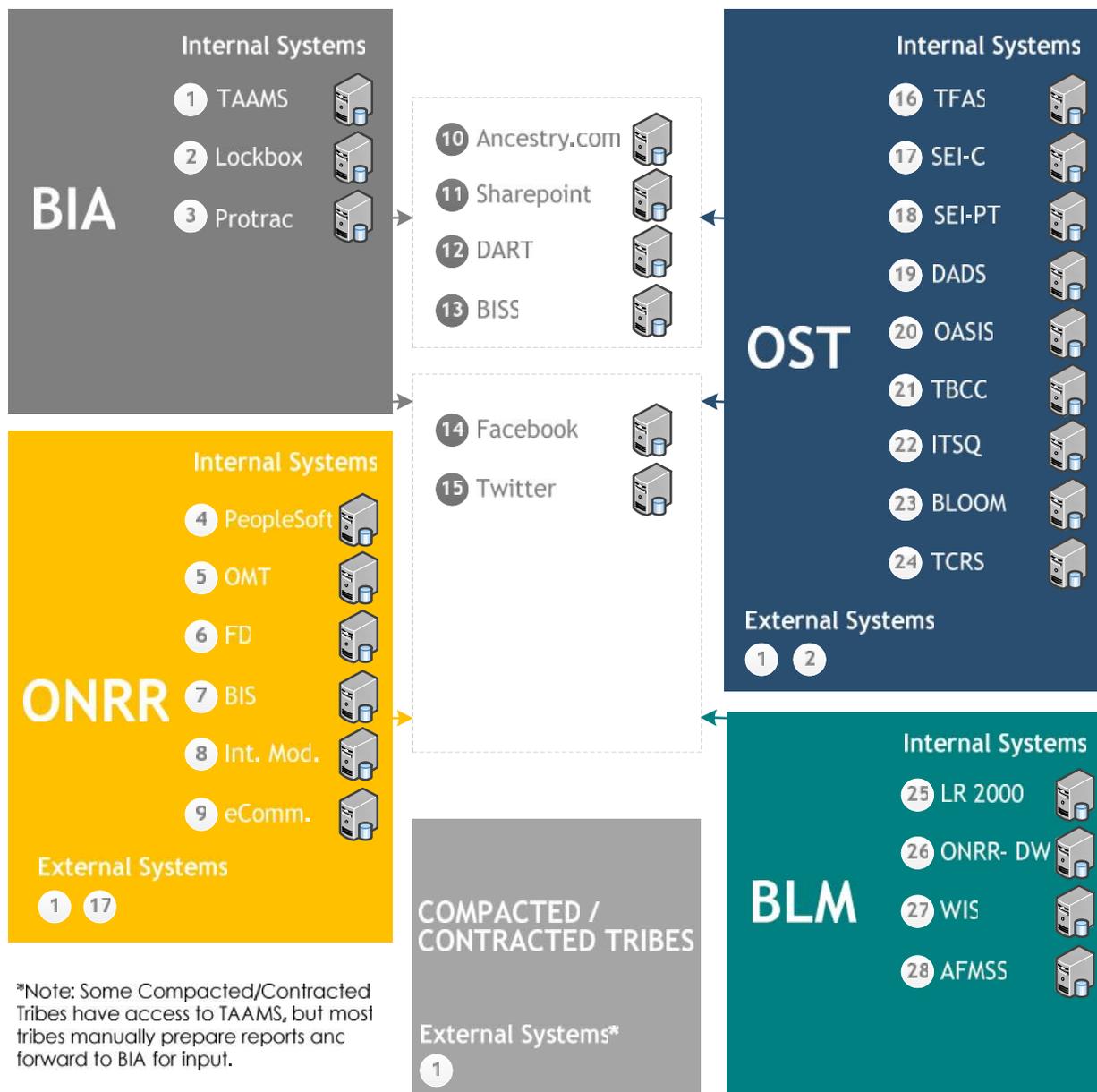


Figure 2: Information Technology Used Across TAS

DESCRIPTION OF TAS SYSTEMS

1. **TAAMS:** Acquired and modified to provide a comprehensive national trust information system for title and land resource management for use across the DOI that replaces duplicative and obsolete legacy systems.
2. **Lockbox:** Trust Funds Receivable Module - With the implementation of the Trust Funds Receivable module, BIA and OST can invoice, automatically distribute funds, and track late payments for surface real assets.
3. **ProTrac:** Probate tracking and case management system.
4. **PeopleSoft:** Includes the AFS and Financial Management Module stored in COLD and BRIO - Provides comprehensive business and industry solutions, enabling increased productivity, accelerated business performance, and lower cost of ownership. Satisfies OMB and Federal Managers Financial Integrity Act financial system requirements.
5. **OMT:** Operations Management Tool - Tracks compliance activity, reporter interactions, and collections from compliance activity. Allows ONRR to determine payor risk and schedule assignments based on risk, as well as track and maintain all compliance documents.
6. **FD:** Flexible Disbursements - Provides flexibility to distribute and disburse money without manual intervention, allowing for disbursements at the unique lease level/program/
7. **BIS:** Business Intelligence Software - Performs data analysis of payor and operator reported royalty and production, as well as a suite of tools for volume comparison, price monitoring, adjustment monitoring, and trending.
8. **Int. Mod.:** Interest Modernization – Increases the ability for easier, on-line review and reconciliation of interest calculations. Allows for rule-based interest calculations based on lease type and program.
9. **eComm.:** Electronic Reporting – Serves as ONRR's electronic reporting website for submitting OGORs and PASRs via the internet.
10. **Ancestry.com:** (Online Family History Tool) – The world's largest online resource for searching for family history. TAS also leverages Acurint technologies which offers fast, efficient search technology that allows you to instantly locate both people and businesses, and authenticate their identities.
11. **SharePoint:** (Microsoft Web App. Platform) - Historically associated with intranet content management and document management, but recent versions have broader capabilities and comprise a multipurpose set of Web technologies backed by a common technical infrastructure.
12. **DART:** Document and Request Tracking Tool - A software application that was developed to manage and track documents from an accountant's request, through the search process until the document is imaged, encoded and loaded into ART. DaRT electronically tracks all requests and provides insight, accountability and traceability.
13. **BISS:** Box Index Search System - Creates a file-level listing of the contents of boxes of inactive records as a quick finding aid when records are retired, and to provide authorized parties with a tool to search all inactive records at the file level.
14. **Facebook:** Facebook (Social Media)
15. **Twitter:** Twitter (Social Media)
16. **TFAS:** Trust Fund Accounting - Provides the

services necessary for OST to carry out its mission of ensuring the collection, investment, and disbursement of all judgment awards, special acts, and income from trust resources belonging to American Indians (individual Indians and Alaskan Natives) for whom the Government holds funds in trust.

17. **SEI-C:** SEI Compliance Services - OST contracts with SEI to assist in investment management of trust assets.
18. **SEI-PT:** SEI Private Trust Company - provides administrative and client servicing support, serves as a central "processing utility" for processing transactions, and fulfills tax reporting requirements.
19. **DADS:** Daily Account Distribution System - An in-house developed system, implemented August 1998, and used to electronically process distribution of funds between accounts within the Trust Funds Management System (TFAS). Information on the disbursing account is used to adjust the account's average daily balance for interest calculation purposes.
20. **OASIS:** Office of Appraisal Services Information System - An appraisal services request/tracking software application designed to assist the Office of Appraisal Services in providing efficient and timely appraisal services. The application is designed to allow the client to initiate an appraisal services request and follow that request throughout the entire process.
21. **TBCC:** Trust Beneficiary Call Center - Created to track and document all beneficiary contacts whether inquiries about trust assets or requests for general information. The shared beneficiary contact database allows Trust Beneficiary Call Center staff (TBCC), Whereabouts Unknown (WAU) Project staff and Field Operations staff to: make more informed responses; provide consistent responses; and eliminate duplicate transactions.
22. **ITSQ: Historical Query** – Allows users to search the Historical Database of NX Transactions regarding specific accounts and timeframes.
23. **BLOOM:** Bloomberg Market Systems - Portfolio execution system used to execute security trades on a timely basis and at a prudent price.
24. **TCRS:** Trust Compliance Rating System – also referred to as the Indian Trust Rating System (ITRS). Developed to uniformly evaluate fiduciary trust activities during the examination process. The rating system evaluates the key components of management, asset management, compliance, and operations (MACO) to attain a numerical composite rating.
25. **LR2000:** Legacy Rehost 2000 System - Includes case recordation, status, legal land description, mining claim recordation, cadastral survey field note index, bond and surety, and master name information. Contains both a transaction component and a reporting component.
26. **ONRR-DW:** ONRR Data Warehouse - Minerals Revenue Management Data Warehouse Portal houses Oil and Gas Operation Reports (OGORs) and royalty information for Federal and Indian lands.
27. **WIS:** Well Information System - Allows approved oil and gas operators to submit permit applications and reports online. Includes BLM forms for Notice of Staking (NOS), Application for Permit to Drill (APD), Well Completion Report, and Sundry Notice.
28. **AFMSS:** Automated Fluid Minerals Support System - An oil and gas post-lease tracking system. Supports both operational and technical/environmental inspection processes.

SUMMARY OF MANAGEMENT AND OPERATIONS FINDINGS

Innovation Management	
Governance Findings	Key Activities
1. Lack of centralized best practices and "foresight" function.	<p>A. Devise standard operating procedures for identifying and disseminating best practices.</p> <p>B. Incorporate compacted/ contracted tribes in the innovation process.</p>
2. Lack of information sharing among bureaus about best practices and innovation.	<p>A. Develop a best practices / innovation communications plan.</p>

Financial and Risk Management	
Key Governance Findings	Key Activities
1. Lack of visibility into trust funds.	<p>A. Need for accurate information in existing systems.</p> <p>B. Need for a risk management plan.</p>
2. Coordination and compliance with safeguarding non-monetary resources / reducing mismanagement claims.	<p>A. Need for enhanced compliance testing.</p>

Customer Relationship Management	
Governance Findings	Key Activities
1. Lack of centralized customer service function.	<p>A. Need to standardize information provided to beneficiaries across customer service function.</p> <p>B. Standardize customer service metrics collected across customer service function.</p>
2. No clear path for identifying who has information / answers.	<p>A. Need to have information available on beneficiary contacts across customer service function.</p> <p>B. Identify methods for expanding beneficiary access to information (empowering beneficiaries to help themselves).</p>

Business/Operational and Process Management	
Governance Findings	Key Activities
1. No common understanding or vision of how operations interrelate / no common operations planning.	<p>A. Implement cross-cutting TAS process improvement initiatives.</p>
2. No common understanding or vision of cross-functional budget / no common budget.	<p>A. Develop a budget process that directs activities of all operating units within TAS (monetary/non-monetary, tribal).</p>
3. No overarching process / performance improvement capability.	<p>A. Develop performance measures that track TAS services across operating units (bureaus).</p> <p>B. Develop a common operating plan among operating units (bureaus).</p>

Organizational Management

Governance Findings	Key Activities
1. No point of executive leadership for entire TAS function.	A. Need for common strategic plan, mission, vision, and values.
2. Competing priorities between trust functions within agencies and other services provided (competition for budgetary resources, disparate needs – preservation versus maximizing resource values).	A. See Phase 4 Report.
3. Offices in separate bureaus/offices fulfill similar roles.	A. Develop a catalog of services within the TAS function to identify and eliminate duplication. Should encompass IT systems as well.

Human Capital Management

Governance Findings	Key Activities
1. No centralized human capital planning.	A. Conduct a workforce assessment. Catalog skills and current working locations (i.e. which bureau). B. Hire resources to fill skills gap. C. Develop a human capital plan to better allocate workforce. Where possible reallocate shared resources that only dedicate portion of their time to trust.
2. No lines of authority for trust specific activities performed by shared resources.	A. Establish clear lines of accountability for trust-specific activities.

Information Technology and Knowledge Management

Governance Findings	Key Activities
1. No common understanding or vision of how information technology should be integrated / interfaced across TAS functions.	A. Increase access / ability of systems to interface across operating units. B. Determine what capabilities are needed and prioritize improvements / enhancements. Conduct IT strategic planning. C. Increase beneficiary access to information.
2. Shared access / ownership leads to systems that do not meet anyone's needs well.	

[Beneficiary Perspective]

TRIBAL AND BENEFICIARY FEEDBACK ON TAS OPERATIONS

Grant Thornton developed and undertook a variety of outreach strategies to solicit input from individual beneficiaries and tribes including:¹⁸

- Analyzing reports from TAAMS and tribal realty offices that list individuals who own land and earn leasing revenues from that land, and individuals experiencing backlogs (e.g. probate, appraisals, etc.).
- Conducting open sessions on-site at the Navajo Nation and three sites within the Great Plains Region (Fort Berthold, Standing Rock and Pine Ridge).
- Attending Commissioner public meetings and interviewing beneficiaries at these events.
- Distributing brochures with a link to a Grant Thornton-developed online survey to FTOs and realty office personnel at Commissioner meetings.
- Adding a message to quarterly IIM account statements with a link to the Grant Thornton-developed online survey.¹⁹
- Staffing booths at conferences (e.g., NCAI Mid-Year Conference), distributing brochures, and soliciting direct feedback from conference attendees.
- Distributing a message containing a link to the online survey via local and regional tribal media outlets (e.g., radio stations and newspapers).

While not exhaustive, the table below describes the most common issues expressed by IIM holders and individual landowners. These issues were compiled using a variety of methods ranging from soliciting feedback on quarterly account statements to talking face-to-face with individuals at periodic conferences and meetings. Each major issue, complaint or comment is included in the first column of the table below, followed by a description with anecdotal evidence.

Table 4: Beneficiary Feedback and Outreach Findings

Finding	Description
1. Appraisal backlogs.	Many beneficiaries stated that they cannot sell, lease or otherwise transfer their land due to the tremendous amount of time and energy expended to get an appraisal. Many have been waiting for a year or more after making an initial appraisal request to BIA. These beneficiaries would like to see a redacted appraisal process, and in general would like to have more interaction and communication from OST/BIA concerning

¹⁸ "Individual Beneficiaries" include any American Indian or Alaskan Native that owns monetary and/or non-monetary trust assets. These individuals include IIM Account holders, land allottees and their heirs and direct relatives.

¹⁹ As of July 12, 2013, Grant Thornton received a total of 62 letters and in-person interviews from individual beneficiaries as a result of the described outreach efforts.

Finding	Description
	why an appraisal would take so long and the status of their appraisal request in the process/system. The need to have DOI approval of an appraisal was also identified as a bottleneck.
2. Online access to IIM accounts.	Beneficiaries would like to have more informative and frequent access to their IIM accounts, potentially via the internet. In addition, these individuals have expressed the desire to have their money sent to them at the same time every month for budgeting purposes.
3. Probate backlogs.	Backlogs with probates have proven to be a major concern among individual beneficiaries. Some individuals have anecdotally indicated that their ancestors' estates should have been probated to them years ago. The beneficiaries also stressed that BIA needs to focus on the recent probates (those after 2000) given the earlier focus on reducing the older backlog.
5. Lack of information concerning IIM accounts and/or land.	This issue stems from several claims of an overall lack of communication to beneficiaries from OST, BIA, and central office. Many letters and emails have been received requesting simple information on where an individual's land is located (GPS coordinates, maps, boundaries) and what encumbrances exist on that land. In addition, some letters have requested information on how their IIM funds can be accessed and/or how it can be transferred to heirs. One letter indicated that the individual could not receive basic information on her mineral lease.
6. Policies/procedures not followed by DOI or non-existent.	Some landowners have expressed concern that the Department's internal policies need to be better enforced, followed, or in some cases, formalized. For example, some land owners with oil & gas leases are unsure how to remove oil operators that aren't producing or who are causing excess environmental damage (e.g., oil spills). In addition, some commercial leases need better enforcement to ensure that the lessee makes timely and accurate payments, and/or is removed if he/she breaches the contract.
7. Central accountability.	It has been recommended that the Commission on Indian Trust Reform and Administration be made permanent and tasked with periodic reports to Congress on the status of trust reforms. This suggestion was made in response to the fact that many beneficiaries are frustrated with the apparent lack of central accountability over all trust related processes. Some beneficiaries are unsure as to who to contact within the federal government for certain questions/concerns (e.g., how to deal with non-producing oil/gas contractors).
8. Trespass enforcement.	Beneficiaries were clear that lease/land-boundary enforcement is a central issue for landowners. Some landowners with grazing property have experienced trespassing from neighboring cattle, and have been unable to persuade the BIA to help enforce property lines.

PHASE 3

FUTURE STATE

[Introduction]

Future State Assessment Purpose

WHAT IS THE FUTURE STATE ASSESSMENT PURPOSE?

The *Phase 2: Current State* which preceded this future state assessment noted deficiencies in several areas of DOI's TAS including strategic management, organizational management, information and knowledge management, and human capital management. These deficiencies originate from structural impediments within the TAS organizational design and the subsequent diffused nature of accountability and authority.

In designing a TAS that better enables DOI to meet its obligations to Native Americans and Alaska Natives, there are an infinite number of possible permutations for organizing component organizations, executive oversight, and process flows. This report is not intended to assess each possible permutation. Instead, this report provides several overarching alternative models and supplementary options based on international and domestic best practices that should be considered in determining the optimal TAS structure. Refer to the Benchmarks and Case Studies Appendix for more detailed information on organizations referenced in this study.

For the purposes of this report, the term "alternative model" indicates large-scale, thematic principles around which TAS can be organized. This report examines three alternative models including (1) National Governance within DOI; (2) Regional Governance; and (3) National Governance via an Independent Agency.²⁰ In addition to alternative models, this report also analyzes "supplementary options." These represent more specific organizing concepts that can be appended to any of the alternatives. The two options analyzed in this report include (1) Regional Trust Advisory Boards and (2) Select Privatization. For each alternative model and supplementary option, a thorough description of the organizing concept, as well as a discussion of strengths, weaknesses, feasibility, impact and examples of successful implementation is included.

Finally, it is important to note that the alternative models and supplementary options addressed in this report are not mutually exclusive - themes from several different alternatives can be integrated into the final TAS design. This report does not posit one best organizational design and recognizes that a hybrid of the three alternatives and two options will likely emerge as the best governance structure for TAS. Grant Thornton's recommendations for a best governance structure will be included in the final report produced during Phase 5 of this study. Phase 3 represents an objective analysis of approaches currently used by public and private sector organizations tasked with similar mission challenges, and the constraints of applying such approaches to DOI TAS.

²⁰ Grant Thornton also conducted a detailed analysis of governance models focusing on tribal self-governance with continued DOI coordinating support, as well as a scenario where DOI terminates its role as trustee completely. While these models were interesting theoretical concepts, they were not included in this report because implementation would prove extremely infeasible.

WHAT IS THE CURRENT GOVERNANCE STRUCTURE FOR TAS?

The strengths and weaknesses of the current governance structure for DOI TAS are chronicled in extensive detail in the previous *Phase 1: Baseline*. The organizational chart below provides a depiction of the current TAS governance structure. Organizations shaded in dark gray have a mission that entails at least some element of trust administration (including tribal consultation or oversight of a bureau/office with trust responsibility). Figure 3 provides a good reference point for distinguishing the organizational design alterations in the alternatives and options discussed in this phase of the study.

Current State DOI Trust Administration System (TAS)

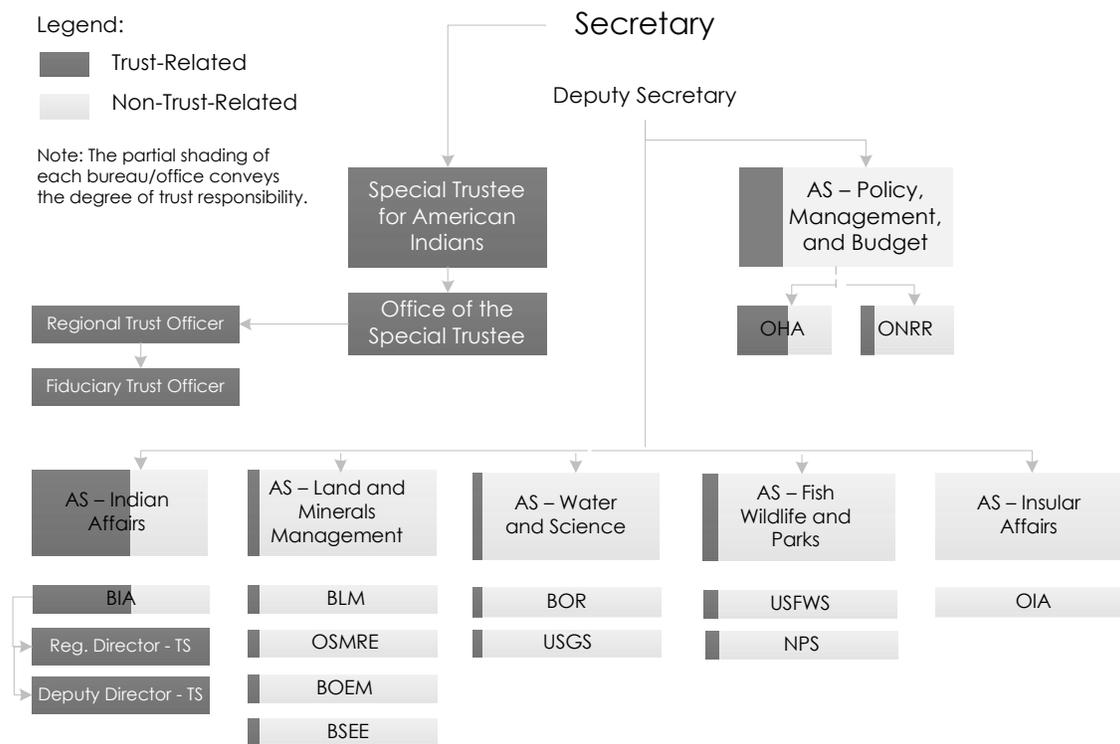


Figure 3: Current TAS Governance

HOW SHOULD THE ALTERNATIVE MODELS BE EVALUATED?

The alternative models discussed in this section focus on two overarching questions. First, what role should TAS bureau/offices serve at the national level to best support regional operations? Second, how can regional-level bureau/offices be structured to best serve beneficiaries? Implicit in answering these questions, is determining the balance of roles and responsibilities between national-level and regional-level TAS organizations. The graphic below summarizes the

characteristics of each of the alternative models and highlights key changes to the existing national and regional TAS governance structure.²¹

	Alternative 1: ● NAT'L. GOVERNANCE	Alternative 2: ● REGIONALIZATION	Alternative 3: ● INDEPENDENT AGENCY
NATIONAL-LEVEL	<ul style="list-style-type: none"> ▪ New Under Secretary created as a single point of authority. ▪ National coordinating offices remain spread across DOI bureaus/offices. ▪ New support offices within the Under Secretary's Office. ▪ No TAS autonomy from DOI. 	<ul style="list-style-type: none"> ▪ New Under Secretary created as single point of authority. ▪ Limited national support offices within the Under Secretary's Office. ▪ No TAS autonomy from DOI. 	<ul style="list-style-type: none"> ▪ New Trust Administrator Commissioner created as single point of authority. ▪ New coordinating offices within the Trust Commissioner's Office, as well as new national support offices organized by function (not DOI bureau). ▪ TAS is semi-autonomous from DOI.
REGIONAL-LEVEL	<ul style="list-style-type: none"> ▪ Limited regional autonomy from national-level TAS – regions continue to implement national directives. ▪ Reorganization of regional offices by function, not bureau/office (e.g., land ownership). ▪ Streamlined command structure – each Regional Director reports directly to the national Under Secretary. 	<ul style="list-style-type: none"> ▪ Substantial regional autonomy from national-level TAS – regions establish standards and implement. ▪ Reorganization of regional offices by function not bureau/office (e.g., land ownership). ▪ Streamlined command structure – each Regional Director reports directly to the national Under Secretary. ▪ Established Regional Trust Advisory Boards. ▪ Coordinating offices established within Regional Director's Office. 	<ul style="list-style-type: none"> ▪ Limited regional autonomy from national-level TAS – regions continue to implement national directives. ▪ Reorganization of regional offices by function, not bureau/office (e.g., land ownership). ▪ Streamlined command structure – each Regional Director reports directly to the Trust Administration Commissioner.

Figure 4: Alternative Model Characteristics Summary

²¹ See Appendix 4 for an alignment of Phase 2: Current State Findings with each alternative model.

[Alternatives Analysis]



A1

The current state assessment included in *Phase 2* concluded that the majority of TAS management and administration challenges result from poor coordination among DOI bureau/offices (e.g., lack of centralized foresight function, lack of centralized customer service function). This model seeks to remedy TAS' coordination challenges with three pragmatic steps: 1) establish a single point of authority in an Under Secretary for Trust Administration; 2) provide the Under Secretary with the resources and staff to improve bureau/office coordination and support; and 3) streamline regional trust administration management and implementation.

This model does not propose a transformation in Indian Trust fund management as dramatic and sweeping as Alternatives 2 and 3, and instead proposes a few actionable steps that can be accomplished despite restraints posed by TAS' operating environment. These restraints include:

- An austere funding environment.
- Legislative stasis in Congress that would likely stall or divert any transformative change.²²
- Complex treaty and regulatory obligations that would have to be restructured to support any transformative change.
- The current political environment and desire to avoid "growing government."

HOW CAN NATIONAL GOVERNANCE BE STRUCTURED FOR TAS?

The following section provides a potential organizational chart for improving TAS operations and highlights unique characteristics associated with this alternative. The discussion includes an explanation of roles, responsibilities, benefits, and challenges, as well as examples of public, private, and international organizations with similar governance structures.

Establish an Under Secretary for Trust Administration

This model proposes the establishment of an Under Secretary for Trust Administration, focusing accountability and responsibility for fulfilling trust issues within one office/position.²³ A key responsibility for the Under Secretary position is improving the efficiency and effectiveness of trust services through better coordination. BIA is an example of how establishing a single point of

²² A new Under Secretary would require authorizing legislation.

²³ Australia's FaHCSIA also operates with a single point of authority. The agency has an appointed Coordinator General for Remote Indigenous Services responsible for tracking performance against agreed-upon metrics/targets, reporting formally twice a year on performance progress, and advising the Minister of Indigenous Affairs, along with other government councils.

accountability can promote successful reform. The bureau assigned one executive the responsibility of improving performance of the Fee-to-Trust program. While this initiative is smaller in scale, it was successful, from a federal process perspective, because of several factors:

1. A single, identified point of contact for all Fee-to-Trust related issues and decisions.
2. Assigned accountability for performance of the entire program.
3. Streamlined “chain of command” regarding policy and program decisions.
4. Focused budget to increase land brought into trust.

Consolidating authority in an Under Secretary for Trust Administration is also an important step for improving the perception of TAS among beneficiaries. When faced with a public relations challenge or the appearance of inactivity, agencies often respond by establishing a single accountable office/position. For example, in 1986, the Department of Health and Human Services (HHS) responded to the public outcry against the HIV/AIDS epidemic by establishing the HIV/AIDS Bureau (HAB). HAB drove innovation in delivery of treatments, made key investments, and expedited approvals for HIV/AIDS treatments. Another example of coordinating efforts under one office includes the HHS' establishment of a Tobacco Control Strategic Action Plan, aimed at lowering deaths associated with smoking.

