

## Cobell Settlement - Trust Land Consolidation Fund

<b>Background</b>	The Cobell Settlement Agreement provides for a \$1.9 billion Trust Land Consolidation Fund to be expended over a ten-year period.
<b>Use of Funds</b>	<p>According to the Settlement, “The Trust Land Consolidation Fund shall be used <b>solely</b> for the following purposes: (1) acquiring fractional interests in trust or restricted lands; (2) implementing the Land Consolidation Program; and (3) paying the costs related to the work of the Secretarial Commission on Trust Reform, including costs of consultants to the Commission and audits recommended by the Commission. An amount up to a total of no more than fifteen percent (15%) of the Trust Land Consolidation Fund shall be used for purposes (2) and (3) above.”</p> <p><b>The Department has no authority to invest the Fund, and cannot utilize, disperse, or retain any portion of the Fund in a manner inconsistent with the mandates of the Settlement.</b></p>
<b>Dollars</b>	<p>Settlement of \$3.4 billion</p> <ul style="list-style-type: none"><li>\$1.5 billion for to pay individuals for mismanagement claims, settlement administration costs, and plaintiffs’ attorney’s fees</li><li>\$1.9 billion for land consolidation<ul style="list-style-type: none"><li><b>\$1.555 billion for acquiring land</b></li><li><b>\$285 million for administrative costs</b> (capped at 15%)</li><li>\$60 million for education incentives</li></ul></li></ul>
<b>Timing</b>	The Department has <b>no more than 10 years</b> from the date of the final approval of the Settlement to expend the Trust Land Consolidation Fund, at which time any amounts remaining in the Fund shall be returned to Treasury.
<b>Scholarship Fund</b>	<p>A portion of the Trust Land Consolidation Fund – not to exceed \$60 million – shall be contributed using a formula:</p> <ul style="list-style-type: none"><li>· For an interest that Interior purchases for less than \$200, a contribution of \$10 shall be made</li><li>· For an interest between \$200 and \$500, a contribution of \$25</li><li>· For an interest of more than \$500, a contribution of 5% of the purchase price</li></ul>
<b>Agreements with Tribes</b>	The Indian Land Consolidation Act <b>prohibits the use of Indian Self-Determination and Education Assistance Act</b> of 1975 (i.e., Public Law 93-638) contracts to operate the Buy-Back Program activities.
<b>Estate Planning</b>	Under the terms of the authorizing legislation, <b>the Program cannot use the Fund for estate planning purposes.</b>
<b>Provisions</b>	<p>The Settlement and applicable regulations <b>prohibit</b> the following:</p> <ul style="list-style-type: none"><li>· Use of <b>638 contracts</b></li><li>· <b>Investing</b> of any portion of the Fund</li><li>· Use of the Fund for <b>estate planning purposes</b></li></ul>

For more information, visit <http://www.doi.gov/buybackprogram/about/index.cfm>