



BUDGET The United States
Department of the Interior
JUSTIFICATIONS

and Performance Information
Fiscal Year 2019

OFFICE OF THE SECRETARY
DEPARTMENT-WIDE
PROGRAMS

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.



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**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
FISCAL YEAR 2019 BUDGET JUSTIFICATIONS**

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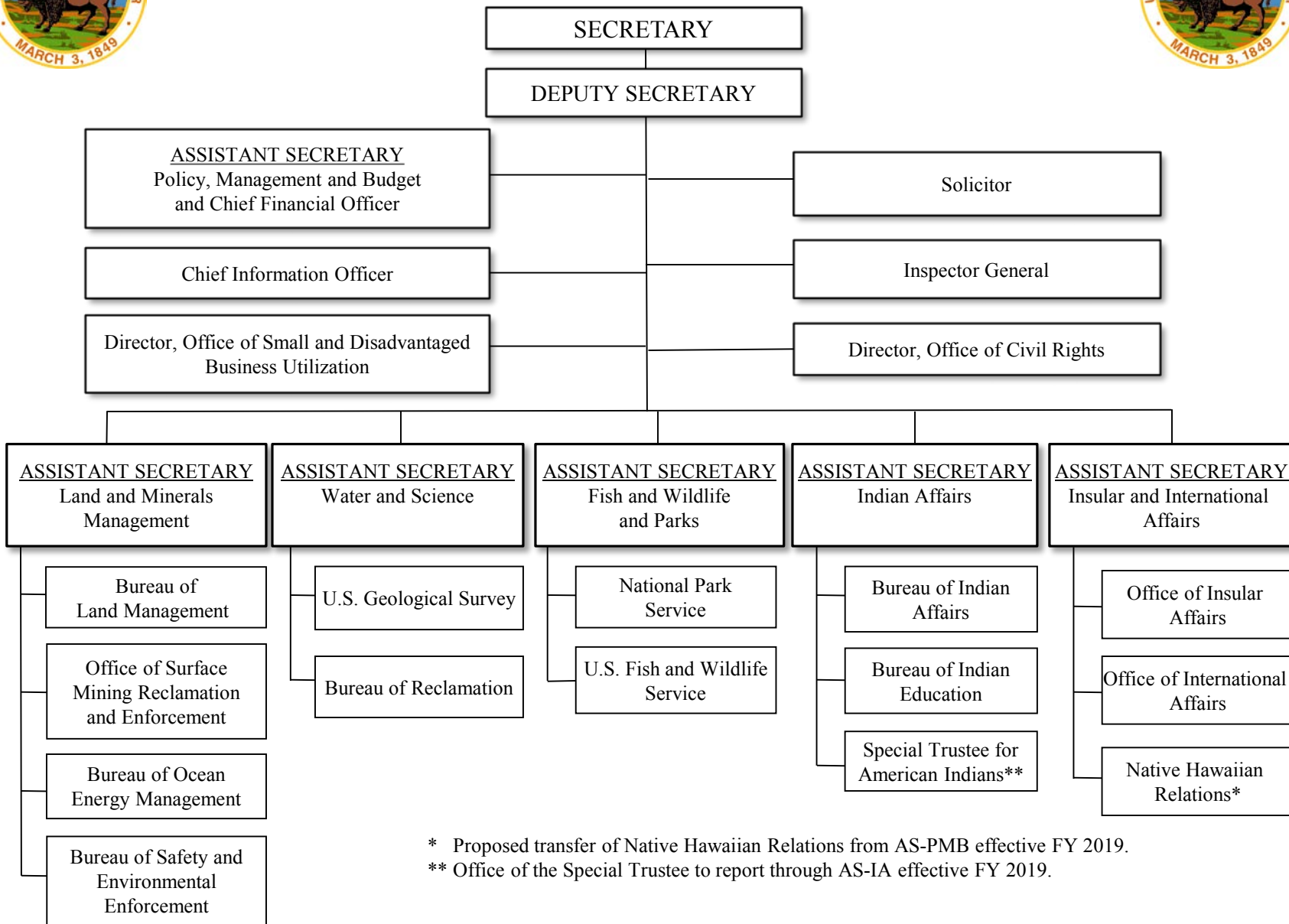
Office of the Secretary



U.S. DEPARTMENT OF INTERIOR



I-SO



* Proposed transfer of Native Hawaiian Relations from AS-PMB effective FY 2019.

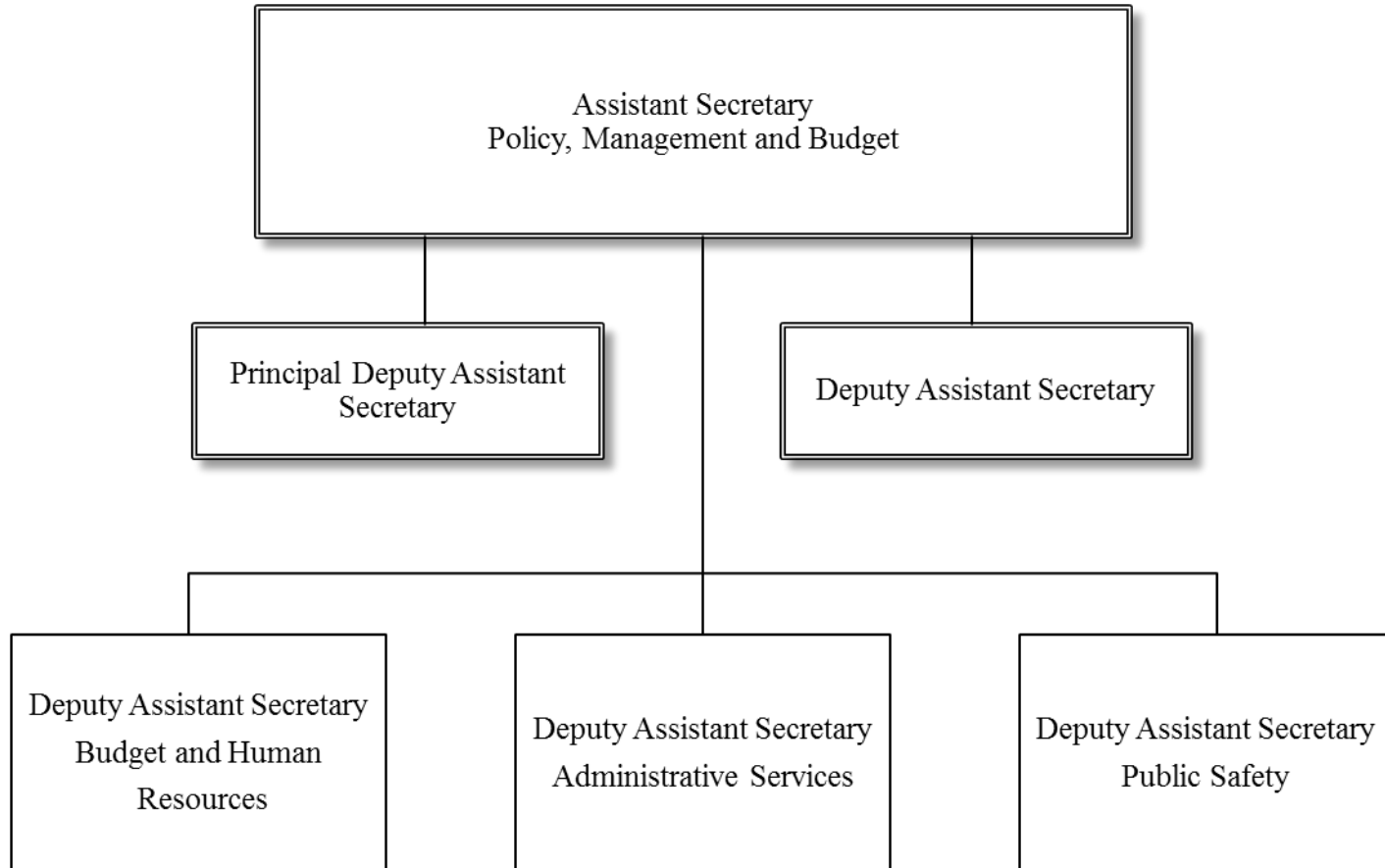
** Office of the Special Trustee to report through AS-IA effective FY 2019.



Assistant Secretary – Policy, Management and Budget



OS-2



OFFICE OF THE SECRETARY

DEPARTMENTAL OPERATIONS

Overview

The Department of the Interior touches American lives in many ways – managing one-fifth of the land in the United States and delivering water and power in the West. Across Interior’s diverse mission, this budget emphasizes the Department’s crucial role in promoting economic growth for America. The Department is responsible for the oversight and management of America’s public lands, national parks, energy and mineral resources, grazing lands, and more. As the steward of this public trust, the Interior manages America’s public lands for multiple uses, ensuring these lands are available for outdoor recreation and responsible energy development, where appropriate. Through this balanced stewardship of resources, which recognizes the value of conservation and development, Interior helps drive job opportunities and economic growth.

GROWING AMERICA’S ECONOMY

America’s lands hold tremendous job-creating assets. Interior supported \$254 billion in estimated economic benefit, while direct grants and payments to States, Tribes, and local communities provided an estimated \$10 billion in economic benefit. In 2017, the Department collected \$9.6 billion from energy, mineral, grazing, and forestry activities on behalf of the American people. Interior also supports the economy by eliminating unnecessary and burdensome Federal regulatory requirements. For example, in 2017, Interior initiated 21 deregulatory actions, saving the taxpayer \$3.8 billion over time.

The Department facilitates the creation of jobs across America through our national parks and outdoor recreation opportunities at Interior’s spectacular and unique public lands and cultural sites. In 2016, Interior hosted an estimated 473 million recreation visitors, supporting nearly 426,000 jobs nationwide and contributing an estimated \$50 billion to the national economy.

Interior also plays an important role in the Administration’s key economic objective to strengthen America’s infrastructure. The Department directly manages thousands of real property assets but also has responsibility for reviewing and approving permits for other public and private sector uses of Interior lands, including energy and minerals development, pipelines, and transmission infrastructure. In doing this work, Interior must ensure necessary environmental compliance, including up-front and formal consultations to avoid conflicts over protected species.

ADVANCING ENERGY DOMINANCE

Interior plays a significant role in the Administration’s objective to achieve America’s energy dominance. Interior is unlocking America’s domestic energy resources to advance both the Nation’s economic and national security position by reducing dependence on other nations for energy. The Department of the Interior is working to improve access to public lands, remove

unnecessary and burdensome roadblocks, and smartly balance conservation while facilitating exploration and development of America's energy resources.

Interior is the steward and manager of America's natural resources including oil, gas, coal, and hydropower and supports installation of renewable energy sources. Paired with policies that foster growth and local input, American energy resources create jobs and generate significant revenue for the U.S. Treasury, States and local economies. Interior disbursements from energy and minerals production on Federal and American Indian lands and offshore areas totaled \$7.1 billion in fiscal year 2017, nearly \$1 billion above the previous year. Of this, States received \$1.4 billion, tribal governments and individual mineral rights owners received nearly \$676 million, and \$900 million went into the Land and Water Conservation Fund to support outdoor recreation opportunities and conservation.

Onshore, the Department oversees more than 480 million acres of lands, and 700 million acres of subsurface minerals, mostly through Bureau of Land Management and the Office of Surface Mining Reclamation and Enforcement. In addition, Interior has responsibility for the largest land trust in the world. Today, the Indian trust encompasses nearly 56 million surface acres and 50 million acres of subsurface mineral estates. The Department, through the Bureau of Reclamation is the second largest hydropower producer in the country. Offshore, the Department oversees oil, gas, and wind development for 1.7 billion acres of the Outer Continental Shelf through the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement.

An important component of managing Interior's natural resources is the collection and disbursement of receipts from development. The 2019 budget includes \$137.5 million for the Office of Natural Resources Revenue. In 2017, Secretary Zinke held the first meeting of the reestablished Royalty Policy Committee, which includes 20 members representing local, tribal, and state government, and other stakeholders. They will advise the Secretary on the fair market value and revenue collection from Federal and Indian mineral and energy leases, including renewable energy sources.

UNLEASHING AMERICA'S ENERGY POTENTIAL

In response to Executive Order 13783, Interior released the report "*Review of the Department of the Interior Actions that Potentially Burden Domestic Energy*," identifying agency actions that potentially burden the development or use of domestically produced energy resources. This review guided real action to foster multiple-use, which includes energy development under reasonable regulations. Among the actions identified in the review that are underway or accomplished:

- Launched development of a new 5-year offshore energy development program.
- Ended the 2016 moratorium on new Federal coal leases.
- Rescinded the Hydraulic Fracturing on Federal and Indian Lands Rule.
- Review the Waste Prevention, Production Subject to Royalties, and Resource Conservation Rule.
- Reduce the time and costs of NEPA reviews to reduce project delays, including hydropower projects.

- Re-examine compensatory mitigation policies to ensure they do not unnecessarily burden the public and project proponents.
- Address systematic delays in the onshore leasing program and permitting process.
- Develop regulatory and administrative recommendations to improve the application of the Endangered Species Act to reduce project costs and delays.

At the same time, Secretary Zinke signed Secretarial Order 3358 establishing an Executive Committee for Expedited Permitting at Interior. The ECEP includes the Deputy Secretary and Assistant Secretarial leadership from across the Department, with the charge to improve Interior's energy permitting in service to the American public and Indian Country. The Committee will evaluate and recommend energy-permitting policies to better meet the Nation's energy needs, facilitate identification of energy rights-of-way corridors on Federal lands for expedited review of energy infrastructure projects, improve interagency communication regarding energy permitting, and identify best practices and reforms.

MODERNIZING OUR ORGANIZATION AND INFRASTRUCTURE FOR THE NEXT 100 YEARS

THE PUBLIC LANDS INFRASTRUCTURE FUND

Interior manages an infrastructure asset portfolio with a replacement value exceeding \$300 billion, ranging from elementary and secondary schools serving Indian children in the West, to highways and bridges serving the daily commuting needs of the Washington, D.C., metropolitan area. Most well-known, are Interior's iconic and unique national treasures that have priceless historical significance. Interior owns approximately 43,000 buildings, 100,000 miles of road, and 80,000 structures—including dams, laboratories, employee housing, and irrigation and power infrastructure. Taking care of this significant asset portfolio is a persistent challenge. Interior's deferred maintenance backlog has grown to over \$16 billion in 2017, of which over \$11 billion belongs to the NPS.

Many of these assets are deteriorating, with older assets becoming more expensive to repair and maintain in good condition. The FY 2019 budget includes the Administration's new Public Lands Infrastructure Fund to address repairs and improvement in national parks, national wildlife refuges, and BIE schools. The Department is taking action to increase revenue from Federal energy leasing and development over 2018 budget projections and plans to keep 50 percent of additional revenue that is not otherwise allocated for other purposes for Department infrastructure needs. Deposits to the fund will be capped at a total of \$18.0 billion. This bold investment will significantly improve the Nation's most visible and visited public facilities that support a multibillion dollar outdoor recreation economy. The other 50 percent of increased revenues would go to the Treasury.

MANAGEMENT AND REFORMS

During the peak summer seasons, the Department of the Interior has nearly 70,000 employees in 2,400 locations across the United States, Puerto Rico, U.S. Territories, and Freely Associated States. Interior's varied mission, wide geographic presence, direct public service programs, and trust and stewardship responsibilities, make it a personnel intensive and field oriented agency.

Interior's diverse staff works to protect and manage the Nation's natural resources and cultural heritage, provide scientific and other information about those resources, and provide services to American Indians, Alaska Natives, and insular communities.

Secretary Zinke set some top management objectives to better achieve his goals and lead Interior's team forward – and implementation is underway. From day one, Secretary Zinke made improving the work experience a priority while at the Department. At the end of his first year, according to the *Partnership for Public Service's Best Places to Work* report, the numbers show progress toward that goal. In 2017, Interior moved from 11th place in the rankings to 9th place among all the large Federal agencies. Key to achieving improvement is the clear direction from Departmental leadership there is zero tolerance for any type of workplace harassment. Interior is instilling a culture change through transparency, a zero-tolerance policy, swift personnel actions, clear management accountability, reporting procedures for harassing conduct, training, and action plans from all bureau and office heads across the Department.

Interior is also taking bold steps to better position itself for the next 100 years. In response to President Trump's Executive Order on a *Comprehensive Plan for Reorganizing the Executive Branch*, Secretary Zinke laid out a vision for a reorganized Department of the Interior which aligns regional boundaries within Interior to provide better coordination across the Department to improve mission delivery and focuses resources in the field. The 2019 budget includes a total of \$17.5 million in bureau budgets to start this effort. The budget also proposes additional shifts to better align functions within the Department and respond to Congressional direction related to the Office of the Special Trustee. The Department is continuing to evaluate the advantages and disadvantages of the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement being separate organizations with the understanding that revenue collection activities need to be separate from safety.

The 2019 budget assumes efficiencies and reduces lower priority programs, and supports 59,759 full time equivalents. To accomplish this, the Department will rely on a combination of attrition and separation incentives. Presently, 16 percent of our employees are eligible to retire.

The Department annually spends nearly \$3 billion to procure goods and services, over \$1 billion on information technology and over \$300 million to administer acquisition and human resources services. Interior will work to achieve cost savings of \$52.7 million through more aggressive use of shared services and use of multi-agency "Best in Class" procurement vehicles, such as shared contracting with other bureaus and Federal agencies. These savings will be accomplished by identifying administrative efficiencies to meet broader fiscal objectives and maintain programmatic funding.

Reducing Interior Department's physical footprint and seeking ways to consolidate space and resources continues to be an important management priority. Efforts build on several multi-year actions to reduce the Department's nationwide facilities footprint and improve the efficiency and effectiveness of its information technology infrastructure and financial reporting capabilities.

STRENGTHENING INTERIOR'S CYBERSECURITY

Ensuring Interior's cybersecurity strength continues to be a top priority. The 2019 budget maintains \$9.9 million in the appropriated working capital fund to continue the Department's remediation of its cybersecurity systems and processes. The request continues support for activities launched in 2015 and supports Department of Homeland Security (DHS) Continuous Diagnostics and Mitigation (CDM) investments to identify, isolate, and quantify cyber threats. In 2019, Interior will conduct activities that identify and manage hardware and software assets and security configuration settings; protect trusted internet connections at gateways; and introduce measures to prevent malware and phishing attacks through e-mail.

As part of the Government-wide CDM initiative, Interior continues to work diligently with the DHS on the implementation of the CDM cybersecurity program. The CDM program provides Federal departments and agencies with critical capabilities and tools that identify cybersecurity risks on an ongoing basis, prioritize these risks based upon potential impacts, and enable cybersecurity personnel to prioritize the mitigation of the most significant problems. Additionally, the CDM program includes the deployment of agency-level dashboards that provide agencies with near real-time reporting of their organization's cybersecurity posture, thus allowing for more effective risk-based decision making. The information in agency-level dashboards feeds into a Federal-level dashboard that provides DHS with visibility into Federal networks and allows DHS to better assist departments and agencies in protecting their networks.

FEDERAL SPENDING TRANSPARENCY

Maintaining the integrity of Interior's financial and business systems is another top priority. A multi-year Department-wide effort successfully implemented the Financial and Business Management System, a modern, integrated, and secure system supporting better management, accountability, and transparency in budget execution, financial management, acquisition and financial assistance, fleet and facilities management, and property management. The system continues to deliver promised improvements in functionality, consistency in reporting, standardized internal controls and processes, and improved data availability.

The 2019 budget includes \$46.8 million for the Financial and Business Management System to maintain the, avoid technical obsolescence, and implement high priority improvements to support the Department's operations. The FBMS tool continues to improve data quality and consistency across the Department, enables informed management decisions, and decreases manual processes.

The Department of the Interior's 2019 budget request maintains core functions important to the American people and supports a transformation the Department needs to accomplish for more effective management over the next 100 years. It reflects tough choices to prioritize and focus limited resources where investments have the most impact, but continues to deliver access and services that are critical to Americans. Achieving success in all of Interior's important responsibilities for the American people is the Department's primary focus. Interior is committed to take necessary actions to better accomplish our mission.

EXECUTIVE SUMMARY**Total 2019 Budget Request**

(in thousands of dollars)

Budget Authority	2017 Actual	2018 CR Baseline	2019 Request
Current	271,074	269,233	134,673
Permanent	1,433,532	1,925,392	2,946,145
Total	1,704,606	2,194,625	3,080,818
<i>FTEs</i>	<i>1,064</i>	<i>1,088</i>	<i>460</i>

Departmental Operations

The Department of the Interior conserves and manages the Nation's natural resources and cultural heritage for the benefit and enjoyment of the American people, provides scientific and other information about natural resources and natural hazards to address societal challenges and create opportunities for the American people, and honors the Nation's trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities to help them prosper.

Departmental Offices provide leadership, management, and coordination activities; deliver services to Interior's bureaus and offices; and operate unique cross-cutting functions that do not logically fit elsewhere. The Office of the Secretary provides executive leadership for the Department through the development of policy, legislation, and the annual budget. The Office of the Secretary also provides administrative services such as finance, information resources, acquisition, and human resources. The Office manages the administrative appeals functions through the Office of Hearings and Appeals, and appraises the value of lands and minerals through the Appraisal and Valuation Services Office.

The 2019 budget request for Departmental Operations is \$134.7 million in current appropriations. The budget request reflects the proposed transfer of \$140.5 million associated with the Office of Natural Resources Revenue to a new appropriation, described in the Department-wide Programs section of this budget justification volume. The proposed transfer of ONRR funding to a separate account will increase transparency in the budget for the Department's energy revenue programs. The 2019 request also reflects Congressional approval in 2018 to shift the Office of Appraisal Services from the Office of the Special Trustee (OST) to the Office of Valuation Services in the Office of the Secretary, establishing a consolidated Department-wide Appraisal and Valuation Services Office (AVSO). This action facilitates coordination of policies and best practices and complies with the requirements of the Indian Trust Asset Reform Act to consolidate the appraisal and valuation of Indian trust property under one administrative entity by December 22, 2017. The 2019 budget reflects a transfer of \$9.7 million from the OST to the OS for the AVSO.

The budget reflects two additional shifts approved in 2018 to realign the Office of International Affairs and the Oceans Program from the Office of the Assistant Secretary, Policy, Management and Budget to the Office of the Assistant Secretary, Insular and International Affairs. The 2019 request proposes an additional internal transfer to realign \$277,000 associated with the Office of Native Hawaiian Relations from the Office of the Assistant Secretary, Policy, Management and Budget to the Assistant Secretary, Insular and International Affairs.

The budget request also proposes to realign the Land Buy Back Program for Tribal Nations (LBBP) from the Office of the Secretary to the Office of the Special Trustee for American Indians. The LBBP is a permanent funded program responsible for the expenditure of the \$1.9 billion Trust Land Consolidation Fund authorized by the Settlement Agreement in *Cobell v. Salazar*, No. 96-CV-1285-JR and confirmed by the Claims Resolution Act of 2010. The OST currently provides significant support to the LBBP and the realignment of the program will enhance coordination of support activities and technical assistance and present opportunities to streamline LBBP processes.