Additionally, establishing an Under Secretary for Trust Administration will ensure accountability for improving DOI trust administration and for sustaining future performance.²⁴ As depicted in Figure 5, the Under Secretary for Trust Administration would report directly to the Deputy Secretary of DOI, and would have direct control over the entirety of DOI TAS. All Assistant Secretaries with trust-related responsibilities would report to the new Under Secretary for Trust Administration. Finally, several newly formed offices will assist the Under Secretary in monitoring TAS-wide performance, enhancing cultural outreach, and providing coordination/ policy support.

B Establish National Coordination Offices for Trust Administration and Management

Creating a new Under Secretary for Trust Administration would have little impact if the position were not granted significant staff resources to coordinate, manage, and administer Indian Trust funds. As depicted in Figure 5, this alternative proposes two new offices (Office of Trust Policy and Processes and the Office of Trust Internal Review) reporting to the Under Secretary that would be tasked with monitoring, coordinating, and improving TAS management and administration.

The **Office of Trust Policy and Process** will consist of five sub-offices:

1. **Office of Trust Policy, Coordination, and Standards:** Responsibilities include promulgating and enforcing national policy and standards related to trust administration and management. The office would act as the authority on policy setting, approval, and regional policy

²⁴ This position would also serve on the recently established White House Council for Native American Affairs which is headed by the Secretary. The Council will work across federal agencies to coordinate policy recommendations that support Tribal self-governance and self-determination (The White House Office of the Press Secretary, 2013).

coordination to ensure consistency in application of trust policy and delivery of trust services at the regional level. This office would make policy decisions regarding fast tracking of probate or appraisal services. Another primary function of this office would be determining when policy decisions must be elevated to legislative proposals.

2. **Office of Trust Services Process Integration:** Since this model does not suggest realigning services currently performed at the BIA/OST regional level or disrupting trust services provided by other bureaus, the need for a national coordination office remains. Responsibilities of this office include integration and performance monitoring for processes that include multiple bureaus/offices (e.g., probates and appraisals). The office would aim to reduce duplicative efforts and address delays at handoffs between bureaus/offices; developing overarching processes/priorities to identify and fast track cases that have high priority to a bureau/office.
3. **Office of Tribal Consultation, Culture, and Outreach:** Based on direct beneficiary feedback, TAS needs to establish an office responsible for tribal consultation and culturally appropriate outreach. Beneficiaries expressed the need for more consistent and timely tribal consultation as well as communication strategies that address their unique cultures. For example, elderly beneficiaries experience obstacles when the use of modern technology is required; often radio, print newspapers, and circulars are the sole source of information on reservations. In addition, when English is a second language, or not spoken at all, understanding communications not accompanied by a "plain language cover letter" is difficult. This office would have sole responsibility for coordinated communication efforts regarding tribal consultation (formal and informal), public and external affairs, and community outreach.
4. **Office of Trust Systems Integration:** The Office of Trust Systems Integration would coordinate system integration for processes that involve multiple bureaus/offices (e.g., oil and gas leasing). Based on beneficiary feedback, delivery of trust services, from a self-governance perspective, is hindered by lack of tribes' ability to access their information in TAAMS, TFAS, and ProTrac. The Office would have responsibility for coordinated systems maintenance, updates, and integration within bureaus/offices as well as tribes. This office would aim to arrive at the right balance of standardization and centralization of information technology systems while achieving economies of scale.
5. **Office of Trust Business Intelligence and Foresight:** Given the sensitivity of trust management issues, and the threat of pending litigation related to trust asset management, this model includes an Office of Trust Business Intelligence and Foresight, tasked with staying abreast of emerging individual and tribal beneficiary trust issues. Responsibilities for the Office include awareness and communication of issues arising from other federal, state, or local policy, regulation, or legislation impacting individual and tribal development. The Office of Trust Business Intelligence and Foresight will allow DOI to anticipate emerging issues as opposed to reacting to pending issues.²⁵

²⁵ This office would also be tasked with identifying best practices across TAS and sharing them with other bureau/offices and compacted/contracted tribes.

Trust Administration Services National Governance

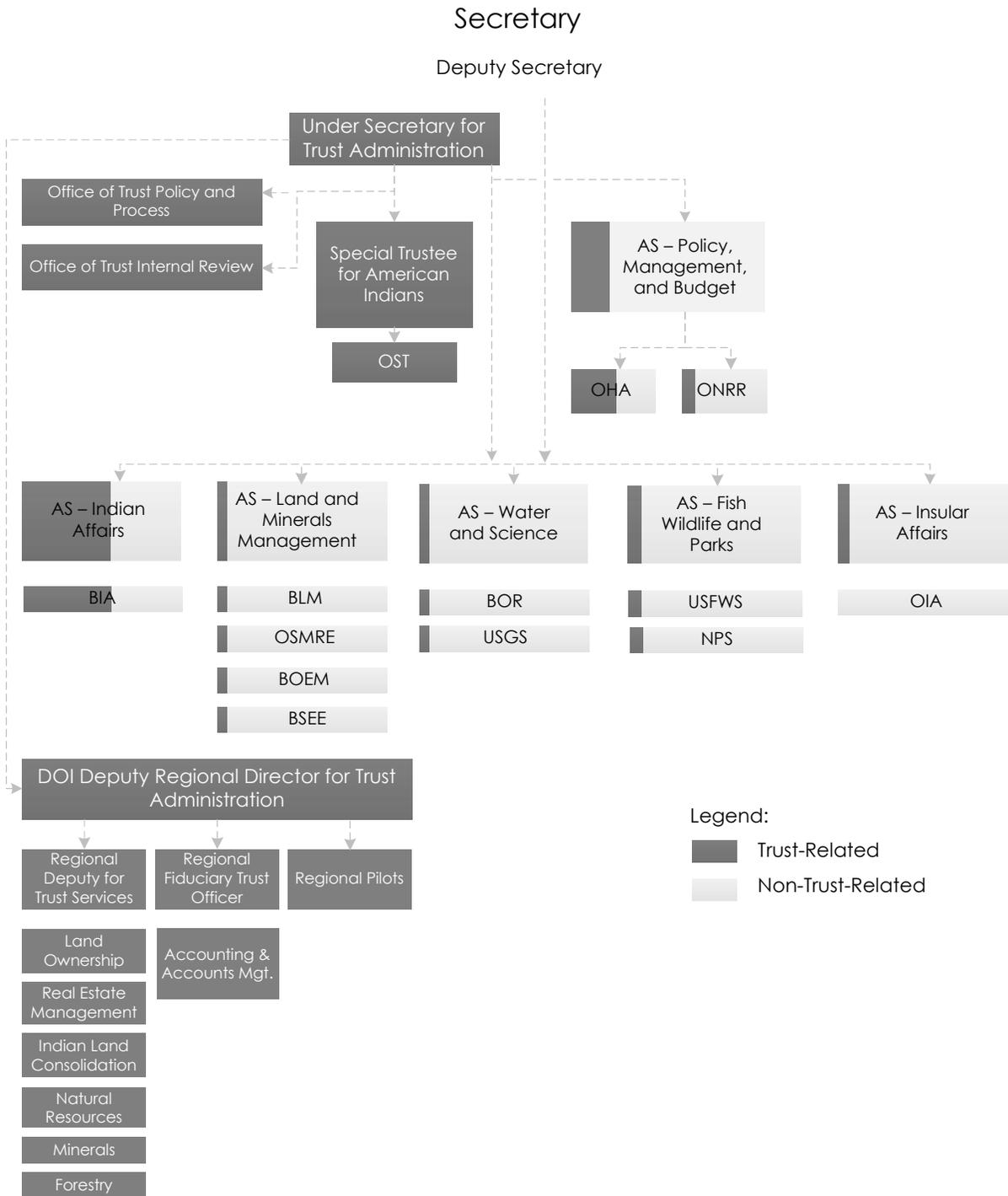


Figure 5: National Governance Model

The Office of Trust Internal Review would monitor trust management activities at the national level. First, the Office of Trust Internal Review would be responsible for developing and maintaining internal controls and ultimately for effective and efficient trust programs. This office would ensure that TAS has an internal control structure that provides reasonable assurance of achieving the control objectives set forth by OMB. In addition, the Office of Trust Internal Review would be responsible for developing and overseeing the effective implementation and execution of programmatic reviews. This office would be accountable for the effectiveness and efficiency of trust programs and operations by providing guidance and oversight to ensure programs achieve their intended results and are in compliance with laws, regulations, policies, and procedures. This office would report directly to the Trust Administration Commission. For additional detail on the proposed role of this office refer to the Phase 4 report.

Align Regional Trust Administration Staff

This model restructures regional offices using a format similar to the Australian Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). FaHCSIA operates through Regional Operational Centers that house federal, territorial, and local staff within one location, as well as Government Business Managers (GBMs) and Indigenous Engagement Officers (IEOs). This model proposes the establishment of a DOI Deputy Regional Director for Trust Administration, aligning BIA regional staff and OST RTAs and FTOs within one chain of command, and addressing issues related to differing operational, reporting, and grade structures. Given the success of the RTAs and FTOs at the agency and regional levels, responsibilities of these positions will not change. Aligning BIA and OST staff at the regional and agency level addresses concerns related to lack of communication within bureaus/office and aims to reduce duplicative efforts in responding to beneficiary inquiries.

In addition, this model suggests the establishment of a Regional Pilots Office, charged with the responsibility to further develop centers of excellence in which all appropriate offices work together in one location to create "one-stop-shopping" for beneficiaries, similar to the Federal Indian Minerals Office (FIMO) concept. Centers of excellence could be created for mineral development, oil and gas drilling, and probate services.

PROJECTED IMPACT AND FEASIBILITY OF TAS NATIONAL GOVERNANCE

The following section discusses the impact of the national governance model on the TAS and DOI missions. Additionally, this section provides a high level assessment of legislative, economic, and managerial feasibility.

➤ TAS Mission Impact

Transitioning TAS to a national governance model could improve operations at the Central Office level, but still fails to address process issues experienced across bureaus/offices. For

example, trust-related personnel and services would still be housed within partner bureaus such as ONRR and BLM, maintaining the difficulty and duplication of efforts noted in the current appraisal, probate, oil and gas leasing processes, among others. While the national governance model establishes an Under Secretary for Trust Administration, the authority and value of this position are limited by the continued dispersion of trust responsibilities across DOI. However, subordinating the Assistant Secretary positions to the Under Secretary of Trust Administration should facilitate better TAS-wide collaboration.

➤ DOI Mission Impact

The national governance model would have a low impact on the DOI mission as a whole. Other DOI bureaus/offices would continue to provide trust services as it relates to mission of their individual bureaus/offices. Based on baseline and assessment findings, DOI bureau missions are often in conflict with each other (i.e., strategic goals of other bureaus may conflict with the strategic goals related to protection and management of trust assets). Under this model, trust services are not consolidated, and the inherent conflict of priorities remains.

➤ Legislative Feasibility

<p>Pro: If not a Senate-confirmed position, no legislative or regulatory change will be required.</p>	<p>Con: The Department of the Interior has a limited number of Senate-confirmed positions. Con: If the Under Secretary for Trust Administration is a Senate-confirmed position, legislative and regulatory change will be required.</p>
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➤ Economic Feasibility

<p>Pro: Largely maintaining the current regional footprint would not incur substantial costs. Pro: Reduced financial/liability risks associated with poor monitoring and coordination of DOI TAS.</p>	<p>Con: Some start-up costs associated with hiring staff to fill the Under Secretary position and attendant offices.</p>
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➤ Managerial Feasibility

<p>Pro: Streamlined management through a single decision maker. Pro: Minor reorganization at the regional level establishes clear lines of authority / accountability between OST and BIA staff and clarifies points of contract for the beneficiary. Pro: Opportunity for increased operational efficiency with common management of regional staff.</p>	<p>Con: Staff currently designated as partially trust-related personnel are not addressed in this model. Con: Unclear points of contact for services related to appraisals, surveying, and oil and gas leasing still remain. Con: Conflict of priorities remains – Under Secretary would still report to the Deputy Secretary and DOI Secretary, and those positions will be forced to make tradeoffs between trust administration and other DOI priorities.</p>
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[Alternatives Analysis]



A2

BIA and OST currently deliver services via twelve regional offices and over 80 agency locations.²⁶ BIA Trust Services offices consist of regional directors who oversee a staff of specialists responsible for the administration and management of natural resources, agriculture, and real estate services. Working closely with BIA, OST's field operations staff currently consists of five Regional Trust Administrators (RTA) who oversee Fiduciary Trust Officers (FTO) and serve as the primary points of contact for Indian beneficiary inquiries. This model would further augment the role of each BIA region, as it proposes moving all trust operations from the national office to each regional office and consolidating BIA and OST field operations staff into one reporting structure. At the national-level, the Under Secretary's Office would still include policy, planning, and internal controls capabilities.

One benefit of completely decentralizing trust operations is the increased opportunity for innovation. This rationale is also one of the reasons behind the United States' federalist form of government. As Supreme Court Justice Louis Brandeis stated in a 1932 dissenting opinion, one of the key benefits of federalism is that states can serve as laboratories of experimentation without placing the entire country at risk. Similarly, each BIA region in this model could implement a program or alter operations to improve performance without the risk and potential costs associated with nationwide implementation.

In the private sector, one frequently cited benefit of decentralization is the ability to move staff closer to the people they serve. This often results in staff that better understand both general customer needs and the idiosyncrasies of particular locations or demographics. The beneficiary feedback gathered for this study confirms this advantage of the model, as beneficiaries highly praised FTOs for understanding their needs and remaining accountable for solving their problems. This model would replicate the benefit of FTOs across all TAS operations.

HOW CAN REGIONAL GOVERNANCE BE STRUCTURED FOR TAS?

The following section provides a potential organizational chart for regionalizing TAS operations and highlights unique characteristics associated with this alternative. The discussion includes an explanation of roles, responsibilities, benefits, and challenges, as well as examples of public, private, and international organizations with similar governance structures.²⁷

²⁶ Note that the five OST Regional Trust Administrators (RTAs) and their staff of Fiduciary Trust Officers are aligned to BIA's twelve regional offices and 83 agency locations.

²⁷ See Alternative 1 for a description of the proposed Under Secretary for Trust Administration

A Concentrate Operational Activities at Regional Offices

The decentralization of TAS resources and activities proposed in this alternative is supported by the example of several international organizations that also assist indigenous populations (see Appendix 3). The prominent benefit conveyed by these benchmarks is the ability to better understand their respective stakeholders and best provide for their particular needs. Additionally, each Region has sufficient autonomy and budget authority to support their stakeholders how they see fit.

In this structure, regional offices would be required to establish local implementation plans (LIP) consistent with federal law and developed in collaboration with tribes, states, and local governments. Each regional office would be responsible for monitoring performance and reporting on progress toward performance metrics established in the LIPs. Establishing individual LIPs at the regional level grants the regions sufficient autonomy to tailor service delivery to their unique cultural and legislative environment. The Under Secretary's Office would be responsible for monitoring performance against LIPs, based on data provided by the regions.

This model also includes the establishment of regional coordination offices to support operational staff. Depending on a region's unique needs, coordination offices could include funds management, sustainability planning, leasing/contracting, appraisal services, records management, probates, information technology, human resources, customer service, and/or any area of operations that requires input from multiple stakeholders and could benefit from additional oversight and performance monitoring. For operational staff, this model prescribes reorganization by function (e.g., funds management) to streamline operations and reduce duplication among existing bureau/offices.

B Establish a Regional Trust Advisory Board

The proposed regionalization model depicted in Figure 6: Regional Governance includes a new entity to participate in the administration of trust assets – regional trust advisory boards. These boards would serve to advise the DOI Regional Director for Trust Administration, enhance collaboration among tribal and government officials, and assist in the implementation of regional/national directives. The advisory boards could include members from federal, tribal, state, and/or local governments, as well as influential local leaders. Regional Trust Administration Advisory Boards differ from the tribes' current option to form inter-tribal organizations or councils as this initiative would require active enrollment and participation of federal, state, and local officials.²⁸

²⁸ Refer to Supplementary Option 2 for more information on Regional Trust Administration Councils.

Trust Administration Services Regional Governance

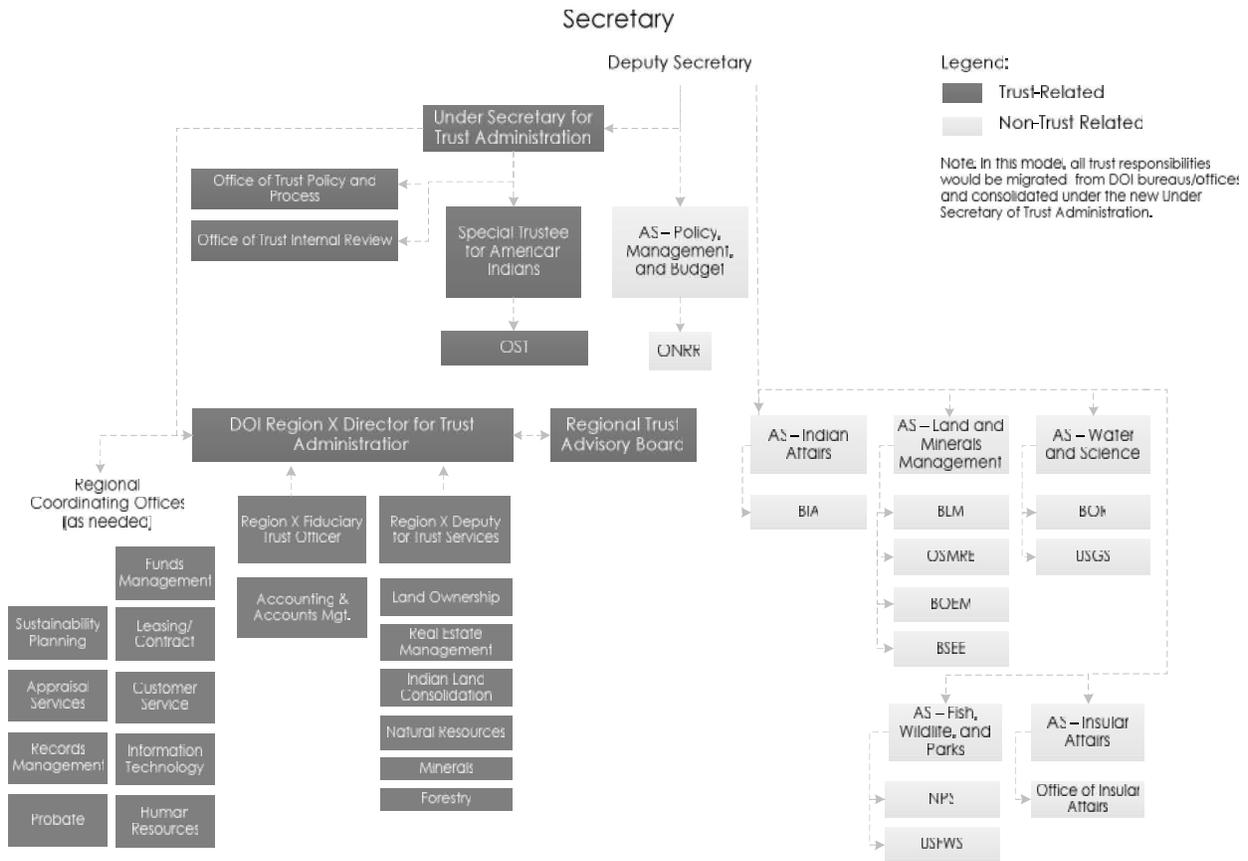


Figure 6: Regional Governance²⁹

C Additional Considerations for a TAS Regional Governance Structure

Australia's Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) establishes Regional Partnership Agreements (RPA) with federal, state and local governments as well as Indigenous communities and private sector organizations to deliver services to remote communities. In May 2012, Tempo Strategies was engaged to evaluate the progress of the RPA of Groote Eylandt and Bickerton Island, local communities, currently in its second stage of operations.³⁰ The purpose of the evaluation was to provide a progress review of the RPA, examine its effectiveness, obtain feedback on its impact, recommend improvements to be made, and discern if its success is replicable.

²⁹ While not within the scope of this study, Justice Services, Indian Services, and BIE could be incorporated at the regional-level in this model, remain within BIA, or be disassembled and migrated to other relevant federal agencies (e.g., BIE to Department of Education).

³⁰ Tempo Strategies. *Groote Eylandt and Bickerton Island Regional Partnership Agreement Progress Evaluation*. 2012. Australia.

Key findings of this study noted the following success factors for establishing a strong regional governance structure:

- Effective quality of leadership, collaboration, and management practice
- Solid emphasis on evidence-based decisions
- Innovative and proactive effort toward issue resolution
- Ability of community to commit substantial resources to leverage the agreement
- Contained community with one language and culture
- Close involvement of the most senior government personnel
- Accountability framework for implementation of initiatives for each funding agency
- Staff educated to work effectively in a social partnership arrangement
- Alignment and integration of policies and strategies across governments, services and programs
- Strategic and future-oriented approach driven by community needs.

PROJECTED IMPACT AND FEASIBILITY OF TAS REGIONAL GOVERNANCE

The following section discusses the impact of the regionalization model on the TAS and DOI missions. Additionally, this section provides a high level assessment of legislative, economic, and managerial feasibility.

➤ TAS Mission Impact

Transitioning TAS to a heavily regionalized operational model of governance would improve the organization's ability to meet its commitments to beneficiaries and address the distinct cultural and legislative environments within each region.

➤ DOI Mission Impact

The first step in establishing TAS as a heavily regionalized organization is eliminating all operational responsibilities from the Central Office level, allowing Central Office to focus on policy development, implementation, coordination, and internal controls across regional offices and with other federal agencies. Reducing Central Offices' role in operational management of trust assets, and streamlining the chain of command, allows regional offices to deliver effective and timely service to beneficiaries. This model also addresses feedback on the tension and perceived/actual differences between OST FTOs and BIA regional staff. Integrating regional staff under the authority of one Regional Director, while still maintaining the success of the RTA/FTO program, allows TAS to work as one unit to address beneficiary inquiries and improve service delivery.

➤ Legislative Feasibility

<p>Pro: Strengthening regional operational service delivery would not require large-scale legislative change.</p>	<p>Con: Having to secure a sponsor and champion for the authorizing legislation necessary to transition TAS.</p> <p>Con: Does not address beneficiary concerns regarding independence of OST.</p> <p>Con: Does not correct the inherent conflict of priorities with a shared Secretary/Deputy Secretary overseeing trust administration and other DOI functions.</p>
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➤ Economic Feasibility

<p>Pro: Decisions will be reached in a more timely fashion, allowing economic activity to begin earlier.</p> <p>Pro: Beneficiaries should receive their monies quicker, allowing them to spend it sooner and generating greater economic activity.</p>	<p>Con: Costs associated with restructuring regional offices (e.g., logistics, office space).</p> <p>Con: The cost of replicating central office functions at each regional office would be substantial.</p> <p>Con: Current budget environment reduces likelihood of funds availability.</p> <p>Con: The cost and delays associated with substantial staff reorganization.</p>
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➤ Managerial Feasibility

<p>Pro: This model leverages successful programs (e.g., RTA/FTO) while increasing service delivery to beneficiaries.</p> <p>Pro: Streamlined management through a single decision maker at the regional level.</p> <p>Pro: Reorganization by function establishes clear lines of authority / accountability.</p> <p>Pro: Opportunity to reinvent/improve key processes and SOPs.</p> <p>Pro: National control via OST of funds management activities (with regional support) will ensure one set of operating standards.</p>	<p>Con: Integration of bureau/office staff under one Regional Director and differences in organizational culture.</p> <p>Con: Minimizing administrative services provided by the central office function would place responsibility for program justifications at the regional level.</p>
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[Alternatives Analysis]

Alternative 3: Trust Administration via Independent Agency



A3

During the Congressional debate over passage of The Interstate Commerce Act of 1887, leaders from both political parties heatedly discussed the establishment of the first independent regulatory agency – the Interstate Commerce Commission (ICC). Many of the arguments put forth in favor of the ICC still hold true today³¹: (1) the agency model provides flexible and expert administration; (2) experts within the agency can assist Congress in planning regulatory policy; and (3) the agency model protects the public against powerful corporate interests.³²

In addition to these benefits cited by Congress in 1887, the modern regulatory agency also provides a degree of autonomy from Congress and the President not found in other government organizational structures.³³ The need for autonomy can be based on multiple considerations. First, independent agencies can mitigate conflicts of interest that arise between the Congress/President and the area of policy to be regulated. The structure of the Federal Election Commission is an example of this rationale, as having the President directly administer the Federal Election Campaign Act would create a situation ripe with conflicting interests.

Another rationale for independent agency autonomy is insulating decision makers from temporary political pressures. This consideration explains why many independent agencies are required to be bipartisan, and headed by commissioners appointed to terms that do not overlap with Presidential elections.³⁴ A final rationale for the autonomy granted independent agencies is increased operational efficiency. Depending on the language of each agency's enabling act, independent agencies can engage in rulemaking activities that have the force of law. This empowers independent agencies to operate in a more agile manner, as it reduces the necessity of legislative relief from Congress for many changes in process and structure.³⁵

Since the establishment of the Interstate Commerce Commission in 1887, the number of independent agencies has expanded to over 70. These agencies operate within the executive branch, and are still subject to judicial and legislative oversight. They vary significantly in size, and work to achieve diverse missions that range from promoting participation in the arts at the National Endowment of the Arts to ensuring national security at the Central Intelligence Agency.

³¹ The Independent Federal Regulatory Agencies, Edited by Leon I. Salmon. The Reference Shelf Collection. Volume 31. No.2. 1959. The H.W. Wilson Company (New York). Page 9.

³² The Independent Federal Regulatory Agencies. Page 18.

³³ William F. Fox, Understanding Administrative Law, 6th Edition, Copyright 2012, Matthew Bender & Company, Inc. New Providence / NJ.

³⁴ 52 Admin. L. Rev. 1111 2000. *Established by Practice: The Theory and Operation of Independent Federal Agencies*. Page 1135.

³⁵ *Established by Practice*. Page 1135.

HOW CAN TAS BE STRUCTURED AS AN INDEPENDENT AGENCY?

The following section provides a potential organizational chart for TAS as an independent agency and highlights unique characteristics associated with this alternative. The discussion includes an explanation of roles, responsibilities, benefits, and challenges, as well as examples of public, private, and international organizations with similar governance structures.

