Today's Presentation

- Leadership at OST
- Budget Update
- Special Trustee's Priorities
- Progress Update on Priorities:
  - Probate Reform
  - Investment Review
  - Financial Education
- Debit Vouchers and IIM Distributions

OST Leadership

- Vince Logan – Special Trustee
- Deb Dumontier - Deputy Special Trustee, located in Albuquerque, NM.
- Travis Trueblood - Chief of Staff, located in Washington, DC.
- Michele Singer – Acting Director for office of Collaborative Action and Dispute Resolution (CADR).
• OST’s FY 2015 appropriation is $139,029,000; $1.6M below the FY 2014 enacted budget.

• OST’s FY 2016 President’s Budget Request is $142.9M; $3.9M above FY 2015 enacted budget.
OST Budget Trend

FY 2016 - 2.8% increase from FY 2015

OST Budget FY 2013 – FY 2016

FY 2016 Budget Request

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

• Investment Review
  • Comprehensive review of current policies.

• Facilitating Probate Reform
  • Work with BIA, Office of Hearings and Appeals, and others to provide:
    o Approaches to reduce burden of probate.
    o Useful estate planning opportunities and tools for beneficiaries.

Special Trustee Priorities

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

Investment Review Update

• Investment Review Team (IRT) established to perform comprehensive audit, review, and analysis of OST’s investment policies, practices, and procedures.

• Goals of IRT:
  • To have an independent contractor to research, investigate and review investment, compliance, and risk management activities.
  • Conduct strategic risk assessment.
  • Assess operational processes.
  • Submit a final report of findings.
Investment Review Update

- Work divided into three phases:
  - Phase I – Research.
  - Phase II – Analysis and evaluation of findings during Phase I; submission of Final Report.
  - Phase III – Special Trustee will review findings and make a determination of next steps.

Probate Reform Update

- Testimony on FY2016 budget request for estate planning services generated interest from Chairman of Subcommittee on Indian, Insular, and Alaska Native Affairs.
- OST is working to address challenges of probate, including:
  - Non-Probate Transfers on Death
  - Gift Deeds
  - Revocable Trusts/Family Limited Partnerships/LLC’s
  - Small Estate Affidavit
- OST anticipates working with Congress to support legislation that will provide beneficiaries access to these estate planning options.
- Field Operations has initial contract vehicle in place to begin providing legal services to beneficiaries for the development of wills, pending receipt of requested funding in FY2016.
Financial Education Update

• In FY15 Field Operations has presented 100+ financial education workshops in various locations across the country to over 2,000 internal and external stakeholders.
  • Participants to date include compacted tribal employees; United South & Eastern Tribes (USET) employees; in addition to staff from BIA, IHS, and OST.
  • Topics included strategies for eliminating debt, reducing taxes, implementing budgets, increasing savings for retirement, and reducing stress and conflict over money.

Financial Education Update

• Workshops
  • Overwhelmingly positive feedback from participants with requests for future workshops.
  • Ongoing webinars and newsletters to support financial education in the workplace.
  • Working with the FDIC and FINRA to coordinate a national event to coincide with the Administration's Generation Indigenous or "Gen I" initiative.

Financial Education Update

• Coordinating with OST Field Staff to identify and develop financial education content and materials for outreach purposes.
  • Engaged in network building at the local and national levels to leverage resources and build partnerships to advance personal financial literacy and capabilities throughout Indian Country.
Impact of Debit Vouchers

• Generally, OST distributes lessee remittances to IIM accounts within 24-48 hours of receipt.
• Some lessee remittances are not honored by lessee’s bank; when this occurs:
  • Treasury issues “debit voucher” deducting the funds from OST.
  • Results in a deficiency as OST has already distributed funds to IIM account.
  • 55 debit vouchers with a total value exceeding $586,000 incurred between Oct 2013 and June 2014.

Impact of Debit Vouchers

• If repayment is unlikely, OST must fund the deficiency to balance liabilities (IIM accounts) with assets.
  • Reduces funding for OST’s daily operations
  • Recoupment from IIM accounts of funds previously disbursed is time consuming and costly.
  • Significant manpower required to research and track disbursement as a single lessee payment may be disbursed to multiple IIM accounts.

Debit Vouchers

• Commercial banking institutions utilize a check clearing period during which time funds are not available to the account holder.
• OST is looking to implement a check clearing waiting period of 5 days before distributing to IIM accounts.
• A five day clearance period should eliminate approximately 90% of occurrences triggering issue of a debit voucher.
Debit Vouchers

- OST will notify beneficiaries by letter prior to implementation of policy change.
- Anticipate change will be effective in early FY 2016.

Questions?

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Thank you!