The budget request for the Office of the Secretary continues support for priority Departmental operations, services, and management functions. The budget adjusts the request for land acquisition related activities of the Appraisal and Valuation Services Office reflecting the priority to maintain Interior's existing assets rather than acquire new areas. Proposed funding will maintain capacity to support on-going bureau land projects, and will not impact Indian appraisal services transferring from the Office of the Special Trustee for American Indians.

The budget proposes additional shifts to consolidate the management structure reporting to the Assistant Secretary for Policy, Management and Budget.

Fixed Costs – An increase of \$1.3 million for fixed costs is reflected in the budget.

DEPARTMENT-WIDE PROGRAMS

The Office of the Secretary manages five Department-wide programs.

- Payments in Lieu of Taxes program provides payments to local governments in jurisdictions where Federal lands are located.
- Office of Natural Resources Revenue ensures revenue from Federal and Indian mineral leases is effectively, efficiently, and accurately collected, accounted for, analyzed, audited, and disbursed to recipients. Revenue distributions, which totaled \$7.1 billion in 2017, benefit States, Tribes, individual Indian mineral royalty owners, and U.S. Treasury accounts.
- Central Hazardous Materials Fund provides a coordinated, consistent approach to remediate Interior sites impacted by hazardous substances.
- Natural Resource Damage Assessment and Restoration program coordinates all of the Department's restoration efforts for affected resources damaged as a result of oil spills or hazardous substance releases into the environment.
- Wildland Fire Management program addresses wildfire on public lands. Working collaboratively with the participating bureaus, the Department coordinates wildland fire activities within Interior and with the Department of Agriculture's U.S. Forest Service.

The Office of the Secretary also manages the Department's Working Capital Fund, the Interior Franchise Fund, and the agency-wide Financial and Business Management System. The Natural Resource Damage Assessment and Restoration program and the Wildland Fire Management Program are presented in separate individual Congressional Justifications.

Department-wide programs support bureaus and offices through the execution of activities that are broad in scope and impact. These programs complement the many diverse activities of the Department and help to achieve key strategic goals.

Payments in Lieu of Taxes

The Payments in Lieu of Taxes program makes payments to nearly 1,900 local government units in 49 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands to help offset the costs of services and infrastructure incurred by local jurisdictions where certain Federal lands are located. The PILT payments help local governments carry out such vital services as firefighting and police protection, construction of public schools and roads, and search and rescue operations. In recent years, PILT monies have been used to fund projects to construct county buildings, purchase new police cruisers, and upgrade 911 emergency services.

The 2019 budget proposes \$465.0 million in current funding for PILT. The amount reflects an additional \$68.1 million provided for PILT in the *Budget Policy Addendum* for FY 2019.

Office of Natural Resources Revenue

The Office of Natural Resources Revenue is responsible for ensuring revenue from Federal and Indian mineral leases is effectively, efficiently, and accurately collected, accounted for, analyzed, audited, and disbursed to recipients. Revenue distributions, which totaled \$7.1 billion in 2017, benefit States, Tribes, individual Indian mineral royalty owners, and U.S. Treasury accounts. The request includes \$3.7 million to meet base contract requirements for ONRR's Minerals Revenue Management Support System; and focuses on high risk offshore production inspection activities through the offshore production verification and inspection program. The budget reflects completion of ONRR's Denver office consolidation and contract activities associated with the U.S. Extractive Industries Transparency Initiative, and a delay in the requirement to assume responsibility for Osage Trust Accounting activities.

To increase transparency, the 2019 budget request proposes to transfer ONRR's receipts management program from the Office of the Secretary's Departmental Operations account to a separate appropriation within Department-wide Programs.

In 2017, Secretary Zinke established the Royalty Policy Committee, a discretionary committee under the authority of the Secretary and regulated by the Federal Advisory Committee Act. The Committee will provide advice to the Secretary on the fair market value of, and the collection of revenues derived from, the development of energy and mineral resources on Federal and Indian lands. The Committee also will advise the Secretary on the potential impacts of proposed policies and regulations related to revenue collection from such development, including whether a need exists for regulatory reform.

Fixed Costs – Fixed costs of \$1.3 million are fully funded in the request.

Central Hazardous Materials Fund

The mission of the Central Hazardous Materials Fund is to protect the public health and the environment by addressing the most highly contaminated sites within national parks, national wildlife refuges, and on other Department-managed lands. The CHF funds remediation projects using the cleanup process under the Comprehensive Environmental Response, Compensation, and Liability Act known as the Superfund statute. The program provides Interior bureaus with legal, technical, and project management expertise to address their highest priority cleanup problems. The program is funded through two revenue sources: annual appropriations and recoveries from PRPs. The program is authorized to receive, retain, and use recoveries from PRPs to fund cleanup projects. Since the CHF was established in 1995, the program has received over \$110 million in recoveries from PRPs and has avoided more than \$477 million in bureau spending through in-kind remediation work performed by PRPs and other parties.

The 2019 budget request is \$2.0 million to fund CHF program management and legal staff, and recoveries from PRPs will fund remediation projects. The CHF will fund the highest priority remediation projects based on the availability of recoveries and focus resources on remediation projects with viable PRPs. During the transition from appropriated funds to a greater reliance on funds recovered from PRPs, the program office will continue with internal control reviews,

prioritization of projects, financial management activities, and technical support although activities will be reduced in scope.

Fixed Costs – Fixed costs of \$8,000 are fully funded.

Natural Resource Damage Assessment and Restoration

The mission of the Natural Resource Damage Assessment and Restoration program is to restore natural resources damaged as a result of oil spills or hazardous substance releases into the environment. Damage assessments, conducted in partnership with other affected State, tribal, and Federal co-trustees, provide the basis for determining the restoration needs that address injury to and loss of these resources and the services provided to the public.

The 2019 request for NRDAR is \$4.6 million and includes funding needed for ongoing damage assessments and restoration activities.

The NRDAR Fund supports natural resource damage assessment, restoration planning, and implementation at hundreds of sites nationwide in partnership with Federal, State, and tribal co-trustees. In 2019, \$597.4 million is anticipated to flow into the Fund from receipts recovered through settled damage assessment cases, advanced cooperative assessment funds, and earned interest. By statute, receipts such as these can only be used by trustees to restore damaged lands and resources or to reimburse for past assessment costs.

The budget request includes \$1.5 million for damage assessments to support new damage assessment cases and defray the costs of ongoing assessments. The request for Restoration Support is \$1.9 million and includes \$200,000 for Inland Oil Spill Preparedness. The NRDAR will remain prepared to support the Environmental Protection Agency's leading role for Federal responses to inland oil spills, focusing on local and regional contingency plans. The budget includes \$1.0 million for Program Management in 2019.

In 2019, receipts and discretionary appropriations will enable the NRDAR program to prioritize restoration of damaged lands and resources. This restoration includes work in the Gulf of Mexico, where Interior is working with States and other Federal agencies to develop and implement restoration actions related to the recently-settled Deepwater Horizon oil spill.

Fixed Costs – Fixed costs of \$57,000 are fully funded.

The budget justification for this program is presented in a stand-alone Congressional Justification.

Wildland Fire Management

The goal of the Wildland Fire Management program is to achieve a coordinated response to managing wildfire through an integrated, cost-efficient, and operationally efficient fire management program that meets resource and safety objectives. The guiding program principles and priorities are to create fire-resilient landscapes, promote fire-adapted communities, and

safely and effectively respond to wildfires through direct program activities and strong Federal, tribal, State, and local collaboration.

The 2019 budget request for the Wildland Fire Management Program is \$870.4 million excluding \$50.0 million in 2018 supplemental appropriations. The budget responsibly funds 100 percent of the 10-year suppression average within the domestic discretionary cap which is \$388.1 million for the Department of the Interior.

Separate from the Department of the Interior appropriations request, the Administration proposes to amend the Balanced Budget and Emergency Deficit Control Act to provide stable funding for Fire Suppression Operations, while minimizing the adverse impacts of fire transfers on the budget of other Interior and U.S. Forest Service programs. Funding the full 10-year average within base resources helps ensure that the cap adjustment only will be used for the most severe fire seasons. For 2019, the request for the budget cap adjustment will authorize an additional \$1.5 billion which will be allocated between the Secretaries of Agriculture and the Interior. In addition to the proposed cap adjustment, the Administration believes that meaningful forest management reforms to strengthen our ability to restore the Nation's forests and improve their resilience to destructive wildfires should be a part of any permanent solution.

The budget includes \$322.2 million for wildland fire Preparedness activities to support Interior's firefighting capabilities and maintain the program's high initial attack success rate. To maintain proper stewardship of public lands and address wildfire risk, Fuels Management activities are funded at \$150.6 million. The budget includes \$9.5 million to support high priority restoration of public lands damaged by wildfire. In 2019, the budget shifts responsibility for fire facility requirement to the relevant bureaus.

Fixed Costs – Fixed costs of \$3.6 million are fully funded.

The budget justification for this program is presented in a stand-alone Congressional Justification.

WORKING CAPITAL FUND

Direct Appropriation

Working Capital Fund – Appropriated Fund Request

The Department's Working Capital Fund provides centralized services and systems to Interior bureaus and offices and to other customers. The 2019 budget proposes \$56.7 million for the appropriated portion of the Department's Working Capital Fund.

Maintaining Financial and Business Operations – The 2019 budget includes \$46.8 million for the operations and maintenance of the Financial and Business Management System. The request reflects funding required for steady-state operations and maintenance of the Department's integrated financial system of record. In light of the constrained budget environment, the program will reduce system optimization activities and non-critical operational support.

Strengthening Interior's Cybersecurity Posture – The 2019 budget includes \$9.9 million to continue the Department's remediation of its cybersecurity systems and processes. The Department is focused on quickly addressing the agency's significant cybersecurity requirements. The request continues the remediation activities launched in 2015 and supports Department of Homeland Security Continuous Diagnostics and Mitigation investments to identify, isolate, and quantify cyber threats. In 2019, the Department will sustain activities that identify and manage hardware and software assets and security configuration settings; protect trusted internet connections at gateways; and introduce measures to prevent malware and phishing attacks through e-mail.

Fixed Costs – There are no fixed costs requested for funds appropriated to the Working Capital Fund.

Working Capital Fund – Reimbursable Activity

The Department's Working Capital Fund provides centralized administrative and business services and systems to Interior bureaus and offices and to other customers.

In lieu of maintaining duplicative systems and staffs in each bureau and office, the Department uses the WCF, a revolving fund, to finance centralized functions that provide payroll, finance and accounting, information technology, and other support services. The WCF bills bureaus and offices for the costs of these services based on an annual budget that is formulated with the input of the Working Capital Fund Consortium, an oversight entity comprised of representatives of Interior bureaus and offices.

Funds are collected from bureaus and offices via centralized and direct billing. Centralized billing is used whenever the product or service provided cannot be assigned to a particular customer or it is inefficient to bill for the exact amount of products or services being provided. Customers are billed each year using a pre-established algorithm and these amounts are adjusted annually to reflect cost changes, reported in the budget to the Congress, and budgeted in each bureau through requests for fixed cost and/or program changes. Direct billing is used whenever

the product or service provided is severable and is provided through either a time and materials or fixed price reimbursable support agreement or similar contractual arrangement. Estimated collections for 2019 total \$198.7 million for centralized billing and \$343.8 million for direct-billed activities.

Interior Franchise Fund

The Interior Franchise Fund provides business support services to Interior bureaus and offices and other Federal agencies on a competitive basis at customer discretion. The Government Management Reform Act of 1994 authorized creation of six executive agency pilot franchise funds. The Director of the Office of Management and Budget approved the Department of the Interior's application for a pilot program in May 1996 and the Interior Franchise Fund was established in the 1997 Interior and Related Agencies Appropriations Act. The 2008 Consolidated Appropriations Act provides permanent franchise fund authority. Interior Franchise Fund activities, such as acquisition and financial services, are executed for a variety of Federal agency customers on a reimbursable basis.

PROGRAM PERFORMANCE SUMMARY**FY 2018-2022 Department of the Interior Strategic Plan**

The Department's Strategic Plan for FY 2018-2022 emphasizes key mission areas and goals that are most critical across the Department, including a set of high priority goals that relate to the Secretary's top priorities for improvement. Similarly, the Plan employs key performance measures that capture the results of efforts to implement those strategies across bureaus that will lead to the achievement of an integrated set of goals. This information will help improve the Department's ability to manage, providing insights that will guide planning for programs, infrastructure, human capital, information technology, acquisition, and funding. The Strategic Plan's goals and strategies will filter down to the individual level, providing a connection of individual achievement to that of the organization. The Department's accompanying Annual Performance Plan and Report (APP&R) provides insight into the next level of information for implementing the goals reflected in the Strategic Plan, along with corresponding funding estimates, performance targets and strategic actions through FY 2019, and performance results through FY 2017. This information will also provide a more readily understandable assessment of performance across the Department, thereby increasing transparency and accountability to the American public. The Office of the Secretary budget continues to improve performance through:

- Utilizing common goals, strategies, performance measures, and related management processes to make it easier for bureaus and offices to work together to achieve shared missions.
- Improving human resources management and processes to help provide a capable workforce to achieve the Department's missions.
- Linking goals to budget and financial resources, thus improving efficiency and providing more comprehensive data to support decision-making and organizational effectiveness.
- Implementing and maintaining a Department-wide inventory of Interior facilities and their condition, to ensure that funds are prioritized to meet the most essential maintenance and rehabilitation needs.
- Achieving economies of scale in information technology purchases by adopting modern Department-wide systems, and focusing resulting savings towards on-the-ground mission delivery.
- Improving the security of our IT systems to ensure that Interior's mission and service to the public are not impacted by security breaches.
- Continually seeking methods to achieve economies through process improvement, strategic sourcing, and enhanced efficiency and effectiveness in the use of partners' capabilities.

Departmental Operations

DEPARTMENT OF THE INTERIOR**OFFICE OF THE SECRETARY****Appropriation Language Sheet****Office of the Secretary, Departmental Operations**

(Including Transfer of Funds)

For necessary expenses for management of the Department of the Interior and for grants and cooperative agreements, as authorized by law, \$134,673,000, to remain available until September 30, 2020; of which not to exceed \$15,000 may be for official reception and representation expenses; and of which up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines; and of which \$9,000,000 for the Appraisal and Valuation Services Office is to be derived from the Land and Water Conservation Fund and shall remain available until expended: and of which \$9,704,000 for Indian land, mineral, and resource valuation activities shall remain available until expended: Provided further, That funds for Indian land, mineral, and resource valuation activities may, as needed, be transferred to and merged with the Bureau of Indian Affairs and Bureau of Indian Education "Operation of Indian Programs" account and the Office of the Special Trustee for American Indians "Federal Trust Programs" account: Provided further, That funds made available through contracts or grants obligated during fiscal year 2019, as authorized by the Indian Self-Determination Act of 1975, (25 U.S.C. 5301 et seq.), shall remain available until expended by the contractor or grantee.

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

Note to the reviewer – The 2019 Budget proposes to transfer the Office of Natural Resources Revenue from Departmental Operations to a separate appropriation account within Department-wide Programs, therefore, the appropriation language for Departmental Operations reflects the transfer of ONRR. Clauses specific to ONRR's program and funding are reflected under the Office of Natural Resources Revenue Appropriation within Department-wide Programs.

DEPARTMENT OF THE INTERIOR**OFFICE OF THE SECRETARY****Appropriation Language Citations****Appropriation: Office of the Secretary, Departmental Operations**

Appropriation language and citations:

1. For necessary expenses for management of the Department of the Interior

43 U.S.C. 1451, 1457

Reorganization Plan No. 3 of 1950; 64 Stat. 1262, as amended, 66 Stat. 121.

43 U.S.C. 1451 provides that: “There shall be at the seat of government an executive Department to be known as the Department of the Interior, and a Secretary of the Interior, who shall be the head thereof.”

43 U.S.C. 1457 Duties of the Secretary – The Secretary of the Interior is charged with the supervision of public business concerning:

1. Alaska Railroad.
2. Alaska Road Commission.
3. Bounty Lands.
4. Bureau of Land Management.
5. Bureau of Reclamation.
6. Division of Territories and Island Possessions.
7. Fish and Wildlife Service.
8. Geological Survey.
9. Indians.
10. National Park Service.
11. Petroleum Conservation.
12. Public Lands, including mines.

Reorganization Plan No. 3 states that: (a) “Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of the Interior all functions of all agencies and employees of such Department...” (b) “This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) [now covered by sections 551 et seq. and 701 et seq. of Title 5, Government Organization and Employees] in hearing examiners employed by the Department of the Interior, nor to the functions of the Virgin Islands Corporation or of its Board of Directors or officers.”

All functions of all other officers of the Department of the Interior and all functions of all agencies and employees of such Department were, with the two exceptions, transferred to the Secretary of the Interior, with power vested in the Secretary to authorize their performance or the performance of any of the Secretary’s functions by any of such offices, agencies and employees.

Under authority of Reorganization Plan No. 3 of 1950, the Secretary is empowered to effect transfers of functions and responsibilities, with certain exceptions, and delegate authorities within the Department or its agencies to address changing requirements in the overall organization of the Department.

2. and for grants and cooperative agreements, as authorized by law,

This language provides authority to support ONRR's minerals revenue collection and management functions including the State and Tribal Audit Program. This language provides grants and cooperative agreement authority to the Office of the Secretary in support of the Department's bureaus and offices.

3. to remain available until September 30, 2020;

The Department proposes the availability of funding for the Departmental Operations account to remain available until September 30, 2020.

4. of which not to exceed \$15,000 may be for official reception and representation expenses;

The Secretary, as a member of the President's Cabinet, is called upon from time to time to hold official receptions for foreign dignitaries and other high ranking officials. The above language both authorizes and limits the amount of funds used for this purpose.

5. and of which up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines;

The Department proposes to continue funding workers' and unemployment compensation benefit payments associated with former employees of the Bureau of Mines.

6. and of which \$9,000,000 for the Appraisal and Valuation Services Office is to be derived from the Land and Water Conservation Fund and shall remain available until expended:

The Department proposes \$9,000,000 of funding for the Departmental Operations account to support valuations of lands and minerals. The Appraisal and Valuation Services Office (formerly Office of Valuations Services) provides appraisal services in support of land acquisition and other programs for the Bureau of Land Management, Bureau of Reclamation, Fish and Wildlife Service, and National Park Service.

7. and of which \$9,704,000 for Indian land, mineral, and resource valuation activities shall remain available until expended:

The Department proposes \$9,704,000 of funding for the Departmental Operations account to fund Indian land appraisals. The Office of Appraisal Services under the Office of the Special Trustee was recently transferred to the Office of the Secretary and consolidated with the Office of Valuations Services to become the Appraisal and Valuation Services Office. The new AVSO is responsible for all land and mineral valuations including Indian lands to provide independent

and impartial estimates of value for specific types of real property interests held or owned in trust or restricted status for Indian Tribes, individual Indians, and Alaska Natives.

8. Provided further, That funds for Indian land, mineral, and resource valuation activities may, as needed, be transferred to and merged with the Bureau of Indian Affairs and Bureau of Indian Education "Operation of Indian Programs" account and the Office of the Special Trustee for American Indians "Federal Trust Programs" account:

The Department proposes authorization to transfer funds to the Bureau of Indian Affairs and Bureau of Indian Education and the Office of the Special Trustee for American Indians to support the administration of contracts and grants authorized by 25 U.S.C 5301 et seq.

9. Provided further, That funds made available through contracts or grants obligated during fiscal year 2019, as authorized by the Indian Self-Determination Act of 1975, (25 U.S.C. 5301 et seq.), shall remain available until expended by the contractor or grantee.

25 U.S.C. 5301 et seq. authorizes funds obligated for tribal contracts to remain available until expended.

DEPARTMENT OF THE INTERIOR**OFFICE OF THE SECRETARY****Appropriation Language Sheet****Administrative Provisions**

For fiscal year 2019, up to \$400,000 of the payments authorized by chapter 69 of title 31, United States Code, may be retained for administrative expenses of the Payments in Lieu of Taxes Program: Provided, That the amounts provided under this Act specifically for the Payments in Lieu of Taxes program are the only amounts available for payments authorized under chapter 69 of title 31, United States Code: Provided further, That in the event the sums appropriated for any fiscal year for payments pursuant to this chapter are insufficient to make the full payments authorized by that chapter to all units of local government, then the payment to each local government shall be made proportionally: Provided further, That the Secretary may make adjustments to payment to individual units of local government to correct for prior overpayments or underpayments: Provided further, That no payment shall be made pursuant to that chapter to otherwise eligible units of local government if the computed amount of the payment is less than \$100.

DEPARTMENT OF THE INTERIOR**OFFICE OF THE SECRETARY****Appropriation Language Citations****Appropriation: Administrative Provisions**

Appropriation language and citations:

1. For fiscal year 2019, up to \$400,000 of the payments authorized by chapter 69 of title 31, United States Code, may be retained for administrative expenses of the Payments in Lieu of Taxes Program:

This provision authorizes the use of funds appropriated to the PILT program for administrative expenses. This clause provides authority for fiscal year 2019 to use no more than \$400,000 of the appropriation for the PILT program for administration and oversight of the program, which is consistent with prior year authority.

2. Provided, That the amounts provided under this Act specifically for the Payments in Lieu of Taxes program are the only amounts available for payments authorized under chapter 69 of title 31, United States Code:

This clause clarifies the amount of payments issued under the program be restricted to the amount of funding appropriated.

3. Provided further, That in the event the sums appropriated for any fiscal year for payments pursuant to this chapter are insufficient to make the full payments authorized by that chapter to all units of local government, then the payment to each local government shall be made proportionally:

This clause clarifies that in the event the amount provided for the program is less than the full statutory calculation, the amounts provided to each local government will be prorated equally to the amount of available funding.

4. Provided further, That the Secretary may make adjustments to payment to individual units of local government to correct for prior overpayments or underpayments:

This clause provides authority to adjust an authorized 2019 payment to correct for the under- or over-payment to a unit of local government in a prior year.

5. Provided further, That no payment shall be made pursuant to that chapter to otherwise eligible units of local government if the computed amount of the payment is less than \$100.

This clause eliminates the requirement to make Payments in Lieu of Taxes payments to eligible local government units if the amount of such payment is less than \$100.