Indian Trust Administration Commission (ITAC)

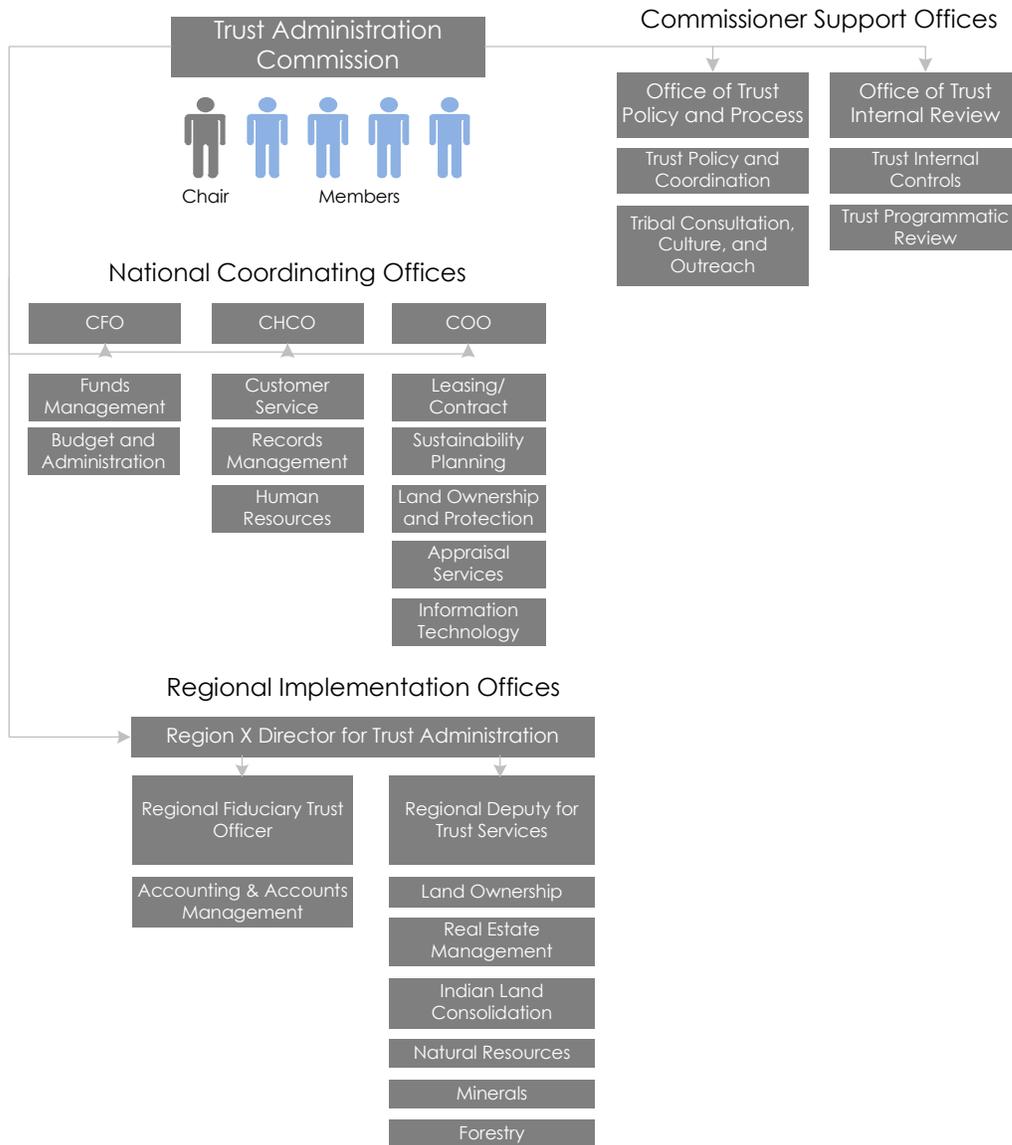


Figure 7: Trust Administration Services Independent Agency³⁶

³⁶ Determining the future structure of the Bureau of Indian Education, BIA Indian Services, and BIA Justice Services was outside the scope of this assessment. However, these services could be incorporated in the independent agency model

A Remove All Trust Resources from DOI Bureaus/Offices

Removing trust resources from DOI would certainly be a lift for the department, but it would not be unprecedented, as many federal independent agencies were formed by splintering off portions of existing organizations. For example, the Defense Nuclear Facilities Safety Board (DNFSB) was formed from existing staff within the Department of Energy and the Nuclear Regulatory Commission.³⁷ The rationale for creating the DNFSB largely parallels that which supports establishing TAS as an independent agency: (1) an important mission; (2) the potential for conflicts of interest; and (3) a highly publicized example of poor performance - Three Mile Island.³⁸

Other examples of independent agencies formed with existing government staff include the Central Intelligence Agency (combination of the Departments of State and War) and the General Services Administration (combination of the Department of Treasury, National Archives, Federal Work Agency, and the War Assets Administration). Additionally, the Environmental Protection Agency (EPA) serves as a relevant example for TAS because its formation involved staff leaving DOI to form an independent agency. In 1970, employees from the Federal Water Quality Administration and all DOI pesticide functions were migrated to the newly-formed EPA.³⁹

B Reorganize Trust-Related Resources by Function

The current alignment of trust-related resources is subdivided into separate DOI bureaus/offices, and elements of each trust function (e.g., accounting and accounts management) are performed by different bureaus. As chronicled in *Phase 1: Baseline* of this report, the result of this arrangement has been disparate accountability, process delays and occasionally service-level bottlenecks (e.g., appraisal services holding up forestry leases). The division of functions across separate DOI bureaus also increases the difficulty of devising common operational strategies and consolidating duplicative services.

Figure 7 proposes a reorganization of existing TAS resources into national coordinating offices divided into administrative (e.g., Information Technology, records management) and mission-centric classifications (e.g., funds management, leasing/contracting). These offices would be responsible for coordination and support, and each office is assigned one of three separate officers that directly report to the Trust Administration Commissioner.⁴⁰ In addition, to maintain

either at the regional-level or by disassembling and migrating responsibilities to other relevant federal agencies (e.g., BIA Justice Services to DOJ).

³⁷ *Defense Nuclear Facilities Safety Board: The First Twenty Years*. September 2009.

<http://www.dnfsb.gov/sites/default/files/About/Attachments/DNFSB%20Twenty%20Year%20Report.pdf>

³⁸ *The First Twenty Years*.

³⁹ Reorganization Plan #3 of 1970. July 9, 1970. Available at <http://www2.epa.gov/aboutepa/reorganization-plan-no-3-1970>.

⁴⁰ Best practices indicate that an independent agency could function with either a single commissioner or a multiple member Commission. The EPA and CIA both operate with single executives, while the Federal Energy Regulatory Commission has a five-member group.

the independence of the funds management function, a CFO position would be tasked with only monitoring those activities. Within each coordinating office, expertise would be further divided into functional areas (e.g., oil/gas, forestry). Direct implementation of TAS directives would still occur at the regional level.

This proposed realignment reflects the operating strategy of many existing independent agencies. For example, the Small Business Administration (SBA) currently divides its operations into both administrative (e.g., Office of the Chief Information Officer) and mission-centric (e.g., capital access, entrepreneurial development) functional areas. Specific services are provided within each functional area. As an example, the SBA Office of Capital Access is further divided into the Office of Financial Assistance, Office of Surety Guarantees, and Office of Economic Opportunity.⁴¹

C Institute a Revolving Trust Administration Advisory Board

Instituting an advisory board within the proposed TAS independent agency model is an important step in solidifying the autonomy of trust administration services and guaranteeing good governance.⁴² Many existing federal independent agencies use advisory boards to ensure representation of key stakeholder groups, to enhance the level of expertise involved in decision making, and/or to increase the credibility of agency decisions by installing highly-regarded board members.⁴³

The degree of authority delegated to advisory boards varies across the federal government's independent agencies. One structural arrangement for the Trust Administration Advisory Board could cede complete authority to the advisory board and subordinate the Commissioner position. This structure is employed at the Federal Election Commission, as the Commissioners exercise complete authority over the agency (per the Federal Election Campaign Act) and the agency's top administrators report directly to them. The United States Commission for Civil Rights shares a similar structure to the FEC, in which the Staff Director reports directly to a group of presidentially-appointed Commissioners. Likewise, the United States Federal Labor Relations Authority is governed by presidentially-appointed members, and the chairman of the advisory board also serves as the Chief Executive Officer.

Trust Services Advisory Board

Pros:

- (1) Increased expertise in decision making.
- (2) Increased credibility in decision making.
- (3) Increased representation of stakeholder groups.

Cons:

- (1) Administrative inefficiency.
- (2) Collective action problems.
- (3) Achieving equal representation among beneficiaries.

⁴¹ U.S. Small Business Administration. *SBA Organization Chart*. Web. <http://www.sba.gov/content/sba-organization-chart>

⁴² Depending on the final advisory committee structure, the body might have to adhere to the Federal Advisory Committee Act of 1972 and its amendments. However, the restrictions imposed by the Act are only relevant for committees in which the members are not composed of part-time or full-time government employees. For example, the FEC's advisory committee would be excluded because the commissioners are full-time government employees. The advisory boards established by the NEA to review grant performance would not be excluded, as those committee members would remain private citizens under the Act.

⁴³ The Trust Services Advisory Board would also help with the current TAS challenge of augmenting tribal consultation. Having a 5-7 member board would create a body with sufficient resources to request tribal feedback and present concerns to the Trust Administration Commissioner.

Conversely, the Central Intelligence Agency and Environmental Protection Agency do not utilize an Advisory Board of any sort. A hybrid example is the National Endowment for the Arts (NEA). This organization is administered by a presidentially-appointed Chairman, but uses advisory boards for specific processes like grant selection. This arrangement enables the NEA to achieve administrative efficiencies through a single-decision maker, while also benefiting from the expertise of advisory members.

A final alternative for structuring a Trust Administration Advisory Board would be to endow it with a limited veto power based on a predetermined super majority of members. This scenario provides a middle ground that still places an important check on the power of the Trust Administration Commissioner, and also increases the representation of Indian beneficiaries in trust affairs. This arrangement would also reduce the likelihood of gridlock and administrative inefficiency that arises when institutions are forced to share power equally.

D Consolidate Trust Administration Authority under a Commissioner

As noted by many trust administration beneficiaries, the current hierarchy employed by TAS creates a significant likelihood for conflicting priorities. All trust-related and non-trust related staff within DOI bureaus/offices all report to the same Deputy Secretary, and ultimately to the same Secretary of the Interior. In the administration of such a large Department, the Deputy Secretary and Secretary must naturally make management decisions that balance one group of stakeholders' priorities against other groups. Because trust administration staff are currently scattered throughout larger DOI bureaus; tribal and beneficiary considerations are often overridden. Even within bureaus devoted specifically to Indian affairs, resource tradeoffs can be made that detract from the availability and quality of trust services.

The independent agency model outlined in Figure 7 would create a Commissioner of Trust Administration who could directly lobby the executive branch and voice beneficiary concerns.⁴⁴ The trust administration commissioner would also be able to rapidly improve trust services, as the position would benefit from direct authority over the entire TAS function. This would enable TAS to establish organization-wide accountability and performance standards, as well as conduct cross-functional planning without the delays and confusion that would occur if these initiatives were attempted under the current TAS governance structure.

E Continue to Foster a TAS Regional Presence

Figure 7 includes a TAS regional presence identical to Alternative 1 including streamlining the chain of command so regional directors report directly to the commissioner of TAS. The rationale for the regional presence in Figure 7 differs from Alternative 1, however, because the concern of OST and BIA control over regional representatives is no longer an issue in the independent agency model. Although the majority of trust administration coordination and support would

⁴⁴ Could either be a multi-party commissioner or a single commissioner.

remain at the national level in Figure 7 it is important to maintain strong, competent regional representation to implement national directives and complete the day-to-day activities associated with trust administration.

Many existing independent agencies maintain a regional presence to assist in the implementation of policies and procedures developed and monitored at the national-level. For example, the United States Commission on Civil Rights established six regional offices to implement programs, conduct research, and coordinate studies and hearings.⁴⁵ The United States Agency for International Development (USAID) likewise administers its programs through established regional offices, as well as country-specific field offices.⁴⁶

PROJECTED IMPACT AND FEASIBILITY OF TAS AS AN INDEPENDENT AGENCY

The following section discusses the impact of the independent agency model on the TAS and DOI missions. Additionally, this section provides a high level assessment of legislative, economic, and managerial feasibility.

➤ TAS Mission Impact

Transitioning TAS to an independent agency model of governance would significantly improve the organization's ability to achieve its mission and meet its commitments to beneficiaries. TAS can ensure beneficiaries are able to optimize their assets held in trust by expediting the process by which those assets are leveraged, guaranteeing compliance and safeguarding Indian interests, and accurately and promptly distributing payments. Restructuring TAS as an independent agency will increase TAS' ability to achieve these goals through streamlined management, clear lines of accountability and consolidation of functions. The proposed TAS independent agency model will also increase stakeholder representation and satisfaction by establishing an Advisory Board and a "one-stop" customer service center.

➤ DOI Mission Impact

The first step in establishing TAS as an independent agency is eliminating all trust-related functions from existing DOI bureaus/offices. The Department of the Interior currently administers approximately 520 million acres of land through the Bureau of Indian Affairs, Bureau of Land Management, National Park Service, and Fish and Wildlife Service.⁴⁷ Of those lands, 56.2 million acres are held in trust for various Indian tribes and individuals.⁴⁸ Thus, removing trust-related resources from DOI would result in a mission reduction of roughly 11% (in terms of acreage) for DOI. As a percentage of total employees, however, the reallocation of trust resources represents a much smaller reduction. Only 3,516 staff members of DOI's total 70,000 employees

⁴⁵ U.S. Commission on Civil Rights. *Organization*. 2013. Web. <http://www.usccr.gov/about/org.php>

⁴⁶ United States Agency for International Development. *USAID Organization Chart*. 2011. Web. http://transition.usaid.gov/about_usaid/orgchart.html.

⁴⁷ Congressional Research Service. *Federal Land Ownership: Overview and Data*. February 8, 2012.

⁴⁸ United States Department of the Interior, Bureau of Indian Affairs. *Frequently Asked Questions*. 2013. Web. <http://www.bia.gov/FAQs/>

currently perform trust-specific activities, equating to roughly 5%.⁴⁹

➤ Legislative Feasibility

<p>Pro: The infamy and continued relevance of the <i>Cobell</i> litigation creates an atmosphere that supports large-scale, transformative restructuring.</p> <p>Pro: Precedence exists for creating independent agencies from larger organizations.</p> <p>Pro: DOI can make a strong case for independence due to conflicts of priorities.</p> <p>Pro: Trust administration is generally a non-partisan issue that touches enough individuals to create a political necessity for change.</p>	<p>Con: Having to secure a sponsor and champion for the authorizing legislation necessary to transition TAS to an independent agency.</p> <p>Con: Likelihood that the proposal will get stalled in the current political environment (in lieu of more pressing legislative demands).</p> <p>Con: Likelihood that lawmakers will not want to expend political capital on the issue.</p> <p>Con: Change in federal government programs usually occurs incrementally.</p>
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➤ Economic Feasibility

<p>Pro: Cost savings through consolidation of duplicative functions and positions.</p> <p>Pro: Future costs savings through IT systems integration and consolidation.</p> <p>Pro: Decreased likelihood of adverse lawsuits through greater accountability and operational efficiency / effectiveness.</p> <p>Pro: Recovery of some sunk costs.</p>	<p>Con: Start-up costs associated with setting up a new independent agency (e.g., staffing, logistics, IT, office space).</p> <p>Con: Prepaid costs associated with administration of DOI bureaus (e.g., overstaffing, extra office space, unused IT).</p> <p>Con: Current budget environment reduces likelihood of funds availability.</p>
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➤ Managerial Feasibility

<p>Pro: Streamlined management through a single decision maker.</p> <p>Pro: Reorganization by function establishes clear lines of authority/accountability.</p> <p>Pro: Increased expertise and stakeholder involvement through inclusion of a Trust Administration Services Advisory board.</p> <p>Pro: Opportunity to reinvent/improve key processes and SOPs.</p> <p>Pro: Opportunity for increased operational efficiency with common management of staff.</p>	<p>Con: Importance of filling Trust Administration Commissioner and Advisory Board Members with qualified and objective candidates that are acceptable to beneficiaries.</p> <p>Con: Administrative burden of starting up a new independent agency.</p> <p>Con: Staff currently designated partial trust-related might not be migrated to the new TAS independent agency, thus decreasing available expertise and increasing training requirements/costs.</p> <p>Con: No cabinet-level advocacy for TAS⁵⁰</p>
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⁴⁹ The 3,516 staff members do not include BLM trust-related staff or the management/supervisory personnel that would be required to implement the independent agency model. <http://www.doi.gov/employees/index.cfm>.

⁵⁰ Independent agencies can be structured as "quasi-independent" to maintain cabinet-level advocacy (e.g., the Federal Energy Regulatory Commission).

[Supplementary Options]

Option 1: Regional Trust Advisory Board



INTRODUCTION

The establishment of regional trust advisory boards is a governance option that can supplement any of the four primary governance alternatives outlined in this document. In this supplemental option, trust advisory boards would be established in each region of the country to oversee administration of trust assets in their respective areas. Regional board membership would consist of Federal, tribal, state and local officials who have a vested interest in effective and sustained management of trust assets. A regional governance system may perform a variety of functions such as serving as an information sharing mechanism, developing regional trust management plans, facilitating joint economic development of regional resources, and recommending regional trust administration funding priorities to Tribal, local, state and national authorities. The legitimacy of regional trust boards can be underpinned by three basic concepts:

1. **Public Trust Doctrine.** The Doctrine provides that public trust assets are held by an entity or entities for the benefit of its trustees, and that these assets should be managed for both the short and long term interest of its trustees. Regional advisory boards are considered an improved mechanism for assuring that the public trust responsibilities to American Indians and Alaska Natives are effectively fulfilled.
2. **Networked Governance** – Networked governance involves a large number of interdependent actors or stakeholders who interact in order to fulfill a public purpose such as effective management of trust assets. Networked governance represents an alternative to command and control approaches which assume that power and decision making emanate from the top of an organizational hierarchy. The use of networks as a mode of governance acknowledges the widespread distribution of power and influence over public outcomes. Terms such as centralized planning and control are replaced by facilitation, stewardship and coordination.
3. **Preservation of Tribal Sovereignty** – Regional Trust Advisory Board roles and responsibilities are carried out with the understanding that Tribal Nations are sovereign; and that any actions undertaken will respect that sovereignty.

Although regional trust advisory boards are an example of networked governance, these entities can be compatible with, and even enhance a strong national focus on trust administration, such as establishing an Under Secretary of the Interior for Trust Administration. In order for this combination to work effectively, the roles of both entities need to be clearly differentiated. This combination of strong central authority and regional networked governance is demonstrated by the implementation of the Magnuson-Stevens Fishery Conservation and Management Act of 1976. This Act established regional fishery management councils with broad stakeholder representation; but also vested the Secretary of Commerce and the NOAA Administrator with substantial roles in establishing national fishery policies.

THE CASE FOR REGIONAL TRUST ADVISORY BOARDS

There are several advantages associated with establishment of regional trust advisory boards:

- **Acknowledges the uniqueness of regional trust issues** - Regionalization focuses trust issues and their resolution on matters that are relevant and unique to each region of the country. The councils would be in an ideal position to view many trust administration challenges from a regional perspective. The unique social, economic, resource, political and geographic characteristics of a given region contribute to the natural shaping of issues as regional concerns. Trust issues in the Pacific Northwest and resolution of those issues may not resemble those of the Navajo region.
- **Potential for addressing the full range of trust issues** - Unlike existing regional bodies, regional trust boards would have the mandate to address the broad spectrum of trust administration issues within a region; and harness all relevant stakeholders in the effort.
- **Combines sensitivity and power** - Regional trust advisory boards would have the two-fold advantage of: 1) being sensitive to unique regional trust administration challenges; and 2) amassing sufficient capacity among stakeholders to address the challenges.
- **Broad stakeholder representation** - Membership in regional boards represents stakeholders who have a vested interest in, and can exert influence on trust policies, strategies and outcomes.
- **Coordinated planning and implementation** - Regionalization offers the potential for coordinating planning and implementation among stakeholders to achieve desired outcomes.
- **Access to resources** - Regional trust board membership, working together, can access more resource streams to fund trust administration initiatives and focus them on regional problems such as water management, energy development and wildland fire prevention.
- **Synergistic solutions** - Regionalization acknowledges the reality that positive outcomes can only be realized if all relevant parties work in a coordinated and concerted effort to create a "2 + 2 = 5" result. Effective coordination among tribal, federal, state and local officials can produce total results that are not achievable by each entity working in isolation.

The joint efforts of regional council members can leverage individual members' contributions in several ways:

- **Coordinated policy decisions** lead to economies of scale and elimination of redundant or even conflicting actions by individual entities. For example, a consistent region-wide policy and plan for wildland fire prevention can delineate roles played by each entity; and result in a coordinated effort that capitalizes on the strengths contributed by each stakeholder. Achieving economies of scale may be achieved by sharing facilities, personnel or other resources, thus spreading fixed costs among more units. To illustrate, tribal, state and federal entities in a geographic area may share the cost of a GPS system that tracks the location, abundance and condition of all trust natural resources in that area. Federal, tribal and state

entities within a region may also benefit by creating an integrated resource information system that can be used by all parties, and lower the cost per usage for all.⁵¹

- **Joining together complementary capabilities** – To illustrate, regional trust boards can help link Tribal energy development interests with state and local officials who can assist Tribes in complying with pertinent regulations to ensure a smooth planning and implementation process.

THE CASE AGAINST REGIONAL TRUST ADVISORY BOARDS

Regional trust advisory boards could potentially duplicate functions currently being performed by existing regional coordinating bodies, of which Tribes are currently members. These include:

- Regional tribal councils, such as the Alaska Federation of Natives, the Alliance of California Tribes, the Inter-Tribal Council of Oklahoma and the Inter-Tribal Council of Michigan
- Regional tribal organizations with a special focus, such as the Northwest Indian Fisheries Commission
- Federal agencies' regional organizations with a Tribal focus. These include EPA's Regional Tribal Operating Committees, and HHS' Office of Intergovernmental and External Affairs – Tribal Affairs

	Narrow Area of Trust Focus	Full Range of Trust Issues
Tribal Stakeholders	Northwest Indian Fisheries Commission	Inter-Tribal Council of Oklahoma Inter-Tribal Council of Michigan
All Relevant Regional Stakeholders	NOAA Fishery Management Councils EPA's Regional Tribal Operating Committees	Proposed Regional Trust Advisory Boards

Figure 8: Regional Approaches to Trust Issues

In the above examples, these organizations perform only a portion of the functions that would be fully satisfied by the formation of regional trust advisory boards. The Figure above demonstrates that Regional Trust Advisory Boards are the only entities that would involve all relevant stakeholders within a region in addressing the full range of trust administration issues.

⁵¹ The willingness of tribes to collaborate in shared federal and state information systems could be impacted by Tribal hesitancy to share data they feel could later be used against them (e.g., water settlements).

FUNCTIONS PERFORMED BY REGIONAL TRUST ADVISORY BOARDS

A review of various regional councils involving multiple stakeholders, although in other areas of public service, reveals several possible functions that could be performed by regional trust advisory boards. The table below identifies a range of such functions, illustrations of existing regional organizations that perform each function and an example of how that function would be applied to Trust Administration.

Table 5: Example of Current Regional Organizations

Function	Examples of Current Regional Organizations Performing the Function	Illustration of How Regional Trust Administration Councils Would Perform the Function
Information sharing; joint information systems.	Coalition of Northeastern Governors – This association has only a few obligations attached, and its most common function has been information sharing with some management-related activities	Engage in designing and coordinating joint regional trust information systems that integrate tribal, agency and regional trust asset information; it represents a natural upgrade and expansion of TAAMS
Joint resource management planning.	Fishery Management Councils, established by the Fishery Conservation and Management Act, are charged with developing and implementing fishery management plans, both to restore depleted stocks and manage healthy stocks. The National Marine Fisheries Service (NMFS) aids the Secretary of Commerce, who evaluates and approves the council's FMPs.	Could be authorized by appropriate legislation to develop regional trust asset management plans. These plans would provide a balance between short term economic needs and long term sustainability and protection of trust assets. This joint resource management function is now exemplified within Indian Affairs by development of Tribal forest management plans with Federal agency, state and tribal participation
Joint ventures – economic development, energy development, water management.	Regional Economic Development Councils – Examples: New England Governors Association, Texas Association of Regional Councils, New York Regional Councils	Could be well positioned to leverage and coordinate such joint ventures. Members representing Tribal, private sector, state and local government interests will be members of the Council.
Recommending funding priorities for regional trust initiatives.	Central Florida Metropolitan Orlando Alliance – makes recommendations to the Florida Department of Transportation on funding priorities	Recommend funding priorities for regional trust administration initiatives. This would not be a decision-making role; but the councils offer a unique regional perspective which would benefit decision making at tribal, local, state and national levels. ⁵²
Enforcement responsibilities – (e.g., compliance with regional resource management standards/authorities).	Northeastern Massachusetts Law Enforcement Council – This Council has developed initiatives that focus on regionally-based prevention and response efforts,	Assist in harmonizing local, state and national ordinances related to trust asset management.

⁵² Funding priority recommendations made by Regional Trust Advisory Boards will be subject to the same constraint tribal recommendations currently face – Congress frequently deciding not to appropriate funds.

EXISTING REGIONAL ORGANIZATIONS WITH TRIBAL MEMBERSHIP

The organizations below are examples of existing regional entities with tribal membership. This list is not intended to be exhaustive, and is included to convey the variety of structures and missions that could be employed by DOI Regional Trust Advisory Boards.

- **National/Regional EPA-Supported Tribal Organizations.** The EPA supports over 150 National/Regional Tribal organizations nationwide that serve as work groups or advisory groups to address environmental and natural resource issues. The organizations included in this document interact with NPMs on an ongoing basis throughout the year.
- **EPA Regional Tribal Operating Committees.** The purpose of the Regional Tribal Operations Committees (RTOCs) or their equivalents at each EPA region with federally recognized tribes is to facilitate communications regarding Tribal environmental matters within the regions. RTOCs and their members help the regional offices institutionalize the Agency's Indian Policy and serve as an important liaison for regional environmental issues that impact Indian country, between federally recognized tribes and the EPA's regional offices, the EPA's national program offices, and the NTOC. The RTOC helps maintain open and consistent communication among tribes, and between tribes and the EPA management. In addition, RTOC members participate on regional and national workgroups providing unique tribal perspectives on environmental needs and provide advice during the planning stages of new initiatives.
- **Regional Tribal Councils.** Alaska Federation of Natives; Alliance of California Tribes; Association of Village Council Presidents, AK; Bristol Bay Native Association, AK; Chattanooga InterTribal Association, TN; Cook Inlet Tribal Council, AK; Great Lakes Intertribal Council, WI; Indian Nations Council of Governments, OK; Inter-Tribal Council, OK; Inter-Tribal Council of Michigan; Inter-Tribal Deaf Council; Nevada Tribal Governments; Tanana Chiefs Conference; and United Confederation of Taino People.
- **National Tribal Water Council.** The Council is a technical and scientific body created to assist the Environmental Protection Agency, federally recognized Indian Tribes, including Alaska Native Tribes, and their associated tribal communities and tribal organizations, with research and information for decision-making regarding water issues and water-related concerns that impact Indian and Alaska Native tribal members, as well as other residents of Alaska Native Villages and Indian Country in the United States.
- **HHS IEA Tribal Affairs.** The Tribal Affairs component of the Office of Intergovernmental and External Affairs was established in 2000 to serve as the official first point of contact for Tribes, Tribal Governments, and Tribal Organizations wishing to access the Department of Health and Human Services (HHS). Organizationally, the Tribal Affairs component is situated within the Immediate Office of the Secretary, Office of Intergovernmental and External Affairs (IEA) and is the Departments' lead office for Tribal Consultation in accordance with Executive Order 13175- Consultation and Coordination with Indian Tribal Governments.
- **Regional Fishery Management Councils.** Under the Magnuson-Stevens Fishery Conservation and Management Act Regional Fishery Management Councils are charged with developing and implementing fishery management plans (FMP), both to restore depleted stocks and manage healthy stocks. The National Marine Fisheries Service (NMFS) aids the Secretary of Commerce, who evaluates and approves the council's FMPs. Regional Fishery Management

Council members are nominated by the governors of their respective states, and approved by the Secretary of Commerce. A FMP must specify the criteria which determine when a stock is overfished and the measures needed to rebuild it.⁵³ Regional councils regulate fishers with mechanisms, including annual catch limits, individual catch limits, community development quotas, and others.