Office of the Secretary - Departmental Operations
Budget At A Glance
(Dollars in Thousands)

OS-Departmental Operations

DO-7

Office of the Secretary

FY 2019 Budget Justifications

	2017 Actual	2018 CR Baseline ^{1/}	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Appropriation: Departmental Operations						
Leadership and Administration	124,112	123,268	+1,267	-14,904	-2,263	107,368
Executive Direction ^{2/}	20,826	21,649	+231	+277	+0	22,157
Policy Analysis and Compliance	9,733	8,701	+81	-277	-1,133	7,372
<i>Native Hawaiian Relations</i> ^{2/}	[276]	[274]	[3]	[-277]	[0]	[0]
Budget, Finance, Performance and Acquisition Management	17,981	17,859	+190	+0	-550	17,499
Human Capital and Strategic Development	7,376	7,326	+77	+0	-300	7,103
Public Safety, Resource Protection and Emergency Services	3,855	3,829	+38	+0	-140	3,727
Technology and Business Services	3,810	3,784	+41	+0	+0	3,825
Central Services	60,531	60,120	+609	-14,904	-140	45,685
<i>ONRR Central Services</i> ^{3/}	[15,006]	[14,904]	[0]	[-14,904]	[0]	[0]
Management Services	20,475	20,337	+80	+9,704	-2,816	27,305
Office of Hearings and Appeals	7,140	7,092	+74	+0	-250	6,916
Appraisal and Valuation Services Office ^{5/}	11,000	10,925	+0	+9,704	-1,925	18,704
<i>Office of Valuation Services (Derived from LWCF)</i>	11,000	10,925	+0	+0	-1,925	9,000
<i>Office of Appraisal Services (Derived from General Fund)</i> ^{5/}	0	0	+0	+9,704	+0	9,704
USBM Worker's Compensation	938	932	-7	+0	-546	379
Indian Arts and Crafts Board	1,397	1,388	+13	+0	-95	1,306
Natural Resources Revenue	126,487	125,628	+0	-125,628	+0	0
Office of Natural Resources Revenue ^{4/}	126,487	125,628	+0	-125,628	+0	0
TOTAL, OS DEPARTMENTAL OPERATIONS	271,074	269,233	1,347	-130,828	-5,079	134,673

1/ The 2018 CR reflects the realignment of the Office of International Affairs and Oceans Program staff and funding as approved by Congressional reprogramming dated December 21, 2017.

2/ Moves Native Hawaiian Relations totalling 2 FTE and \$277K from Policy Analysis and Compliance to Executive Direction within the Assistant Secretary - Insular and International Affairs

3/ Moves ONRR's Central Services in the amount of \$14,904K to the new TAS (14_1113) within Department-Wide Programs. (Initially proposed in the 2018 PB Request)

4/ Moves ONRR operations in the amount of \$125,628K to the new TAS (14_1113) within Department-Wide Programs. (Initially proposed in the 2018 PB Request)

5/ Reflects the transfer of OST's Office of Appraisal Services (OAS) staff and functions to the Office of the Secretary to the Department-wide Appraisal and Valuation Services Office (AVSO) approved by Congressional reprogramming dated December 22, 2017. Formerly the Office of Valuation Services. Under AVSO, OAS will be combined with the Department's Office of Valuation Services (OVS) so all appraisal and valuations are conducted by a single entity within the Department.

Office of the Secretary - Departmental Operations
Summary of Requirements
(Dollars in Thousands)

	2017 Actual		2018 CR Baseline ^{1/}				2019 Request				Change from 2018		
	Amount	FTE	Fixed Costs & Related (+/-)		Internal Transfers (+/-)		Program Changes (+/-)		FTE	Amount	FTE	Amount	
			FTE	Amount	FTE	Amount	FTE	Amount					
Appropriation: Departmental Operations													
Leadership and Administration													
Executive Direction ^{2/}	20,826	112	21,649	0	231	2	277	0	0	114	22,157	2	508
Policy Analysis and Compliance	9,733	45	8,701	0	81	-2	-277	-1	-1,133	42	7,372	-3	-1,329
Native Hawaiian Relations ^{2/}	[276]	[2]	[274]	[0]	[+3]	[-2]	[-277]	[0]	[0]	[0]	[0]	[-2]	[-274]
Budget, Finance, Performance, and Acquisition Management	17,981	92	17,859	0	190	0	0	-4	-550	88	17,499	-4	-360
Human Capital and Strategic Development	7,376	43	7,326	0	77	0	0	-3	-300	40	7,103	-3	-223
Public Safety, Resource Protection, and Emergency Services	3,855	17	3,829	0	38	0	0	-1	-140	16	3,727	-1	-102
Technology and Business Services	3,810	19	3,784	0	41	0	0	-1	0	18	3,825	-1	41
Central Services ^{3/}	60,531	1	60,120	0	609	0	-14,904	-1	-140	0	45,685	-1	-14,435
ONRR Central Services ^{3/}	[15,006]	[0]	[14,904]	[0]	[0]	[0]	[-14,904]	[0]	[0]	[0]	[0]	[0]	[-14,904]
Total, Leadership and Administration	124,112	329	123,268	0	+1,267	0	-14,904	-11	-2,263	318	107,368	-11	-15,900
Management Services													
Office of Hearings and Appeals	7,140	40	7,092	0	74	0	0	-2	-250	38	6,916	-2	-176
Appraisal and Valuation Services Office ^{5/}	11,000	69	10,925	0	0	42	9,704	-16	-1,925	95	18,704	26	7,779
Office of Valuation Services (Derived from LWCF)	11,000	69	10,925	0	0	0	0	-16	-1,925	53	9,000	-16	-1,925
Office of Appraisal Services (Derived from General Fund) ^{5/}	0	0	0	0	0	42	9,704	0	0	42	9,704	42	9,704
U.S. Bureau of Mines Worker's Compensation	938	0	932	0	-7	0	0	0	-546	0	379	0	-553
Indian Arts and Crafts Board	1,397	10	1,388	0	13	0	0	-1	-95	9	1,306	-1	-82
Total, Management Services	20,475	119	20,337	0	+80	+42	+9,704	-19	-2,816	142	27,305	+23	+6,968
Natural Resources Revenue													
Office of Natural Resources Revenue	126,487	622	125,628	0	0	-622	-125,628	0	0	0	0	-622	-125,628
Total, Natural Resources Revenue^{4/}	126,487	622	125,628	0	0	-622	-125,628	0	0	0	0	-622	-125,628
SUBTOTAL, OS DEPARTMENTAL OPERATIONS	271,074	1,070	269,233	0	+1,347	-580	-130,828	-30	-5,079	460	134,673	-610	-134,560
Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, OS DEPARTMENTAL OPERATIONS	271,074	1,070	269,233	0	+1,347	-580	-130,828	-30	-5,079	460	134,673	-610	-134,560

1/ The 2018 CR reflects the realignment of the Office of International Affairs and Oceans Program staff and funding as approved by Congressional reprogramming dated December 21, 2017.

2/ Moves Native Hawaiian Relations totalling 2 FTE and \$277K from Policy Analysis and Compliance to Executive Direction within the Assistant Secretary - Insular and International Affairs

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Office of the Secretary - Departmental Operations
Justification of Fixed Costs and Internal Realignments
(Dollars In Thousands)

Fixed Cost Changes and Projections	2018 Change	2018 to 2019 Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days between the 2018 and 2019.	0	+257
Pay Raise The change reflects the salary impact of the 1.9% pay raise for 2018 as signed by the President in February 2017. There is no pay raise for 2019 (0.0%).	+1,271	+488
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are detailed in the Budget Justification for Departmental Management.	-524	+308
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees who suffer accidental deaths while on duty. Costs will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.	-18	-7
Unemployment Compensation Payments The amounts reflect projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.	+4	0
Rental Payments The amounts reflect changes in the costs payable to the General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to the Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	-1,759	+301
Baseline Adjustments for O&M Increases In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance (O&M) requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.	0	0

**DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES**

**Office of the Secretary - Departmental Operations
Program and Financing (in millions of dollars)**

Identification code 14-0102-0-1-306		2017	2018	2019
		<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Obligations by program activity:				
Direct program:				
00.12	Leadership and Administration.....	127	123	107
00.13	Management Services.....	21	20	27
00.14	Office of Natural Resources Revenue.....	140	126	.....
00.15	Disaster Relief Appropriations Act, 2013.....	30	2	2
00.17	Mayan Biosphere Reserve Technical Assistance.....	1	.....	.....
01.00	Direct program subtotal.....	<u>319</u>	<u>271</u>	<u>136</u>
Reimbursable program:				
08.04	Leadership and Administration.....	50	50	48
08.05	Management Services.....	2	2	1
08.99	Total reimbursable obligations.....	<u>52</u>	<u>52</u>	<u>49</u>
09.00	Total new obligations.....	371	323	185
Budgetary Resources:				
Unobligated balance:				
10.00	Unobligated balance brought forward, Oct 1.....	93	56	61
10.11	Unobligated balance transfer from other acct [072-1021].....	1	.....	.....
10.21	Recoveries of prior year unpaid obligations.....	8	10	10
10.50	Unobligated balance (total).....	<u>102</u>	<u>66</u>	<u>71</u>
Budget authority:				
Appropriation, discretionary:				
11.00	Appropriation.....	260	259	126
11.01	Appropriation (special or trust fund).....	11	10	9
11.60	Appropriation, discretionary (total).....	<u>271</u>	<u>269</u>	<u>135</u>
Spending authority from offsetting collections, discretionary:				
17.00	Collected.....	52	48	48
17.01	Change in uncollected payments, Federal sources.....	2	1	.....
17.50	Spending auth from offsetting collections, disc (total).....	<u>54</u>	<u>49</u>	<u>48</u>
19.00	Budget authority (total):.....	<u>325</u>	<u>318</u>	<u>183</u>
19.30	Total budgetary resources available.....	427	384	254
Memorandum (non-add) entries:				
19.41	Unexpired unobligated balance, end of year.....	56	61	69

**DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES**

**Office of the Secretary - Departmental Operations
Program and Financing - cont'd (in millions of dollars)**

Identification code 14-0102-0-1-306	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Change in obligated balance:			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1.....	240	222	145
30.10 Obligations incurred, unexpired accounts.....	371	323	185
30.11 Obligations ("upward adjustments"), expired accounts.....	1	.....	.....
30.20 Outlays (gross).....	-379	-390	-279
30.40 Recoveries of prior year unpaid obligations, unexpired.....	-8	-10	-10
30.41 Recoveries of prior year unpaid obligations, expired.....	-3	.....	.....
30.50 Unpaid obligations, end of year.....	<u>222</u>	<u>145</u>	<u>41</u>
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward, Oct 1.....	-13	-13	-14
30.70 Change in uncollected pymts, Fed sources, unexpired.....	-2	-1	.....
30.71 Change in uncollected pymts, Fed sources, expired.....	<u>2</u>	<u>.....</u>	<u>.....</u>
30.90 Uncollected pymts, Fed sources, end of year.....	-13	-14	-14
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year.....	227	209	131
32.00 Obligated balance, end of year.....	209	131	27
Budget authority and outlays, net:			
Discretionary:			
40.00 Budget authority, gross.....	325	318	183
40.10 Outlays from new discretionary authority.....	221	227	132
40.11 Outlays from discretionary balances.....	<u>158</u>	<u>163</u>	<u>147</u>
40.20 Outlays, gross (total).....	379	390	279
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.30 Federal Sources.....	-54	-48	-48
40.50 Change in uncollected pymts, Fed sources, unexpired.....	-2	-1	.....
40.52 Offsetting collections credited to expired accounts.....	<u>2</u>	<u>.....</u>	<u>.....</u>
40.60 Additional offsets against budget authority only (total).....	<u>.....</u>	<u>-1</u>	<u>.....</u>
40.70 Budget authority, net (discretionary).....	<u>271</u>	<u>269</u>	<u>135</u>
40.80 Outlays, net (discretionary).....	325	342	231
41.80 Budget authority, net (total).....	<u>271</u>	<u>269</u>	<u>135</u>
41.90 Outlays, net (total).....	325	342	231

**DEPARTMENT OF THE INTERIOR
DEPARTMENTAL OFFICES**

**Office of the Secretary - Departmental Operations
Object Classification (in millions of dollars)**

Identification code 14-0102-0-1-306	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	110	112	46
11.3 Other than full-time permanent.....	5	5	4
11.5 Other personnel compensation.....	2	2	1
11.9 Total personnel compensation.....	<u>117</u>	<u>119</u>	<u>51</u>
12.1 Civilian personnel benefits.....	37	38	16
21.0 Travel and transportation of persons.....	3	2	1
23.1 Rental payments to GSA.....	5	5	1
23.2 Rental payments to others.....	2	2	2
23.3 Communications, utilities, and miscellaneous charges.....	1	1	1
25.1 Advisory and assistance services.....	21	15	.....
25.2 Other services from non-federal sources.....	31	21	24
25.3 Other goods and services from Federal sources.....	69	42	39
25.7 Operation and maintenance of equipment.....	9	8	.....
26.0 Supplies and materials.....	1	1	1
31.0 Equipment.....	9	7	.....
41.0 Grants, subsidies, and contributions.....	<u>13</u>	<u>11</u>	<u>1</u>
99.0 Subtotal, obligations, Direct obligations	318	272	137
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	29	29	28
11.3 Other than full-time permanent.....	1	1	1
11.5 Other personnel compensation.....	1	1	1
11.9 Total personnel compensation.....	<u>31</u>	<u>31</u>	<u>30</u>
12.1 Civilian personnel benefits.....	10	10	9
21.0 Travel and transportation of persons.....	3	3	3
25.2 Other services from non-federal sources.....	2	2	2
25.3 Other goods and services from federal sources.....	2	2	2
41.0 Grants, subsidies, and contributions.....	<u>2</u>	<u>2</u>	<u>2</u>
99.0 Subtotal, obligations, Reimbursable obligations.....	50	50	48
99.5 Adjustment for rounding.....	3	1	.....
99.9 Total new obligations.....	<u>371</u>	<u>323</u>	<u>185</u>

Personnel Summary

Direct:			
10.01 Civilian full-time equivalent employment.....	1,046	1,070	460
Reimbursable:			
20.01 Civilian full-time equivalent employment.....	270	266	260
Allocation account:			
30.01 Civilian full-time equivalent employment.....	47	47	47

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY, INTERIOR BUSINESS CENTER
AND DEPARTMENT-WIDE PROGRAMS**

Employee Count By Grade

	2017 Estimate	2018 Estimate	2019 Estimate
Executive Level I.....	1	1	1
Executive Level II.....	1	1	1
Executive Level IV.....	1	2	2
subtotal.....	3	4	4
SES.....	70	77	77
AL-2-3 *.....	9	9	9
SL-0 **.....	27	27	26
subtotal.....	36	36	35
GS-15.....	300	301	300
GS-14.....	575	576	579
GS-13.....	680	680	684
GS-12.....	570	574	574
GS-11.....	245	249	247
GS-10.....	6	6	6
GS-9.....	156	160	169
GS-8.....	36	36	36
GS-7.....	165	156	156
GS-6.....	64	64	64
GS-5.....	24	24	24
GS-4.....	9	9	9
GS-3.....	1	1	1
GS-2.....	1	1	1
GS-1.....	2	2	2
subtotal.....	2,834	2,839	2,852
Other Pay Schedule Systems.....	18	18	18
Total employment (actual / projected) at end of fiscal year.....	2,961	2,974	2,986

* AL - Administrative Law Judge

** SL - Administrative Judge & Senior Level

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Activity: Leadership and Administration
Program Element: Executive Direction

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	20,826	21,649	+231	+277	+0	22,157	+508
FTE	97	112	0	+2	+0	114	+2

Summary of Program Changes

Request Component	(\$000)	FTE
Internal Transfers		
Realignment of Native Hawaiian Relations	+277	+2

Justification of Program Changes

The budget request includes a proposed realignment of staff and funding for Native Hawaiian Relations from the Office of the Assistant Secretary – Policy, Management and Budget to the Assistant Secretary - Insular and International Affairs.

Program Overview

The Executive Direction Program Element consists of the Secretary of the Interior's Immediate Office, the Secretary's staff offices, and Assistant Secretary Offices described below.

The Secretary of the Interior is the Administration's leading policy maker and spokesperson for the conservation and management of our Nation's public natural and cultural resources; the provision of scientific and other information about resources; and honoring special responsibilities and commitments to American Indians, Alaska Natives, and affiliated Island communities.

The Department has a significant presence on the land and in the stewardship of the public's natural and cultural resources. Interior's bureaus and offices manage more than 480 million surface acres, 700 million subsurface acres, 760 million acres of submerged land in five Pacific marine national monuments, and 1.7 billion acres of the Outer Continental Shelf. The Department oversees responsible development of 20 percent of U.S. energy supplies, is the largest supplier and manager of water in the 17 Western States, maintains relationships with 567 federally-recognized Tribes, and provides services to more than two million American Indian and Alaska Native peoples. Interior operates and manages 417 national park units, 566 national wildlife refuges, and 72 national fish hatcheries. Department programs operate from 2,400 locations with about 70,000 employees and 610,000 volunteers.

The Secretary's Immediate Office consists of the Secretary, Deputy Secretary, and a staff of experienced senior officials who provide overall policy direction and coordination for the Department's major initiatives. This staff is responsible for coordination of major multi-bureau and multi-agency program issues such as energy development, infrastructure, land and water stewardship, recreation, upholding our trust responsibility to Tribes, and other high profile initiatives.

Senior staff members in the Office of the Secretary are responsible for coordination and communication with the Congress, governors, tribal organizations, county commissioners, and local elected officials. They work closely with the Western Governors' Association, National Governors' Association natural resource committee, National Association of Counties' western board, and other associations to find ways to resolve issues through cooperation and partnerships. In addition, the office maintains working relationships with external constituent groups nationwide.

The Office of the Secretary also manages information, outreach, and the development of strategies to address major policy issues of importance to the President and the Congress. Through staff offices, described below, the Secretary guides the legislative, budget, and policy agenda for the Department; sets the policies and practices for coordination and communication with States, local entities, and external partners; provides the priorities and strategies for operation of the nine bureaus and multiple offices in the Department; and provides the direction and leadership for ethical conduct, program effectiveness, and efficiency.

Secretary of the Interior's Staff Offices:

The Office of Executive Secretariat and Regulatory Affairs serves as the Department of the Interior's principal office that oversees and manages 1) executive correspondence, 2) regulatory affairs, 3) departmental directives, 4) committee management, 5) document production management, and 6) the Freedom of Information Act. The Office has varied responsibilities in each of these areas.

The Office of Congressional and Legislative Affairs discharges the duties of the Secretary of the Interior with the authority and direct responsibility for the congressional and legislative policies, programs, and activities of the Department. The Office serves as the Department of the Interior's primary liaison with Congressional Committees and individual Members of Congress, the White House, and other agencies within the Administration communicating the views of the Department and the Secretary on congressional and legislative matters and providing for an effective interchange of information. The Office coordinates meetings with and briefings for Members of Congress and congressional staff and works with other offices to provide responses to congressional inquiries and requests for information. The Office is responsible for the preparation and confirmation of Departmental nominees, for the development of Departmental legislation, and for the review and analysis of all legislative matters affecting Interior. This includes the development of the Department's views on: proposed legislation; testimony; reports; correspondence on legislation; responses to post-hearing questions; and any other written statement expressing views on legislative or oversight matters.

The Office of Communications serves as the trusted voice for the Department of the Interior—delivering timely, accurate, and vital information to the American people, Interior employees,

members of the news media, and a variety of stakeholders. Communications oversees all public-facing materials—from website content and the Department’s social media presence to audio-visual and video productions. It provides strategic guidance and coordination for all major policy announcements and communications initiatives from the Department, bureaus, and offices. This includes the development, planning, production, and evaluation of each plan. It provides a wide range of specific information activities such as the preparation and distribution of speeches for agency leadership, media alerts, news updates, news releases, press conferences, media briefings, and written content for public dissemination. Communications brings together communicators from across the Department to sync messages and share resources, saving taxpayers time and money. The office serves as the keystone in telling the Interior story—highlighting important programs and the work being done for the benefit of all Americans.

Assistant Secretary Offices:

The Office of the Assistant Secretary – Land and Minerals Management oversees the Bureau of Land Management (BLM), the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), and the Office of Surface Mining Reclamation and Enforcement (OSMRE). The Assistant Secretary’s office develops policies concerning public land management, resource use, and regulatory oversight and enforcement, and promotes their effective implementation by BLM, BOEM, BSEE, and OSMRE. Major objectives of the Assistant Secretary include:

- Promoting energy dominance and critical minerals independence.
- Maximizing the effectiveness of program operations of the land and minerals management bureaus.
- Serving as the primary Interior Department focal point for policy and regulatory development and coordination for national onshore and offshore minerals management activities, conventional and renewable resource development, public lands management, the regulation and oversight of coal mining, and the restoration of mined areas and those areas otherwise environmentally degraded and abandoned mine lands.
- Promoting the establishment of and adherence to appropriate program goals for assigned functions.
- Fostering appropriate consultation and coordination with all affected parties on assigned programs.

The Office of the Assistant Secretary – Water and Science implements Interior policy and provides oversight for the projects and programs of the Bureau of Reclamation, the U.S. Geological Survey (USGS), and the Central Utah Project Completion Act (CUPCA) Office for the purpose of accomplishing the agency missions and carrying out the priorities of the Secretary. Major objectives include:

- Maximizing the effectiveness of program operations of the bureaus.
- Coordinating and providing leadership on water sustainability efforts.
- Serving as the Interior Department’s focal point for national policy on water, hydropower, and science issues.
- Providing leadership on water supply conflicts.

- Ensuring program goals are identified and results are measured against the Interior objectives they support.
- Ensuring appropriate consultation, communication, and coordination with all affected parties in program and policy development and implementation.

The Office of the Assistant Secretary – Fish and Wildlife and Parks (AS-FWP) provides overall policy direction to the National Park Service (NPS) and the United States Fish and Wildlife Service (FWS) on the development and implementation of complex priorities. The objective is to ensure the conservation of natural, cultural, and biological resources while balancing societal needs.

The AS-FWP has the lead responsibility within the Federal government for ensuring the protection and stewardship of lands and waters within the national park and wildlife refuge systems; preservation of cultural resources; and conservation of Federal trust species of fish, wildlife, and plants and their habitats, including those listed as endangered or threatened under the Endangered Species Act. This responsibility entails a careful balancing of differing needs and viewpoints. The Assistant Secretary’s decisions are guided by Administration policy, the National Park Service Organic Act, Endangered Species Act, Fish and Wildlife Coordination Act, and Refuge Administration Act, among others.

The AS-FWP is responsible for developing and implementing policies to ensure the protection and accessibility of the many natural, cultural, and biological resources throughout the Nation. Major objectives include:

- Expanding public access to federal lands for all to enjoy, experience and utilize.
- Enhancing conservation of fish and wildlife and their habitats, and working cooperatively with others to promote and manage healthy ecosystems on non-Federal lands.
- Sustaining fish and wildlife populations, including endangered and threatened species, migratory birds, and certain marine mammals.
- Promoting the visitor experience at parks and refuges by providing quality facilities and educational opportunities;
- Prioritizing private and public sector partnerships and cooperative efforts with State, local and tribal governments, private landowners, and non-government organizations to achieve conservation objectives.
- Providing innovative mechanisms and incentives to conserve endangered species and enhance the effectiveness of conservation measures.
- Protecting, restoring, and maintaining natural and cultural park resources.

The Office of the Assistant Secretary – Indian Affairs (AS-IA) promotes the policy of tribal self-determination, maintains the Federal trust obligation to Indians, and ensures that Bureau of Indian Affairs (BIA), the Bureau of Indian Education (BIE), and the Office of the Special Trustee for American Indians (OST), including the Land Buy-Back Program for Tribal Nations, are effective and accountable for results. Within the parameters established by Congress and the Executive Branch, the primary responsibilities of the Assistant Secretary are to advise the

Secretary on American Indian and Alaska Native (AIAN) policy issues, communicate policy, oversee the programs of BIA, BIE, and OST, provide leadership in consultations with Tribes, and serve as the Departmental official for intra- and inter-departmental coordination and liaison within the Executive branch on AIAN matters.

The AS-IA oversees policy and economic development programs, including the Office of Self Governance, Office of Indian Gaming, Office of Indian Energy and Economic Development, and Office of Federal Acknowledgment. In addition, the Office directs centralized administration, information resources, asset management, and other organizational support services. The Office has operational responsibility for financial management, acquisition, budget and planning, information management and technology, human resources, facilities construction and management, and other administrative operations. The centralized services provided to BIA and BIE allow managers responsible for managing Indian trust assets, providing tribal services, and educating Indian children to focus on program and service delivery to tribal communities.

The Office of the Assistant Secretary – Insular and International Affairs (AS-IIA) (formerly Assistant Secretary – Insular Areas) promotes the economic, social, and political development of the U.S.-affiliated insular areas, and coordinates engagement on the Department’s domestic responsibilities that extend beyond the borders of the United States. The 2019 budget proposes to transfer the Office of Native Hawaiian Relations from the Office of the Assistant Secretary, Policy, Management and Budget to AS-IIA, expanding the Assistant Secretary’s policy portfolio to include coordination with the Native Hawaiian Community.

Insular Affairs: The Assistant Secretary discharges the duties of the Secretary with regard to the administration of laws, functions, responsibilities, and authorities related to U.S.-affiliated insular areas, as well as all financial and administrative matters vested in the Secretary by the President and the Congress.

The Assistant Secretary, through the Office of Insular Affairs, works to strengthen economic and health capacities in the U.S. territories, and fulfill US compact obligations to freely associated states. The U.S. territories under the Assistant Secretary’s purview include Guam, American Samoa, the U.S. Virgin Islands (USVI), and the Commonwealth of the Northern Mariana Islands (CNMI). Residents of these U.S. territories are U.S. citizens or nationals. Additionally, the Assistant Secretary administers and oversees Federal assistance to three Freely Associated States (FAS): the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau (Palau).

International Affairs: The Office of International Affairs coordinates engagement on the Department’s domestic responsibilities that extend beyond the borders of the United States, which are bilateral and multilateral, regional and global. The Office coordinates regularly with international counterparts on management and protection of resources, wildlife, watersheds and landscapes; preparation for and response to natural disasters; scientific research; and addressing the needs and interests of federally recognized tribes. The Office assists the AS-IIA in supporting the Secretary and other senior Departmental officials on relations of strategic importance, in coordination with the State Department and the White House. The Office also represents the Department in interagency deliberations on international issues impacting natural and cultural resource management and indigenous issues in the U.S., coordinates agreements

with foreign countries on behalf of the Department, and serves as a central point of contact for other Federal agencies and foreign governments.

In addition, the Office supports U.S. foreign policy objectives complementary to the Department's domestic mission, including fulfillment of Congressional mandates and U.S. treaty obligations related to resource conservation and indigenous peoples. The Office maintains long-term direct relationships with foreign counterparts in Ministries managing Environment, Energy, Water, Natural Resources, Science and Technology, Culture, and Indigenous Affairs programs. With the diplomatic relationships it sustains over many years, the Office provides valuable institutional knowledge and subject matter expertise for State Department officials who rotate every two to three years from one posting to the next. The Office advances U.S. "soft diplomacy" around the globe, including in conflict zones and sensitive areas where the Departments of Defense and State may have less ability to operate. For example, geologists, dam safety engineers, and resource managers work well together on technical matters despite geopolitical differences.

The Office approves and tracks foreign travel for all Departmental employees and also processes official passport and visa transactions in coordination with the State Department and foreign embassies. The office also manages the International Technical Assistance Program, utilizing reimbursable funding from the State Department and U.S. Agency for International Development to field multi-bureau teams in the full range of DOI expertise for government-to-government technical exchanges with foreign countries.

Ocean, Great Lakes, and Coastal Program (OGLC): The Assistant Secretary coordinates the Department's Ocean, Great Lakes, and Coastal activities. DOI's Ocean, Great Lakes, and Coastal portfolio provides tremendous economic, cultural, recreational, and biological value to the nation, including over 35,000 miles of coastline, 268 coastal and island National Parks and National Wildlife Refuges, and billions of acres of mineral and renewable energy resources on the outer continental shelf. DOI and its bureaus uphold their stewardship responsibilities and respond to ever growing threats and complex changes to OGLC resources through increased understanding, conservation, responsible use, and collaborative science-based management. Coordination and collaboration of DOI's offices and bureaus is vital for carrying out our stewardship role. This coordination includes leading efforts to develop policy, program implementation, and collaboration among bureaus to support interagency initiatives and mandates, including the activities of the U.S. Coral Reef Task Force.

Native Hawaiian Relations: The budget proposes to transfer the Office of Native Hawaiian Relations (Office) from the Office of the Assistant Secretary, Policy, Management and Budget to AS-IIA in 2019. The Office discharges the Secretary's responsibilities designated under the Hawaiian Homes Commission Act (HHCA), State of Hawai'i Admission Act, the Hawaiian Home Lands Recovery Act (HHLRA), and all other matters related to Native Hawaiians, who, as a community, continue to face significant challenges in economic development, educational achievement, public health, home ownership and safe and adequate housing, and overcoming social and political dislocation. The Native Hawaiian community is one of the Nation's largest indigenous communities, and the Department of the Interior has a special political and trust relationship with the community.

The Office of the Assistant Secretary – Policy, Management and Budget (AS-PMB) is responsible for providing overall policy direction, leadership, guidance, and assistance on a broad range of management and operational issues that directly affect the Interior Department’s ability to fulfill its mission. The Assistant Secretary serves in a number of statutorily designated positions and is the agency’s Chief Financial Officer, Chief Acquisition Officer, and Chief Performance Officer. The Assistant Secretary also has responsibility for major operational components that support Interior-wide functions, including the Interior Business Center, Appraisal and Valuation Services Office, Office of Aviation Services, Natural Resource Damage Assessment and Restoration program, Central Hazardous Materials Fund, and the Payments in Lieu of Taxes program. AS-PMB hosts the National Invasive Species Council (NISC) – Secretariat on behalf of the Secretaries and Administrators of the 13 Departments and Agencies that comprise the NISC. The AS-PMB also oversees the Wildland Fire program in coordination with the three land management bureaus and the Bureau of Indian Affairs.

The AS-PMB plays a pivotal role in the stewardship of Interior’s fiscal resources, leading budget formulation and execution as well as financial reporting and annual audit activities. The AS-PMB coordinates the development of the strategic plan, priority goals, annual performance plans, and quarterly performance reviews, and facilitates the use of this performance-based information for effective decision-making. The AS-PMB also ensures Departmental compliance with legislative and regulatory requirements related to annual appropriations bills and Interior-wide functions such as performance, finance, environmental compliance, acquisition and property management, budget, information technology, general management, administration, and civil rights.

The AS-PMB advances management reforms among the bureaus and offices to ensure standardization and cohesion across the Department and maximize resource sharing. The Assistant Secretary promulgates policies, processes, and tools to implement priorities, leads the development of long-term strategies to optimize mission and administrative services, and empowers and supports bureau-level, regional and field-based reforms to improve service. In addition, AS-PMB is a service provider for the Interior Department for several administrative-oriented functions.

The AS-PMB plays an important role in cross cutting policy development and analysis. The Assistant Secretary guides programs requiring Departmental attention due to their national concern, budgetary significance, legislative requirements, precedent-setting nature, or issues crossing bureau or office lines. The Office also coordinates information, outreach, and the development of strategies to address major policy issues of importance to the Secretary, Office of Management and Budget, and Appropriations Committees.

The budget proposes additional shifts to consolidate the management structure reporting to the Assistant Secretary for Policy, Management and Budget. This streamlining is designed to improve communication and coordination across offices and to better align operational activities to manage resources more effectively and to avoid duplication and overlap. The proposed reorganization eliminates the positions of Deputy Assistant Secretary (DAS)-Human Capital and Diversity, and the DAS-Policy and Environmental Management. Offices previously reporting to those positions will be aligned to the Principal Deputy Assistant Secretary; the DAS-Budget and Human Resources (previously DAS-Budget, Finance, Performance and Acquisition); DAS-Administrative Services (previously DAS-Technology, Information and Business Services); and DAS-Public Safety (previously DAS-Public Safety, Resource Protection, and Emergency Services).

Program Performance Estimates

The President's 2019 budget continues to focus on addressing the Nation's challenges while working with increasingly constrained funding resources; the changing demographics of the population that is more urban and diverse and technologically advanced; and management challenges and conflicts that impact land, water, wildlife, and tribal communities.

Activity: Leadership and Administration
Program Element: Policy Analysis and Compliance

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	9,733	8,701	+81	-277	-1,133	7,372	-1,329
FTE	55	45	0	-2	-1	42	-3

Summary of Program Changes

Request Component	(\$000)	FTE
Internal Transfers		
Proposed transfer of Native Hawaiian Relations	-277	-2
Program Changes		
Community Development funding	-993	0
Workforce	-140	-1

Justification of Program Changes

The budget request includes a proposed transfer of staff and funding (\$277,000/2 FTE) for Native Hawaiian Relations from the Office of the Assistant Secretary - Policy, Management and Budget to the Assistant Secretary - Insular and International Affairs.

Community Development (-\$993,000/+0 FTE)

Funding is realigned to support other priorities.

Workforce (-\$140,000/-1 FTE)

This reduction will allow the Office of the Secretary to address other priorities.

Program Overview

The Policy Analysis and Compliance Program Element includes AS-PMB offices which provide leadership and management of Department-wide programs that support environmental compliance as well as the response, clean up, assessment, and restoration of lands and trust resources damaged by hazardous substance releases and oil spills.

The following offices, described below, support the AS-PMB Policy Analysis and Compliance mission area:

Office of Environmental Policy and Compliance (OEPC)

The Office of Environmental Policy and Compliance (OEPC) serves as a Departmental leader in conservation and the sustainable development and use of Department-managed resources for the benefit of the public. OEPC prepares policy and ensures Department compliance with the National Environmental Policy Act (NEPA), executive orders, and regulations and reviews environmental and natural resource aspects of non-Interior projects. OEPC issues guidance, establishes reporting requirements and conducts audits to ensure Department-wide environmental stewardship, sustainability and compliance. OEPC manages the Department's resource planning, response and recovery from oil and hazardous material spills; and serves as the National coordinator to protect and recover natural and cultural resources and historic properties from natural disasters. The office also manages the Department's Central Hazardous Materials Fund (CHF) to clean up contaminated sites on Interior lands. Information on CHF can be found in the Department-Wide Programs section of this budget justification. The Office's work is accomplished by its staff in Washington, DC, and eight regional offices located in Albuquerque, NM; Anchorage, AK; Atlanta, GA; Boston, MA; Denver, CO; San Francisco, CA; Philadelphia, PA; and Portland, OR.

The OEPC provides a unified Departmental voice on environmental issues that involve multiple bureaus, agencies, departments and governments; provides environmental technical assistance to bureaus and departmental senior leadership; and facilitates integration of policy and management of environmental requirements and initiatives that affect Interior lands, resources, and programs.

Workload Indicators for Departmental and Inter-Bureau Coordination

	2017 Actual	2018 Estimate	2019 Estimate
Interior non-delegated EIS	7	7	7
Non-Interior projects and regulations	900	900	900
Required compliance reports submitted	8	8	8
Environmental Management Systems implemented	84	75	75
Federal register notices reviewed and sent to bureaus	45	45	45
Legislative bills/testimony reviewed	50	50	50
Interior Environmental Achievement Awards selected	10	10	10

Office accomplishments include:

- Providing policy guidance, advice, and consultation to Interior bureaus in the preparation of environmental impact statements. In 2017, OEPC reviewed and provided technical input on five non-delegated environmental impact statements.
- Preparing Departmental guidance to bureaus consistent with the Administration's NEPA reforms and streamlining efforts. In 2017, OEPC provided guidance through a series of environmental memoranda pertaining to NEPA compliance and began leading the Department's streamlining initiatives under Executive Order 13807 and Secretarial Order 3355.
- Monitoring the Department's Federal environmental compliance actions for externally competed recovery projects funded by the Hurricane Sandy Coastal Resiliency Grant Program (2012-2017).
- Serving as the National Coordinator for natural and cultural resources recovery, on behalf of the Department, for the recovery efforts for Louisiana floods (two events) and California wildfires, and for hurricanes Harvey, Irma and Maria.
- Leading Interior's preparedness and response to oil discharges and hazardous substances releases under the National Oil and Hazardous Substances Pollution Contingency Plan development and National Response Framework Emergency Support Function #10.
- Coordinating Departmental involvement in the International Joint Commission's initiative to reestablish more natural fluctuations in the water level and flows of the Lake Ontario – St. Lawrence River system, U.S. and Canada.

Office of Policy Analysis (PPA)

The PPA provides policy analysis, economic analysis, and coordination across Department of the Interior bureaus and offices as appropriate, with other federal agency partners on particular issues and programs related to Interior's responsibilities. The Office performs analyses of environmental, natural resource, and economic issues such as those involving public lands management, energy production, mineral leasing, and water resources policy. The Office also reviews program plans, legislation, regulations, and testimony, and contributes to policy development. A substantial part of PPA work analyzes the effects of natural and cultural resource policies and regulations, and the relationship between the economy, environment, resource use, Indian trust responsibilities, regulations, and management – especially issues that cross bureau mission responsibilities and have interagency or intergovernmental implications. In addition, the Office coordinates and serves on task forces and work groups dealing with natural resource, environmental, and American Indian and Alaska Native issues.

Office accomplishments include:

- Leading the preparation of the Department's annual Economic Report on the employment and economic contributions of Interior's activities including a companion Data Visualization website to provide interactive visualizations of Interior's impact on the national economy.
- Providing analytic support for various programmatic activities related to American Indian and Alaska Native issues.
- Providing support to senior departmental leadership overseeing Interior policies related to the Arctic.

- Providing leadership and coordination on policy and program matters related to invasive species.
- Providing assistance to bureaus on economic analysis associated with regulations; reviewing and providing economic analysis of rules that are economically significant (i.e., over \$100 million in annual economic impacts).
- Leading the Departmental Working Group on Technology Transfer, which helps coordinate technology transfer activities within the Department, including producing the Congressionally-required Annual Report on Technology Transfer, providing training and information on instruments to advance technology transfer, and maintaining the Department's technology transfer website.

Native Hawaiian Relations (NHR)

The 2019 budget proposes to transfer the Office of Native Hawaiian Relations (Office) from the Office of the Assistant Secretary-Policy, Management and Budget to the Assistant Secretary-Insular and International Affairs. The Office discharges the Secretary's responsibilities designated under the Hawaiian Homes Commission Act (HHCA), State of Hawai'i Admission Act, the Hawaiian Home Lands Recovery Act (HHLRA), and all other matters related to Native Hawaiians, who, as a community, continue to face significant challenges in economic development, educational achievement, public health, home ownership and safe and adequate housing, and overcoming social and political dislocation. The Native Hawaiian community is one of the Nation's largest indigenous communities, and the Department of the Interior has a special political and trust relationship with the community. In 1921, the United States enacted the HHCA to set aside approximately 200,000 acres of Federal lands for homesteading by Native Hawaiians. The United States intended that the designated trust lands would rehabilitate Native Hawaiians by returning them to their lands to facilitate self-sufficiency and cultural preservation. In 1995, Congress passed the HHLRA, which sought to clarify the Department's role in administering the Federal laws governing the Trust. Beneficiaries of the HHCA continue to seek the Department's support to ensure a healthy Hawaiian Home Lands Trust.

Office accomplishments include:

- Conducted field training for NPS, USGS, and USFWS field employees on working with members of the Native Hawaiian Community when consultation is required under Federal law such as the Native American Graves Protection and Repatriation Act (NAGPRA).
- Promoted and maintained the Department's Native Hawaiian Organization List. This list gives Federal Agencies the ability to obtain input from the Native Hawaiian Community when required under Federal law, and provides a powerful tool for creating and implementing policies that address the responsibilities of the United States and the needs of the Native Hawaiian Community. The Department, ACHP, DOD, and other Federal Agencies now use the Department's NHO List as their standard for beginning their consultations with the Native Hawaiian Community.
- Revised the Department's Reference Guide to the HHCA. The Guide is now the definitive source for interpreting and implementing the laws and policies governing the Hawaiian

Home Lands Trust and is used by each of the Federal Agencies whose programs serve the HHCA beneficiaries and the Trust.

- Organized and conducted Federal round table discussions between multiple Federal agency program heads and Hawaiian home land leaders representing homestead communities from Kaua‘i, Maui, Lāna‘i, Molokai, and Hawai‘i Island. During the meetings, the Department received high praise from the leaders for the information provided in the meetings and the Office’s willingness to “hear our voices.”
- Completed the review of Act 173, a State of Hawai‘i proposed amendment to the HHCA that would provide another option for the temporary disposition of certain Trust lands. As part of this review, the Office engaged in direct consultation with the beneficiaries of the Hawaiian Home Lands Trust and the Native Hawaiian Community.
- Played a strong role in coordination across the Federal Government on research and analysis of policy issues relating to the Native Hawaiian Community. This includes such things as working with the Department of Housing and Urban Development and the Army Corps of Engineers to provide access to safe and affordable homes on Trust lands in Hawai‘i (e.g., unexploded ordinance on Trust lands at the former Waikoloa Maneuver Area).
- Provided practical direction, information and assistance to Federal Agencies engaging with the Native Hawaiian Community. This includes working with HUD in developing Housing Needs of Native Hawaiians Technical Appendices to “A Report from the Assessment of American Indian, Alaska Native and Native Hawaiian Housing Needs” (published September 2017); and consulting with NPS on the General Management Plan for Kalaupapa National Historical Park.
- Conducted state-wide training in partnership with NPS and Historic Hawai‘i Foundation on historic preservation best practices and consultation in accordance with Section 106 of the National Historic Preservation Act (NHPA) and National Environmental Policy Act (NEPA).
- Partnered with the USFWS and NPS to work with two Hawaiian communities in responding to extreme environmental events (e.g., hurricanes, flooding, drought, etc.).

Office of Restoration and Damage Assessment (ORDA)

The ORDA manages the Natural Resource Damage Assessment and Restoration Program. This program assesses damage to the Nation’s trust resources caused by oil and hazardous material spills and then restores these resources to baseline condition. Information on the NRDAR program is presented in a stand-alone Congressional Justification.

Program Performance Estimates

The President’s 2019 budget continues efforts under the direction of the AS-PMB, to provide leadership and direction for the President’s initiatives, to continue high quality Department-wide services, and to ensure transparency and good government.

Activity: Leadership and Administration
Program Element: Budget, Finance, Performance, and Acquisition

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	17,981	17,859	+190	+0	-550	17,499	-360
FTE	87	92	0	+0	-4	88	-4

Summary of Program Changes

Request Component	(\$000)	FTE
Workforce	-550	-4

Justification of Program Changes

Funding is realigned to support other priorities.

Program Overview

The Budget, Finance, Performance and Acquisition Program Element includes AS-PMB offices responsible for leadership and strategic guidance in the Department's budget, finance, acquisition, performance, and small business development programs.

The following offices, described below, support the AS-PMB Budget, Finance, Performance, and Acquisition mission area:

Office of Budget (POB)

The POB manages the Interior Department's budgetary resources directing the formulation, presentation, justification, and execution of the budget. The Office ensures the development and implementation of effective programs, from a budgetary perspective, and ensures Interior's budget is consistent with the laws governing Interior's programs, the Federal budget, and with Administration policies. The Office serves as the Department's liaison to the Appropriations Committees and the Office of Management and Budget.

The Office of Budget performs the following functions:

- **Budget Formulation** — The Office directs and manages the process of assessing resource needs for the budget year considering program performance goals and accomplishments, Administration and Secretarial priorities, policy guidance, legislative

direction and requirements, and overall spending targets and limitations for mandatory and discretionary portions of the Federal budget.

- **Budget Presentation** — The Office presents the Secretary’s annual budget request to OMB and guides the completion of bureau submissions, defends the budget request by responding to OMB requests for additional information and conducting detailed briefings, and coordinates the Secretary’s response to OMB decisions provided in passback through the appeals process and during negotiations of final budget decisions.
- **Budget Justification** — The Office justifies Interior’s portion of the President’s annual budget request to the Appropriations Subcommittees and other Congressional offices and external groups. The Office publishes a budget highlights book, *The Interior Budget in Brief*, to assist the Appropriations Committees and the public in understanding the details of the President’s budget request for the Department’s programs.
- **Budget Execution** — The Office directs the apportionment and allocation of funding provided to bureaus and activities. The Office monitors the execution of the budget by the bureaus in accordance with Congressional direction and legal mandates, OMB guidance, and Secretarial policies. The Office provides expert guidance to the Secretary, senior officials, and bureaus in development of supplemental budget requests, reprogramming actions and reorganizations, deferrals, rescissions, and in the review of major programmatic and policy documents originating both internally and externally to Interior.
- **Departmental Operations** — The Office formulates, presents, and executes budgets for the Office of the Secretary, evaluates budgetary needs, and allocates funds to offices and activities. The Office manages the Department’s Working Capital Fund, a revolving business fund, which finances centralized services and programs for the Department’s components, and the Interior Franchise Fund.

Office accomplishments include:

- Provided expert guidance, support and analysis in the formulation, presentation, justification, and execution of the 2017 and 2018 budgets and negotiated with OMB and the Appropriations Subcommittees.
- Completed the Department’s 2018 President’s budget, including *The Interior Budget in Brief*, and review of Congressional Justifications. Supported the Secretary, Deputy Secretary, Department Leadership, and Bureau Directors at hearings on the 2018 President’s budget and the hurricane supplemental. Coordinated responses to questions for the record, capability and effect statements for appropriations subcommittees, and analyzed Congressional action.
- Conducted lessons learned sessions with bureaus to refine the new Department-wide Chief Information Officer and Budget Officer Joint Certification Process to address the Federal Information Technology Acquisition Reform Act (FITARA) legislation.
- Continued refinement of an enhanced minerals revenue modeling and reporting tool.
- Implemented a Federal shared service budget formulation system across the Department.
- Supported the development and improvement of the capital planning and investment control process designed to improve management of IT and capital investments for 2017 and 2018, prioritized 2019 budget formulation, and monitored current IT systems.
- Led the monitoring, reporting, and budget development for the Working Capital Fund. The Office continued one-on-one meetings with bureaus and offices to review 2018 and

2019 central and direct bills, and made improvements with the WCF Consortium, improving overall communication, efficiency, and effectiveness.