ILLUSTRATIVE REGIONAL COUNCILS NOT INVOLVING TRUST MANAGEMENT

- **New York Regional Economic Development Councils.** In New York, Governor Cuomo created 10 Regional Councils in 2011 to develop long-term strategic plans for economic growth in their respective regions. A key component of Governor Cuomo's transformative approach to economic development, these councils are public-private partnerships made up of local experts and stakeholders from business, academia, local government, and non-governmental organizations. Over the past two years, as part of a process that has awarded over \$1.5 billion for job creation and community development, the Regional Councils produced innovative plans and implementation agendas.
- **Texas Association of Regional Councils.** The Texas Association of Regional Councils is the state organization of Texas' 24 regional councils of governments. With 2000 plus local government members, the regional councils of governments join local governments, as well as state, federal, and private partners, to provide cost-effective, better planned, and more accountable public services in each region of Texas.
- **North Carolina Regional Council.** The Council's mission is to provide "creative regional solutions" to relevant and emerging issues in North Carolina while providing a standard of excellence in the delivery of federal, state and regional services for its member communities.
- **Coalition of Northeastern Governors.** This is a non-partisan association of the Governors of the seven Northeastern states. Members include the Governors of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont. CONEG encourages intergovernmental cooperation in the Northeast on issues relating to the economic, environmental and social well-being of the Northeast states.

SUMMARY

The implementation of Regional Trust Advisory Boards would almost certainly require legislative and regulatory changes. Prior to enactment of such legislation, considerable groundwork would have to be laid. This would include:

1. An informal investigation to determine if a Congressional sponsor would be willing to support a legislative proposal.
2. Consultation sessions with leaders in Indian Country, as well as other key stakeholders to determine their receptivity to the creation of regional councils.

⁵³ National Marine Fisheries Service. *National Standards Guidelines*. 50 CFR 600.310 et seq. August 29, 2009.

3. Further research to evaluate the success and shortcomings of past and current efforts to manage trust or other public assets at a regional level.
4. Obtaining opinions from legislative and regulatory experts regarding reasonable approaches to take in establishing sufficient statutory authority.

[Supplementary Options]

Option 2: Select Privatization



INTRODUCTION

Privatization is a policy that aims to reduce the government's role in social and economic life. In considering the privatization option as it relates to DOI trust asset management, it is more appropriate to view possible choices along a continuum ranging from federal contracting for provision of services to complete transfer of the operation of the trust from federal agencies to private entities. The scope of privatization is defined by the Congressional Research Service as:

*"The use of the private sector in the provision of a good or service, the components of which include financing, operations (supplying, production, delivery), and quality control."*⁵⁴

According to a December 10, 2010 article by Russell Nichols,⁵⁵ various governments -- from small towns all the way up to federal agencies -- have been sending public services to the private sector since the 1980s. The trend stems from the common belief that private companies can help governments save or make money by doing jobs faster and cheaper, or managing a public asset more efficiently. However, a thoughtful examination of the privatization alternative reveals several persuasive arguments on both sides of the issue.

THE CASE FOR PRIVATIZATION OF TRUST ASSET MANAGEMENT

- **Performance.** Private entities are motivated to improve performance because the market rewards them in the form of increased profits. An argument may be made that Federal agencies are only motivated to improve a function when its poor performance becomes politically sensitive. In the case of trust asset management, this argument may be plausible if a federal function, such as the trustee role, was transferred from the Department of the Interior to a private entity such as a banking institution; and if there were empirical evidence that monetary assets were managed more efficiently by the private entity. The "performance" justification for privatization, however, would be difficult to support unless there were empirical evidence that the private trustee role performed effectively.
- **Specialization.** Private entities can dedicate sufficient resources to specific functions. Federal agencies may have limited ability to allocate sufficient resources given budget limitations and the need to serve multiple constituencies. This argument for privatization may have some merit given the severely budget constrained environment in which DOI's trust asset management function may be forced to operate for the foreseeable future.
- **Accountability.** Managers of privately owned companies are accountable to their owners/shareholders and to the consumer, and can only thrive where needs are met. Federal agencies are accountable to the broader community and to political "stakeholders." This can reduce their ability to directly and specifically serve the needs of their customers, and can bias investment decisions away from otherwise profitable areas. DOI must manage

⁵⁴ Congressional Research Service. *Privatization and the Federal Government*. December 28, 2006

⁵⁵ Nichols, Russell. *Governing the States and Localities*. December 2010

trust assets in a manner that promotes the well-being of both trust beneficiaries and the general public. This is a delicate balance; and in the process of achieving that balance, economic benefits for a single group of beneficiaries may be sub-optimized in order to ensure fair treatment of all constituents.

THE CASE AGAINST PRIVATIZATION OF TRUST ASSET MANAGEMENT

- **Inherent conflict between the public interest and the profit motive.** Opponents of privatization believe that certain public services should remain primarily in the hands of government in order to ensure that everyone in society has access to them. This view is based on the assumption that private entities will not provide public services, such as effective long term management of renewable trust assets, unless the market rewards them in the short term. To illustrate, actions that contribute to the long term sustainability of forestry and fisheries may not result in short term profitability for private entities that may be charged with their management. Thus, it can be argued that forestry and fisheries management strategies that focus on long term sustainability are public services and not appropriate for privatization.
- **Lack of coordination.** Privatizing certain functions of government might hamper coordination and charge firms with specialized and limited capabilities to perform functions for which they are not suited. In the case of DOI trust asset management, this objection can be overcome by careful selection of the appropriate private entity – one who possesses the requisite skills.
- **Loss of the public ‘voice.’** Privatization may involve giving up control of public structures and processes to private companies. Once a public service or asset is privatized, the public may lose the ability to have a voice in decisions affecting that service or asset. They also lose the ability to request and view important information related to the privatized function.⁵⁶ Without proper information and a forum in which to voice opinions, the public may be excluded from the decision-making process.
- **Loss of federal competence.** Once a federal function is privatized, the knowledge and skills previously owned by the Government could be lost. Should the decision be made at a later date to “in-source” that capability, the federal government will incur the cost associated with a learning curve. For more complex skills that require a steeper learning curve the cost will correspondingly increase. For example, if DOI were to outsource the expertise needed to evaluate applications for complex commercial leases on trust land, the lost institutional knowledge would be difficult and expensive to re-establish if a decision were later made to in-source that capability.
- **Over-stepping legislative mandates.** Some forms of privatization, such as transferring a trust function entirely to the private sector, will test the limits of DOI's mission and legislative mandate to fulfill its trust responsibilities. In considering the various privatization alternatives, DOI should determine which of the alternatives would fall within the scope of DOI's mission; and which would be considered as an *ultra vires* decision – outside the scope of DOI's

⁵⁶ This challenge could be overcome by including disclosure requirements in the contract for services.

legislative mandate. In particular, it must determine which functions and decisions are “inherently” governmental – the basic test for privatization of government functions.

A BALANCED VIEW OF PRIVATIZATION

Before privatizing any trust assets, DOI should carefully consider how privatization solutions balance multiple goals including: efficient provision of trust services; fairness in providing those services to all eligible constituents; long term sustainability of the trust asset; and improved quality of life for trust beneficiaries.

There are a number of actions that can be taken to help ensure that such a balance is struck. These include:

- Considering a range of alternative approaches to privatization; and tailoring them to the particular situation.
- Selecting activities that may be more appropriate for privatization than others. DOI can draw from its' prior experience with the Federal Activities Inventory Reform (FAIR) Act and the lists of activities that would be eligible for competitive sourcing versus those that have been defined as “inherently governmental.”
- Conducting a thorough cost-benefit analysis prior to privatization to determine if the net value to the public is positive or negative.
- Establishing a strong public sector monitoring function. Agencies most successful in privatization have created a permanent, centralized entity to manage and oversee the operation, from project analysis and vendor selection to contracting and procurement. For governments that forgo due diligence, choose ill-equipped contractors and fail to monitor progress, however, privatization initiatives can be disastrous.

FORMS OF PRIVATIZATION

Although privatization can take many forms, four approaches appear to be predominant in the United States:

- Contracting for provision of goods or services
- Government-owned or sponsored corporations
- Public-private sector partnerships
- Transfer of government functions or assets to non-governmental entities.

Additional privatization approaches include: licensing or permitting private sector activity; commercialization of public space; issuance of user fees; and provision of vouchers where a government may want a particular service to be funded publicly, but not delivered directly by a governmental entity.

In the Figure below, the four major approaches to privatization are shown on a continuum ranging from stringent government controls to minimum government controls.

Service Privatization Continuum

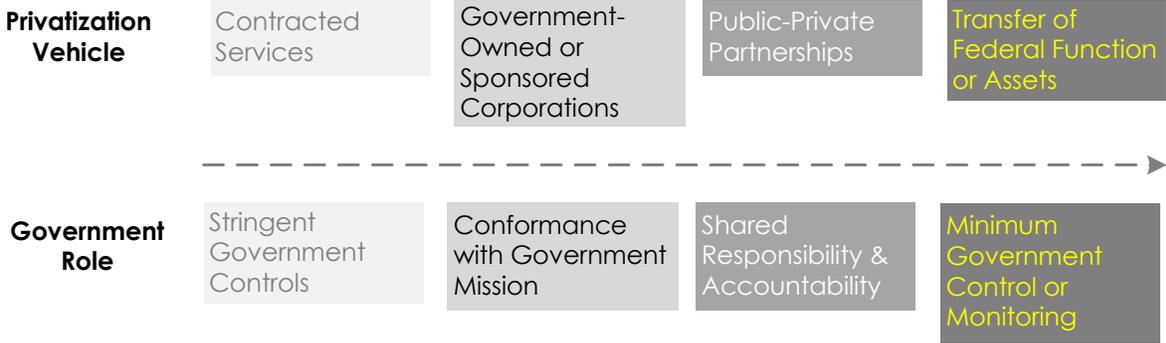


Figure 9: Service Privatization Continuum

Contracted Services or Goods – Contracted services are prominent in Indian Affairs. Of the \$2.4 billion in FY 2013 appropriations for the operation of Indian Programs, 64%, or \$1.5 billion were executed by Indian Tribes through contract and compact agreements. The percentage is even higher when commercial contracts are included. Although contracts may not be traditionally considered as a privatization alternative, they do result in federal trust asset responsibilities being implemented by non-governmental entities. In this sense, the effect of outsourcing may be somewhat similar to other privatization alternatives.

A special application of contracting out is “competitive sourcing.” Under provisions of the FAIR Act, and its implementing mechanism, OMB Circular A-76, competitive sourcing is the act of exposing government activities to competition with the private sector. The process of competition provides an imperative for the public sector to focus on continuous improvement and removing roadblocks to better performance and greater efficiency. The objective is to focus on the most effective and efficient way of accomplishing the agency’s mission regardless of whether it is performed by civil servants or private sector entities.

Indian Affairs initiated three competitions under the FAIR Act – two for roads maintenance activities and one for distribution of electricity to locations in the southwest. In all three cases, there were no non-governmental bidders. Based on this past experience, if a competitive sourcing strategy were initiated to outsource trust asset functions, the strategy would benefit by a strong outreach function to ensure that qualified bidders were adequately notified of the opportunity.

Government-Owned Corporations – Corporations that are chartered and owned by the federal government and operate to provide public services. The corporation should serve a public function predominantly of a business nature. Unlike the federal agencies, such as the Environmental Protection Agency or the BIA, or the federal independent commissions (e.g., Federal Communications Commission, Nuclear Regulatory Commission), corporations have a separate legal personality from the federal government, providing the highest level of political independence. They sometimes receive federal budgetary appropriations, but some also have independent sources of revenue. Examples include: the Commodity Credit

Corporation, the Federal Crop Insurance Corporation, the Department of Energy National Labs, and the National Fish and Wildlife Foundation (NFWF). Government-owned corporations perform a wide variety of functions that could be relevant options for managing trust assets. Table 6 identifies some illustrative functions of Government-owned corporations and their applicability to the Trust environment.

Table 6: Examples of Government-Owned Corporations

Corporation	Function	Applicability to Trust Environment
National Fish and Wildlife Foundation	Connects government agencies, non-profit organizations, corporations and individuals to combine federal funds with private donations for effective, results-oriented conservation projects.	Coordination of public and private revenue streams to fund trust asset management programs such as forestry, fisheries, and water resources.
Neighborhood Reinvestment Corporation	Provides grants and technical assistance to 235 U.S. community development organizations working in 4,358 urban, suburban and rural communities across the country.	Function could serve to coordinate technical assistance across regions and agencies in areas such as probate processing, real estate, and appraisals.
The Alaska Native Regional Corporations	Economic development corporations where Alaska natives own stock in the corporation.	Tribal members could become stockholders in trust asset corporations, which would attract outside funding in development of trust assets.

Public-Private Partnerships – Public-private partnerships involve arrangements whereby public and private sector entities combine resources, talents, and physical facilities to create public goods and services that would otherwise be more costly or non-existent if both sectors were operating independently. Example: The Central Park Conservancy is a private, nonprofit organization that manages Central Park under an agreement with New York City. Since its founding in 1980 by a group of dedicated civic and philanthropic leaders, the Conservancy has invested more than \$600 million toward the restoration and enhancement of Central Park and is considered a model for urban park management worldwide. With contributions from Park-area residents, corporations and foundations, the Conservancy provides 85 percent of the Park's \$42.4 million annual Park-wide expense budget and is responsible for all basic care of the 843-acre Park.

Transfer or Divestiture of Federal Functions or Assets – This form of privatization is the most clear-cut in terms of the termination of government involvement. The divestiture of a government function or asset fundamentally alters the legal status of the asset, moving it from the government to the private sector. An example of the federal government divesting itself of a function is cited in a Congressional Research Service Report to Congress in December 2008. The Office of Personnel Management (OPM) created the U.S. Investigations Service (USIS) as a private sector entity and transferred the employees of OPM's Federal Investigations Division to it. Another recent example that is relevant to the trust asset arena is the proposed creation of the first tribal national park in South Dakota. This is a cooperative effort between the Oglala Sioux

Tribe and the National Park Service. It will give the tribe the right to manage and operate the lands in an effort to bring buffalo back to the grasslands.

Other examples of divesting assets to firms or individuals, cited by the CRS study, include the privatization of the Alaska Power Administration (1996), the sale of the U.S. Enrichment Corporation, Inc. (1998), and the sale of the Elk Hills Naval Petroleum Reserve (1998).

IMPLICATIONS OF PRIVATIZATION FOR DOI'S TRUST ASSET MANAGEMENT SYSTEM

Contracting – Some aspects of privatization are already occurring within the DOI Trust Asset Management System. Contracting for administrative support in the areas of information technology, property and facilities management and general business advisory services are common. Acceleration or deceleration of contracting services in the management of trust assets, in light of future budget constraints, will be dependent on the individual decisions related to each area of trust services. For example, further contracting of document management services in those areas of trust management where application backlogs exist may prove to be a cost-effective decision that reduces fixed costs per application handled.

Public-Private Partnerships – These partnerships are potentially promising in the areas of minerals and energy development where developers can work closely with federal managers and regulators to establish a relatively seamless path toward maximizing return on trust assets. However, the formation of these partnerships face several obstacles, including: (1) insufficient access to capital; (2) capacity and capital constraints of small business resource providers; (3) insufficient workforce development, financial management training, and business education; (4) tribal governance constraints; (5) regulatory constraints on land held in trust and land designated as restricted use; (6) underdeveloped physical infrastructure; (7) insufficient research and data; and (8) a lack of regional collaboration.⁵⁷ Some of these obstacles can be overcome through joint planning and coordination. For example, DOI could help to expand access to federal resources by improving the coordination of interagency efforts to reduce inefficiencies and disconnections between existing programs and by simplifying, streamlining, and coordinating program applications and procedures. Tribal governments could build relationships with local financial institutions and organize lender-facilitated training sessions for tribal business enterprise management and independent Native-owned businesses that are designed to explain the loan process and the requirements for successful credit applications.⁵⁸

Government-Owned Corporations – This privatization alternative represents a more radical departure from the current approach to managing trust assets. The benefits of establishing a National Indian Trust Corporation potentially include: facilitating the flow of revenue streams from public and private sources, coordinating technical assistance across sectors; and operating with the legitimacy, prestige and political influence of a legislatively mandated organization. The challenges, however, could be daunting. They include: organizing a critical mass of political support that would underpin the effort; proceeding through the long and

⁵⁷ Board of Governors of the Federal Reserve System. *Growing Economies in Indian Country: Taking Stock of Progress and Partnerships - A Summary of Challenges, Recommendations, and Promising Efforts*. April 2012

⁵⁸ Ibid

difficult hurdles associated with crafting legislation and regulation necessary for creation of the entity; and potential overlap with other federal, state and tribal entities that still control significant portions of the trust asset management environment. Two approaches to establishing such corporations are possible: 1) creation of a government-owned trust corporation that encompasses all monetary and nonmonetary trust functions; and 2) creation of a function-specific corporation, such as a Natural Resource Trust Corporation or a National Trust Land Ownership Corporation.

Transfer of Federal Trust Assets or Functions – Perhaps the most radical choice among privatization alternatives is the transfer of a DOI trust function to a non-governmental entity. One example that has been mentioned in prior studies and recommendations is the transfer of the trustee function from DOI to a private entity. The arguments in favor of such a move center around the more efficient performance of private sector trustee activity based on long and deep experience in the private sector in streamlining the management of monetary assets. There are two major arguments against privatizing the trustee function: 1) transfer of this function to the private sector is tantamount to terminating DOI's mission and mandate to fulfill its fiduciary trust responsibilities to American Indians and Alaska Natives; and 2) the trustee function in the public sector is materially different than the trustee function in the private sector because of Indian treaties and the additional statutes passed by Congress specifying particular governmental responsibilities. A private sector firm, such as Bank of America, is beholden to its stockholders and its immediate customers to do an efficient job of managing monetary assets. On the other hand, DOI must balance its fiduciary trust responsibilities among several diverse groups of beneficiaries, including between Tribes and individual Indians.

Given these concerns, it is recommended and practiced throughout private sector trust management entities to outsource various functions of trust management, and it is possible that the DOI can (and should) divest of these functions. Regardless of the overall approach DOI might choose in a privatization strategy, the following activities have proven to be successful candidates for full privatization:

- Safekeeping of trust assets – includes the storage and security of actual funds, in addition to the policing/monitoring of non-monetary trust assets such as land boundaries. Many documents (white papers, journal articles) identify that trust management activities should be “unbundled” so as to reduce the risks of individual trustees and to minimize the costs and liabilities faced by large institutional trustees.
- General trust administration functions – includes bookkeeping, cash management, account statement preparation, tax statements. Many wealth management firms in the private sector chose to outsource these activities so that they may focus their attention on client relationship development.
- Investment management – companies such as Vanguard and BlackRock specialize here, and have broad resources and experience to draw upon to maximize the value of trust fund assets.

SUMMARY

The choice of whether to privatize any part of the DOI trust asset system is based on determining the appropriate balance among three goals of trust asset management: 1) economic efficiency of the trust service; 2) fair treatment to all beneficiaries; and 3) long term sustainability of trust assets. Different forms of privatization, as discussed in this section, will likely lead to different weights given to each of these goals. An assessment of the benefits and costs associated with each privatization alternative should be conducted. Not all of these can be monetized. Qualitative impacts on quality of life, legislative mandates and distribution of power and influence should also be considered.

APPENDICES

[Appendix 1]



A Timeline of Historical Trust Reform Initiatives

The following provides a summary of key trust management and administration improvement initiatives across TAS that have occurred since the 1994 Reform Act. This information was gained via interviews of TAS staff across BIA, OST, ONRR, BLM, AS-IA, OHA and compacted/contracted Tribes, as well as research of DOI documentation and records.

1994

[H.R. 4833 \(103rd\): American Indian Trust Fund Management Reform Act of 1994](#)

- Title I: Recognition of Trust Responsibility
- Title II: Indian Trust Fund Management Program
- Title III: Special Trustee for American Indians
- Title IV: Authorization of Appropriations American Indian Trust Fund Management Reform Act of 1994

2000

[S. 1586 \(106th\): Indian Land Consolidation Act Amendments of 2000](#)

- Title I - Indian Land Consolidation
- Title II - Leases of Navajo Allotted Lands Indian Land Consolidation Act Amendments of 2000

[Trust Fund Accounting System \(TFAS\) Release](#)

Enables automated production of accounting statements for individual Indians and Tribal account holders.

[PAY.GOV](#)

Offers remitters a faster, safer, more secure option to make lease payments online.

STRATAWEB RELEASE

Allows beneficiaries to access their TFAS accounts online (pilot program), including investments, holdings and transactions for the accounts to which they are granted access.

2001

[CREATION OF THE OFFICE OF HISTORICAL TRUST ACCOUNTING, Secretarial Order 3231](#)

Establishes the Office of Historical Trust Accounting to plan, organize, direct, and execute the historical accounting of Individual Indian Money Trust accounts.

BUREAU OF INDIAN TRUST ASSETS MANAGEMENT (BITAM)

DOI examined multiple options for revising TAS governance and conducted extensive listening sessions with tribes. Study lasted from 2001-2002, and the eventual option selected was BITAM.

2003

[AS-IS TRUST BUSINESS MODEL](#)

First documentation of TAS operations, allowing foundation for continued improvement within trust management across DOI, and provided recommendations for reengineering these processes.

[COMPREHENSIVE TRUST MANAGEMENT PLAN \(CTMP\)](#)

First documentation of the vision, goals, and objectives of trust reform and operating the trust program.

REGIONAL TRUST ADMINISTRATOR (RTA) AND FIDUCIARY TRUST OFFICER (FTO) POSITIONS

Created means for OST to work closely with BIA personnel in the field and a way to provide direct service and primary points of contact for Indian beneficiary inquiries.

2004

[FIDUCIARY TRUST MODEL \(FTM\)](#)

Described how the DOI is to transform the then-current trust business processes into efficient, consistent and integrated practices that met the needs and priorities of beneficiaries.

[TRUST BENEFICIARY CALL CENTER](#)

Allows beneficiaries to access information concerning their trust assets, and acts as a tool to document requests from beneficiaries and track resolutions.

COMMERCIAL LOCKBOX PROGRAMS

Centralizes the collection of trust payments through a single remittance processing center thereby minimizing the risk of theft of loss.

[AMERICAN INDIAN RECORDS REPOSITORY \(AIRR\)](#)

Gives DOI the capability to properly store, catalog and preserve physical historical accounting records.

2006

TAAMS: TRUST ASSETS ACCOUNTING MANAGEMENT SYSTEM

Allows BIA to electronically track land ownership information, produce payment schedules, generate invoices, and produce reports for individual owners.

2007

PROTRAC

Allows BIA, OST, and OHA to electronically manage and track probate cases from initiation to closing.

2009

DEBIT CARD/DIRECT DEPOSIT PROGRAM

Provides a faster, more convenient method for IIM holders to have their funds provided to them electronically through automatic transfers, thereby eliminating the risks of lost or stolen checks.

2010

[OFFICE OF NATURAL RESOURCES REVENUE, Federal Register, Vol. 75, No. 191. Monday, October 4, 2010. Page 61051](#)

The Secretary separated the responsibilities previously performed by MMS and reassigned those responsibilities to three separate organizations: the Office of Natural Resources Revenue (ONRR); the Bureau of Ocean Energy Management (BOEM); and the Bureau of Safety and Environmental Enforcement (BSEE). The new ONRR will be responsible for the existing MRM royalty and revenue functions and is scheduled to transition to the Assistant Secretary—Policy, Management and Budget organization on October 1, 2010, the beginning of Fiscal Year 2011.

2011

[SECRETARIAL COMMISSION ON INDIAN TRUST ADMINISTRATION AND REFORM](#)

Provides advice and recommendations to the Secretary of the Interior regarding Indian trust management, including any legislative or regulatory changes needed to implement these recommendations.

2012

COBELL VS. SALAZAR SETTLEMENT

Paves the way for additional required reforms, including the revamp of several laws and regulations concerning trust management.

LEASING REGULATIONS (25 CFR 162) UPDATES

Establishes deadlines for BIA to process lease documents, with automatic approvals of amendments and subleases after a certain period of time.

Other accomplishments of note include:

1. Indian Trust Systems Query (ITSQ): provides real time accounting and ownership information; access to lockbox information; brings together TAAMS and TFAS.

2. IIM Trust Oil and Gas Revenue Explanation of Payment Report: provides more clear understanding of payment information, including calculation of transaction, description of transaction, and a summary of statement at the end of the report.
3. Enhanced IIM and Tribal Statements of Performance.
4. Development of Online Financial Education curriculum.
5. Provision of technical assistance to Tribes regarding Water and Land Settlements.

Status of Prior Reforms and Current/Planned Initiatives

Status of Prior Reforms

The American Indian Trust Fund Management Reform Act of 1994 ("Reform Act") (25 USC 4001 et seq.) contained two major overarching goals. First, the Reform Act reaffirmed the government's duty to account for Indian trust funds; and second, it appointed a Special Trustee to oversee comprehensive reform of the trust management system.⁵⁹ It was the first significant reform taken by Congress to address the federal government and the Department of the Interior's (DOI) management of Indian trust funds. The main feature of the Reform Act was the creation of the Office of the Special Trustee for American Indians (OST).⁶⁰

Significant progress has been made in the realm of Indian trust management reform with respect to the Reform Act. Table 7 describes the major requirements of the Secretary of the Interior and the Special Trustee (in summary form), and the progress made against those requirements since the law was enacted. The requirements listed in this table are not exhaustive, only those requirements related to trust reform and against which progress can be measured are included.

Table 7: Status of Requirements from the Reform Act

Requirement	Progress
The Secretary shall account for the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian which are deposited or invested pursuant to section 162a of this title... and provide a statement of performance to each Indian tribe and individual with respect to whom funds are deposited or invested.	Tribal account owners and Individual Indian Money (IIM) account holders have been receiving quarterly account statements that identify the account transactional activity, and beginning and ending balances. Also included are real property asset statements.
The Secretary shall cause to be conducted an annual audit on a fiscal year basis of all funds held in trust by the United States for the benefit of an Indian Tribe or an individual Indian.	Annual audits of financial statements for OST, Individual Indian Monies and other special trust funds managed by DOI have been conducted by third party auditors since Fiscal Year 1996.
Establish in the Department of the Interior an Office of Special Trustee for American Indians to oversee and coordinate reforms within the Department of	OST has been in existence since the enactment of the Reform Act.