- Continued documentation of new and established business processes supporting funds control and management and established internal controls to support knowledge management and institutional transfer.
- Managed the PILT program; in 2017, the Office calculated annual payments and issued \$464.6 million to approximately 1,900 counties and local governments.

Office of Financial Management (PFM)

The PFM provides leadership for the Department of the Interior in improving financial management, internal controls, and improved reporting capability. The PFM provides direction, planning, and coordination for financial policy, procedures, reporting, systems, analysis, and audit follow-up. The PFM provides the necessary leadership to continue to improve the effective and efficient use of DOI's resources, provide timely and accurate information for stakeholders and program managers, and respond to citizens' needs.

The PFM performs the following functions:

- **Financial Reporting** – The PFM leads the preparation of the Department's Agency Financial Report (AFR) and manages DOI's annual consolidated financial statement audit, preparing and submitting interim financial statements and analysis to the Office of Management and Budget (OMB). Delivers and the annual financial statement closing package through the Department of the Treasury's (Treasury) Government-wide Financial Reporting System (GFRS), as required by the CFO Act and the Government Performance and Results Act. The Office works with Treasury and other partner agencies to resolve inter-governmental differences.
- **Internal Control and Audit Follow** – The PFM is responsible for providing guidance, governance, and quality control regarding risk assessment, internal control, and audit follow-up. The Office helps to ensure compliance with the Federal Managers' Financial Integrity Act (FMFIA) as implemented by OMB Circular No. A-123 regarding internal control over financial reporting. The Office also fulfills the Department's Audit Follow-up responsibilities by providing oversight and guidance over bureau and office efforts to address audit findings and recommendations as well as resolving disputed audit findings and recommendations.
- **Departmental Offices Finance** - The PFM is responsible for providing accounting guidance, expertise, reporting, and oversight functions to the Department Offices components to ensure financial data and subsequent financial statement reporting are accurate, timely, and in compliance with applicable Federal Accounting Standards Advisory Board, OMB, Treasury, and GAO standards. The Office performs data validations, reviews, analysis, and reconciliations, provides CFO audit support, and actively participates in support of the Department's consolidated internal control and financial reporting processes.
- **Policy Collaboration and Operations** - The PFM is responsible for coordinating and maintaining a master set of definitions of financial data and related codes necessary for reporting to OMB, Treasury, and for Department-wide decision-making and

management, as well as participating in various workgroups to ensure that the interests of DOI are addressed.

- **Financial Systems** - The PFM is responsible for audit support, facilitating alternative and interactive reporting (i.e., visualizations), participating in DOI reporting strategy groups, and agile project management. The Office develops visualizations for the AFR and for internal uses, including performance monitoring and risk assessment.

Office accomplishments include:

- Promoted a strong internal control environment by working with the bureaus and offices to test internal controls over financial reporting and operations to ensure accurate reporting and the efficiency and effectiveness of program. This work assures compliance with the requirements of the Federal Managers Financial Integrity Act and the Federal Financial Management Improvement Act.
- Produced data visualizations that improve access to information for decision-making by leveraging the Financial and Business Management System and analysis of FBMS data.
- Completed the FY 2017 Agency Financial Report on schedule.
- Ensured compliance with Executive Order 13250, *Reducing Improper Payments and Eliminating Waste in Federal Programs*, and Appendix C to OMB Circular No. A-123, *Requirements for Effective Estimation and Remediation of Improper Payments*, by working with OMB on the Departmental Sampling and Estimation Methodology and Treasury on implementing Do Not Pay requirements.
- Managed the FY 2017 Governmentwide Financial Reporting System reporting process period and successfully completed the FY 2017 Closing Package Submission for DOI used by Treasury to compile the Government-wide financial statement before the due date.
- Continued to improve the reconciliation of intra-Department and intra-government activity to ensure accurate DOI and Government-wide reporting and to reduce material differences. The DOI reduced its Government-wide intra-governmental differences by over \$900 million.
- Coordinated with the Department's various bureaus and offices to close 289 (88%) of OIG and GAO audit recommendations.
- Distributed 43 single audit reports to grantor bureaus and monitored timeliness of management decisions.

Business Integration Office (BIO)

The BIO is responsible for the operations and maintenance of the Department's financial system of record, Financial and Business Management System (FBMS). The BIO performs all system analysis and project management to deliver, maintain and optimize the business process support tools within the BIO's operational scope. FBMS supports the administrative systems requirements of all Interior bureaus for core accounting, budget execution, acquisition, financial assistance, real and personal property management, fleet management, travel integration, enterprise information management, and reporting.

Additional information on the BIO and FBMS is presented in the Working Capital Fund section of this Congressional Justification.

Office of Acquisition and Property Management (PAM)

The PAM coordinates Department-wide implementation of Federal policy for procurement and financial assistance (grants and cooperative agreements) and provides executive leadership on the acquisition and financial assistance workforces. It also oversees and directs implementation of policies on governance and accountability for real property and personal property, including fleet and museum property management. The Office directs activities in other essential areas including space management, energy efficiency, water conservation, renewable energy programs, and capital planning for real and personal property assets. The Office also directs motor vehicle fleet management. Other activities include promoting the use of electronic commerce and automated systems for all business functions under its purview.

The PAM performs the following functions:

- **Acquisition and Assistance** – The Office develops policies and guidance affecting all Interior bureaus and offices, collectively responsible for a volume of over 71,000 procurement transactions totaling over \$4 billion, excluding purchase card activity. Interior annually processes over 36,000 financial assistance actions within 290 different programs, totaling in excess of \$5 billion. Department-wide, approximately three million charge card transactions, totaling in excess of \$650 million, are conducted annually. The combined procurement and assistance transactions are over 65 percent of the Department of the Interior’s appropriated budget.
- **Facility and Property Management** – The Office develops and implements the Department’s policies to assure accountability for Government-owned real and personal property (including fleet and museum property) and compliance with the asset management and energy reduction set in law and White House directives. Museum property management includes oversight of the Departmental Museum, funded through the Working Capital Fund Central Bill, and the Indian Arts and Crafts Board. Additional information on the IACB is presented in the Management Services section of this Congressional Justification.
- **Automated Systems** – The Office plans, develops, implements, and operates Department-wide automated systems including procurement, financial assistance, museum collections, and facility and property management functions.

Office accomplishments include:

- Advancing the Department’s successful suspension and debarment program, which has earned Interior recognition as a civilian leader in the debarment field.
- Promoting the use of innovative contracting methods to reduce the administrative burden associated with contract management; leveraging the collective buying power of the Department through strategic sourcing vehicles and category management to consolidate like purchases by using common, shared contract vehicles; implementing process improvements; and enhancing the capabilities of the acquisition workforce.
- Streamlining and standardizing acquisition and financial assistance processes and systems, Interior museum collections management systems, a facility maintenance and management business roadmap, and Interior-wide asset management systems.

- Continuing progress to “right size” Interior’s fleet, increasing the use of alternative fuel vehicles and alternative fuels. Interior is also committed to provide cost savings through increased efficiency of the fleet management program.

Office of Small and Disadvantaged Business Utilization (OSDBU)

The OSDBU oversees and implements all policies, regulations, and procedures affecting the Department of the Interior’s small and disadvantaged business programs in accordance with the Department’s Strategic Plan. These programs focus on small and disadvantaged businesses, women-owned small businesses, service disabled veteran-owned small businesses, and historically under-utilized businesses. The work is governed by the Small Business Act, as amended in 1978, and the Federal Acquisition Regulation. Specific economic development efforts mandated by Congress and supported by the President form the basis of the Office’s activities, including providing assistance and guidance to small businesses. Consistent with Departmental goals, the Office raises awareness within the small business community of available contracting opportunities and services.

Office accomplishments include:

- Providing leadership on behalf of the Department for small and disadvantaged business concerns to ensure that socio-economic goals are promoted and achieved. The Department awarded 57.0% of its contract award dollars in 2017 to small businesses, exceeding its goal of 53.5%. The Department also exceeded its goals in all four socioeconomic categories, awarding 25.1% of its contract award dollars to small disadvantaged businesses, 14.0% to women-owned small businesses, 5.1% to businesses in historically-underutilized business zones, and 4.6% to service-disabled veteran-owned small businesses.
- Providing leadership on behalf of the Department for small and disadvantaged business concerns to ensure that socio-economic goals are promoted and achieved.

Office of Planning and Performance Management (PPP)

The PPP provides leadership, guidance, and consulting services throughout the Department of the Interior on strategic planning, performance assessment and reporting, and organizational processes. Its goals are to increase programmatic effectiveness and efficiency, inform and enable future planning, decision-making and budget formulation, and ensure transparency and accountability. The Office leads the development of Interior’s integrated strategic plan and associated annual performance reports. It facilitates the use of Agency Priority (Performance) Goals, conducts quarterly status reviews and the annual strategic objective review, and produces the annual organizational assessment. All of these activities ensure compliance with GPRA (Government Performance Results Act) and the GPRA Modernization Act of 2010.

Office accomplishments include:

- Coordinating the update of the Department-wide integrated FY 2018-2022 Strategic Plan. This plan presents long-term goals across the Department and includes performance

measures to track and demonstrate progress on achieving Administration priorities and Departmental goals.

- Concurrent formulation of FY 2018-2019 Agency Priority (Performance) Goals and updates of the Annual Performance Plan & Report

Program Performance Estimates

The President's 2019 budget continues efforts under the direction of the AS-PMB, to provide leadership and direction for the President's initiatives, to continue high quality Department-wide services, and to ensure transparency and good government.

Activity: Leadership and Administration
Program Element: Human Capital and Strategic Development

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	7,376	7,326	+77	0	-300	7,103	-223
FTE	39	43	0	0	-3	40	-3

Summary of Program Changes

Request Component	(\$000)	FTE
Youth/OS Seasonal Hiring Program	-300	-3

Justification of Program Changes

Funding is realigned to support other priorities.

Program Overview

The Human Capital and Strategic Development Program Element includes AS-PMB offices responsible for the coordination of Department-wide human capital, employee training and development, employee health and safety, equal employment, federally assisted and conducted, special emphasis, and affirmative employment activities and programs.

The following offices, described below, support the AS-PMB Human Capital and Strategic Development mission area:

Office of Human Resources (OHR)

The OHR is the corporate human capital office and partner leading the Department's enterprise-wide HR strategic planning efforts by providing policies, solutions, oversight and guidance to further the Department's overall mission. The OHR has Department-wide responsibility for implementation of directives from Congress, the President, Federal Judiciary, U.S. Office of Personnel Management, Office of Management and Budget, Merit Systems Protection Board, Office of Special Counsel and the Federal Labor Relations Authority, among others. The OHR is also the liaison with these organizations and other agencies concerning human resources management and coordinates closely with the Chief Human Capital Officers' Council. The OHR interprets laws, executive orders, rules and regulations, and provides technical and professional assistance, advice, and guidance to the Secretary and the bureaus. The OHR also provides critical assistance to the Bureaus Human

Capital Officers and HR Directors to assist them in operationalizing human capital planning and HR operations throughout the Department.

In close collaboration with the Office of the Solicitor and Office of Civil Rights, OHR ensures hiring practices are fair and free from unlawful discrimination and adhere to the Merit System Principles to attract highly skilled and diverse applicants. The OHR also provides managers with the tools for creating inclusive workplaces that are best places to work for all employees by improving employee accountability and engagement, and to ensure we recruit, retain and reward a high performing and diverse workforce.

Office accomplishments include:

- Providing critical narratives and workforce data analytics to inform the Department's newly drafted Strategic Plan, Proposed Realignment Plans and strategies to maximize employee performance.
- Supporting and implementing policies and training curriculum to address anti-harassment efforts and to improve civil treatment for all employees while increasing accountability expectations for supervisors to properly implement policy directives in a timely and professional manner.
- Improving the performance management process by automating performance appraisal plans for employees, supervisors, senior professionals, and senior executives and linking it to the new DOI Talent Management Solution (*DOI Talent*).
- Promoting and innovating our talent acquisition to better meet the Department's strategic goals, Federal government management agendas and initiatives, and transitioning societal demographics, enabling the Department to better compete for, attract, hire and retain our Nation's best diverse talent in order to build a highly skilled, 21st century workforce capable of meeting the Department's mission.
- Implementing statistical workforce analytics to evaluate impacts of human capital
- Conducting evaluation of the cost of human resources within the Department to validate expenditures through return on investments gained through accomplished human capital metrics.
- Partnering with the Office of Civil Rights, Office of Occupational Health, and Office of the Chief Information Officer, the Office assists in reducing costs associated with workers compensation and accommodation complaints through the promotion of accessible and safe work environments for all employees.
- Monitoring and tracking to close skills gaps in mission critical S.T.E.M. occupations engaged in oil and gas activities.
- Enhancing employee engagement impact and communication through the synthesis of the Federal Employee Viewpoint survey data and build internal webpage to communicate to employees how leaders have used the data toward workplace improvements.
- Conducting various employee accountability workshops, including combining resources with the Office of Solicitor to train employment attorneys and HR professionals on a range of employment law matters, including how to properly conduct employee investigations.
- Implementing HR knowledge transfer tool (*Human Capital Crossroads*) targeted to supervisors, employees and HR professionals in a fully developed DOI-centric web

environment to market key policies, tools and information in a one-stop shopping location. Related to this automation, created “Bison Connect” which allows supervisors to make internal postings for lateral employment opportunities and short-term 90-day detail assignments to assist with workforce surge needs and provide employees with developmental opportunities to close skill gaps and assist with career development.

Office of Civil Rights (OCR)

The OCR is the focal point for policy development and administration of equal opportunity and public access civil rights programs for the Department of the Interior. In addition, it partners with Federal and State agencies, and minority academic colleges and universities, and other interested parties to advance educational and employment opportunities.

The OCR’s major functional areas include:

- **Policies and Procedures** – The Office develops policies to advance departmental objectives in equal opportunity and public civil rights according to existing laws, Executive Orders, and regulations. The Office also develops procedures and guidelines for implementing public civil rights and equal opportunity programs in the bureaus and offices to ensure compliance with applicable laws and regulations.
- **Guidance, Technical Assistance, and Consultation** — The Office provides advice and technical assistance to improve employment opportunities for women, minorities, persons with disabilities, and members of underrepresented groups. It manages the public civil rights complaints processing system and monitors programs to ensure non-discrimination in Interior-related federally conducted and assisted programs and activities. It also manages the equal employment complaints processing and reporting system.
- **Monitoring and Reporting** — The Office develops policy, criteria, and guidelines for collecting and reporting data on applicants for employment, to present statistical workforce profiles and trends to management, collection of information regarding program beneficiaries related to federally assisted programs, and collection of statistical data on discrimination complaints.
- **Program Evaluation** — The Office analyzes and evaluates data collected to determine status, trends, and progress made by the Department, bureaus, and offices. It conducts management, program, and compliance reviews, monitors achievements in diversity, equal opportunity, and civil rights, and assists bureaus and offices with self-evaluations. The Office publishes special studies and educational materials to inform managers, employees, and the public and develops formal reports in compliance with regulatory requirements.

Office accomplishments include:

- Refining the Civil Rights complaints tracking system to make information more readily available for generating various reports required by the regulatory agencies. Emphasis will continue to be placed on complaint processing and training to better serve the customers.

- Ensuring the availability of training opportunities for managers and supervisors in the areas of EEO, diversity and inclusion, reasonable accommodation, and No FEAR Act.
- Researching and analyzing data and employment policies, procedures, and practices to identify and recommend solutions to employment barriers.
- Review the bureaus' EEO and diversity programs for compliance with civil rights laws and guidance.
- Conduct multi-cultural day programs to increase awareness of the value of a diverse and inclusive workforce.

Office of Strategic Employee and Organizational Development (OSEOD)

The OSEOD is responsible for coordination and strategic management of Departmental training and development to ensure the workforce has the capability and competency to accomplish Departmental missions. The Office also has responsibility to evaluate the effectiveness of training and development across the Department. The Office has Department-wide responsibility for the implementation of training and organizational development directives from the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM). The Office is also the liaison with these organizations and other agencies concerning workforce development. The Office interprets laws, executive orders, rules, regulations, and provides technical and professional consultation to the Secretary and the bureaus.

This Office works collaboratively with Interior bureaus and offices engaged in functional and specific training. OSEOD focuses on ensuring training is consistent with Departmental policy by utilizing effective and relevant adult learning approaches. The Office leads the Department in providing the vision, policies, and practices to best prepare the workforce with skills to accomplish the Department mission. This entails utilization of a competency-based human resource management system that clearly identifies the skills, knowledge, abilities, and behaviors required of all employees. This Office has taken the lead in identification, validation, and implementation of a competency-based system across the Department. The programs offered assist with succession planning through training, career, and workforce development. This system allows the Office to work in collaboration with the Office of Human Resources to support an employee life-cycle approach of training. Additional information on the OSEOD is also presented in the Working Capital Fund section of this Congressional Justification.

Office accomplishments include:

- Continue Federal assessments of the information technology and acquisition communities to gain a departmental competency profile for these groups while building competency profiles for Departmental mission-critical occupations. Through assessment, the Department will use data to establish benchmarks and improvement targets for workforce planning and overall training requirements.
- Developing a comprehensive “living” list of all mandatory training in the Department. This effort mirrors a government-wide initiative being undertaken by the CLOC, which should result in cost savings across agencies as training content is shared.
- Expanding the Executive Leadership Institute to include training and development for managers, supervisors, and high performing DOI employees.

Program Performance Estimates

The President's 2019 budget continues efforts under the direction of the AS-PMB, to provide leadership and direction for the President's initiatives, to continue high quality Department-wide services, and to ensure transparency and good government.

Activity: Leadership and Administration
Program Element: Public Safety, Resource Protection and Emergency Services

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	3,855	3,829	+38	0	-140	3,727	-102
FTE	17	17	0	0	-1	16	-1

Summary of Program Changes

Request Component	(\$000)	FTE
Workforce	-140	-1

Justification of Program Changes

Funding is realigned to support other priorities.

Program Overview

The Public Safety, Resource Protection and Emergency Services Program Element includes AS-PMB offices responsible for leadership and strategic guidance in five primary areas: law enforcement; emergency management; aviation; and borderlands coordination. These offices manage Departmental efforts to coordinate with the Department of Homeland Security on border activities impacting Interior equities; lead the Department's efforts to plan for, prevent, protect against, and recover from natural disasters and human-caused incidents; and ensure employees, visitors, and residents are safe and secure.

The following offices, described below, support the AS-PMB Public Safety, Resource Protection and Emergency Services mission area:

Office of Law Enforcement and Security (OLES)

The OLES is responsible for providing management and leadership in the law enforcement, security, and intelligence program areas. Primary functions of the office include updating, creating and ensuring bureau compliance with Department policy, Department of Homeland Security guidance, Presidential Directives, Secretarial Orders in law enforcement, national security, intelligence, as well as directing oversight of the security function at the Main and South Interior buildings. The Office provides coordination and management leadership to

facilitate a successful and focused departmental law enforcement, security, and intelligence program capable of providing the key business principles of customer service, accountability to the public, transparency, efficient and effective management, modernization, and integration.

Interior maintains the third largest Federal law enforcement workforce in the Executive Branch and has ownership of some of the Nation's most recognizable critical infrastructure.

Approximately 4,000 commissioned officers protect against illegal activities on its more than 480 million acres of public lands. In addition to protecting approximately 70,000 employees, 536,000 volunteers, 1.5 million Indian Country citizens, and 1.3 million visitors to Interior-managed lands daily, Interior's law enforcement officers protect natural, cultural, and heritage resources, and critical facilities in every State. Interior manages approximately one-fifth of the land in the U.S. including lands adjacent to the international borders of Canada and Mexico. This requires extensive coordination with the Department of Homeland Security, U.S. Customs and Border Protection, and with each bureau that has land adjacent to or near either border.

In light of the continuing foreign and domestic terrorist threats, a number of Department assets continue to be closely monitored as they are considered to be potential targets identified by Federal entities including the Department of Justice and the Department of Homeland Security. These National Critical Infrastructures include, but are not limited to, national monuments and icons, such as the Statue of Liberty, the Washington Monument, Mount Rushmore, and Independence Hall; dams, such as Hoover, Shasta, Grand Coulee, and Folsom; and oil, gas, and electric production and transmission facilities.

Office accomplishments include:

- Conducting security assessments and related updates at Department facilities including critical dams, National Monuments and icons, including completing National Monuments and Icons Sector Specific Plans as required by DHS.
- Continuing to coordinate Interior's Emergency Support Function-13 (ESF-13) program including a surge response capability.
- Developing a plan to improve enforcement efforts related to drug cultivation on public lands, and maintained effective liaison with the White House Office of National Drug Control Policy, Public Lands Drug Control Committee, and various High Intensity Drug Trafficking Area (HIDTA) programs.
- Maintaining full access to all classified information systems at the National Joint Terrorism Task Force, thereby ensuring situational awareness of threats and investigations having a potential impact on Interior personnel, visitors, and assets.
- Developing all aspects of the Insider Threat Program in compliance with EO 13587.
- Enhancing Interior's border coordination along the northern and southwest borders, coordinating with the U.S. Customs and Border Protection on the Secure Border Initiative.

Office of Emergency Management (OEM)

The OEM provides a central capability to coordinate and manage large-scale disasters and other emergency incidents that impact Interior personnel, lands, offices, infrastructure, resources, and trust responsibilities. The Interior Operations Center provides Department leadership situational

awareness and timely information about such activities impacting the Department. Additionally the Office manages the Department's Continuity of Operations Programs; the AS-PMB serves as the Continuity Coordinator for the Department. Additional information on the OEM is presented in the Working Capital Fund section of this Congressional Justification.

Office of Aviation Services (OAS)

The OAS was established by the Secretary of the Interior in 1973 to raise safety standards, increase efficiency, and promote the economical operation of aircraft activities in the Department of the Interior. Employing experienced aviation professionals, the OAS plays a critical role in enabling the DOI Bureaus to deploy annually in field and fire season operations with safe and mission-ready aircraft and personnel in support of their missions. OAS also enables the Department to meet its legal and regulatory requirements as a Public Aircraft Operation. The OAS manages a fleet of about 450 Government-owned manned and unmanned aircraft and assures the safety and mission readiness of up to 1,200 commercially contracted aircraft. Other functions of the aviation program include development and delivery of aviation safety training for a diverse student base i.e. Search and Rescue, LE, Resource Management, Scientists, Fire personnel and Pilots, program evaluations of bureau aviation programs, and investigating aircraft mishaps involving Department aviation operations. Much of the Department's flight activity involves unique and potentially hazardous missions such as law enforcement, aerial firefighting, low-level wildlife surveys, search and rescue, aerial capture, eradication and tagging of animals, placement of scientific personnel and instruments in remote locations, and transport of Interior inspectors to offshore oil platforms. The primary functions of the OAS include Program Oversight, Policy and Planning, Fleet Management, Aviation Safety Program Management, and inter/intra-agency coordination and collaboration.

Office accomplishments include:

- Working toward achieving the goal of zero aircraft accidents. Since 1975, the Department of the Interior's aviation safety program has resulted in estimated savings in excess of \$698 million to the Department and its supporting vendors in reduced losses.
- Supporting over 109,000 student hours of aviation training.

Office of Wildland Fire (OWF)

The OWF manages the Department's Wildland Fire Management program. The goal of the program is to achieve both a cost-efficient and a technically effective fire management program that meets resource and safety objectives. Information on the Wildland Fire program is presented in a stand-alone Congressional Justification.

Program Performance Estimates

The President's 2019 budget continues efforts under the direction of the AS-PMB, to provide leadership and direction for the President's initiatives, to continue high quality Department-wide services, and to ensure transparency and good government.

Activity: Leadership and Administration
Program Element: Technology and Business Services

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	3,810	3,784	+41	0	0	3,825	41
FTE	25	19	0	0	-1	18	-1

Summary of Program Changes

Request Component	(\$000)	FTE
Workforce	-0-	-1

Justification of Program Changes

Funding associated with the FTE reduction is offset by increased staff costs within the Office of the Chief Information Officer.

Program Overview

The Technology and Business Services Program Element includes AS-PMB offices responsible for leadership and strategic guidance for the Department's information technology infrastructure and business operations including administration and oversight of facility management, information resource management, real estate valuations, administrative hearings and appeals, conflict management and resolution, and the Interior Business Center shared services.

The following offices, described below, support the AS-PMB Technology and Business Services mission area:

Office of the Chief Information Officer (OCIO)

The Office of the Chief Information Officer (OCIO) establishes and manages a comprehensive information resource management (IRM) program for the Department of the Interior. The basic elements of the program include policy, planning, execution, oversight, and service delivery. This includes defining standards, guidelines, metrics, and processes for ensuring compliance. The primary authorities for the mission and function of the organization include the: E-Government Act (E-GOV); Clinger-Cohen Act of 1996; Federal Information Security Modernization Act of 2014 (FISMA); Telecommunications Act; Paperwork Reduction Act; Government Paperwork Elimination Act; Federal Records Act (as amended); Communication Act; Privacy Act; Intelligence Reform and Terrorism Prevention Act (IRTRA); National Defense

Authorization Act of 2014, Federal Information Technology Acquisition Reform Act (FITARA), OMB Memorandum M-09-02 Information Technology Management Structure and Framework and IT-related Presidential Orders. The CIO is responsible for providing the vision and leadership in the development and implementation of the Department's IRM and IT programs. The CIO leads the Department in planning and implementing enterprise information systems to support both distributed and centralized business operations, and achieve more efficient and cost effective enterprise-wide IT operations. The OCIO manages the Department's information and technology management programs and activities and is responsible for information technology and cybersecurity oversight and strategy.

The OCIO goal is to minimize redundancies, streamline information technology, and enhance customer service while lowering IT costs to the Department. The OCIO accomplishes its objectives through the following main functions: Information Assurance; Business Operations; Planning and Performance Management; Information and Technology Management; and IT Service Delivery.

Office accomplishments include:

- Implementing upgrades to the security infrastructure components at each of DOI's five internet gateways commensurate with the bandwidth upgrades to support the increasing demands on available network bandwidth resulting from DOI's cloud initiatives, data center consolidation, video teleconferencing, and expanded use of social media services for DOI missions.
- Improving the Department's active directory operations and operational activities as a service desk for all customers; expanding Tier 1 support to additional offices; upgrading bandwidth through Networx to support cloud, data center consolidation, video teleconferencing and expanded social media services for DOI missions.
- Improving governance through coordination of bureau activities through the Radio Executive Steering Committee.
- Expanding IT shared services and cloud capabilities, including deploying a cloud-based enterprise secure file transfer service and standing up an agency-wide virtual data center in the cloud.
- Developing the Information Management and Technology Strategic Plan and continuing to support the implementation of the Department's FITARA implementation plan.
- Continuing to mature and integrate enterprise architecture and IT capital planning processes with other IMT and Departmental business functions through the annual operating plan, joint IT budget certification process, quarterly portfolio reviews, information management, and PortfolioStat reporting.

Office of Hearings and Appeals (OHA)

The OHA serves as an authorized representative of the Secretary for conducting hearings and considering and deciding administrative appeals within the jurisdiction of the Department. OHA provides an impartial forum where parties affected by decisions of the bureaus may obtain independent review of those decisions. It fulfills Interior's trust responsibility with respect to the probate of Indian trust estates and the disposition of other matters involving Indian trust assets.

It also promotes negotiated solutions to disputes involving bureau decisions. Information on the OHA is presented in the Management Services section of this Congressional Justification.

Office of Collaborative Action and Dispute Resolution (CADR)

The Office of Collaborative Action and Dispute Resolution (CADR) leads the Department's efforts to work collaboratively to prevent, manage and resolve conflict, and ensure that Interior bureaus and offices are trusted, produce sustainable decisions and carry out their missions more efficiently. Consistent with the Administrative Dispute Resolution Act of 1996, the Negotiated Rulemaking Act of 1996, the Contracts Dispute Act of 1978, the Memorandum on Environmental Collaboration and Conflict Resolution issued by the Office of Management and Budget and the Council on Environmental Quality, and Equal Employment Opportunity Commission regulations, the Department's collaboration, conflict management and alternative dispute resolution policies, programs, and procedures encourage effective conflict management, collaborative problem-solving, and dispute resolution to improve the efficiency and effectiveness of program operations.

The goal of the Office is to provide leadership and establish effective conflict management and collaboration policies and practices as well as to ensure access to expert assistance and service delivery to support bureaus and offices in carrying out the Department's missions. These efforts, including timely access to self-help tools, trusted assistance, and clear and consistent policies and guidance, ensure that the Department has the skills, tools, and resources to work collaboratively, manage conflict, and resolve disputes. CADR provides Department-wide leadership and coordination to achieve four primary objectives: establish and implement department-wide policies and procedures; provide education and training to develop conflict management and collaboration competencies; ensure timely access to expert impartial assistance; and track and evaluate results for continuous improvement.

CADR provides impartial process design and process assistance to further major Departmental initiatives and Secretarial priorities including impartial and independent facilitation services for Interior organizations undergoing significant transitions as well as other conflict management and dispute resolution assistance. This results in significant cost savings for the Department through early collaboration and conflict management opportunities leading to reduced litigation costs and lost productivity. In addition, CADR leads and coordinates training for employees on conflict management and communication skills.

Office accomplishments include:

- Supporting the early resolution of workplace concerns, including harassment allegations, by providing all employees with zero-barrier access to a neutral, confidential, independent, and informal organizational ombudsman. CADR ombudsmen assist all bureaus and offices in identifying patterns and trends in workplace issues and considering improvements.
- Reducing the costs and time associated with administrative litigation by offering mediation to disputing parties in natural resource and tribal matters. Expert mediators assist the government and external parties in seeking constructive solutions to complex issues and the process helps contribute to a reduction in litigation.

- Providing technical assistance for negotiated rulemaking efforts, developing case studies on the Department's negotiated rulemaking efforts as completed, and maintaining and updating the negotiated rulemaking guidance based on findings and results.
- Designing and delivering annual Department-wide collaboration and dispute resolution training.
- Conducting systematic tracking and evaluation of the Department's use of collaborative problem solving and dispute resolution processes. Reporting on data collected and recommending improvements to the Department's use of conflict management processes to address internal and external conflicts and disputes.

Appraisal and Valuation Services Office (AVSO) (formerly the Office of Valuation Services (OVS))

The 2019 budget request reflects the approved transfer and consolidation of the Office of Appraisals within the Office of the Special Trustee with the Office of Valuation Services to form the Appraisal and Valuation Services Office (AVSO). The AVSO provides credible, timely and efficient valuation services to ensure public trust in Federal real property transactions. These services include real property appraisals, appraisal reviews, evaluation of mineral potential, consultations on property value, and concessions valuations. Real property appraisals are required for land acquisition, disposal, and exchange; real property rights such as mineral and water rights and rights of way; interests in lands such as partial interests, improvements, crops, and crop damage; establishing the market value of out-grants such as leases, licenses, and permits; excess land appraisals; and conservation easements. Additional information on the AVSO is presented in the Management Services section of this Congressional Justification.

Interior Business Center (IBC) and Office of Facilities and Administrative Services (OFAS)

The IBC and OFAS are service providers within the OS Working Capital Fund. The IBC delivers administrative and business services to Interior's nine bureaus and multiple offices, and more than 140 other Federal agencies. The OFAS is responsible for the operations and maintenance of the Stewart Lee Udall building in Washington, D.C. Information on the IBC and OFAS services is presented in the Working Capital Fund section of this Congressional Justification.

Program Performance Estimates

The President's 2019 budget continues efforts under the direction of the AS-PMB, to provide leadership and direction for the President's initiatives, to continue high quality Department-wide services, and to ensure transparency and good government.

Activity: Leadership and Administration
Program Element: Central Services

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	60,531	60,120	+609	-14,904	-140	45,685	-14,435
FTE	0	1	0	0	-1	0	-1
<i>Transfer of ONRR Central Services to the Office of Natural Resources Revenue Appropriation 1\</i>							
(\$000)	[15,006]	[14,904]	[0]	[-14,904]	[0]	[0]	[-14,904]

1\ The Department proposes to fund ONRR under a separate appropriation account beginning in FY 2019. Included in the proposal is the transfer of ONRR's Central Services funding in the amount of \$14,904K from the Central Services Activity within Departmental Operations.

Summary of Program Changes

Request Component	(\$000)	FTE
Science Coordination position	-140	-1

Justification of Program Changes

This reduction will allow the Office of the Secretary to address other priorities. The science coordination initiative developed best practices and forums such as Science Advisors meetings which the Department will continue to utilize to maintain the successes achieved.

Program Overview

The Central Services Program Element supports all offices funded by this appropriation and provides a single activity for general overhead support costs and centrally managed programs. Central Services support covers administrative expense items that are not practical to distribute to the various offices in the Office of the Secretary. Examples of this type of cost include:

- Rental payments to the General Services Administration and security costs to the Department of Homeland Security.
- Reimbursement to the Department of Labor for worker's compensation and unemployment compensation paid to current and former Office of the Secretary employees funded by the Office of the Secretary–Departmental Operations appropriation.
- Communications costs, such as Federal Telecommunications System and postage.
- Services provided to the Office of the Secretary which are financed through the Working Capital Fund, including guard services, financial management, payroll services, internal

mail service, procurement and property management, and information technology services.

- Personnel services procured from BSEE and OPM.

Also funded in this activity are discretionary, centrally managed programs including:

- Equipment replacement.
- Extraordinary, unplanned costs including lump sum leave payments, complaint investigations, settlements, and attorney's fees.
- Employee performance and cash awards.

Program Performance Estimates

Continued seamless operation of essential building management and administration support services that are transparent to Interior employees and clients and central to accomplishment of the Department's mission will continue uninterrupted through fiscal years 2018 and 2019.

Activity: Management Services
Program Element: Office of Hearings and Appeals

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	7,140	7,092	+74	0	-250	6,916	-176
FTE	37	40	0	0	-2	38	-2

Summary of Program Changes

Request Component	(\$000)	FTE
Workforce	-250	-2

Justification of Program Changes

Funding is realigned to support other priorities.

Program Overview

The Office of Hearings and Appeals (OHA) serves as an authorized representative of the Secretary for conducting hearings and considering and deciding administrative appeals within the jurisdiction of the Department. OHA provides an impartial forum where parties affected by decisions of the bureaus may obtain independent review of those decisions. It fulfills Interior's trust responsibility with respect to the probate of Indian trust estates and the disposition of other matters involving Indian trust assets. It also promotes negotiated solutions to disputes involving bureau decisions.

By providing independent review of bureau decisions, OHA affords administrative due process to outside litigants, fostering confidence in Departmental actions. By developing a consistent body of administrative precedent construing applicable statutes and regulations, OHA provides legal guidance to officials across the Department and promotes uniformity of bureau decision making. OHA review ensures the Department has an opportunity to correct its own administrative errors, final agency decisions are consistent with law, and Federal courts have fully developed records on which to base judicial review of agency actions.

OHA employs Administrative Judges, Administrative Law Judges, Indian Probate Judges (IPJs), and one Attorney Decision Maker (ADM) in its two hearings divisions and two permanent boards of appeal. These officials render decisions in cases pertaining to public lands and their resources, the regulation of surface coal mining, appeals of administrative decisions of the Bureau of Indian Affairs, and Indian probate matters. The Director's Office provides

management oversight and administrative support to the organization as a whole. In addition, the Director's Office has jurisdiction to review decisions and to decide various appeals not assigned to one of OHA's permanent appeals boards. The decisions rendered by the Director or by the boards of appeal are generally final for the Department.

OHA is headquartered in Arlington, Virginia, and has field offices located in Albuquerque, New Mexico; Billings, Montana; Rapid City, South Dakota; Sacramento, California; Salt Lake City, Utah; and Bloomington, Minnesota.

The paragraphs below describe OHA's organizational units and main program activities.

Director's Office — The Director's Office decides appeals to the Secretary that do not fall within the appellate review jurisdiction of OHA's established appeals boards (OHA's two appeals boards are identified below). The Director may appoint OHA judges or attorneys to conduct hearings or to sit on ad hoc boards of appeal. The Director's Office has authority to assume jurisdiction over matters before an OHA appeals board and review OHA appeals board decisions. Cases decided by the Director's Office include employee debt collection and waiver cases, property board of survey appeals, quarters rental rate adjustment appeals, Uniform Relocation Assistance Act payment appeals, acreage limitation appeals under the Reclamation Reform Act, and civil penalty assessments under the Endangered Species Act, the Archeological Resources Protection Act, and National Indian Gaming Act Commission appeals. The following table shows changes in the Director's Office caseload over the last three years:

	2015	2016	2017
Received	95	93	95
Concluded	60	82	130
End of Year (pending)	160	171	136

Interior Board of Indian Appeals — The Interior Board of Indian Appeals decides appeals from administrative decisions rendered by BIA officials. It also decides appeals from decisions rendered by the Hearings Divisions' judges in Indian probate cases and cases under the White Earth Reservation Land Settlement Act. IBIA also receives appeals from certain decisions made in the Department of the Interior and the Department of Health and Human Services under the Indian Self-Determination and Education Assistance Act. The following table shows changes in IBIA's caseload over the last three years:

	2015	2016	2017
Received	121	112	142
Concluded	168	154	98
End of Year (pending)	111	69	113

Interior Board of Land Appeals — The Interior Board of Land Appeals provides appellate review of a wide variety of decisions made by Departmental officials relating to the use and disposition of public lands and their resources. These include land selections arising under the Alaska Native Claims Settlement Act, the use and disposition of mineral resources in certain acquired lands of the United States and in the submerged lands of the Outer Continental Shelf, and the conduct of surface coal mining under the Surface Mining Control and Reclamation Act of 1977. IBLA also reviews decisions from ALJs in Departmental cases. The following table shows changes in IBLA’s caseload over the last three years:

	2015	2016	2017
Received	275	307	346
Concluded	234	279	295
End of Year (pending)	320	349	400

Departmental Cases Hearings Division — The ALJs in this Division preside over hearings in all Interior cases required by law to be conducted on the record pursuant to 5 U.S.C. § 554. Cases heard include those under the Mining Law of 1872, the Taylor Grazing Act, the Surface Mining Control and Reclamation Act, the Endangered Species Act, the Debt Collection Act, the Energy Policy Act of 2005 (relating to conditions and prescriptions on hydroelectric licenses), the Federal Oil & Gas Royalty Management Act of 1982, and the Program Fraud Civil Remedies Act of 1986. In addition, the ALJs conduct hearings in Interior cases that are referred to the Division by one of OHA’s appeals boards, the Director, or the Secretary, and also provide a hearings process as part of the Assistant Secretary—Indian Affairs’ Federal acknowledgment program. The following table shows changes in the Division’s caseload over the last three years:

Lands Cases

	2015	2016	2017
Received	61	61	75
Concluded	92	128	79
End of Year (pending)	169	102	98

White Earth Reservation Land Settlement (WELSA) Cases —The ALJs in this Division also render heirship determinations for eligibility to receive compensation under the WELSA statute. The following table shows changes in the WELSA caseload over the last three years:

	2015	2016	2017
Received	217	230	145
Concluded	234	206	194
End of Year (pending)	50	74	25

Probate Hearings Division — The ALJs, IPJs, and ADM in this Division exercise the Secretary’s trust responsibility in conducting hearings and rendering decisions in Indian probate matters. The following table shows changes in the Division’s caseload over the last three years:

	2015	2016	2017
Received	6,505	6,317	6,051
Concluded	6,843	6,233	6,604
End of Year (pending)	5,152	5,236	4,683

Program Performance Highlights

Caseload Summary - In 2017, OHA received a total of 803 non-probate cases and closed 796, leaving 771 pending at the end of the year. OHA also received 6,051 new probate cases and closed 6,604 leaving 4,683 pending. OHA continues to assess its workflow processes, workload distributions, case aging, and other factors affecting decisional output to realize efficiency and cost savings.

Activity: Management Services
Program Element: Appraisal and Valuation Services Office

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations - Land and Water Conservation Fund							
(\$000)	11,000	10,925	0	0	-1,925	9,000	-1,925
FTE	70	69	0	0	-16	53	-16
Office of the Secretary, Departmental Operations*							
(\$000)	0	0	0	+9,704	0	9,704	9,704
FTE	0	0	0	+42	0	42	42
Total							
(\$000)	11,000	10,925	0	+9,704	-1,925	18,704	7,779
FTE	70	69	0	+42	-16	95	26

* Reflects the transfer of OST's Office of Appraisal Services (OAS) staff and functions to the Office of the Secretary to the Department-wide Appraisal and Valuation Services Office (AVSO) approved by Congressional reprogramming dated December 22, 2017. Formerly the Office of Valuation Services.

Summary of Program Changes

Request Component	(\$000)	FTE
Transfer of the Office of Appraisal Services from OST	+9,704	+42
Land Acquisition Valuations Project Work	-1,925	-16

Justification of Program Changes

Transfer of the Office of Appraisal Services from OST (+\$9,704,000/+42 FTE)

Consistent with the Indian Trust Asset Reform Act (ITARA) and the congressionally approved reprogramming, the budget request reflects the transfer of OAS from OST and the consolidation of OAS staff and functions with OVS to form the Appraisal and Valuation Services Office.

Under AVSO, all appraisal and valuations will be conducted by a single entity within the Department.

New Land Acquisition Valuations Project Work (-\$1,925,000/-16 FTE)

The AVSO will maintain capacity to support on-going LWCF-funded projects.

The budget request also reflects a reduction in new FY 2019 land acquisition valuations project work, but maintains capacity to support on-going LWCF-funded projects. The President's 2019 Budget focuses available funds on the protection and management of existing lands and assets. DOI already own nearly 700 million acres of Federal land, so acquiring new lands is a lower

priority than funding ongoing operations and maintenance and there is no request for major land acquisition projects.

Program Overview

The mission of the Appraisal and Valuation Services Office (AVSO) is to provide credible, timely and efficient valuation services by ensuring the Department's fiduciary trust responsibilities are met for Tribes and beneficiaries in Trust and Restricted fee real property transactions as well as ensuring public trust in Federal real property transactions. These services include real property appraisals, appraisal reviews, evaluation of mineral potential, grazing lease valuations, valuations of right of way interests, market studies, mass appraisals, area-wide minerals evaluations, consultations on property value, and concessions valuations. Real property appraisals are required for land acquisition, disposal, exchange and probate; real property rights such as mineral and water rights and rights of way; interests in lands such as partial interests, improvements, crops, and crop damage; establishing the market value of outgrants or grants of interest by lease, license, and permit; excess land appraisals; and conservation easements.

Properties appraised include recreational, agricultural, commercial, industrial, and residential. For federal land acquisition, appraisal reviews are provided to ensure that all appraisals results are supported and compliant with the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA or the "Yellow Book") and the Uniform Standards of Professional Appraisal Practice (USPAP). Most Trust and Restricted fee property appraisals must be conducted in compliance with the Uniform Standards of Professional Appraisal Practice. Consultations involve Department and bureau management and staff attorneys and may also require testimony in court and at administrative hearings.

The creation of AVSO as the Department's single appraisal organization brings together two strong appraisal and valuation entities that have been performing since the early 2000s. In March 2002, Secretarial Order 3240 established the Office of Appraisal Services (OAS) as a part of the Office of the Special Trustee for American Indians (OST). OAS has functioned effectively to serve Indian Country, and over the past five years has taken on responsibility for property appraisals for the Land Buy Back Program for Tribal Nations (LBBP). The Office of Valuation Services (OVS) entity was established as the "Appraisal Services Directorate" in November 2003, when real estate appraisal functions were reformed in the Department resulting in consolidation of the Federal lands appraisal function into a single office independent of the realty function. Appraisers were consolidated from the Bureau of Land Management, Bureau of Reclamation, Fish and Wildlife Service, and the National Park Service into OVS. Since 2003, the OVS has provided valuation oversight to (OAS), and supports the valuation program of the LBBP through the OVS Division of Minerals Evaluation.

The AVSO works under a "One Appraisal Policy" as evident with the consolidation of OAS appraisers into the Indian Trust Property Division and Land Buy Back Valuation Division; and the OVS appraisers into the Federal Lands Division. The Indian Trust Property Division is aligned with the Bureau of Indian Affairs regions and the Land Buy Back Valuation Division provides mass appraisals for the LBBP. The Federal Lands Division is structured to align with core client bureaus in the Department's Federal lands structure. The core client group model

focuses the assigned team of appraisers on one client's projects, with the flexibility for cross-team assignments to effectively deploy resources where most needed

The Division of Minerals Evaluation (DME) provides services to AVSO clients as well as to other agencies in evaluating the potential economic value of minerals associated with a property, when minerals are included with the property to be acquired or disposed of by the Department. In addition to the AVSO bureau clients, DME provides significant service to the Office of the Special Trustee for American Indians, as well as to other Departmental clients under inter-agency agreements and reimbursable service agreements. For example, DME has taken on significant responsibility for oversight and review of the Bureau of Land Management programs in Coal Leasing and in Minerals Materials Leasing.

AVSO has a highly qualified staff and leadership that consistently work to refine policies, procedures, practices and evaluate process efficiencies. One remaining critical evaluation is the potential for consolidating two systems for appraisal support and management. The AVSO Indian Trust Property Valuation Division uses the "Office of Appraisal Services Information System" (OASIS) for appraisal production and tracking, while the AVSO Federal Lands Division manages workload through the "Interior Valuation Information System" (IVIS). The short-term goal is to preserve strengths of both systems into one cloud-based platform.

Another key challenge over the next two to three years will be maintenance of capacity as the LBBP funding is expended in the purchase of fractional interests. The mass appraisal and area-wide minerals evaluation technologies and methodologies have application well beyond the LBBP and serve as a basis to efficiently expedite appraisal and minerals evaluation services for other clients and other purposes.