⁵⁹ Echohawk, John. "Individual Indian Money (IIM) Accounts *Cobell vs. Kempthorne*: Fact Sheet for IIM Account Holders and Other Individual Indian Trust Beneficiaries". Native American Rights Fund. Electronic. <http://www.narf.org/cases/iimgeninfo.htm>

⁶⁰ Harvard Law School. *Journal on Legislation*. Volume 50, Number 2. Electronic. http://www.law.harvard.edu/students/orgs/jol/vol41_2/panoff.php

Requirement	Progress
practices relating to the management and discharge of such responsibilities.	
The Special Trustee shall prepare and, after consultation with Indian Tribes and appropriate Indian organizations, submit to the Secretary and the Committee on Natural Resources of the House of Representatives and the Committee on Indian Affairs of the Senate, within one year after the initial appointment is made under section 4042(b) of this title, a comprehensive strategic plan for all phases of the trust management business cycle that will ensure proper and efficient discharge of the Secretary's trust responsibilities to Indian Tribes and individual Indians in compliance with this chapter.	<p>In March of 2003, DOI published the "As-Is Trust Business Model," which represented the first comprehensive documentation of the major processes supporting the Indian Trust, and their inter-relationships.⁶¹</p> <p>In addition, DOI also published the Comprehensive Trust Management Plan (CTMP), which describes the vision, goals and objectives of trust reform and operating the trust program.⁶²</p>
The Special Trustee shall publish a timetable for implementing the reforms identified in the plan, including a date for the proposed termination of the Office.	The CTMP indicates that OST will terminate upon completion of the trust process reengineering project has been completed, and the associated technologies, policies, procedures, guidelines and handbooks have been implemented and taken effect. The plan did not give a specific date of OST termination. To-date, a timetable for implementing the reforms in the plan and a proposed date of termination has not been set.
<p>The Special Trustee shall ensure that –</p> <p>(A) the policies, procedures, practices, and systems of the Bureau, the Bureau of Land Management, and the Minerals Management Service (which in May 2010 was split into three agencies: Bureau of Ocean Energy (BOEM) Management, Bureau of Safety and Environmental (BSEE) Enforcement, and Office of Natural Resources Revenue (ONRR)) related to the discharge of the Secretary's trust responsibilities are coordinated, consistent, and integrated, and</p> <p>(B) the Department prepares comprehensive and coordinated written policies and procedures for each phase of the trust management business cycle.</p>	One of the major goals of this Trust Accounting System (TAS) Assessment is to recommend to-be operating models to the Commission that will enhance coordination and integration across the bureaus. However, the Fiduciary Trust Model (FTM), ⁶³ published by the DOI in 2004, documents redesigned trust business processes and includes recommended policies for each phase of the trust management business cycle.
The Special Trustee shall establish an advisory board to provide advice on all matters within the jurisdiction of the Special Trustee. The advisory board shall consist of nine members, appointed by the Special Trustee after consultation with Indian Tribes and appropriate Indian organizations.	OST has established a nine-member advisory board that provides advice on trust fund matters to the Special Trustee. The membership of the board consists of Tribal representatives, account holders and individuals with trust fund and financial management knowledge. ⁶⁴

⁶¹ EDS. *DOI Trust Reform: As-Is Trust Business Model Report*, US Department of the Interior. Washington, DC, 2003. Electronic.

⁶² United States Department of the Interior. *Comprehensive Trust Management Plan*. Washington, DC, 2003. Electronic.

⁶³ United States Department of the Interior. *Fiduciary Trust Model*. Washington, DC, 2004. Electronic.

⁶⁴ Department of the Interior Office of the Special Trustee. "New Special Trustee Confirmed". OST Today. Electronic. http://www.doi.gov/ost/press_room/upload/newsletter1.htm

In summary, the main statutory responsibilities of OST were two-fold: 1) provide department-wide oversight of Indian trust management reform, and 2) ensure implementation of statutory fiduciary and accounting duties prescribed in the Reform Act.⁶⁵ It can be seen from Table 7 that the responsibilities of OST and the Secretary have been mostly met, with the exception of those items indicated as unmet.

Most of the statutory responsibilities in Table 7 have been carried out by OST and the DOI Secretary. However, the true intent of the law also needs to be understood to fully analyze the progress made against its provisions. Through interviews with individuals involved in trust management reform since the time of the Reform Act, the TAS Assessment Team has found that the Reform Act has two main intentions: 1) Native American Tribes should have the resources to manage their own trust funds, and 2) Native American Tribes can bring their trust dollars back into the federally-managed trust once the funds have been taken out. It was indicated during these interviews that the federal government should consider reminding and educating Tribes about the first true intent of the Reform Act. In fact, only 13 of the more than 250 federally recognized tribes that have Tribal trust fund accounts have undertaken efforts to manage their own trust funds. Also, additional resources should be expended to remind and educate Tribes that they can and should put their money back into the federal trust system once they have taken it out.⁶⁶

Current and Planned Initiatives

This section outlines the various initiatives that are either underway or planned for the near future within the bureaus and agencies involved in Indian trust management. These initiatives are categorized into the three main themes that arose during stakeholder interviewed conducted during Task 1: a) governance and decision-making structures; b) management efficiency improvements; c) financial and risk management initiatives

➤ Governance

The current initiatives relating to governance are minimal. One initiative underway is a reorganization effort that is being evaluated within the Bureau of Indian Affairs (BIA). The effort is meant to address the administrative stovepipes in the regions and in the Central Office. Some BIA agency staff members have multiple reporting relationships, to the Regional Director and to their Central Office Directors. This creates issues related to lack of accountability on the part of the Regional Directors. The reorganization effort is meant to correct this by restructuring these reporting relationships to clarify and simplify lines of authority from field staff to Central Office. The proposed change will require BIA agency staff members report directly, and only, to the Regional Directors, who in turn report directly to the appropriate Central Office contacts.⁶⁷ Many tribal representatives have expressed concern over the apparent lack of consultation with

⁶⁵ Singer, Michele. *DOI Trust Reform Initiatives: Presentation to the National Commission on Indian Trust*. Washington, DC: BIA, 2012. Electronic.

⁶⁶ Gerard, Patricia. Personal Interview. 15 Mar. 2013.

⁶⁷ Black, Michael, Bryan Rice, and Mike Smith. Personal Interview. 26 Mar. 2013.

Indian country on the part of BIA for this effort. The pushback from Indian country on this effort has been in existence since the early 2000s.⁶⁸

➤ Management Efficiency

A multitude of reform efforts are currently underway or planned to address issues of management efficiency. Some of these efforts are specific to one region or another, while other initiatives are broader in nature. Also, most of these initiatives are meant to address specific efficiency issues within one particular area or service within trust administration, such as inquiry resolution or asset use requests.

Table 8 outlines the current and planned initiatives aimed at increasing efficiencies of trust management. These initiatives are taken from existing strategic plans and budget justifications, as well as interviews conducted during Task 1 of the TAS Assessment.

Table 8: Current or Planned Strategies to Improve Administration and Delivery of Trust Services

Program Areas	Strategies to Improve Management Efficiency
Natural Resources Management	BIA is taking aggressive steps to restrain spending on fleet, travel, contracts and awards expenses. The FY 2013 budget includes a \$1.45 million reduction in this spending category.
Fish, Wildlife and Parks	The Fisheries program in the BIA Northwest Region is currently investigating replacing the existing Financial Management Information System (FMIS) with the Maximo system, which will further automate some of their processes.
Forestry and Wildland Fire	<ul style="list-style-type: none"> • Some BIA agencies have cooperative agreements (CAs) in place with Tribes that allow BIA to use Tribal resources to combat wildfires. These CAs are a vehicle for BIA to reimburse Tribes for these costs. • An Independent Forestry Management Assessment Team (IFMAT) is doing a ten-year study on the growth of Indian Trust land and trying to identify the Forestry universe (harvested, collected, etc. on Trust Land). The IFMAT has already made some recommendations to the Commission concerning this study.
Oil and Gas	<ul style="list-style-type: none"> • BIA Southern Plains Region is working on a one-stop-shop, where they would work closely with the Bureau of Land Management (BLM) and ONRR for oil and gas leases and better serve these land owners. In contrast to ONRR's Federal Indian Minerals Office (FIMO) in Farmington, this one-stop-shop would not have co-located experts from the three bureaus. • OST Office of Trust Services is working with ONRR to identify oil and gas data deficiencies. This effort has allowed ONRR to see how OST needs to receive data, which will help in avoiding reconciling differences. • ONRR is establishing an Indian Oil Valuation Negotiated Rulemaking Committee charged with bringing clarity and consistency to oil valuation regulations governing production

⁶⁸ Frommer, Frederic J. "BIA Reorganization Plan Called 'Insulting' to Tribes, Congress". The San Diego Union Tribune. 2004. <http://legacy.utsandiego.com/news/nation/20040512-1528-wst-bia-reorganization.html>

Program Areas	Strategies to Improve Management Efficiency
	<p>on American Indian lands. The committee will include representatives from American Indian tribes, Individual Indian Mineral Owner (II MO) Associations, the oil and gas industry, and DOI.⁶⁹</p> <ul style="list-style-type: none"> • ONRR is working in partnership with BLM, Office of the Assistant Secretary for Indian Affairs (AS-IA), BIA, OST and the US Geological Survey (USGS) in an effort to expand the number of Indian outreach sessions by developing Indian oil and gas training that covers all aspects of trust management including land ownership, leasing, drilling, production verification, lease inspection, royalty reporting, compliance, royalty disbursement, and financial trust accounts.⁶⁹
Real Estate Services	<ul style="list-style-type: none"> • Some regions are undertaking efforts to use more Geographic Information System (GIS) information on reservations, and to get all players (BIA, BLM, tribes, etc.) to continuously update this GIS information. There is also an initiative underway to develop a BIA-wide standard GIS handbook. • Some Tribes (e.g., Salt River) are developing their own IT systems for tracking of tribal enrollment and land management issues (historical land data, lease data, etc.). • BIA is taking aggressive steps to restrain spending on fleet, travel, contracts and awards expenses. The FY 2013 budget includes a \$2.47 million reduction in this spending category.
Environmental	<p>BIA regions and agencies are starting to use the National Environmental Policy Act (NEPA) Tracker System, on which users can upload their NEPA documents (Environmental Assessments (EAs), Environmental Impact Statements (EISs), and Categorical Exclusions) and track the time and resources needed for each document. This tracker also helps to show compliance against these documents.</p>
Land Consolidation	<p>An effort is underway to build a land buyback module/system into the Trust Asset and Accounting Management System (TAAMS).</p>
Land Titles and Records	<p>Some Tribes (e.g., Colville) have their own scanning capabilities, and image a great deal of realty documents (fee patents, probates, leases, rights of way, mortgages, etc.) into TAAMS themselves. Other tribes (e.g., Salt River) are requesting funding and access to scanners so that they don't have to rely on BIA agencies.</p>
Office of Hearings and Appeals	<p>The FY 2013 OST budget request includes funding reductions as a result of probate office consolidations, and savings from the digitization of all probate records. Also included in the budget request are savings from Special Deposit Account (SDA) reductions, space savings and contract reductions.</p>
Probate	<p>The probate program will update death notifications for field operation and probate in collaboration with OST. This will facilitate submission of a probate estate to the Office of Hearing and Appeals within one year of notification of death.</p>
Information Technology and Miscellaneous	<ul style="list-style-type: none"> • The DOI Office of Self-Governance is working with Tribes to develop a Tribal Data Exchange (TDE) system to automate the

⁶⁹ United States Department of the Interior. Budget Justifications and Performance Information Fiscal Year 2013. Washington, DC: 2012. Electronic.

Program Areas	Strategies to Improve Management Efficiency
	<p>data collection and reporting needs of tribes for budgeting purposes.</p> <ul style="list-style-type: none"> • Strata-Web is currently being implemented and improved to help share individual account information with beneficiaries. • The FY 2013 OST budget request includes funding reductions for Trust Training operations, including the National Indian Program Training Center. • Currently, ONRR is coordinating with BLM, BSEE, BOEM and OST to improve seamless electronic transfer of data between bureau systems, which will reduce errors from manual data entry and improve the reliability of data.¹⁰

➤ Financial and Risk Management

A large effort at BIA and OHTA has been occurring related to Suspense and Special Deposit Accounts (SDAs), which are managed through a Special Deposit System (SDS). Special Deposit Accounts are funded when lease money is paid but the determination as to whether the funds are meant for the Trust system has yet to be determined (or if the trust leasing paperwork has yet to be finalized). Other Special Deposit Accounts have resulted from revenues being generated from a single parcel of land with multiple interest holders, but these revenues have not yet been disbursed to the appropriate beneficiaries (due to Whereabouts Unknown (WAU) or if the beneficiaries are unknown). The effort that is currently underway is related to the closing of these accounts, which can only occur once the determination has been made that these are or are not trust funds, and the rightful owner/recipient of the funds has been found. Currently there remain approximately \$10 million left in SDAs (down from \$65 million originally).

In addition to the effort mentioned above, the DOI 2012/2013 Annual Performance Plan and 2011 Performance Report identifies several major trust strategic actions that are planned related to financial and risk management.

1. The Division of Human Services is collaborating with OST to implement the BIA Service Center (SC). The BIA SC will improve the quality of frequency of communication between OST and BIA to settle unresolved issues or concerns related to supervised trust accounts. The center will use a shared tracking system that directly interfaces with the TFAS. It will improve the ability of BIA to monitor these accounts with up-to-date information, which will assist in tracking supervised accounts requiring assessments and quantify the completed assessments. In addition, BIA is implementing the Financial Assistance and Social Services-Case Management System (FASS-CMS). The FASS-CMS is a comprehensive case management solution that will allow BIA to automate the case management responsibilities related to the admin of IIM accounts. The system will be a "virtual" database that will allow greater level of surveillance on the management of Supervised IIM accounts for greater accountability.
2. A standardized IIM annual review instrument is planned for development. DOI will develop clear instructions on the review process, which will include a peer review component.

3. BIA and OST will use a shared tracking system that directly interfaces with TFAS and allow monitoring of these accounts with up-to-date information. This will assist BIA Social Services in the tracking of supervised accounts requiring assessments and quantify the completed assessments.

[Appendix 2]



CAM-I Methodology

Overview of the Consortium for Advanced Management-International

CAM-I is an international consortium of government, industry, and research organizations working together to develop tools and methodologies to effectively address critical business issues. CAM-I is recognized worldwide as a leading forum for advanced management solutions that are changing how organizations manage their business.

Currently, CAM-I has 34 enrolled members, including subject matter experts, academia and thought leaders, across industries such as manufacturing, government, service organizations, consulting companies and associations. CAM-I provides decades of industry-led collaborative research and knowledge, and current CAM-I members include Bank of America, Dresser-Rand, Pilbara Group, Inc., The Boeing Company, US Department of Agriculture, US Patent and Trademark Office, and Whirlpool, among others. Members meet formally every quarter to participate in a Special Interest Group.

CAM-I Body of Knowledge

CAM-I provides a wide range of subject matter expertise and management collateral, including:

- Management accounting guidelines, published topics of interests, concepts, and lessons learned.
- White papers/position papers on emerging management issues.
- Benchmarking studies and reports.
- Methodologies, gathered from group experiences and insights.
- Analytical models to illustrate interest group frameworks.
- Management and measurement tools with standardized indexes and analyses.
- Trainings, tips, and techniques along with best practices for forward-thinking strategies and technologies.

Current special interest groups include Cost Management, Target Costing, Performance Management, Enterprise Risk Management, Environmental Sustainability, and Intelligent Data Quality.

CAM-I Performance Management Special Interest Group

The objectives of CAM-I's Performance Management Special Interest Group are to 1) develop a framework that will help organizations identify the maturity of key performance management concepts; and 2) assist in identification of a means to improve and sustain the effectiveness of business performance.

Given these objectives, the interest group recognized a need for a standardized and integrated

view of performance management, leading to the development of the Performance Management Maturity Framework (PMMF)³. This framework aims to provide public and private sector organizations with 1) definitions of “performance enablers” that organizations use to deliver successful results; 2) classifications of enablers by level of maturity, or progress; and 3) identification of improvement techniques to advance enabler maturity levels. The framework also aims to identify the organization’s ability to implement the improvement techniques.

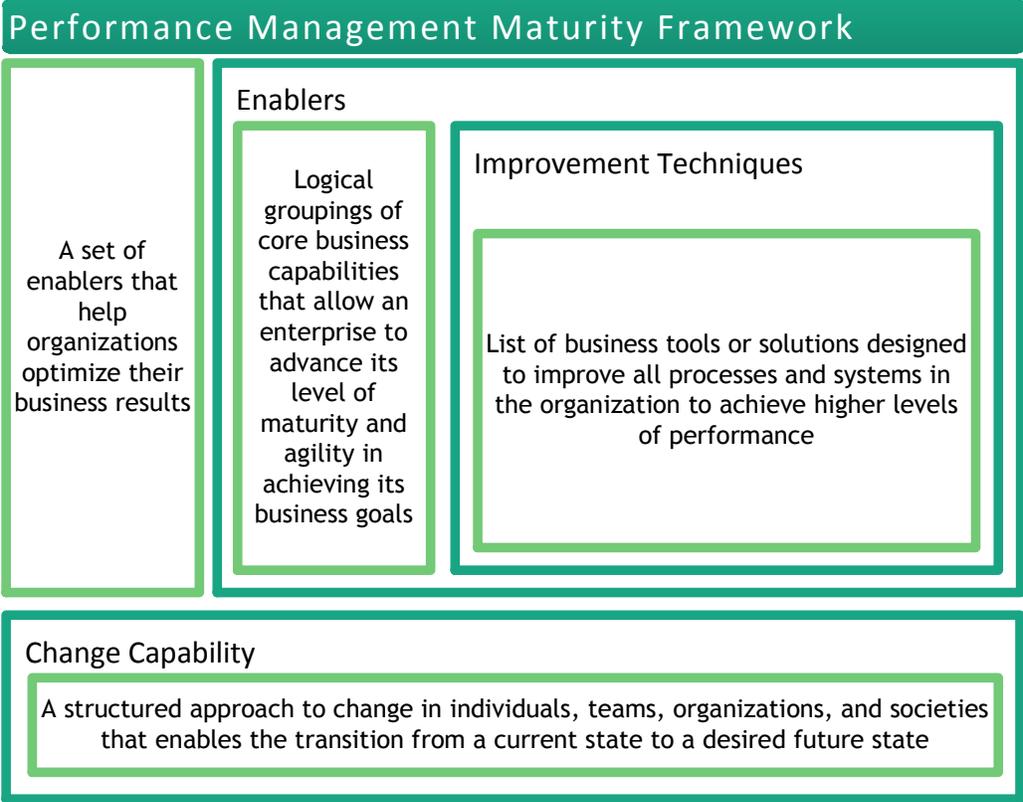


Figure 10: Performance Management Maturity Framework

The first component of the PMMF is a set of enablers that represent foundational elements across any organization. The PMMF enablers include:

- Business/Operational Management
- Customer Relationship Management
- Financial Management
- Human Capital Management
- Information Management
- Innovation Management
- Knowledge Management
- Organizational Management
- Process Management
- Risk Management
- Strategic Management
- Supply Chain Management

For the purposes of this assessment, the assessment team consolidated the performance enablers and tailored the assessment criteria to better align to the public sector environment, and more specifically, the TAS operating environment. The enablers used in this assessment were:

- Business/Operational and Process Management
- Customer Relationship Management
- Financial and Risk Management
- Human Capital Management
- Information Technology and Knowledge Management
- Innovation Management
- Organizational Management
- Strategic Management

While every organization may not have a strong focus in each area, PMMF helps identify areas of improvement or increased focus and areas of performance that are acceptable in its current state.

Organizations can be operating at different stages of each enabler, and the PMMF defines the enablers are four levels of maturity, described in general terms:

- Level One (Basic) - non-systematic, non-periodic, and reactive
- Level Two (Established) - stable and repetitive
- Level Three (Effective) - internally efficient and continuously improving
- Level Four (Adaptive) - externally efficient and dynamic.

Each enabler is defined by detailed descriptions at each maturity level; the assessment adapted the CAM-I PMMF descriptions slightly to better align with the TAS operating environment.

The PMMF provides organizations with the ability to holistically assess their performance maturity, understand existing interdependencies of their operations, and identify the most effective means to improve their performance.

Detailed Assessment Criteria

The following pages display the detailed evaluation criteria across selected elements from the CAM-I Performance Management Maturity Framework. Using the CAM-I framework as a baseline for the assessment, the evaluation criteria was slightly adjusted to apply to the unique TAS environment.

Strategic Management			
Level 1 Operating	<ul style="list-style-type: none"> ▪ Enterprise mission/vision are unclear and/or non-existent ▪ No single point of end-to-end ownership/accountability across the enterprise and/or competing advisory bodies that lack appropriate authority to drive strategy across enterprise ▪ Information flow is top down and ad hoc ▪ Results analysis is intuitive and based on (business) position within the enterprise value chain ▪ Analysis of business environment is intuitive and/or does not occur ▪ Planning style is directive/autocratic ▪ Lack of strategic metrics to guide and measure end-to-end TAS performance 	Level 2 Integrating	<ul style="list-style-type: none"> ▪ Single point of end-to-end ownership to establish and enforce a singular (shared) vision for the enterprise ▪ Information flow is top down and feedback, annually ▪ Results analysis is selective ▪ Mission/vision are communicated across enterprise ▪ Analysis of business environment is selective ▪ Hierarchical planning style ▪ Clear strategic goals and objectives ▪ All participants across the enterprise value chain operate according to a uniform strategic vision, established priorities, and (decision-making) policy
Level 3 Optimizing	<ul style="list-style-type: none"> ▪ Information flow is top down and bottom up negotiation, periodic ▪ Results analysis is structured ▪ Mission/vision are understood across the enterprise ▪ Analysis of business environment is structured ▪ Limited-participation planning style ▪ Measurable goals and objectives (enterprise-level) ▪ Uniform, enterprise-wide key performance indicators are known and used for managing business ▪ Regular feedback on current and future strategies is part of the overall management review that enable changes to tactics mid cycle 	Level 4 Innovating	<ul style="list-style-type: none"> ▪ Information flow is interactive and consistent ▪ Results analysis is comprehensive ▪ Mission/vision are clear with organizational commitment and measurement ▪ Analysis of business environment is comprehensive ▪ Fully participative planning style ▪ Goals are dynamically monitored, measured, and validated ▪ Goals are strongly linked to the outcomes that are in beneficiaries and stakeholders best interest ▪ Services and strategic business capabilities continuously flex to accommodate evolving marketplace and beneficiary-specific needs (anticipative versus reactive)

Organizational Management			
Level 1 Operating	<ul style="list-style-type: none"> ▪ Operational responsibilities are fragmented across multiple stakeholders without enforcement mechanisms to ensure performance/service delivery ▪ Operating model and enabling organizational structure driven by internal focus, lacking customer (Tribes, beneficiaries) perspective ▪ Disparity (across stakeholder organizations) in strategic priorities, decision-making, and responsibilities for similar functions in enterprise value chain ▪ Responsibility not aligned with authority ▪ Top down direction is not well communicated or understood ▪ Line-level feedback is not factored into management decisions ▪ Workforce shows little/no engagement with business objectives ▪ Workforce tends to react negatively and/or not be supportive of change 	Level 2 Integrating	<ul style="list-style-type: none"> ▪ Responsibility is aligned with authority ▪ Top down direction is communicated and understood ▪ Strategy and values of the enterprise/organization are communicated and understood ▪ Employees generally accept change ▪ Consistent roles/responsibilities for similar (value chain) functions across stakeholder organizations

Organizational Management			
Level 3 Optimizing	<ul style="list-style-type: none"> ▪ Line-level feedback constructively influences management decisions ▪ Management practices adapt to a changing workforce environment ▪ Strategy and values of the organization drive action ▪ Employees understand and support change 	Level 4 Innovating	<ul style="list-style-type: none"> ▪ Operating model and management practices (including organizational construct) adapt to a changing environment ▪ Employees have the ability to drive change ▪ Management practices continuously identify and adopt and/or are recognized as industry best practices

Business/Operational and Process Management			
Level 1 Operating	<ul style="list-style-type: none"> ▪ Work elements are performed on an ad hoc and tactical basis ▪ Business and operational plans are not related to organization's strategic plan ▪ Budget formation process is not integrated with any formal planning processes and seen largely as a finance function ▪ Limited input during budget preparation provided by areas responsible for revenue generation and expenditure commitments ▪ No resource allocation based on the strategic plan ▪ Ad hoc and/or tacit workload management practices (i.e., forecasting, planning, monitoring, adjusting) ▪ Disparate and sporadic use of performance measurement; focused at individual operator level (e.g., annual performance assessments) when/if used ▪ Focused on correcting historical operating deficiencies ▪ Process focus is on inputs with unpredictable outputs due to minimal compliance and lack of controls 	Level 2 Integrating	<ul style="list-style-type: none"> ▪ Planning process is cohesive and closed loop with some relationships to the organization strategic plan, but is not fully integrated ▪ Reflects consensus view of enterprise objectives ▪ Budget formulation process is decentralized to all areas responsible for revenue/expenditure generation with oversight by the finance function ▪ Budget process refers to planning initiatives but is not fully integrated ▪ Basic resource allocation based on the strategic plan ▪ Localized workload management practices, with varying processing priorities across enterprise value chain performers ▪ Processes are repeatable with standard inputs and consistent outputs ▪ Process compliance and controls are identified and used ▪ Operational and process metrics are predominantly output-based

Business/Operational and Process Management

Level 3 Optimizing	<ul style="list-style-type: none"> ▪ Operational plans are well understood; employees know where they can contribute ▪ Budget formulation process is seen as a key function within all areas responsible for revenue/expenditure generation; complimentary to planning initiatives and planning outcomes are monitored and measured ▪ Efficient and uniform resource allocation based on the strategic plan ▪ Uniform workload management practices across enterprise value chain performers; use of historical trend analysis and consistent priorities ▪ Common, transactional functions are centralized to achieve service consistency and efficiency (i.e., cost/benefit considerations) ▪ Initiatives are prioritized and undertaken to improve and streamline processes ▪ Outcome measures are implemented to ensure focus on quality ▪ Processes are aligned through compliance and controls that support organizational goals and strategies 	Level 4 Innovating	<ul style="list-style-type: none"> ▪ Operational plans are fully integrated with service providers, beneficiaries, and employees ▪ Planning enables employees to be proactive ▪ Plans & budgets are based on rolling forecasts and not limited to an annual event ▪ Measurement and accountability of plan performance is in place ▪ Dynamic workload management capability (i.e., real-time forecasting, planning, monitoring, adjustment to market events) ▪ Operations continuously identify and adopt and/or are recognized as industry best practices ▪ Continuously monitoring processes to determine effectiveness and efficiency ▪ Continuous process improvement is fully adopted and integrated in the organization
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Financial and Risk Management

Level 1 Operating	<ul style="list-style-type: none"> ▪ Financial accounting is governed more by habitual practice rather than supporting and being connected to enterprise strategy ▪ Financial control is used primarily by the accounting department as a tool to determine departmental compliance ▪ Financial analysis and review of results (reporting) are performed largely by accounting staff as opposed to areas that have budget or expenditures ▪ Inconsistent or reactive identification of risk (e.g., operational, strategic, financial) ▪ No established process for assessing risk ▪ Risk response is reactive 	Level 2 Integrating	<ul style="list-style-type: none"> ▪ Financial accounting and control is used jointly by the department responsible ▪ Financial analysis (budget vs. actual) is performed regularly by the department responsible and the finance function ▪ Some simplistic managerial accounting methods in place ▪ Established (formal) data sources are used to identify and analyze ▪ Established (formal) system exists for determining event probability, severity of consequence (impact on business performance), and prioritization ▪ Response plan exists and is executed against
Level 3 Optimizing	<ul style="list-style-type: none"> ▪ Financial accounting and control is integrated into ongoing operations ▪ Financial analysis is based on direct linkage to inputs and activities ▪ Managerial accounting methods used for monitoring and improving business operations ▪ Established system monitors and tracks identified risks and impacts ▪ Response plan is regularly reviewed, evaluated, and exercised to ensure proper security controls are in place and effective 	Level 4 Innovating	<ul style="list-style-type: none"> ▪ Financial accounting and control is fully integrated across all departmental operations and is aligned with the enterprise strategy ▪ Managerial accounting is owned equally by all areas within the organization and uses sophisticated methods used for optimizing business results ▪ Anticipating and addressing external risks through strategy and operational planning processes ▪ Risk assessment ties into impact on service provider and beneficiaries ▪ Internal controls are well defined and identified, and linked to risk response

Customer Relationship Management			
Level 1 Operating	<ul style="list-style-type: none"> ▪ Ad hoc analytics ▪ Stand-alone systems used independently ▪ Beneficiary needs/perspective is unclear and/or non-existent ▪ Lack of defined service levels ▪ Unclear points of entry/service navigation for beneficiaries into the enterprise value chain ▪ Collection and use of basic beneficiary profile information is sporadic and disparate 	Level 2 Integrating	<ul style="list-style-type: none"> ▪ Standardized processes are in place for maintaining beneficiary relationships ▪ Clear points of entry/service navigation are established and communicated to beneficiaries ▪ Centralized beneficiary information
Level 3 Optimizing	<ul style="list-style-type: none"> ▪ Fully automated within the information systems environment ▪ Effective use of information to drive beneficiary satisfaction ▪ Aligned to organization's strategic goals ▪ Single/integrated point of entry/service navigation for beneficiaries (i.e., one-stop shopping) ▪ Tiered service delivery model to match type and complexity of beneficiary need (i.e., modes of delivery, service levels, etc.) 	Level 4 Innovating	<ul style="list-style-type: none"> ▪ Predictive analytics to sense market/beneficiary trends before they occur (enabling adaptation of service delivery) ▪ Real-time beneficiary intelligence drives methods of interaction and business priorities ▪ Beneficiaries are co-opted into decision-making regarding critical service delivery models (e.g., delivery methods, service levels, etc.)