Program Performance Estimates

The centralized valuation contracting function within the OVS is responsible for procuring timely valuation products as part of the valuation assignment life cycle. The AVSO contracting function started in 2011 and now operates a fully functional centralized contracting-for-valuation-services office that has achieved Federal Acquisition Rule-compliant awards within 30 days of receipt of the request for a contract. The valuation contracting office is organized to process roughly 600 actions each year.

In FY 2017, OVS handled over 970 valuation services, completed appraisal reviews on 662 properties representing approximately 287,000 acres with value estimates totaling over \$585 million; contracting costs for these appraisal assignments totaled over \$950,000. The valuation contracting branch is processing these actions consistently across the Department of the Interior and is meeting the goal of inception to award of 30 days or less (actually at 27 days).

In FY 2017, the Office of Appraisal Services (OAS), Regional Operations Division reduced the region-wide appraisal backlog from a high of 337 at the end of January 2017 to 12 (96% reduction) while maintaining a normal annual appraisal workload. Eleven of the twelve Regional Operations Offices ended the fiscal year with a zero appraisal backlog. Collectively, regional offices completed 3,679 appraisal requests, involving 4,680 tracts containing 408,706 acres having a composite value of \$913 million.

The Land Buy Back Valuation Division completed 1,866 site specific appraisal reports and reviews, and 6 mass appraisal models to support the acquisitions of the Department's Land Buy Back Program for Tribal Nations. Fifteen locations were appraised. These appraisals, valued at approximately \$620 million, encompassed 4,036 land tracts and totaled 308,356 acres.

The OVS Division of Minerals Evaluation reviewed 177 OVS appraisal cases, resulting in 44 mineral valuation review reports (825 parcels); completed 117 mineral lease and appraisal cases (175 parcels) for the Bureau of Indian Affairs, on behalf of the Five Civilized Tribes of Oklahoma; and reviewed nearly 17,500 multi-parcel tracts, across 14 Reservations for the Land Buy Back Program for Tribal Nations. During FY 2017, the DME became fully-integrated into the project management system for the Office of Appraisal Services (Office of the Special Trustee) providing shared access to more than 44,000 multi-parcel tracts, covering 32 Reservations, and completed 112 individual appraisal and lease valuation cases (423 parcels). Additionally, staff participated in a Joint Coal Working Group with the Bureau of Land Management, Office of Surface Mining and the Solicitor's Office to evaluate the Federal coal leasing program and performed seven coal lease reviews and one coal exchange valuation for the BLM, and are continuing to assist the Solicitor's Office, BLM and Department of Justice with a lease valuation for cancelled oil and gas leases in Colorado. The staff also performed field work and valuation analyses for area-wide mineral material reports covering four States for the BLM in FY 2017.

Timeliness of service remains an AVSO priority as well, with the average Federal lands appraisal case days now ranging from 145 to 200 days (*client bureau requirements impact average days*), and total days from 180 to 270 days (*note: total days includes time client bureaus spend developing the case assignment*). Through ongoing evaluation of time for each step of the process, we have made steady progress in improving response times from over 240 days to under 165 days now. Similarly, for the Indian Trust Property Division, the focus is on timely service with a minimum of cases in backlog status, i.e., taking longer than the negotiated due date with the BIA. OAS ended FY 2017 with a record of only .3% of cases in backlog status.

The AVSO will continue to develop policies that strengthen existing practices for processing land exchanges, use of third party appraisals, and codified appraiser qualification requirements. These new policies and procedures improve internal processes and establish consistent practices throughout the Department's land acquisition programs.

Activity: Management Services
Program Element: USBM Worker's Compensation

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	938	932	-7	+0	-546	379	-553
FTE	0	0	+0	+0	+0	0	0

Summary of Program Changes

Request Component	(\$000)	FTE
Savings in USBM Worker's Compensation costs	-546	-0

Justification of Program Changes

The budget request reflects \$546,000 of savings in worker's compensation payments for the former U.S. Bureau of Mines.

Program Overview

This activity funds worker's compensation payments for former U.S. Bureau of Mines employees. The activity was added to the Office of the Secretary—Departmental Operations appropriation in the 1997 Omnibus Appropriations Act.

Activity: Management Services
Program Element: Indian Arts and Crafts Board

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations							
(\$000)	1,397	1,388	+13	0	-95	1,306	-82
FTE	9	10	0	0	-1	9	-1
Permanent Appropriation (Revenue from Museum Fees)							
(\$000)	40	40	0	0	0	40	0
FTE	0	0	0	0	0	0	0
Total							
(\$000)	1,437	1,428	+13	0	-95	1,346	-82
FTE	9	10	0	0	-1	9	-1

Summary of Program Changes

Request Component	(\$000)	FTE
Promotional Exhibition and Community Outreach	-95	-1

Justification of Program Changes

The budget prioritizes resources required to support the Indian Arts and Crafts Board's (Board) museum operations while maintaining service to its constituents.

Program Overview

The Board is responsible for the implementation and enforcement of the Indian Arts and Crafts Act (Act). The Act contains both criminal and civil provisions to combat counterfeit activity in the Indian arts and crafts market, including the influx of mass-produced and imported counterfeit Indian art and craftwork. The Board manages three museums in Indian Country dedicated to the promotion, integrity, and preservation of authentic Indian art and culture; promotes the economic development of Indians through their creative work; expands the market for authentic Indian art and craftwork; increases participation of Indians in fine arts and crafts businesses, and assists emerging artists' entry into the market. The sale of Indian art and craftwork by individual Indian producers, businesses, and tribal-run operations, as well as other members of the overall Indian arts market, exceeds \$1.0 billion a year.

The Board's activities are not duplicated in either the Federal or private sector. Its five Commissioners, who serve without compensation and are appointed by the Secretary of the Interior, determine the Board's policies. Portions of program costs are absorbed through user

fees, generated from nominal seasonal museum entry fees, leases, and licensing. The activities of the Board support Departmental goals for promoting self-determination and economic self-sufficiency of the federally recognized Tribes, Indians, and their communities.

The top priority of the Board is the enforcement and implementation of the criminal and civil provisions of the Act, which was enacted in response to growing sales of art and craft products misrepresented as produced by Indians. The Act is a truth-in-advertising law that prohibits the marketing of products as Indian made, when such products are not made by Indians or Alaska Natives. It is intended to protect Indian artists and artisans, businesses, Tribes, and consumers; protect Indian cultural heritage; and promote economic self-reliance.

The Board operates the Southern Plains Indian Museum, in Anadarko, Oklahoma; Sioux Indian Museum, in Rapid City, South Dakota; and the Museum of the Plains Indian, in Browning, Montana. The museums house permanent exhibits and sponsor shows by Native American artists that provide entrepreneurial opportunities to promote Indian artists, and educate consumers about Indian art and craftwork and combating the sales of counterfeit Indian products. The museums bring the Indian arts community together to celebrate and preserve their rich cultural heritage. The Board and its museums also connect Indian art markets across the country.

Program Performance Estimates

During 2019, the Board will continue to educate law enforcement personnel, Tribes, the Indian arts and crafts industry, and consumers nationwide about the Act's protections, requirements, and prohibitions to encourage the broadest possible compliance and enforcement.

The Board will continue its law enforcement work with the U.S. Fish and Wildlife Service (FWS) for comprehensive Act investigations and enforcement. This collaboration continues to strengthen the Board's ability to address counterfeit Indian art and craftwork, including overseas knock-offs, which undermine Indian economies, self-determination, cultural heritage, and the future of an original American treasure. The Board, in collaboration with the FWS, will build upon its multi-state and international law enforcement actions conducted under Operation Al Zuni and related complex investigations to respond to Act violations nationwide. Operation Al Zuni culminated in numerous successful indictments and trials, and led to related Act investigations.

In 2019, the Board will provide Act training for Tribes and tribal affiliated organizations, the travel and tourist industry, museums, governmental groups, and Federal justice and law enforcement communities who have jurisdiction and authority to investigate possible violations of the Act. The Board will also continue outreach activities to other law enforcement and legal communities to increase awareness of the Act and broaden interest in Act enforcement.

In 2019, the Board will work with key State Attorneys General and Tourism Bureaus to increase the distribution of joint consumer protection brochures that promote the importance of purchasing authentic Indian art. The Board will also continue its work with the U.S. Patent and Trademark Office (USPTO) to promote and distribute a collaborative educational brochure on intellectual property rights for American Indian and Alaska Native artists. As Indian trademark registration expands, there will be an increase in the public recognition, value, and reliance on

products marketed as authentic Indian craftsmanship and origin. The Board will work with the USPTO and other stakeholders to hold workshops on intellectual property rights protections for Native American artists and artisans, businesses, and organizations in key Indian and Alaska Native villages and communities.

In 2019, the Board will continue limited participation in key Native American arts and crafts markets, festivals, powwows, and related events to raise the visibility of the Act, promote compliance and enforcement of the Act, and to field complaints of potential violations under the Act. The Board will also continue limited support of exhibitions for contemporary Indian artists at its three museums. The Board's museums will continue their community outreach and services on a more limited basis to benefit their respective communities as they fulfill their goals to promote authentic contemporary Indian art and craftwork and compliance with the Act.

Activity: Natural Resources Revenue

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Office of the Secretary, Departmental Operations 1/							
2 Year Fund	88,187	87,588	+0	-87,588	+0	0	-87,588
No Year Fund	38,300	38,040	+0	-38,040	+0	0	-38,040
Total							
(\$000)	126,487	125,628	0	-125,628	0	0	-125,628
FTE	610	622	0	-622	0	0	-622

1/ Reflects the move of ONRR's operations in the amount of \$125,628K from Departmental Operations to a separate appropriation account within Department-wide Programs. (Initially proposed in the 2018 PB Request) ONRR's budget justification is located within the Department-wide Programs section of this Congressional Justification.

Summary of Program Changes

The 2019 budget request for the Office of Natural Resources Revenue reflects the transfer of ONRR's funding to a new appropriation within the Department-wide Programs. For more information on this program, see the Office of Natural Resources Revenue tab within this volume.

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Mineral Leasing Receipts

2019 PERFORMANCE BUDGET REQUEST

Mineral Leasing Receipts

The discussion under this section is divided as follows:

Permanent Appropriations: This section refers specifically to those mineral leasing receipts which are permanently appropriated for making payments to States and local governments from revenues generated from onshore Federal lands and from certain offshore mineral leasing receipts. Permanent appropriations are a subset of the larger “Mineral Leasing Receipts” discussion.

Mineral Leasing Receipts: This section comprehensively discusses both onshore and offshore receipts, including charts explaining the distribution of receipts. In addition to permanent appropriations accounts, funds are deposited in the General Fund of the U.S. Treasury and various special fund accounts, with spending from those accounts requiring subsequent appropriation.

Budget Proposals and Receipt Estimates: This section discusses current budget proposals that affect the receipt estimates, as well as any assumptions used in formulating the estimates. Additionally, this section includes multiple charts containing the onshore and offshore estimates for mineral leasing receipts in future years.

PERMANENT APPROPRIATIONS

The permanent appropriations administered by the Department provide for the sharing of mineral leasing receipts collected from the sale, lease, or development of mineral resources located on onshore Federal lands and certain offshore areas. The revenues for these payments are derived from bonuses, rents, royalties and other revenues, including late payment interest, collected from Federal mineral leases. The Office of Natural Resources Revenue (ONRR) distributes these funds in accordance with various laws that specify the basis for and timing of payments.

Table 1 shows the actual and estimated payments for certain permanent appropriations. The 2017 actual payments are taken directly from year-end Treasury Statements. These amounts represent the revenue paid out of each of the Treasury accounts that correspond to the permanent appropriations. Fiscal year estimates for payments are based on revenue estimates for each source type (oil, gas, coal, etc.) and the appropriate distribution percentages for each land category as specified in the applicable statutes. The authorizations for permanent appropriations are further described in the narrative following Table 1.

Table 1: Permanent Appropriations
(in thousands of dollars)

Appropriation	State Share	2017 Actual	2018 Estimate	2019 Estimate	Change From 2018
Mineral Leasing Act Payments to States [5003.00] ^{1/ & 2/}	50%	1,407,716	1,656,496	1,834,052	+177,556
National Petroleum Reserve - Alaska [5045]	50%	1,667	21,191	23,548	+2,357
National Forest Fund Payments to States [5243.1] (Forest Fund)	25%	6,165	8,471	9,144	+673
Payments to States from Lands Acquired for Flood Control, Navigation, and Allied Purposes. [5248] (Flood Control)	75%	13,513	47,625	51,342	+3,717
Qualified OCS Revenues to Gulf Producing States (GOMESA) [5535.1 + 5535.2] ^{3/}	37.5% subject to annual cap	957	187,989	268,014	+80,025
Subtotal, Payments to States	--	1,430,018	1,921,772	2,186,100	+264,328
Geothermal, Payments to Counties [5574.1] ^{4/}	25%	3,474	3,575	0	-3,575
Total Permanent Appropriations	--	1,433,492	1,925,347	2,186,100	+260,753

^{1/} Subject to Net Receipts Sharing by Public Law 113-67. See Note 1.

^{2/} MLA includes South Half of the Red River payments (65 STAT. 252), late disbursement interest payments (30 U.S.C. § 1721), Geothermal Payments to States (30 U.S.C. § 191a, 1019), and payments from State Select Lands (43 U.S.C. § 852).

^{3/} P.L. 109-432, 120 STAT. 3004 section 105(a) and 120 STAT. 3006 section 105(f) provides that qualified revenues are to be split 50/50 between the General Fund and special accounts. For most qualified OCS revenues, the maximum allocation to the special accounts are subject to an annual cap of \$500 million annually. Of the special account totals, 75 percent is paid to select coastal States and local governments and 25 percent is deposited in the LWCF.

^{4/} The 2019 estimate reflects a 2019 Budget Proposal to terminate Geothermal Payments to Counties starting in 2019.

Distribution Statutes for Permanent Appropriations

Under the Mineral Leasing Act (MLA), as amended (30 U.S.C. § 191), States receive 50 percent of the net revenues¹ resulting from the leasing of mineral resources on Federal public domain lands within their borders. Alaska is the exception, receiving a 90 percent share of receipts from Federal mineral leasing in that State (exclusive of the National Petroleum Reserve-Alaska, as discussed below).

State Select Lands are administered by the Federal government for the purpose of supporting public schools. These lands result from provisions in the Enabling Act of each of the public-land States admitted into the Union since 1802. States receive 90 percent of State Select Lands mineral revenues under the provisions of 43 U.S.C. § 852. These payments are also included in the Mineral Leasing Act payment totals in the table above.

The Mineral Leasing Act for Acquired Lands, 30 U.S.C. § 355, provides for the distribution of leasing receipts from acquired lands. These receipts are shared with States in accordance with the specific land category:

Note ¹ Sharing is from net receipts, after making the required 2 percent payment deduction from gross receipts under P.L. 113-67 (deduction intended to partially cover Federal program administration costs).

- For acquired National Forest lands, States receive 25 percent of all mineral leasing revenues, the same percentage as other Forest receipts distributed under 16 U.S.C. § 499. This payment is to be used for the benefit of public schools and public roads of the county or counties in which the National Forest resides.
- For acquired Flood Control lands, States receive 75 percent of all mineral leasing revenues, the same percentage as other receipts distributed under 33 U.S.C. 701(c)(3). These funds are to be expended for the benefit of the public schools, roads, and flood control expenses of the county or counties in which the lands are located.

Under current law, for the National Petroleum Reserve-Alaska (NPR-A), Alaska receives 50 percent of the NPR-A revenue receipts.

Table 2 on the following page provides information on payments to onshore States for mineral leasing revenues based on the permanent appropriations authorized in the Mineral Leasing Act, the Geothermal Steam Act, State Select Land provisions, and the Mineral Leasing Act for Acquired Lands.

The Gulf of Mexico Energy Security Act of 2006 (GOMESA, P.L. 109-432) opened additional areas in the Gulf of Mexico for offshore oil and gas leasing and established a two-phase process for revenue sharing with select states and their local governments. In Phase 1, the Act provided that 50 percent of revenues from these newly open areas (termed “qualified OCS revenues”) be disbursed to four Gulf of Mexico oil and gas producing States (Alabama, Louisiana, Mississippi, and Texas) and their Coastal Political Subdivisions (CPSs) and to the Land and Water Conservation Fund, with specific provisions for allocation during fiscal years 2007 - 2016.

Under Phase 2, beginning with revenues collected in 2017, the Act shared additional revenue from any new Gulf of Mexico leases signed after enactment in the existing lease program areas. The revenue generated from Phase 2 is shared in the same percentages (37.5 percent to Gulf States and their CPSs and 12.5 percent to LWCF) as for the newly opened areas in Phase 1. However, the additional revenue sharing from Phase 2 of GOMESA was made subject to a cap of \$500.0 million per year (from 2017 - 2019 and 2022 - 2055) and paid out the following year after collection; revenues in excess of this cap would be deposited in the Treasury. An increase in the statutory cap from \$500.0 million to \$650.0 million for 2020 and 2021 was enacted in the Tax Cuts and Jobs Act (P.L. 115-97, sec. 20002). The National Park Service (NPS) currently administers GOMESA funds allocated to LWCF State grants.

Table 3 shown on the next page provides information on the GOMESA payments.

Table 2: Mineral Revenue Payments To States^{1/2/}
(in thousands of dollars)

States	2017 Actual	2018 Estimate	2019 Estimate
Alabama	383	466	516
Alaska	11,184	13,620	15,067
Arizona	10	12	14
Arkansas	1,151	1,402	1,551
California	33,592	40,908	45,257
Colorado	92,039	112,084	123,998
Florida	594	723	800
Idaho	5,123	6,239	6,902
Illinois	55	67	74
Indiana	5	6	7
Kansas	561	684	756
Kentucky	186	226	250
Louisiana	1,011	1,231	1,362
Michigan	78	95	105
Minnesota	12	14	16
Mississippi	706	860	951
Missouri	2,020	2,460	2,722
Montana	24,034	29,268	32,379
Nebraska	8	10	11
Nevada	3,905	4,755	5,260
New Mexico	455,085	554,194	613,105
North Dakota	39,923	48,617	53,785
Ohio	1,600	1,949	2,156
Oklahoma	2,625	3,187	3,527
Oregon	46	56	61
Pennsylvania	24	29	32
South Carolina	1	1	1
South Dakota	396	483	534
Texas	4,726	5,755	6,367
Utah	73,496	89,502	99,017
Virginia	28	34	38
Washington	5	6	7
West Virginia	108	132	146
Wyoming	669,010	814,708	901,312
Total	1,423,731	1,733,783	1,918,086

^{1/} Payments include Mineral Leasing Associated Payments, National Petroleum Reserve – Alaska, National Forest Fund Payments to States, Payments to States from Lands Acquired for Flood Control, Navigation and Allied Purposes, royalty payments to Oklahoma, and late interest payments. Payments in all years above are reduced by the Net Receipts Sharing provision made permanent in the Bipartisan Budget Act of 2013. Amounts in all years reflect payments after sequestration adjustments required by the Budget Control Act of 2011. All years exclude payments made to coastal States and counties under Section 8(g) of the Outer Continental Shelf Lands Act and the Gulf of Mexico Energy Security Act of 2006, BLM Rights of Way Payments, Geothermal Revenue Sharing Payments to Counties under the Energy Policy Act of 2005, and any impacts of 2019 Budget Proposals.

^{2/} May contain differences due to rounding.

Table 3: Payments to Gulf producing States under GOMESA 2006: ^{1/2/}
(in thousands of dollars)

	2017 Actual	2018 Estimate	2019 Estimate
ALABAMA	210	41,343	58,942
BALDWIN COUNTY ALABAMA	25	4,864	6,935
MOBILE COUNTY ALABAMA	28	5,471	7,800
LOUISIANA	257	50,531	72,042
ASSUMPTION PARISH LOUISIANA	2	417	596
LIVINGSTON PARISH LOUISIANA	3	587	837
CALCASIEU PARISH LOUISIANA	3	660	941
CAMERON PARISH LOUISIANA	3	561	800
IBERIA PARISH LOUISIANA	6	1,096	1,562
JEFFERSON PARISH LOUISIANA	3	645	919
LAFOURCHE PARISH LOUISIANA	3	584	833
ORLEANS PARISH LOUISIANA	5	963	1,374
PLAQUEMINES PARISH LOUISIANA	7	1,289	1,838
ST. BERNARD PARISH LOUISIANA	4	713	1,017
ST. CHARLES PARISH LOUISIANA	3	511	728
ST. JAMES PARISH LOUISIANA	2	428	611
ST. JOHN THE BAPTIST PARISH LOUISIANA	2	471	671
ST. MARTIN PARISH LOUISIANA	2	455	649
ST. MARY PARISH LOUISIANA	2	467	665
ST. TAMMANY PARISH LOUISIANA	4	803	1,145
TANGIPAOHA PARISH LOUISIANA	3	585	834
TERREBONNE PARISH LOUISIANA	4	872	1,243
VERMILION PARISH LOUISIANA	3	525	749
MISSISSIPPI	201	39,476	56,280
HANCOCK COUNTY MISSISSIPPI	9	1,811	2,582
HARRISON COUNTY MISSISSIPPI	19	3,819	5,444
JACKSON COUNTY MISSISSIPPI	22	4,239	6,044
TEXAS	97	19,041	27,147
ARANSAS TEXAS	1	187	267
BRAZORIA TEXAS	2	300	427
CALHOUN TEXAS	1	246	350
CAMERON TEXAS	1	286	407
CHAMBERS TEXAS	1	166	236
GALVESTON TEXAS	2	401	571
HARRIS TEXAS	5	941	1,341
JACKSON TEXAS	1	129	184
JEFFERSON TEXAS	2	320	456
KENEDY TEXAS	1	265	378
KLEBERG TEXAS	1	192	273
MATAGORDA TEXAS	2	343	490
NUECES TEXAS	1	251	358
ORANGE TEXAS	1	181	259
REFUGIO TEXAS	1	123	175
SAN PATRICIO TEXAS	1	130	185
VICTORIA TEXAS	1	139	199
WILLACY TEXAS	1	162	230
TOTAL	957	187,989	268,014

^{1/} Payments shown in the above table reflect individual payments made to States, counties and parishes. State payment totals are separate from payments made to the counties and parishes. Payments are disbursed to the States in the year after receipts are deposited to Treasury.

^{2/} May contain differences due to rounding.

Under Section 8(g) of the OCS Lands Act, payments are made to coastal States for 27 percent of OCS collections within the 8(g) zone, which is the area approximately three miles seaward from the State/Federal boundary. Table 4 provides information on the 8(g) payments to coastal States.

Table 4: Payments to Coastal States under OCSLA Section 8(g): ^{1/}
(in thousands of dollars)

	2017 Actual	2018 Estimate	2019 Estimate
ALABAMA	746	919	933
ALASKA	1,247	1,537	1,560
CALIFORNIA	606	747	758
LOUISIANA	7,554	9,308	9,447
MASSACHUSETTS	24	29	30
MISSISSIPPI	77	94	96
TEXAS	65	80	81
TOTAL	10,321	12,716	12,907

^{1/} May contain differences due to rounding.