Information and Knowledge Management			
Level 1 Operating	<ul style="list-style-type: none"> ▪ Multiple sources of data ▪ Data integrity is unreliable ▪ No use of analytics in business decisions ▪ Data is stored locally and not shared; sharing is predominantly manual/hard copy ▪ Data is only available upon request ▪ Critical knowledge resides principally on personal networks and is shared on an informal and ad hoc basis ▪ Organizational knowledge resides in disparate repositories requires users to search for sources ▪ Inconsistent records management policies 	Level 2 Integrating	<ul style="list-style-type: none"> ▪ Elimination of redundant data sources ▪ Automated access to data ▪ Proper controls for integrity in place ▪ Ad hoc analytics are used ▪ Formal systems are in place to facilitate the capture and gain access to critical knowledge ▪ Organizational knowledge is deployed using commonly defined methods but lacks enterprise wide collaboration
Level 3 Optimizing	<ul style="list-style-type: none"> ▪ Availability of relevant and timely information ▪ Business user access to data and analytics ▪ Enterprise level data ▪ Virtual accessibility ▪ Critical knowledge is accessible, reliable and timely ▪ Organizational knowledge is integrated throughout the enterprise ▪ Mechanisms, procedures and business rules are in place to effectively manage organizational knowledge 	Level 4 Innovating	<ul style="list-style-type: none"> ▪ Data sources include beneficiary and service provider information/data ▪ Ability to leverage unstructured data ▪ Service-oriented information architecture ▪ Organizational knowledge is used as a competitive differentiator ▪ Organizational knowledge is used to maximize the value of collaborative partnerships

Innovation Management			
Level 1 Operating	<ul style="list-style-type: none"> Organizational culture shows little or no engagement/interest with innovation Ideas are generated ad hoc as discrete business events occur Lack of established methods or follow-up on generated ideas 	Level 2 Integrating	<ul style="list-style-type: none"> Culture welcomes idea generation Processes exist for implementation of ideas Innovation tends to exist within silos or focuses on sub-optimized solutions
Level 3 Optimizing	<ul style="list-style-type: none"> Organization empowers the generation of ideas (e.g. idea generation teams, skunk works) Scan other organizations for competitive intelligence Innovation is driven by organizational goals Organization targets, measures, and optimizes conversion success 	Level 4 Innovating	<ul style="list-style-type: none"> Culture attracts incremental and disruptive innovation Innovation networks extend outside the enterprise Innovation is aligned with enterprise strategy

Human Capital Management			
Level 1 Operating	<ul style="list-style-type: none"> Only focused on achieving departmental needs Only core human resource functions provided (hire, pay, fire) and does not include structured recruitment and career development Lack of formalized training programs 	Level 2 Integrating	<ul style="list-style-type: none"> Individual performance is aligned with departmental goals Formalized recruitment, incentives, and employee satisfaction systems are implemented Workforce is consistent and aware of decision making results
Level 3 Optimizing	<ul style="list-style-type: none"> Individual performance starts to align with corporate goals Formalized recruitment, incentives, and employee satisfaction systems are integrated in behavior Workforce is motivated and engaged in decision making Management is proactive in anticipating future requirements 	Level 4 Innovating	<ul style="list-style-type: none"> Individual performance is fully aligned with enterprise strategies Managed according to long-term strategic needs Workforce is fully empowered



SUMMARY OF BENCHMARK AND CASE STUDIES

This section provides a benchmarking analysis of International Indigenous Institutions similar to the DOI TAS. The objectives of this analysis are to identify the governance structures and services in other indigenous institutions and identify best practices that can be applied to TAS. The team conducted this analysis in four steps: 1) Selecting the international institutions; 2) Developing individual case studies; 3) Comparing the institutions; and 4) Identifying best practices.

The International Indigenous Institutions selected for this analysis are the 1) Aboriginal Affairs and Northern Development Canada (AANDC); 2) the National Corporation for Indigenous Development (CONADI) from Chile; 3) Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) from Australia; and 4) the Ministry for Māori Development (Te Puni Kōkiri) from New Zealand. These institutions were selected using two indicators, the 2011 Management Index⁷⁰ and the percentage of indigenous population.

Individual case studies were created for each of the International Indigenous Institutions. The case studies include general information from the institutions, services provided, governance structures, information on how they fund their programs, and best practices. With the information collected, a comparison table was created, to have a better understanding of how the services provided are related to the country and indigenous population characteristics. Best practices were collected and classified using the CAM-I PMMF methodology.

⁷⁰ Source: Bertelsmann Stiftung. (2011). Sustainable Governance Indicators 2011. Gütersloh, Germany: Bertelsmann Stiftung.

METHODOLOGY

The team conducted this analysis in four steps: 1) selecting the international institutions; 2) developing individual case studies; 3) comparing all the institutions; and 4) identifying best practices. The following figure presents an overview of the methodology used to perform this analysis.

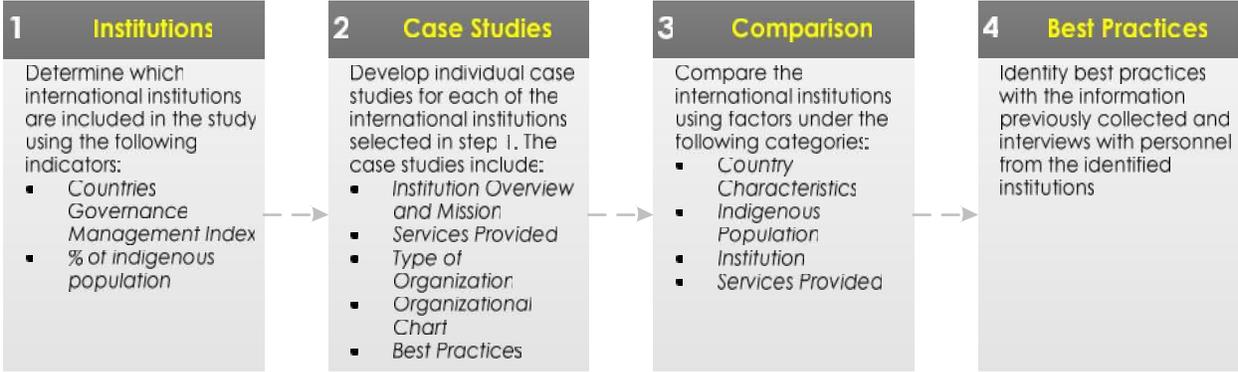


Figure 11: Benchmarking Analysis Methodology

The following sections provide more in-depth information about the methodology and activities performed together with the results of each step.

1 Selecting the Institutions

Institutions

To select, in an objective and quantitative manner, international institutions included in this study, the team used two indicators, the Sustainable Governance Indicators (SGI) – Management Index and Percentage of Indigenous population.

➤ MANAGEMENT INDEX

The SGI⁷¹ aims to identify the structural and process-related challenges faced by government's members of the Organization for Economic Co-operation and Development (OECD)⁷². They also present and compare capacities and deficits in confronting challenges and measure the sustainability of the government institutions in these countries.

One of the SGI indicators is the Management Index. The Management Index compares governments' executive capacity and accountability toward different elements of society through governance. In this context, governance encompasses not only the actions of (core) executive actors, but also their interactions with other institutions and elements of society (e.g., citizens, legislatures, special interest groups, media) in each phase of the policy cycle.

For the purpose of this study, the Management Index narrows the pool of countries that can be selected to study and compare; it ensures that the institutions and countries selected have recognized and proven governance practices. The following chart shows the 2011 Management Index for OECD countries:

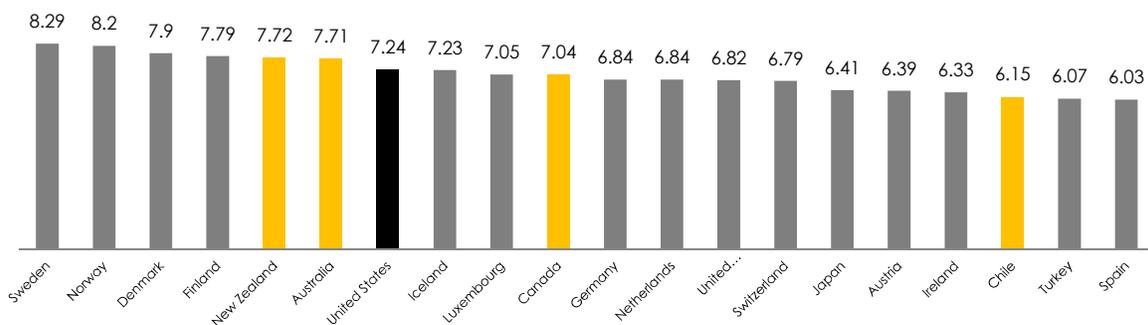


Figure 12: 2011 Management Index for OECD Countries

The 2011 Management Index is led by Sweden and Norway, each with average scores exceeding eight points, followed by Denmark, Finland, New Zealand and Australia.

⁷¹ For more information about the SGI indicators go to: <http://www.sgi-network.org/>

⁷² OECD has 34 member countries, including many of the world's most advanced countries but also emerging countries like Mexico, Chile and Turkey. OECD also works closely with emerging giants like China, India and Brazil and developing economies in Africa, Asia, Latin America and the Caribbean.

➤ PERCENTAGE OF INDIGENOUS POPULATION

The International Work Group for Indigenous Affairs (IWGIA)⁷³ releases a report annually of the current situation of indigenous peoples and their human rights around the world. This report provides an overview of significant developments in international and regional processes, country reports and updated information on international and regional processes relating to indigenous peoples. This report also provides countries' statistics related to the indigenous population.

The data in this year's report, *The Indigenous World 2013*⁷⁴, is used to determine which countries, from the top 20 countries of the 2011 Management Index, have a considerable indigenous population and government institutions that support their needs. The top five countries with indigenous population and government institutions are Chile, New Zealand, Canada, Australia and United States. The following table shows the indigenous population for the mentioned countries.

Table 9: Percentage of Indigenous Population⁷⁵

	% of Total Population	Indigenous Population
Chile	17.00%	3.3 Million
New Zealand	8.00%	1.4 Million
Canada	3.60%	1.2 Million
Australia	2.50%	520 Thousand
United States	1.70%	5.2 Million

⁷³ IWGIA is an international human rights organization staffed by specialists and advisers on indigenous affairs.

⁷⁴ Source: Mikkelsen, C. (2013). *The Indigenous World 2013*. Copenhagen, Denmark: International Work Group for Indigenous Affairs (IWGIA).

⁷⁵ Source: Mikkelsen, C. (2013). *The Indigenous World 2013*. Copenhagen, Denmark: International Work Group for Indigenous Affairs (IWGIA).

➤ INTERNATIONAL INDIGENOUS INSTITUTIONS

The following map shows the countries and the International Indigenous Institutions included in this study:

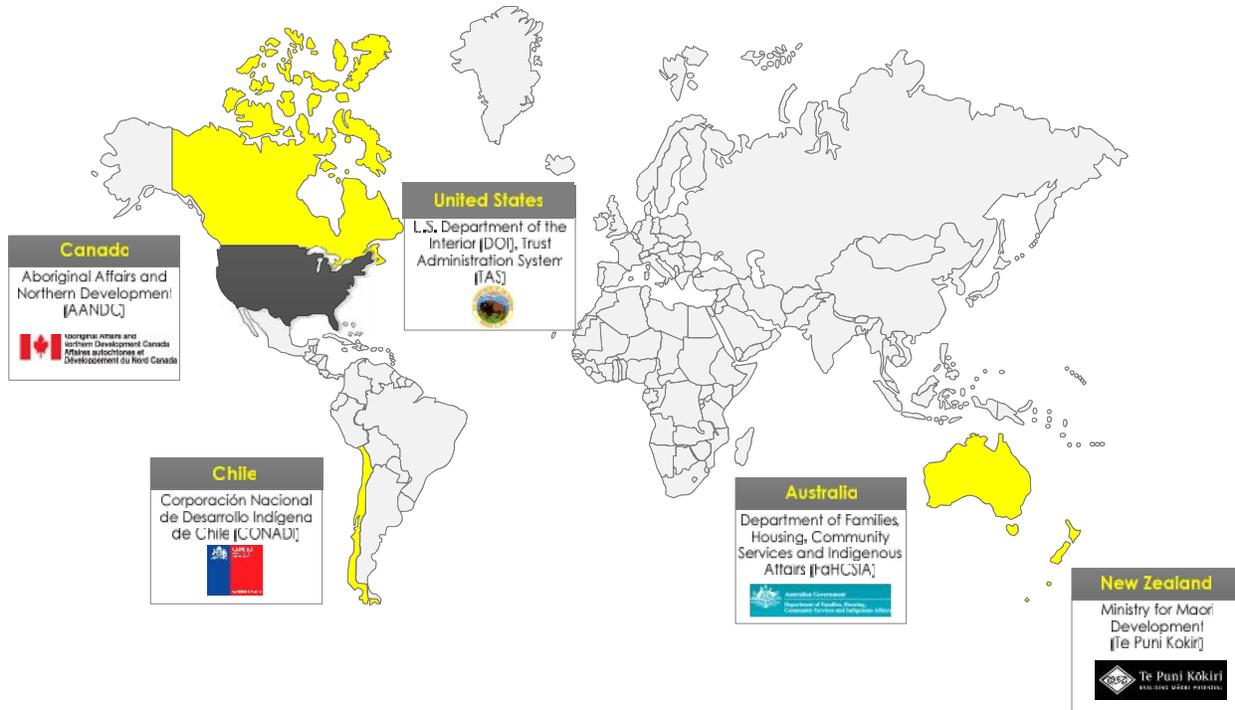


Figure 13: International Indigenous Institutions

This section of the report shows individual case studies that were created for each of the International Indigenous Institutions selected. To adequately create these case studies, an understanding of the major functions performed by each of the institutions was needed.

Table 10: Case Studies Sections

Case Studies Sections	Description
Overview	Brief overview of the institution, including mission and year of establishment.
Services	List and a brief explanation of the services provided by the institution. The services are classified under the following categories: <ul style="list-style-type: none"> • Land Ownership and Trustee • Economic Development • Housing • Social • Legal • Education • Emergency Management • Cultural Awareness
Program Funding	Brief description of how the institutions get funding to design and implement the program and services provided.
Governance	Description of the type of organization, governance and organizational structure. This section also includes an organizational chart.
Best Practices	Best practices identified in each of the institutions. The best practices focus on innovation, direct customer service, operations, organization, and information technology and knowledge management.



Overview

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) works in partnership with other government and non-government organizations to manage programs to increase the living standards of Australian families. FaHCSIA's Office for Indigenous Policy Coordination is responsible for providing services specifically to the Indigenous Australians, and has a central role in the Australian Government's arrangements in Indigenous Affairs.⁷⁶

Services

FaHCSIA provides the following programs and services to Indigenous organizations and individuals:

- *Land Ownership and Trustee*: Provides programs and services relating to Indigenous land rights and native title.
- *Social*: Designs and implements projects to improve the lives of the Indigenous people and community through programs like Closing the Gap, Alice Springs Transformation Plan (ASTP) and Personal Helpers and Mentors (PHaMs).
- *Economic Development*: Provides information on programs and services related to Indigenous employment, economic development and money management.
- *Housing*: Works together with other agencies, state, territory and local governments and Indigenous communities to provide safe, healthy and sustainable housing for Indigenous people.
- *Cultural Awareness*: Funds initiatives that raise public awareness in the wider community of Aboriginal and Torres Strait Islander issues and culture through programs like the Public Awareness Program (PAP).

Program Funding

FaHCSIA works in partnership with other government and non-government organizations to provide a wide range of programs and services. Commonwealth funding helps communities expand, develop, or start a project. Potential applicants submit an Application Pack through the FaHCSIA website, and the selection processes are based on specified selection criteria for each program.

Grants and funding opportunities are posted on the FaHCSIA website, and applications are accepted until the posted closing date. Applicants apply for grants or funding based on pre-established criteria; an example of the grants open for applications include Indigenous Capability and Development (ICAD), Breaking the Cycle of Alcohol and Drug Abuse in

⁷⁶ Source: Commonwealth of Australia. (2008). Department of Families, Housing, Community Services and Indigenous Affairs. Retrieved July 17, 2013, from Australian Government: http://www.directory.gov.au/directory?ea0_if99_120.&organizationalUnit&2860cb08-ef99-4c78-957b-92062eafa5bc

Indigenous Communities, and Community Development Employment Projects (CDEP), among others.

Governance

FaHCSIA is an example of an agency with a heavily regionalized operational governance structure⁷⁷.

Regional Operations Centers (ROCs)

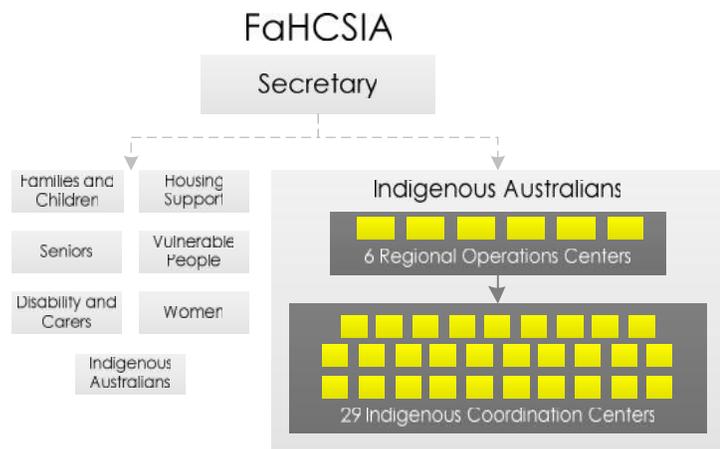
Six Regional Operations Centers (ROCs) serve priority Indigenous communities. ROCs are staffed from both the Australian government and the relevant state or territory government. They support locally-based staff including Government Business Managers (GBMs) and Indigenous Engagement Officers (IEOs) to provide a single government interface to focus and simplify community engagement with government representatives.

Indigenous Coordination Centers (ICCs)

Indigenous Coordination Centers (ICCs) are a part of each FaHCSIA State Office. Located in urban, regional and remote areas, ICCs engage with Indigenous communities, other levels of government and service providers to support initiatives that help close the gap on Indigenous disadvantages. The 29 ICCs operate in whole-of-government

arrangements that are tailored to the needs of local communities within a region. In some locations, ICCs are large regional offices working with Indigenous and non-Indigenous people but in other areas the ICCs are smaller offices with a specific Indigenous focus. Like the ROCs, ICCs may also have staff from various other Australian government departments,

for example Health and Ageing, Employment and Education and Workplace Relations. In some places, state government agencies operate in co-located arrangements in the ICCs and, in remote areas, a number of ICCs are co-located with Regional Operations Centers.



Best Practices

Remote Service Delivery

⁷⁷ Source: FaHCSIA. (n.d.). FaHCSIA. Retrieved July 18, 2013, from Indigenous Coordination Centres and Regional Operations Centres: <http://www.fahcsia.gov.au/our-responsibilities/indigenous-australians/programs-services/communities-regions/indigenous-coordination-centres-and-regional-operations-centres>

Remote Service Delivery is a commitment by governments to work with Indigenous communities to improve the delivery of services to 29 (ICCs) priority remote locations, concentrating operational offices within those communities. The aim is to improve access to government services/facilities, raise quality of services, and better support Indigenous community governance and leadership. The four focus areas of Remote Service Delivery include:

1. Priority Communities
2. Single Government Interface
3. Progress on Remote Service Delivery in Priority Communities
4. Local Implementation Plans

Local Community Involvement

Governments recognize that sustainable progress in remote Indigenous locations depends on community leadership and on working with local Indigenous people and organizations. The National Partnership Agreement on Remote Service Delivery (NPARSD) is a key component of a broader Indigenous reform agenda. Under this agreement, the Australian government, States, and the Northern Territory are investing \$291.2 million over five and a half years from January 2009 to change the way they work with Indigenous Australians in 29 priority locations. The new ways of working established under the NPARSD are helping to better harness the benefits of funds and initiatives provided through other National Partnerships.

The NPARSD requires a two-way commitment:

1. From governments and their staff – to cooperate to put in place the resources and planning for better infrastructure and services and to develop the capacity of individuals, communities and local service providers.
2. From the community and community members – to work with government to improve the community and to take responsibility for their own well-being, in particular the health, safety and education of their children.

The NPARSD is published on the website of the Ministerial Council for Federal Financial Relations.

Single Government Interface

The Single Government Interface serves each Remote Service Delivery community and consists of locally-based government staff including GBMs and IEOs housed under ROCs where both Australian and State/Territory Government staff work together, reporting to a Board of Management in each jurisdiction. GBMs serve as the communities' direct link to government and key government liaison and consultation point in communities and their responsibilities include:

1. Work collaboratively with other government representatives
2. Assist with community planning and agreement making
3. Ensure that services are coordinated on the ground
4. Report on progress and on local issues and concerns to the local ROC and State/Territory Board of Management.

IEOs are Indigenous people who are recruited from the local area and speak the language(s) of the community. They must be a member of the community, or accepted by the community; understand the community's dynamics and protocols, issues and interests; and demonstrate awareness of current Indigenous issues affecting that community. Their responsibilities include:

1. Assist the GBMs in their liaison and engagement work and help support their communities
2. Build trust and understanding between community and government.

Local Implementation Plans

Another effort to establish accountability at the regional level includes the development of Local Implementation Plans (LIPs). Governments agreed to develop LIPs to guide investment in the 29 priority communities. LIPs are produced in close partnership with local Indigenous communities and include agreed upon priorities, actions, responsibilities, commitments, detailed services to be provided and how they will be provided. Government agencies commit resources and timeframes to implement these actions. Further, LIPs act as a living document and are negotiated with community members.



Overview

The National Corporation for Indigenous Development (CONADI), founded in 1993, aims to promote, coordinate, and implement the state's action plan targeted at the Chilean Indigenous population, especially in economic, social and cultural aspects, and to promote social participation. CONADI is functionally decentralized, with legal autonomy and its own assets, and is subject to the supervision of the Ministry of Planning and Cooperation.

Services

CONADI provides the following programs and services to Indigenous organizations and individuals:

- *Legal Services:* The Office of Conciliation offers legal services to prevent or settle trials related to land disputes. CONADI provides information about the nature of conciliation, rights and how to obtain extra-judicial settlement. The reconciliation applies in situations where a person or indigenous community has a problem with other indigenous or non-indigenous entities, in matters related to occupations, boundaries, services, roads, inheritances, succession subdivisions, sale contracts, leases, etc.
- *Land Ownership and Trustee:* CONADI registers recognize Indigenous Land. The purpose of this registry is to maintain an updated database of permanent consultation, both for the indigenous beneficiaries and external individuals. With this registry, CONADI can recognize indigenous territory boundaries, facilitating the implementation of programs and projects, in addition to targeting resources for public investment and subsidies towards the indigenous population. This recognition also entails legal obligations for services, such as land conservation, notaries, courts of justice and internal revenue services. Also, part of CONADI is the Indigenous Communities and Associations Registry (RCAI). RCAI is in charge of the inscription and registry of indigenous communities and associations and provides legal services, when required.
- *Cultural Awareness:* The General Archives of Indigenous Affairs (AGAI) maintains an important collection of documents relevant to the historical, political and social aspects of the Pueblo Mapuche and the State of Chile.

Program Funding

CONADI obtains its funding from the following sources:

- Budget assigned by the State Government on an annual basis
- Reimbursable and non-reimbursable contributions from international cooperation
- Movable or immovable property
- Inheritances, gifts and donations
- All other property or contribution that is assigned by law.

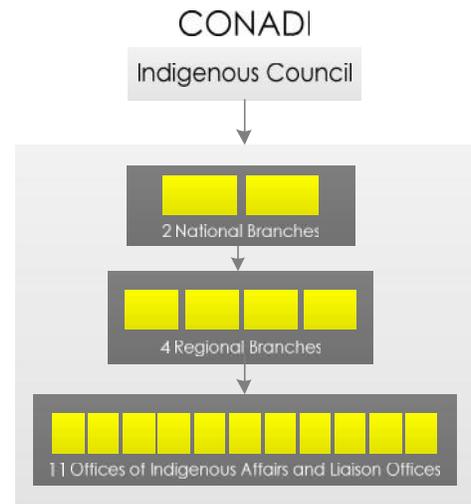
Donations to CONADI are tax-free and are not required to have a judicial overtone. The Corporation is regulated by the rules of the State Financial Administration Act. The state government also provides capital for two special funds: the Indigenous Land and Water Fund and the Indigenous Development Fund.

Governance

CONADI is governed by the Indigenous Council. The following members are part of the Indigenous Council:

1. CONADI's National Director: The National Director is appointed by Chile's President.
2. Sub-secretaries: Sub-secretaries are appointed for specific ministries⁷⁸.
3. Eight representatives of the Indigenous Groups: four Mapuches, one Aimara, one Atacameño, one Rapa Nui and one from the national territory. The representatives are nominated by the Indigenous Communities and Associations and ratified by Chile's President.

The operations are mainly decentralized, with 2 National Branches, 4 Regional Branches and 11 Offices of Indigenous Affairs and Liaison Offices.



National Branches

The National Branches are responsible for independently guiding and executing on CONADI's action plan. They are directed by a Deputy Director, who is advised by the Indigenous Council. Each of the National Branches has their own Indigenous Board which participates in the programs' implementations and provides consulting services. The members of the Indigenous Board do not receive remuneration for their services. The specific functions of the Indigenous Board are:

- Analyze the actions, plans and programs that CONADI is implementing in their jurisdictions
- Provide suggestions, in particular when coordination with other state agencies is required
- Provide mechanisms to increase the participation of Indigenous people
- Provide technical expertise.

Regional Branches

The four Regional Branches of CONADI assume the judicial or extrajudicial representation of CONADI in their jurisdiction, assign and select staff for the Regional Branches and Offices of Indigenous Affairs and submit plans and program proposals to the Indigenous Council, propose the annual budget to the Deputy Director, and represent CONADI in front of the public

⁷⁸The ministries represented are the Secretary of General Government, Ministry of Planning and Cooperation, Ministry of Agriculture, Ministry of Education and Ministry of National Property.

authorities. The Regional Branches are also in charge of implementing the plans and programs approved by the Indigenous Council.

Offices of Indigenous Affairs and Liaison Offices

Similar to Australia's ICCs, the Offices of Indigenous Affairs and the Liaison Offices provide access to services offered by CONADI in remote locations. Additional services are tailored in some of the Offices of Indigenous Affairs to accommodate the different needs that some of the Indigenous groups have. There are eleven Offices of Indigenous Affairs and Liaison Offices.

Best Practices

Representation of Indigenous Population

The Indigenous Council, CONADI's maximum authority, include members of eight representatives of the Indigenous Groups: four Mapuches, one Aimara, one Atacameño, one Rapa Nui and one from the National Territory. The representatives are proposed by the Indigenous Communities and Associations and Chile's President. This increases the involvement of the indigenous population in the decision-making process of the plans and programs designed for their communities.

Like Australia's ICCs, CONADI has Offices of Indigenous Affairs and Liaison Offices that provide services in remote locations. The purpose is to improve the access to the CONADI's services. Additional services are tailored in some of the Offices of Indigenous Affairs to accommodate the different needs that some of the indigenous groups have.

Common Management Strategy

The Management Improvement Initiative, led by the Central Government Office of Budget, aims to improve the management practices across all the government agencies, departments and corporations. With this initiative, the central government developed a common management strategy, including Performance Indicators (by stage) to measure the progress. The Performance Indicators provide quantitative information regarding the achievements and results in the delivery of the services. They include quantitative and qualitative factors.



Overview

The Aboriginal Affairs and Northern Development Canada (AANDC), established in 2011, is one of the federal government departments responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit and Métis, and for fulfilling the federal government's constitutional responsibilities in the North. AANDC delivers its programs through partnerships with Aboriginal communities and federal-provincial or federal-territorial agreements.

Services

AANDC provides the following programs and services to Indigenous organizations and individuals:

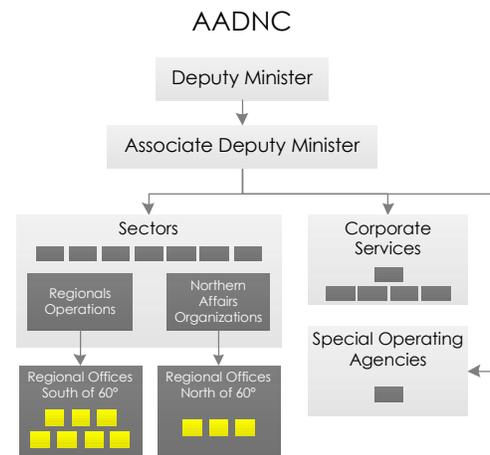
- *Land Ownership and Trustee:* AANDC negotiates and implements land claim and self-government agreements on behalf of the Government of Canada and is responsible for fulfilling obligations in historic treaties.
- *Cultural Awareness:* Through learning resources, events and the Aboriginal Art Center, AANDC works with Aboriginal partners to help celebrate, raise awareness of, and preserve Aboriginal arts, culture and heritage.
- *Economic Development:* AANDC is the lead institution responsible for carrying out the Government of Canada's Federal Framework for Aboriginal Economic Development⁷⁹. The Framework will maximize federal investments by strengthening Aboriginal entrepreneurship, enhancing the value of Aboriginal assets, forging new and effective partnerships, developing Aboriginal human capital and better focusing the role of the Federal Government.
- *Education:* One of AANDC's missions is to provide to the First Nation students quality education. In 2011-2012, AANDC invested approximately \$1.55 billion in First Nation K-12 education and more than \$322 million in post-secondary education to support First Nation and Inuit students across Canada. This funding was in addition to the approximately \$200 million to support infrastructure costs for education facilities.
- *Emergency Management:* Emergency management is a provincial/territorial responsibility; however, the AANDC supports emergency management in on-reserve First Nation communities.

⁷⁹ On June 29, 2009, Minister Strahl announced a new "Federal Framework for Aboriginal Economic Development" that will focus the federal government's actions – from programs to legislation to partnerships – to increase the participation of First Nations, Inuit and Métis peoples in the Canadian economy and improve economic actions for Aboriginal peoples in all parts of Canada.

- *Social:* AANDC funds five social programs to First Nations, provincial representatives and others who provide on-reserve residents and Yukon First Nations with individual and family services that are developed and implemented in collaboration with partners.

Governance

AANDC operates within a regional and central office structure. Directed by the Deputy Minister and the Associate Deputy Minister, AANDC has three main departments: Sectors, Corporate Services and Special Operations Agencies. The Regional Operations and the Northern Affairs Organization are in charge of the 10 Regional Offices that provide AANDC services.



Regional Operations

Regional Operations are supported by seven Regional Offices, south of 60°. The functions of the Regional Offices under the Regional Operations are:

- Delivery of national and regional programs and services
- Emergency planning and crisis management
- Governance
- Community infrastructure operations.

Northern Affairs Organization

The Northern Affairs Organization provides services to the region north of 60°. As the Regional Operations, the Northern Affairs Organization is supported by three Regional Offices, with the following functions:

- Natural resources and environment
- Northern oil and gas
- Northern governance
- Circumpolar affairs.

Program Funding

The Government of Canada, in the Economic Action Plan 2013, assigned \$872 million in total investments for Aboriginal and Northern communities. Of the total investment, about \$618 million is directed toward Aboriginal peoples and their communities. The remaining \$254 million provides investments for Northerners.

AANDC provides funding for the programs, services and initiatives through national models of funding agreements. These models are used to transfer funding to First Nations which have not entered into their own self-government agreements, Tribal Councils, Inuit, Métis and Northern

communities and other recipients. These funding agreement models incorporate the following features:

- Accommodate both annual and multi-year funding agreements
- Policy related sections are mainly found in the main body of the agreements
- Program related sections such as program delivery standards and requirements are found in separate schedules of the agreement.

FUNDING APPROACH	ELIGIBILITY	REPORTING REQUIREMENTS	UNSPENT FUNDING/REALLOCATION OF FUNDING	DURATION OF FUNDING
Grant Approach	- Subject to pre-established eligibility and other entitlement criteria	- Not required to account for the grant, but may be required to report on results - Not subject to AANDC audits	- Can be retained by recipient	- No set duration of time for grant funding
Set Contribution Approach	- Subject to performance conditions outlined in funding agreement	- Must be accounted for and are subject to audits	- Returned to the department annually - Cannot be redirected to other programs or projects	- Defined duration of funding
Fixed Contribution Approach*	- Annual funding amounts are established on a formula basis - Total expenditure is based on a fixed-cost approach - Distributed on a program basis		- Can be retained by recipient provided that the program requirements set out in funding agreement have been met - Must be consistent with program objectives	- Annual funding

FUNDING APPROACH	ELIGIBILITY	REPORTING REQUIREMENTS	UNSPENT FUNDING/REALLOCATION OF FUNDING	DURATION OF FUNDING
Flexible Contribution Approach*	<ul style="list-style-type: none"> - Subject to certain assessment criteria (including results from the General Assessment) - Must meet certain capacity and eligibility criteria 	<ul style="list-style-type: none"> - Support stable, ongoing relationships and provide flexibility for Aboriginal recipients, enabling them to reduce their administrative burden 	<ul style="list-style-type: none"> - Can be moved within cost categories of a single program - Unspent funding must be returned at the end of the project 	<ul style="list-style-type: none"> - Requires a two or more year relationships with recipient to achieve objectives - Can be funded under a multi-year agreement and last up to ten years
Block Contribution Approach*	<ul style="list-style-type: none"> - Subject to certain assessment criteria (including results from the General Assessment) - Must meet certain capacity and eligibility criteria 	<ul style="list-style-type: none"> - Support stable, ongoing relationships and provide flexibility for Aboriginal recipients, enabling them to reduce their administrative burden 	<ul style="list-style-type: none"> - Reallocated within block of programs during the agreement, as long as progress towards program objectives is being achieved - Unspent funding retained by recipient provided program delivery standards are met 	<ul style="list-style-type: none"> - Can be funded under a multi-year agreement and last up to ten years

* Aboriginal recipients only

Best Practices

Customer Service Satisfaction

Canada's Institute for Citizen-Centered Service (ICCS) is an award-winning, intergovernmental network with a mission to improve citizen satisfaction with public sector service delivery. Federal, provincial, and territorial representatives of the Public Sector Service Delivery established the ICCS as a center of expertise for citizen-centered service. The ICCS is working with governments across Canada, and around the world, to improve citizen satisfaction with public sector service delivery⁸⁰.

Common Measurements Tool

The ICCS developed the Common Measurements Tool (CMT), released in 1998, as an easy-to-use citizen satisfaction survey tool to facilitate benchmarking service satisfaction across

⁸⁰ Source: <http://www.iccs-isac.org/about/?lang=en>

jurisdictions. The CMT helps governments understand drivers of satisfaction and identify priorities for improvement. By using the CMT, jurisdictions are able to compare their results against peer organizations/programs and identify best practices⁸¹.

The CMT features core questions that help identify drivers of satisfaction, including timeliness, knowledge and competence of public servants, fairness in treatment and services provided to the citizen, courtesy and comfort, and outcome of service delivery. Designed to be a flexible tool, the CMT allows surveyors to customize questions from a large bank of core and supplementary questions, targeting individual drivers of satisfaction.

The CMT has been recognized by the Commonwealth Association for Public Administration and Management (CAPAM) with a Silver Award for International Innovation and by the Institute of Public Administration of Canada with a Gold Award for Innovative Management. The CMT has been adopted by more than 30 governments across Canada and around the world, including New Zealand.

⁸¹ Source: <http://www.iccs-isac.org/cmt/about-the-cmt/?lang=en>

New Zealand

Ministry for Maori
Development
(Te Puni Kōkiri)



Overview

Established in 1991, The Ministry for Māori Development (Te Puni Kōkiri) is the governmental body that leads Māori public policy, including formulating and amending policy for the legislation, enquiries regarding the application of the legislation and coordinating any obligations under the legislation. The Ministry aims to increase the levels of achievement attained by Māori population with respect to education, training and employment, health and economic development.

Services

The Ministry provides the following programs and services to Indigenous organizations and individuals:

- *Social:* Through funds, like the Whānau, Innovation, Integration and Engagement Fund (WIIE), the Ministry provides services and opportunities to support the aspiration of the families to become more self-managing and take responsibility for their economic, cultural and social development.
- *Economic Development:* Through the Māori Business Facilitation Service program, the Ministry provides advice and guidance to new and existing Māori businesses.
- *Legal:* The Māori Land Court has jurisdiction to hear matters relating to Māori land including successions, title improvements, Māori land sales, and the administration of Māori land trusts and Incorporations. Key services provided by the Māori Land Court are:
 - Administer and apply Te Ture Whenua Māori Act 1993 and other relevant legislation
 - Maintain the records of title and ownership information of Māori land
 - Make available Māori land information held by the Māori Land Court
 - Facilitate Māori land administration and development through the professional delivery of services to Māori land owners, their whānau or hapū.

Cultural Awareness: The Ministry provides facilitation and brokerage support for marae⁸² to access resources available from private and public sector agencies and groups. Support may also be provided either through Head Office or the Ministry regional offices.

The Māori Trustee, an independent and professional trustee organization, delivers professional services including:

- *Land Ownership and Trustee:*
 - Administration of trusts
 - Registration of owners

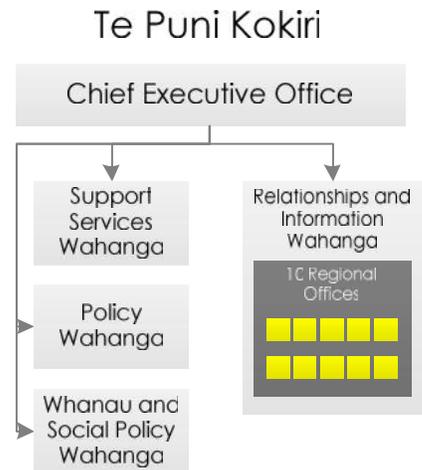
⁸² In Māori society, the marae is a place where the culture can be celebrated, where the Māori language can be spoken, where intertribal obligations can be met, where customs can be explored and debated, where family occasions such as birthdays can be held, and where important ceremonies, such as welcoming visitors or farewelling the dead (tangihanga), can be performed.

- o Leasing of land
- o Developing business ventures based on the land
- o Client fund management
- o Administration of scholarships.

Also, the Māori Land Online website provides a snapshot of current ownership, trustee and block information for land that falls within the jurisdiction of the Māori Land Court.

Governance

The Chief Executive Office directs the four departments that execute the Ministry operations: Policy Wāhanga, Support Services Wāhanga, Whānau and Social Policy Wāhanga and Relationships and Information Wāhanga. Under the Relationships and Information Wāhanga department, the Ministry operates 10 regional offices located near Māori communities, providing a direct link between government and community members.



Regional Offices

The Ministry's Relationships and Information Office has a network of 10 regional offices across New Zealand – nine spread across the North Island and top of the South, while a tenth office is based in Christchurch. They provide a connection that helps the Ministry to work alongside the Māori population. In addition, these connections allow Māori communities to provide feedback that strengthens the government's understanding of Māori views, aspirations and experience.

Independent Māori Trustee

The Māori Trustee is an independent, professional trustee organization that operates in six offices around New Zealand. The Māori Trustee was appointed under the Māori Trustee Act and works in partnership with the owners of Māori Land.

Program Funding

The Ministry provides services and information, and makes funding investments, to help the Māori population. Currently, the Ministry has two funds: Māori Potential Fund and the Whānau Integration, Innovation and Engagement Fund (WIIE). The WIIE Fund seeks to strengthen whānau or families capacity. The Māori Potential Fund supports the Māori Potential Approach⁸³ by enabling outcomes-based investments that help realize Māori potential. This is done by using

⁸³ The Māori Potential Approach is a Māori public policy framework that has been developed by Te Puni Kōkiri. The ultimate aim of the Māori Potential Approach is to better position Māori to build and leverage off their collective resources, knowledge, skills and leadership capability.

knowledge obtained through Ministry's relationships with Māori communities and organizations to make investments in excess of \$23 million a year.

Best Practices

Māori Potential Approach

The Ministry's Māori policy framework, the Māori Potential Approach, supports development as development of Māori, meaning Māori culture is developed, not assimilated into mainstream culture. The ultimate aim of the Māori Potential Approach is to better position the Māori population to leverage their collective and indigenous resources, knowledge, skills, and leadership capability to improve their overall quality of life. The Māori Potential Fund supports this approach by enabling outcome-based investments. This is done by using knowledge through strategic relationships with Māori communities and organizations⁸⁴.

Independent Trustee Organization

The Māori Trustee was appointed under the Māori Trustee Act and works in partnership with owners of Māori Land. The Māori Trustee is an independent, professional trustee organization that operates in six offices around New Zealand.

Online Search Tool

The Māori Trustee has an online search tool, allowing beneficiaries to search for land or unclaimed money, an online form that allows them to update their details, a listing of current properties for lease, and periodic newsletter distributed to beneficiaries.

Alignment to the Government's Strategic Direction

A suite of reforms designed to address the priority needs of New Zealanders, including a context of global fiscal constraint, has driven the Ministry to refocus its activities to best address the needs of the Māori population, in line with the wider government strategic priorities. The Ministry strategy is focused in two lines of engagement:

- Effectiveness for Māori: the means by which government delivers on its responsibilities to the Māori population
- Crown- Māori Relationships: the means by which government considers and engages with Māori population on priority areas to achieve those responsibilities.

⁸⁴ Source: Māori Potential Fund. (n.d.). Retrieved July 15, 2013 from Te Puni Kōkiri <http://www.tpk.govt.nz/en/services/mpf>

3

Comparison

Comparing International Indigenous Institutions

This section shows a comparison of the institutions previously studied. The purpose of this comparison is to have a better understanding of how the services provided are related to the country and indigenous population characteristics. Several factors are used to compare the institution. These factors are classified under the following categories:

- Country Information
- Indigenous Population
- Institutions Characteristics
- Services Provided.

The following table shows a brief description of each category and the factors used in this comparative analysis.

Table 11: Factors in the benchmarking analysis

Category	Factors	Factors Description
Country Information	Country	Country where the institution is located
	Population ⁸⁵	Total population of the country
	Territorial Area (km ²)	Territorial area of the country, in kilometer square (km ²)
	2011 Management Rating (#)	2011 Country's Management Index rating ⁸⁶
Indigenous Population	Indigenous population (#)	Total indigenous population of the country
	Percentage of Indigenous population (%)	Percentage of indigenous population in the country
	Indigenous Regions (#)	Number of indigenous groups or regions in the country
	Languages Spoken (#)	Number of languages spoken by the indigenous population
Institution Characteristics ⁸⁷	Institution Establishment	Year the institution was established
	Type of Organization	Type of organization, for example government agency, corporation, etc.
	Satellite Offices (#)	In addition to the institution headquarters, how many facilities are available to provide services to the indigenous population

⁸⁵ Source: Central Intelligence Agency. (n.d.). The World Factbook. Retrieved July 29, 2013, from United States Central Intelligence Agency (CIA): <https://www.cia.gov/library/publications/the-world-factbook/>

⁸⁶ For more information go to Management Index section

⁸⁷ For more information go to Case Studies section

Category	Factors	Factors Description
	Alignment with Central Government (Yes/No)	Institution strategy and action plan is align to central government strategic
Services Provided	Land Management and Trustee	Services related to indigenous land ownership, real state, land consolidation, registry, trustee management, etc.
	Economic Development	Services focused on employment, economic development, money management and funding available only for economic development programs
	Housing	Services directed to provide safe, healthy and sustainable housing for Indigenous people and funding available only for housing programs
	Social	Services directed to enhance the well-being of the indigenous population in a vast variety of sectors including security, health, leadership, etc.
	Legal	Services provided regarding legal topics and issues (e.g., land ownership)
	Education	Services directed to education services, scholarships or funding available only for education matters
	Emergency Management	Services to encompass a wide range of broader emergencies and responses including, but not limited to earthquakes, severe weather, landslides, power outages, etc.
	Cultural Awareness	Services directed to protect and promote the indigenous culture, encourage intercultural dialogue and enhance linkages between cultural development and people and funding available only for cultural awareness programs

The following page presents a summary table with the indigenous institutions comparison.

Table 12: Indigenous Institutions Comparison

		Chile	New Zealand	Canada	Australia	United States
						
Country Information	Country	Chile	New Zealand	Canada	Australia	United States
	Population	17,216,945	4,365,113	34,568,211	22,262,501	316,668,567
	Territorial Area	756,102 km ²	267,710 km ²	9,984,670 km ²	7,741,220 km ²	9,826,675
	2011 Management Rating (#)	6.15	7.72	7.04	7.71	7.24
Indigenous Population	Indigenous population (#)	3.3 Million	1.4 Million	1.2 Million	520 Thousand	5.2 Million
	Percentage of Indigenous population (%)	17.0%	8.0%	3.6%	2.5%	1.7%
	Indigenous Groups (#)	9	1	4	15	3
Institution Characteristics	Institution Establishment	1993	1991	2011	N/A	1849
	Type of Organization	Corporation	Ministry	Department	Department	Department
	Satellite Offices (#)	11	10	10	29	12
	Alignment with Central Government (Yes/No)	Yes	Yes	Yes	Yes	Yes
Services Provided	Land Ownership and Trustee ⁸⁸	✓	✓	✓	✓	✓
	Economic Development		✓	✓	✓	✓
	Housing				✓	✓
	Social		✓		✓	✓
	Legal	✓	✓			✓
	Education			✓		✓
	Emergency Management			✓		✓
	Cultural Awareness	✓		✓	✓	

⁸⁸ New Zealand Trustee Services is administrated by an Independent Trustee Organization

4

Best Practices

Best Practices

The team has identified and classified the best practices from the international indigenous institutions covered during this study. The best practices are listed by the institution(s) and the categories of management that can be improved with the implementation of similar practices. The categories of management are based on the CAM-I PMMF methodology:

1. Business/Operational and Process Management – does the organization plan and achieves its strategic goals?
2. Customer Relationship Management – how well does the organization interact with its stakeholders?
3. Human Capital Management – does the organization optimize the performance of its staff?
4. Innovation Management – does the organization identify great ideas and implement them?
5. Organizational Management – does the organization create a culture of success?
6. Financial and Risk Management – how well does the organization anticipate and mitigate problems?
7. Strategic Management – does the organization identify paths to future success?
8. Information Technology and Knowledge Management – does the organization have the right IT tools, processes, and standards to support mission achievement?

The following page presents the best practices identified.

Best Practice	Description	Institution(s)	Business/Operational and Process Management	Customer Relationship Management	Human Capital Management	Innovation Management	Organizational Management	Financial and Risk Management	Strategic Management	Information Technology and Knowledge Management
Remote Service Delivery	Remote service delivery is a commitment by governments to work with Indigenous communities to improve the delivery of services, concentrating operational offices within those communities. The aim is to improve access to government services/facilities, raise quality of services, and better support Indigenous community governance and leadership.	FaHCSIA, CONADI, Te Puni Kokiri	✓	✓	✓		✓			
Local Community Involvement	Governments recognize that sustainable progress in remote Indigenous locations depends on community leadership and on working with local Indigenous people and organizations. In the case of FaHCSIA, they established the National Partnership Agreement on Remote Service Delivery (NPARSD).	FaHCSIA	✓	✓	✓		✓			
Single Government Interface	The Single Government Interface serves each Remote Service Delivery community and consists of locally-based government staff including Government Business Managers and Indigenous Engagement Officers, where both Central Government and State/Territory Government staff work together.	FaHCSIA	✓	✓	✓	✓	✓			
Local Implementation Plan	Another effort to establish accountability at the regional level includes the development of Local Implementation Plans (LIP). Governments agreed to develop LIPs to guide investment in the communities.	FaHCSIA	✓			✓			✓	

Best Practice	Description	Institution(s)	Business/Operational and Process Management	Customer Relationship Management	Human Capital Management	Innovation Management	Organizational Management	Financial and Risk Management	Strategic Management	Information Technology and Knowledge Management
	LIPs are produced in close partnership with local Indigenous communities and include agreed upon priorities, actions, responsibilities, commitments, detailed services to be provided and how they will be provided.									
Representation of Indigenous Population	The representation of Indigenous Population in the main decision-making authority increases the connection with the real needs of the indigenous communities. The Indigenous Council, CONADI's maximum authority, includes members of eight representatives of the Indigenous Groups.	CONADI		✓						
Common Management Strategy	Countries' Management Improvement Initiatives aims to improve the management practices across all the government agencies, departments and corporations. With these initiatives, the central governments developed a common management strategy, including Performance Indicators to measure the progress. Te Puni Kōkiri just refocused its activities to best address the needs of the Māori population, in line with the wider government strategic priorities.	CONADI, Te Puni Kōkiri	✓				✓		✓	

Best Practice	Description	Institution(s)	Business/Operational and Process Management	Customer Relationship Management	Human Capital Management	Innovation Management	Organizational Management	Financial and Risk Management	Strategic Management	Information Technology and Knowledge Management
Customer Service Satisfaction	Canada's Institute for Citizen-Centered Service (ICCS) is an award-winning, intergovernmental network with a mission to improve citizen satisfaction with public sector service delivery. Federal, provincial, and territorial representatives of the Public Sector Service Delivery established the ICCS as a center of expertise for citizen-centered service. The ICCS is working with governments across Canada, and around the world, to improve citizen satisfaction with public sector service delivery.	ANNDCC	✓	✓		✓				
Common Measurement Tool	The ICCS developed the Common Measurements Tool (CMT), released in 1998, as an easy-to-use citizen satisfaction survey tool to facilitate benchmarking service satisfaction across jurisdictions.	ANNDCC	✓	✓						
Strategic Relations with Indigenous communities	The Ministry's Māori policy framework, the Māori Potential Approach, supports development as development of Māori, meaning Māori culture is developed, not assimilated into mainstream culture. This is done by using knowledge through strategic relationships with Māori communities and organizations.	Te Puni Kōkiri	✓	✓				✓		

Best Practice	Description	Institution(s)	Business/Operational and Process Management	Customer Relationship Management	Human Capital Management	Innovation Management	Organizational Management	Financial and Risk Management	Strategic Management	Information Technology and Knowledge Management
Online search tool	The Māori Trustee has an online search tool, allowing beneficiaries to search for land or unclaimed money, an online form that allows them to update their details, a listing of current properties for lease, and periodic newsletter distributed to beneficiaries.	Te Puni Kōkiri		✓		✓			✓	

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FUNCTION-LEVEL BEST PRACTICES

In addition to the international benchmarks, the Grant Thornton team benchmarked federal, state, and commercial entities for similar functions performed by TAS.

Internal Revenue Service (IRS)

Relevance: Provides a model for the search and processing of Whereabouts Unknown (WAU).

Overview

- The IRS is a bureau within the Department of Treasury and is responsible for the collection of taxes and interpretation of the Internal Revenue Code. One of the IRS' major focuses is to investigate the locations of missing taxpayers and their associated assets. The IRS' Internal Revenue Manual (IRM) includes a comprehensive chapter concerning how agents can go about finding missing taxpayers and their assets.

Whereabouts Unknown Process

- Once the IRS determines that an investigation should be opened, there are a number of ways in which investigators can locate an individual/business and his/her associated assets. The IRM has an entire section devoted to locating taxpayers and assets (Part 5, Chapter 1 – Field Collecting Procedures, Section 18 – Locating Taxpayers and their Assets)⁸⁹. Within this section are a wide variety of tools, resources and research methods investigators can use, including:
 - Locator Services Program (IRS proprietary tool)
 - Internet/Intranet research (telephone and name searches, credit bureau searches, etc.)
 - Real property records (sales data, tax payments, etc.)
 - Department of Motor Vehicles (driver's license and vehicle information searches)
 - Uniform Commercial Code (commercial lien filings)
 - Corporate information from individual states' Secretary of State, State Corporation Commission, or equivalent
 - State and local locator contracts
 - Utility companies (address checks)
 - Social Security Administration (SSN searches)
 - United States Postal Service (change of address servicing)
 - United States Passport Office (passport checks)
 - Foreign Bank and Financial Account Report
 - Consumer Credit Reports

⁸⁹ Internal Revenue Service. IRM, Part 5, Chapter 1, Section 18: "Locating Taxpayers and Their Assets". 2012. http://www.irs.gov/irm/part5/irm_05-001-018r.html

- The IRS provides investigators with specific instructions on how to properly and legally use each of the aforementioned channels to locate taxpayers and/or their assets. There is no dollar threshold or other limitations imposed on investigators for the use of any of these resources. The statute of limitations to collect delinquent tax debt is 10 years.

Social Security Administration (SSA)

Relevance: Provides a model for the search and processing of WAUs.

Overview

- The SSA is an independent agency that administers Social Security – a social insurance program of retirement, disability and survivors' benefits. SSA has employed a Program Operations Manual System (POMS), a primary source of information used by Social Security employees to process claims for Social Security benefits. Within this manual are various sections that detail how SSA employees process and account for Whereabouts Unknown cases.

Whereabouts Unknown Process

- The SSA can suspend Supplemental Security Income (SSI) eligibility when a recipient's whereabouts are determined to be unknown. The following actions, as directed by the POMS, are taken by Field Office (FO) representatives to locate a recipient before benefits are suspended.
- The required efforts to locate a missing SSA recipient consist primarily of attempting to contact the individual by telephone. Telephone contact information is researched from Supplemental Security Income Records, Master Beneficiary Records and Field Office Records for the last known telephone and address information. These records can be searched for any possible leads, such as employers, benefit sources, medical treatment sources, service agencies, and community organizations⁹⁰.
- In addition, the SSA may attempt to contact the local telephone companies for a change in telephone information, visiting the person's last known address, obtaining a current address from the direct-deposit financial institution, and obtaining access to state records.
- Once these procedures have been conducted and the recipient is still missing, the SSA will suspend benefits.

⁹⁰ Social Security Administration. Program Operations Manual System (POMS). SI 02301.240 Whereabouts Unknown (S06). 2008. <https://secure.ssa.gov/poms.nsf/lnx/0502301240>

Iron Mountain

Relevance: A premier records management entity.

Overview

- Iron Mountain, a renowned document storage and information management company, developed a best practices guide⁹¹ for records management. This guide, which was developed in direct response to customer requirements, includes best-in-class compliant records management practices, continual program improvement ideas, and an outline of government regulations that impact records and information management.

Records Management Best Practices

- A records retention policy, including a retention schedule, is the cornerstone of the company's ability to control costs and avoid litigation. The policy and schedule should ensure that records are kept only as long as legally and operationally required, and disposed of in a systematic manner once they become obsolete.
- Policies and procedures best practices include: 1) produce a single documented set of policies and procedures for the retention and destruction of business records and apply them consistently; 2) establish organization-wide records management policies for all media types; 3) create and enforce a corporate-wide e-mail management policy; 4) develop information security measures to ensure compliance with privacy requirements; 5) establish an annual audit of the company's records management program; 6) define the records management roles and responsibilities within the organization; 7) provide records management program employee training; 8) establish and enforce employee accountability for the compliance of the records management program; and 9) identify and protect "vital" records that are essential for the continued operation of the organization in the event of a disaster or crisis.
- Iron Mountain also describes several guiding principles of accessing and indexing. Among these principles are: 1) all records should be indexed in a systematic manner, by subject matter, regardless of the storage medium or location; 2) implement a proper authorization process to ensure protection of the confidentiality of an organization's records; 3) limit individual employee access to records; 4) develop an annual formal review of the records management system and classification scheme; and 5) ensure that offsite records storage guarantees security, accessibility and confidentiality.
- The organization should also work to ensure compliance and accountability to its records management policies and directives. Senior leadership should sponsor, enforce and be personally committed to compliance and accountability, which will ultimately set the tone for the rest of the organization. In addition, there should be a corporate records manager to administer the program at the enterprise level, as well as a designee within

⁹¹ Reese, Richard C. "Records Management Best Practices Guide." *Iron Mountain*. 2005. Electronic. http://www.ironmountain.com/~media/Files/Iron%20Mountain/Knowledge%20Center/Reference%20Library/Best%20Practices/Records_Management_Best_Practices_Guide.pdf

each business unit or bureau/agency. Finally, each employee should acknowledge that they have read and understood the records management policies and procedures. To ensure compliance, the records management program should be included in the annual programmatic audit/review.

- Consistency is the driving factor behind an effective records management and disposition program. Best practices on this topic include: 1) determine the appropriate method of disposal by record class/media; 2) institute a consistent and secure system for the disposal of records in accordance with an approved retention schedule; 3) develop disposition procedures that demonstrate authorization, adherence to confidentiality and security requirements, and recognition of suspended records; 4) shred any records that contain personally identifiable information; 5) ensure that employees are aware that premature destruction of records is strictly prohibited; 6) discard any unofficial records once they have fulfilled their purpose; 7) ensure that duplicate or draft (unofficial) records are not retained longer than the official versions.

State Probate Laws – Texas, Arizona, Oklahoma

Relevance: Provide a mechanism for the reduction of probate backlogs.

Overview

- The probate process, while not “broken,” does present significant backlog and cycle time challenges to beneficiaries. Probating a decedent’s trust assets can take upwards of three to five years depending on the complexity of the assets and the relative workload of BIA and OHA. Other states, such as Texas, Oklahoma and Arizona, have had similar challenges in their own probate courts, and have since revised their probate laws and procedures to correct these deficiencies.

Best Practices in Probate

- Arizona and Oklahoma offer options to opt out of the normal probate process, and instead go through summary probate procedures if the estate is “small.” Under these options, beneficiaries can use simplified probate procedures or skip the probate proceedings in their entirety by using an affidavit. These affidavits must state that the beneficiary is entitled to a decedent’s asset(s) and must be accompanied by a death certificate before the holder of the property can release the asset. The use of an affidavit in lieu of probate proceedings can greatly reduce the time, cost and hassle that a decedent’s property can be legally transferred to a beneficiary.
- In Arizona, affidavits can be used in lieu of probate proceedings if: 1) the value of all personal property in the estate, less liens and encumbrances, is \$50,000 or less, or 2) the value of all Arizona real estate, less liens and encumbrances, is \$75,000 or less at the date of death and all debts and taxes have been paid.⁹²

⁹² Nolo: Law for All. “Probate Shortcuts in Arizona.” Nolo, 2012. Electronic. <http://www.nolo.com/legal-encyclopedia/arizona-probate-shortcuts-32008.html>

- In Oklahoma, the out-of-court affidavit procedure is permitted if the fair market value of the estate, less liens and encumbrances, is \$20,000 or less.⁹³
- In Texas, new will forms are now being used to streamline the document signage process. In addition, affidavits can now be used in lieu of physical asset inventories when there are no unpaid debts, except for secured debt, taxes or administration expenses. The independent executor or administrator still must prepare a verified inventory and deliver it to each beneficiary, but the public disclosure of estate assets and values may be avoided.⁹⁴

Commercial Trust Management Firms – Yellowstone Trust Administration, BNY Mellon

Relevance: Examples of good communication to beneficiaries and account access.

Overview

- A myriad of private sector trust management companies exist. These companies have realized the benefit of educating potential clients about the process of establishing and maintaining a trust account with the firm and the benefits of advertising the administrative functions offered. In addition, these companies have invested in online account access portals and systems, which enable beneficiaries to access their account, process claims and payments, and submit inquiries at any time.

Best Practices in Beneficiary Communication and Account Access

- The fact that Yellowstone Trust Administration publishes their overall trust business process and services offered on their website is a best practice in itself.⁹⁵ Beneficiaries (or potential clients) could use this knowledge to hold the trustee accountable for managing their trust assets, and it provides a necessary basic education to beneficiaries as to how the trust system should work.
- Yellowstone's corporate website provides an example trust agreement that details the specific responsibilities of the trustee and administrator.
- BNY Mellon provides a "Private Workbench" for online account access, in addition to a 1-800 Call Center. The online private workbench provides account holders with access to reports, statements, online account preferences, and a method for communicating directly with BNY Mellon.⁹⁶

⁹³ Nolo: Law for All. "Probate Shortcuts in Oklahoma." Nolo, 2011. Electronic. <http://www.nolo.com/legal-encyclopedia/oklahoma-probate-shortcuts-32012.html>

⁹⁴ Karisch, Glenn. "Ten Things to do Now." Glenn Kansch's Texas Probate. The Karisch Law Firm, PLLC. 2011. <http://texasprobate.com/index/author/texasprobate>

⁹⁵ Yellowstone Trust Administration, Inc. 2013. <http://www.yellowstoneta.com/>

⁹⁶ BNY Mellon Wealth Management. 2013. <http://www.bnymellonwealthmanagement.com/>

[Appendix 4]



Alternative 1: Trust Administration via National Governance

The following section conveys the alignment of *Phase 2: Current State* findings with the national governance model proposed in Alternative 1. Alternative 1 seeks to remedy TAS' coordination challenges with three pragmatic steps: 1) establish a single point of authority in an Under Secretary for Trust Administration; 2) provide the Under Secretary with the resources and staff to improve bureau/office coordination and support; and 3) streamline regional trust administration management and implementation.

The findings are grouped according to the CAM-I elements of management used in the *Phase 2* assessment. For more information on these categories see Appendix 2.

Innovation Management	
Finding 1	Alignment
Lack of centralized best practices and foresight function.	The implementation of the Office of Trust Business Intelligence and Foresight will facilitate the identification of best practices and reflect emerging trends and requirements.
Finding 2	Alignment
Lack of information sharing among bureaus about best practices and innovation.	The Office of Trust Business Intelligence and Foresight will be tasked with disseminating best practices across the entire TAS function (including regional offices and contacts).
Financial and Risk Management	
Finding 1	Alignment
Lack of visibility into funds held in trust.	Structural changes alone will not remedy the lack of visibility TAS currently has into Indian funds held in trust.
Finding 2	Alignment
Limited focus on coordination and compliance with safeguarding non-monetary resources.	The responsibility for ensuring Indian trust assets are contracted, leveraged, and maintained in a sustainable way is spread across multiple DOI bureaus or contracted to tribes, with few controls in place to guarantee compliance. This model does not directly address this challenge through a structural fix, but it does propose an Office of Trust Process Integration who would be tasked with improving TAS-wide sustainability planning.
Operational and Process Management	
Finding 1	Alignment
No common understanding or vision of how operations interrelate / no common operations planning.	The rearrangement of TAS into an organization with one point of executive authority and strong regional operations centers will promote cross-functional operations planning. The entire TAS organization will be required to produce one operational plan, whereas the current organizational structure produces splintered trust administration operations plans within separate (uncoordinated) bureaus/offices. Operational plans for specific, high-priority initiatives (e.g., Fee-to-Trust, land buyback) would be aligned and integrated with the overall TAS operational plan. Deputy Regional Directors for Trust Administration would be tasked with ensuring aligning and gaining appropriate approvals of their individual operating plans.

Finding 2	Alignment
No common understanding or vision of cross-functional budgeting / no common budget.	In this model, the Office of Trust Policy, Coordination, and Standards will be tasked with producing a cross-functional budget for all TAS functions. This will require heavy input from the operational planning and business and foresight offices.
Finding 3	Alignment
No overarching process / performance improvement capability	The Office of Trust Internal Review will protect the integrity of trust programs and operations for the benefit of individual Indians and Tribes by independently reviewing TAS operations and controls against established requirements.
Customer Relationship Management	
Finding 1	Alignment
Lack of centralized customer service function.	Regional operation centers will be the primary points of contact for direct access and service inquiries. This model prescribes wholesale change at the national level, with minor reforms at the regional level. Separate customer service call centers and offices would remain within the bureaus/offices.
Finding 2	Alignment
Beneficiaries have no clear path for identifying who can provide the information they need.	FTO current responsibilities include follow through with issues to closure. Under this model, this principle is expanded to all TAS-related customer service inquiries. In this national governance model, trust-related services are still provided at other bureaus/offices.
Human Capital Management	
Finding 1	Alignment
No ongoing, centralized human capital planning.	Restructuring TAS with a stronger regional operational presence is not by itself sufficient to solve the problem of no centralized human capital planning. The Office of Trust Policy, Coordination, and Standards would be the sole responsible party for establishing TAS-wide human resources policy and planning efforts, to include workforce planning and analytics to monitor shifting workforce demographics and plan for loss of institutional knowledge through retirement or attrition trends. Responsibility for hiring and developing staff with appropriate skills lies at the regional level.
Finding 2	Alignment
No lines of authority for Trust-related activities performed by shared resources.	Creating an Under Secretary for Trust Administration will mitigate the concern of providing direction for shared resources. In this model, the Under Secretary for Trust Administration reports to the Deputy Secretary to avoid the scenario in which shared resources have two distinct (and possibly disagreeing) entities to report to.
Organizational Management	
Finding 1	Alignment
No single point of executive leadership for entire TAS function.	Depending on the degree of authority provided to the Under Secretary of Trust Administration, the national governance model simplifies and clarifies the organizational structure of TAS.
Finding 2	Alignment
Competing priorities between trust functions within DOI bureaus and services provided to the general public.	This model prescribes wholesale changes at the national level in terms of reorganization of current staff and programs into more focused areas of service delivery. However, this model largely maintains the current regional operating model. While aligning regional staff under an Under Secretary for Trust Administration would help focus efforts on trust issues, this model does not directly address competing priorities related to the separation of operational services and funds management or creation of a truly independent trustee.
Finding 3	Alignment
Offices in separate bureaus/offices fulfill similar roles.	The national governance model will not address duplication of efforts related to services still provided by ONRR and BLM, as trust personnel and services would still be under those organizations. Minor duplication of efforts would be reduced by consolidated/aligning regional OST and BIA staff under one Regional Director for Trust Administration.

IT and Knowledge Management	
Finding 1 No common understanding or vision of how information technology should be integrated / interfaced across TAS functions.	Alignment The Office of Trust Systems Integration will be tasked with IT strategic planning including cross-functional IT integration. The Office of Trust Business Intelligence and Foresight will aid the IT functional office with ensuring the plan is forward-looking and provides the long-term infrastructure to support TAS' mission and vision. The Office of Trust Policy, Coordination, and Standards would be a partner in assuring the IT strategic planning aligns with current TAS-wide processes.
Finding 2 Sharing of access/ownership of systems has created IT infrastructure that doesn't serve anyone's needs optimally.	Alignment The establishment of the Office of Trust Systems Integration finds the right balance between centralization, standardization of systems, and distribution of personally identifiable information among the tribes. With the added oversight of this office, the process of identifying system requirements, consolidating duplicative systems, and increasing functionality will be significantly expedited. Difficulty would still remain with other partner bureaus/offices such as ONRR and BLM and other agencies providing trust services to beneficiaries.
Finding 3 No shared records management strategy across TAS functions.	Alignment The Office of Trust Policy, Coordination, and Standards will promulgate TAS-wide records management strategies. While the functional office will be primarily tasked with implementing the agreed-upon strategy, the Office of Trust Internal Review, and Office of Trust Policy, Coordination, and Standards will work to ensure compliance. These approaches will likely decrease the legal liability associated with non-compliance. DOI/TAS may still experience difficulty in implementing policies across other bureaus/offices that would maintain trust personnel and trust services.

Alternative 2: Trust Administration via Regional Governance

The following section conveys the alignment of *Phase 2: Current State* findings with the regionalization model proposed in Alternative 2. Alternative 2 would further augment the role of each BIA region, as it proposes moving all trust operations from the national office to each regional office and consolidating BIA and OST field operations staff into one reporting structure.

The findings are grouped according to the CAM-I elements of management used in the *Phase 2* assessment. For more information on these categories see Appendix 2.

Innovation Management	
Finding 1 Lack of centralized best practices and foresight function.	Alignment The Office of Trust Business Intelligence and Foresight will be tasked with disseminating best practices across the entire TAS function (including regional offices and contacts). Regional trust staff would be responsible for maintaining awareness of current and emerging issues at the community/agency/tribal level.
Finding 2 Lack of information sharing among bureaus about best practices and innovation.	Alignment Establishment of Regional Trust Advisory Boards requires the participation of representatives from each bureau/office that deliver trust services. This encourages sharing of best practices within and across regions and facilitates innovation and continued improvement across TAS operations.

Financial and Risk Management	
Finding 1 Lack of visibility into funds held in trust.	Alignment Similar to alternative model 1, structural changes alone will not remedy the lack of visibility TAS currently has into Indian funds held in trust. Having clearer delineations of responsibility, as provided in this regional governance model will help TAS to implement process-level fixes for this finding.
Finding 2 Limited focus on coordination and compliance with safeguarding non-monetary resources.	Alignment The responsibility for ensuring Indian trust assets are contracted, leveraged, and maintained in a sustainable way is spread across multiple DOI bureaus or contracted to tribes, with few controls in place to guarantee compliance. By establishing a functional office at the regional-level to coordinate sustainability planning, the TAS regionalization model will better monitor non-monetary trust resources and ensure private firms comply with agreed-upon limitations and remediation activities.
Operational and Process Management	
Finding 1 No common understanding or vision of how operations interrelate / no common operations planning.	Alignment The rearrangement of TAS into an organization with one point of executive authority and strong regional operations centers/regional trust administration councils will promote cross-functional operations planning. Each TAS region will be required to produce one operational plan, whereas the current organizational structure produces splintered trust administration operations plans within separate (uncoordinated) bureaus/offices.
Finding 2 No common understanding or vision of cross-functional budgeting / no common budget.	Alignment In this model, the Office of Trust Policy, Coordination, and Standards will be tasked with producing a cross-functional budget for all TAS functions. This will require heavy input from the operational planning conducted by each region.
Finding 3 No overarching process / performance improvement capability	Alignment The Office of Trust Policy, Coordination, and Standards will promulgate TAS process standards and evaluate ongoing performance. The Office of Trust Internal Review will support performance monitoring / improvement by independently reviewing TAS operations against established requirements.
Customer Relationship Management	
Finding 1 Lack of centralized customer service function.	Alignment The proposed TAS regional governance model incorporates a centralized customer service function within each region. This function will provide consistent and accurate information to beneficiaries with a greater understanding of regional idiosyncrasies.
Finding 2 Beneficiaries have no clear path for identifying who can provide the information they need.	Alignment The regionalization model greatly simplifies the process for beneficiaries to obtain information. Beneficiaries would simply need to visit or call the regional call center, who could then direct them to the appropriate resource.
Human Capital Management	
Finding 1 No ongoing, centralized human capital planning.	Alignment Restructuring TAS with a stronger regional operational presence is not by itself sufficient to solve the problem of no centralized human capital planning. However, Figure 6 depicts the establishment of a human resources coordinating office within each region to engage in HR planning.
Finding 2 No lines of authority for Trust-related activities performed by shared resources.	Alignment The restructuring of regional staff as described in Figure 6 into functional units would mitigate the problem of shared resources (resources would belong to functions not office/bureaus).

Organizational Management	
Finding 1 No single point of executive leadership for entire TAS function.	Alignment Depending on the degree of authority provided to the Under Secretary of Trust Administration, the regional governance model simplifies and clarifies the organizational structure of TAS. This model prescribes mid-level leaders at the regional-level that report directly to TAS' Under Secretary for Trust Administration, establishing a clear chain of command, accountability, and transparency for TAS operations.
Finding 2 Conflicting priorities between trust functions within DOI bureaus and services provided to the general public.	Alignment By removing trust functions from DOI and creating an Under Secretary for Trust Administration, the current competing priorities should be largely mitigated.
Finding 3 Offices in separate bureaus/offices fulfill similar roles.	Alignment The governance structure provided in Figure 6 will simplify the process of identifying duplication. The Under Secretary for Trust Administration will have the ability to better see where overlaps occur, and the authority to make immediate changes.
IT and Knowledge Management	
Finding 1 No common understanding or vision of how information technology should be integrated / interfaced across TAS functions.	Alignment This finding will be mitigated by the national-level support offices reporting to the Under Secretary for Trust Administration. The Office of Trust Systems Integration will be tasked with IT strategic planning across regions.
Finding 2 Sharing of access/ownership of systems has created IT infrastructure that doesn't serve anyone's needs optimally.	Alignment This finding will be mitigated by the national-level support offices reporting to the Under Secretary for Trust Administration. The establishment of the Office of Trust Systems Integration should find the right balance between centralization and standardization of systems. With the added oversight of this office, the process of identifying system requirements, consolidating duplicative systems, and increasing functionality will be significantly expedited. The process for implementing IT changes will also be expedited, as the CIO (or comparable leader of the IT function) will be able to directly interface with an executive decision maker that has the requisite authority to act.
Finding 3 No shared records management strategy across TAS functions.	Alignment The records management coordinating office (see Figure 6) will collaborate with the national-level Office of Trust Policy, Coordination, and Standards to promulgate regional records management strategies. The functional offices (e.g., land ownership) will be primarily tasked with implementing the agreed-upon strategy.

Alternative 3: Trust Administration via Independent Agency

The following section conveys the alignment of *Phase 2: Current State* findings with the independent agency model proposed in Alternative 3. Alternative 3 looks at removing TAS functions from DOI and creating an independent agency.

The findings are grouped according to the CAM-I elements of management used in the *Phase 2* assessment. For more information on these categories see Appendix 2.

Innovation Management	
Finding 1 Lack of centralized best practices and foresight function.	Alignment The implementation of the Office of Trust Business Intelligence and Foresight will ensure best practices are identified, and that TAS operations can be updated to reflect emerging trends and requirements.

Finding 2	Alignment
Lack of information sharing among bureaus about best practices and innovation.	The Office of Trust Business Intelligence and Foresight will be tasked with disseminating best practices across the entire TAS function (including regional offices and contacts).
Financial and Risk Management	
Finding 1	Alignment
Lack of visibility into funds held in trust.	Structural changes alone will not remedy the lack of visibility TAS currently has into Indian funds held in trust. Having clearer delineations of responsibility, as provided in the TAS independent agency model, will help TAS to implement process-level fixes for this finding.
Finding 2	Alignment
Limited focus on coordination and compliance with safeguarding non-monetary resources.	By establishing a functional office to coordinate sustainability planning, the TAS independent agency model will better monitor non-monetary trust resources and ensure private firms comply with agreed-upon limitations and remediation activities.
Operational and Process Management	
Finding 1	Alignment
No common understanding or vision of how operations interrelate / no common operations planning.	The rearrangement of TAS into to an independent agency with one point of executive authority will promote cross-functional operations planning. The entire TAS organization will be required to produce one operational plan, whereas the current organizational structure produces splintered trust administration operations plans within separate (uncoordinated) bureaus.
Finding 2	Alignment
No common understanding or vision of cross-functional budgeting / no common budget.	In this model, the Office of Trust Policy, Coordination, and Standards will be tasked with producing a cross-functional budget for all TAS functions. This will require heavy input from the operational planning and business and foresight offices.
Finding 3	Alignment
No overarching process / performance improvement capability	The Office of Trust Policy, Coordination, and Standards will promulgate TAS process standards and evaluate ongoing performance. The Office of Trust Internal Review will support performance monitoring / improvement by independently reviewing TAS operations against established requirements.
Customer Relationship Management	
Finding 1	Alignment
Lack of centralized customer service function.	The proposed TAS independent agency model incorporates a centralized customer service function. This function will provide consistent and accurate information to beneficiaries.
Finding 2	Alignment
Beneficiaries have no clear path for identifying who can provide the information they need.	The inclusion of a centralized customer service function greatly simplifies the process for beneficiaries requesting technical or information-based assistance. Beneficiaries can start with general customer support with tiered support depending on the inquiry.
Human Capital Management	
Finding 1	Alignment
No ongoing, centralized human capital planning.	Restructuring TAS as an independent agency is not by itself sufficient to solve the problem of no centralized human capital planning. The Human Resources coordinating office proposed to report to the Staff director will ensure staff are properly trained and aligned to provide trust services.

Finding 2	Alignment
No lines of authority for Trust-related activities performed by shared resources.	Reorganization of TAS as an independent agency completely mitigates the concern of shared resources. All resources will operate solely as TAS employees under the authority of the Trust Administration Commissioner.
Organizational Management	
Finding 1	Alignment
No single point of executive leadership for entire TAS function.	The independent agency model greatly simplifies and clarifies the organizational structure of TAS. The independent agency model prescribes mid-level leaders at the functional level (probate) that report directly to TAS' three administrative officers. These officers in turn directly report to the Office of the Trust Administration Commissioner and the Trust Administration Advisory Board.
Finding 2	Alignment
Competing priorities between trust functions within DOI bureaus and services provided to the general public.	By removing trust functions from DOI and creating a TAS independent agency, the current competing priorities should be largely mitigated. The inclusion of tribal representatives on the proposed Trust Administration Advisory Board could further address this concern and demonstrate that TAS is fully informed of and responding to tribal concerns.
Finding 3	Alignment
Offices in separate bureaus/offices fulfill similar roles.	Removing duplication from TAS cannot be accomplished solely through a change in governance structure, as achieving consolidation of duplicative components within each function (e.g., oil and gas inspection) requires additional evaluation. The governance structure provided in Figure 7 will simplify the process of conducting this evaluation, however, as the Trust Administration Commissioner will have the ability to better see where overlaps occur, and the authority to make immediate changes.
IT and Knowledge Management	
Finding 1	Alignment
No common understanding or vision of how information technology should be integrated / interfaced across TAS functions.	The Information Technology Office located within the proposed independent agency will be tasked with IT strategic planning including cross-functional IT integration. The Office of Trust Business Intelligence and Foresight will aid the IT functional office with ensuring the plan is forward-looking and provides the long-term infrastructure to support TAS' mission and vision.
Finding 2	Alignment
Sharing of access/ownership of systems has created IT infrastructure that doesn't serve anyone's needs optimally.	With all TAS functions located within one agency, the process of identifying system requirements, consolidating duplicative systems, and increasing functionality will be significantly expedited. The process for implementing IT changes will also be expedited, as the CIO (or comparable leader of the IT function) will be able to directly interface with an executive decision maker (Trust Administration Commissioner) that has the requisite authority to act.
Finding 3	Alignment
No shared records management strategy across TAS functions.	The records management functional office will collaborate with the Office of Trust Policy, Coordination, and Standards to promulgate TAS-wide records management strategies. While the functional office will be primarily tasked with implementing the agreed-upon strategy, the Office of Trust Internal Review, and Office of Trust Policy, Coordination, and Standards will work to ensure compliance. These approaches will likely decrease the legal liability associated with non-compliance.