MINERAL LEASING RECEIPTS

Mineral leasing receipts are derived from royalties, rents, bonuses, and other revenues, including minimum royalties, late payment interest, settlement payments, gas storage fees, estimated royalty payments, and recoupments. ONRR is responsible for the collection of all mineral leasing receipts from OCS lands and most revenues from Federal onshore and Indian lands. The disposition of these collections is determined by statute.

Legislation also determines how receipts are classified for budgetary purposes. Mineral leasing receipts are classified as offsetting receipts because they arise from business-type transactions with the public versus governmental receipts that arise from the Government's power to tax or fine. Offsetting receipts are further defined as: 1) Proprietary receipts, which offset Department of the Interior budget authority and outlays; and 2) Undistributed proprietary receipts, which offset total Federal budget authority and outlays as a bottom-line adjustment.

Distribution of Mineral Leasing Receipts

The distribution of mineral leasing receipts is broken down into two broad categories, onshore and offshore lands. In both cases, prior to distribution, the revenues are deposited into a holding or suspense account until the accounting system has identified the payments by the following three criteria:

- Source type (oil and gas, coal, other mineral royalties, etc.);
- Land category (acquired forest, public domain, OCS, etc.); and
- Location (State or county to determine applicable share).

This identification process takes approximately one month if payors have filed their reports correctly.

Onshore Mineral Leasing Receipts

After payments are identified by the above criteria, they are redirected immediately into accounts based on land category and source type (see Figure 1 for a visual representation of the distribution of onshore mineral leasing receipts and statutory sharing percentages).

The collections from public domain lands leased under Mineral Leasing Act (MLA) authority are disbursed 50 percent to the States (*Account 5003*), 40 percent to the Reclamation Fund (*Account 5000.24*) for western water projects, and 10 percent to the General Fund of the U.S. Treasury². Alaska receives 90 percent of mineral leasing receipts for Mineral Leasing Act lands.

The collections from State Select Lands are disbursed 90 percent to the States (*Account 5003*) and 10 percent to the General Fund of the U.S. Treasury. Alaska receives 100 percent of mineral leasing receipts from State Select Lands.

The collections from geothermal production are disbursed 50 percent to the States (*Account 5003*), 25 percent to the county (*Account 5574*) and 25 percent to the General Fund of the U.S. Treasury.

The Energy Policy Act of 1992, *P.L. 102-486*, requires the Secretary of the Interior to disburse monthly to States all mineral leasing payments authorized by Section 6 of the Mineral Leasing Act for Acquired Lands. Therefore, the Department distributes the following:

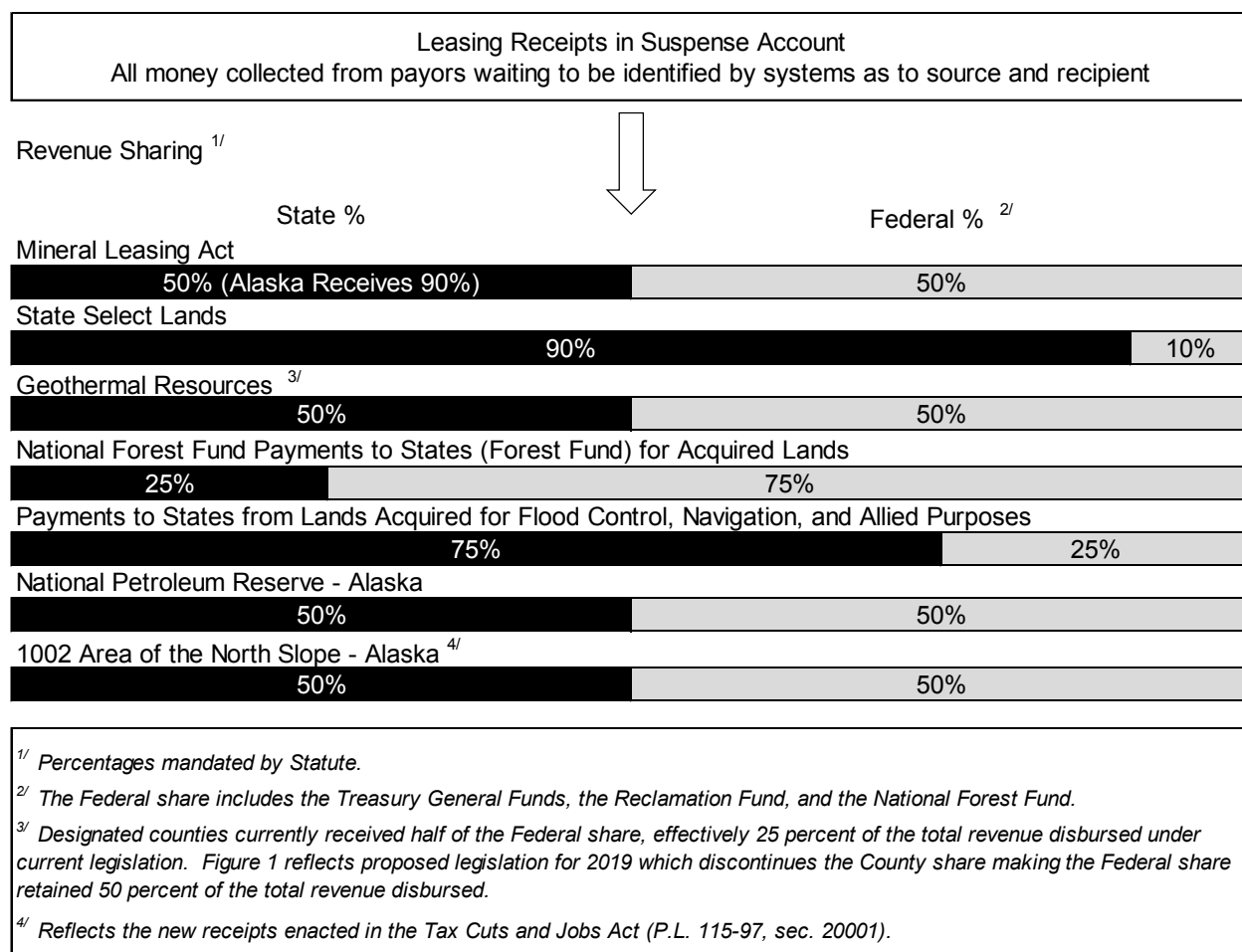
- Collections from lands acquired for flood control, navigation and allied purposes, transferring 25 percent of the total to the General Fund of the U.S. Treasury and 75 percent to the States (*Account 5248.1*).
- Collections from National Forest Lands, transferring 75 percent to the U.S. Forest Service (*Account 12 5008.1*) and 25 percent to the States (*Account 5243.1*).

² For all onshore leases, the U.S. Treasury General Fund share is deposited into one of two accounts depending on whether the collections are from rents and bonuses (*Account 1811*) or from royalties (*Account 2039*).

The collections from the National Petroleum Reserve in Alaska are disbursed 50 percent to Alaska (*Account 5045*) and 50 percent to the General Fund of the U.S. Treasury.

The collections from the 1002 Area of the North Slope - Alaska are disbursed 50 percent to Alaska (*Account 5003*) not subject to Net Receipts Sharing and 50 percent to the General Fund of the U.S. Treasury.

Figure 1: Distribution of Onshore Mineral Leasing Receipts



Offshore (OCS Lands) Mineral Leasing Receipts

After distinguishing payments by source type, land category, and location, the receipts derived from OCS lands are deposited into accounts according to revenue source: interest for late payments, rents and bonuses, or royalty. Figure 2 provides a visual representation of the distribution of offshore mineral leasing receipts.

In order to bid on an OCS lease tract offered for sale, a bidder must submit an upfront cash deposit equal to one-fifth of the entire proposed bid. The deposit flows into *Escrow Account 6705* and accrues interest until the Department determines that the proposed bonus is at least equal to the fair market value of the tract. This evaluation process takes approximately 90 days.

If the bid is rejected, the one-fifth deposit, plus interest, is returned to the bidder. If accepted, the one-fifth deposit, the remaining four-fifths of the bonus payment and the first year's rent are deposited into *Account 3875* pending system processing and posting to the lease account. The Federal portion of OCS revenues is deposited into *Account 1820* for rents and bonuses, and *Account 2020* for royalty payments once production begins. Certain OCS revenues are shared with States; these revenues are disbursed in accordance with Section 8(g) of the OCSLA and GOMESA as follows:

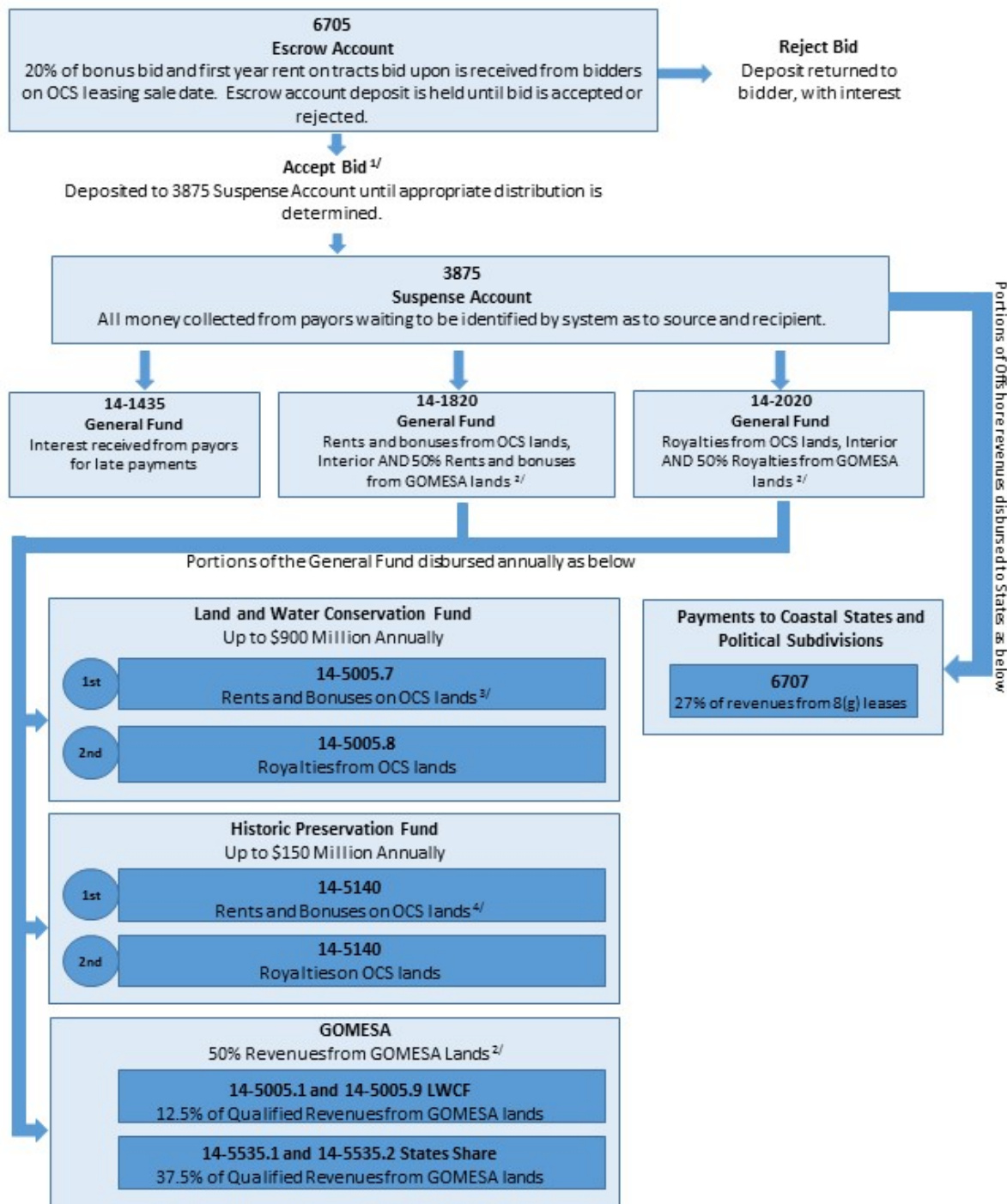
- 27 percent of 8(g) revenues are disbursed to States (*Account 6707*).
- 37.5 percent of GOMESA qualified revenues are disbursed to States and coastal political subdivisions (*Account 5535*), subject to the payment cap noted previously.

OCS receipts are the main funding source of the statutorily required \$900.0 million annual deposit into the Land and Water Conservation Fund (LWCF) under 54 U.S.C. 2003. In addition, 12.5 percent of qualified OCS revenues under GOMESA are distributed to the LWCF. The annual \$900.0 million is reduced by other required deposits from non-GOMESA OCS revenues, including motorboat fuels taxes and surplus property sales. OCS receipts also provide \$150.0 million in funding for the Historic Preservation Fund (*Account 5140*). For both funds, accounting procedures require payments to be made from OCS rents and bonuses, and then any further needed payments to be made from OCS royalties. Both funds are assigned to the National Park Service.

Alaska Escrow Account and the Environmental Improvement and Restoration Fund

On June 19, 2000, the U.S. Supreme Court issued a final decree regarding the State/Federal boundary of areas leased for oil and gas exploration in the Beaufort Sea between 1979 and 1991. The resolution permitted the release of the funds held in Treasury Escrow Account 6704. As required by the Department of the Interior and Related Agencies Appropriations Act of 1998, *P.L. 105-83*, as amended, one-half of the principal and one-half of the interest were deposited into the Environmental Improvement and Restoration Fund. The Act requires that the corpus of the fund be invested. Twenty percent of the interest earned by the fund is permanently appropriated to the Department of Commerce. Congress can appropriate the remaining 80 percent of the interest earned through annual appropriations for the specific purposes outlined in the Act. The remaining one-half principal and one-half interest were deposited into the General Fund of the U.S. Treasury.

Figure 2: Distribution of Offshore (OCS Lands) Mineral Leasing Receipts



^{1/} 11 days after the bid is accepted, the remaining 80% is due.

^{2/} "GOMESA lands" refers to lands generating "Qualified Outer Continental Shelf Revenues" as defined by the Gulf of Mexico Energy Security Act of 2006. Revenue sharing is capped at \$500 million annually for qualified revenues from GOMESA lands in Phase II leasing.

^{3/} If there are insufficient rents and bonuses to cover the \$900 million transfer, the balance is transferred from royalties (14-2020) to 14-5005.8.

^{4/} If there are insufficient rents and bonuses to cover the \$150 million transfer, the balance is transferred from royalties (14-2020) to 14-5140.

BUDGET PROPOSALS AND RECEIPT ESTIMATES

The 2019 budget includes the following legislative proposals that would affect mineral leasing receipt collections and/or payments to State and local governments from mineral receipts:

Termination of EAct Geothermal Payments to Counties – The budget proposes to restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the states and 50 percent to the U.S. Treasury by repealing Section 224(b) of the Energy Policy Act of 2005. That section changed the distribution to direct 50 percent to states, 25 percent to counties, and 25 percent to the Federal government. The 25 percent share for county payments is inconsistent with longstanding revenue-sharing practices and reduces the return to Federal taxpayers from geothermal leases on Federal lands. The proposal is estimated to result in savings of \$40.0 million over ten years.

Receipt Estimates for Onshore and Offshore Mineral Leasing

Information regarding the estimated onshore and offshore mineral leasing receipts is included in the following charts:

- Table 5: Mineral Leasing Receipts by Commodity Source;
- Table 6: Mineral Leasing Receipts by Account;
- Table 7: Onshore Mineral Receipts;
- Table 8: Federal Onshore Royalty Estimates;
- Table 9: Offshore Renewable Energy Receipts Estimates;
- Table 10: OCS Mineral Receipts;
- Table 11: OCS Rents and Bonuses; and
- Table 12: Federal Offshore Royalty Estimates.

Table 5: Mineral Leasing Receipts by Commodity Source ^{1/}
(in thousands of dollars)

	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate
Onshore Mineral Leasing						
Onshore Rents and Bonuses						
Oil and Gas	214,599	225,763	232,365	237,011	1,701,861	261,687
Coal	112,979	118,663	121,801	124,967	133,101	138,464
Geothermal	1,329	1,377	1,410	1,443	1,507	1,553
Oil Shale	-	-	-	-	-	5
All Other	104	109	112	115	122	128
Subtotal, Rents and Bonuses	329,011	345,912	355,688	363,536	1,836,591	401,837
Onshore Royalties						
Oil and Gas	2,366,423	2,439,001	2,453,531	2,493,977	2,639,317	2,768,791
Coal	728,860	751,324	755,986	767,698	811,741	851,067
Geothermal	15,165	15,598	15,730	15,982	16,775	17,489
All Other	89,267	92,024	92,594	94,028	99,424	104,237
Subtotal, Royalties	3,199,715	3,297,947	3,317,841	3,371,685	3,567,257	3,741,584
Total, Onshore Receipts	3,528,727	3,643,859	3,673,529	3,735,221	5,403,848	4,143,421
Outer Continental Shelf (OCS)						
OCS Rents and Bonuses	463,706	453,846	397,352	363,631	329,695	333,061
OCS Royalties	3,637,897	3,670,799	3,774,574	3,923,218	4,189,283	4,628,853
Total, OCS Receipts	4,101,603	4,124,645	4,171,926	4,286,849	4,518,978	4,961,914
TOTAL, MINERAL RECEIPTS ^{2/}	7,630,330	7,768,504	7,845,455	8,022,070	9,922,826	9,105,335

^{1/} OCS receipts include Offsetting Collections.

^{2/} Amounts do not include estimates for the Environmental Improvement and Restoration Fund (Account 5425.2). Small discrepancies may occur due to rounding.

Table 6: Mineral Leasing Receipts by Account ^{1/}
(in thousands of dollars)

	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	
Onshore Mineral Leasing Receipts							
1811.00	Rents and Bonuses	42,664	50,001	56,785	61,283	67,722	68,411
2025.00	ANWR Oil & Gas Leasing Revenues, Federal Share	-	-	-	-	725,000	-
2039.00	MLR Royalties ^{2/}	369,691	375,880	372,665	376,259	396,831	419,598
5243.10	Forest Fund, States share	9,070	9,144	9,069	9,044	9,250	9,564
5000.24	Reclamation Fund	1,352,614	1,398,228	1,410,601	1,434,565	1,518,835	1,591,420
5003.00	Payments to States ^{2/}	1,668,622	1,723,912	1,738,477	1,767,266	2,594,948	1,958,396
5045.10	Payments to Alaska from Oil & Gas Leases (NPRA)	22,688	23,548	23,887	25,401	28,600	31,191
5134.00	Payment to Oklahoma (Royalties)	10	10	10	10	10	10
5248.10	Flood Control, States shares	50,990	51,342	50,838	50,743	52,497	55,077
5573.10	Rent from mineral leases (Permit Processing Fund)	8,802	8,152	7,489	6,873	6,311	5,819
5574.10	Geothermal Lease Revenues, County share	3,569	-	-	-	-	-
5575.10	Geothermal Lease Revenues, Federal share	-	3,637	3,704	3,772	3,839	3,907
5576.10	Leases from Naval Petroleum Reserve #2	7	5	4	6	7	26
Subtotal, Onshore Receipts		3,528,727	3,643,859	3,673,529	3,735,222	5,403,850	4,143,419
Outer Continental Shelf (OCS) Receipts							
1820.00	OCS Rents and Bonuses ^{3/}	-	-	-	-	-	-
2020.00	OCS Royalties	2,694,251	2,712,310	2,774,889	2,898,035	3,126,633	3,553,710
5005.70	Land & Water Conservation Fund (OCS Rents & Bonuses)	118,161	113,455	80,052	63,306	38,175	41,781
5005.80	Land & Water Conservation Fund (OCS Royalties)	781,839	786,545	819,948	836,694	861,825	858,219
5535.1	OCS Rents and Bonuses, State share from qualified leases	146,659	142,793	125,475	112,744	106,140	105,960
5535.2	OCS Royalties, State share from qualified leases	121,355	128,958	134,803	141,367	150,619	162,693
5005.1	OCS Royalties, LWCF share from qualified leases	40,452	42,986	44,934	47,122	50,206	54,231
5005.9	OCS Rents and Bonuses, LWCF share from qualified leases	48,886	47,598	41,825	37,581	35,380	35,320
5140.00	Historic Preservation Fund (OCS Rents & Bonuses)	150,000	150,000	150,000	150,000	150,000	150,000
5140.2	Historic Preservation Fund (OCS Royalties)	-	-	-	-	-	-
Subtotal, OCS Receipts		4,101,603	4,124,645	4,171,926	4,286,849	4,518,978	4,961,914
TOTAL, MINERAL RECEIPTS ^{4/}		7,630,330	7,768,504	7,845,455	8,022,071	9,922,828	9,105,333

^{1/} Accounts 5573, 5575, and 5576 are administered by the Bureau of Land Management; however, Office of the Secretary provides the estimates for these accounts as part of the overall mineral revenue estimates. Accounts 5535.1, 5535.2, 5005.9, 5005.1 are formed from the GOMESA 2006.

^{2/} Accounts 2039 and 5003 reflect the Net Receipts Sharing provision made permanent in the Bipartisan Budget Act of 2013.

^{3/} This amount is the remaining after all transfers to LWCF and the Historic Preservation Fund.

^{4/} Estimates are subject to change; small discrepancies may occur due to rounding.

Table 7: Onshore Mineral Receipts, 2018 - 2019

(in thousands of dollars)

	2018 Estimate	2019 Estimate	Change	Explanation
Rents & Bonuses				
Oil & Gas	214,599	225,763	+11,164	Revised rental payment estimates
Coal	112,979	118,663	+5,684	Revised bonus payment estimates
Geothermal	1,329	1,377	+48	Revised bonus payment estimates
All Other	104	109	+5	No change
Subtotal, Rents & Bonuses	329,011	345,912	+16,901	
Royalties				
Oil & Gas	2,366,423	2,439,001	+72,578	Revised price and production estimates
Coal	728,860	751,324	+22,464	Revised price and production estimates
Geothermal	15,165	15,598	+433	Revised price and production estimates
All Other	89,267	92,024	+2,757	No change
Subtotal, Royalties	3,199,715	3,297,947	+98,232	
Total Onshore Mineral Receipts ^{1/}	3,528,726	3,643,859	+115,133	

^{1/} Estimates are subject to change; small discrepancies may occur due to rounding.

Table 8: Federal Onshore Royalty Estimates ^{1/}
(in millions of volume and dollars)

	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Oil						
Oil Volume (MMBbl)	240.47	247.17	251.93	256.41	259.75	262.92
OMB Price/Bbl (in whole \$s)	\$49.54	\$49.25	\$48.77	\$49.12	\$50.53	\$52.76
Royalty Rate	0.122	0.122	0.122	0.122	0.122	0.122
Oil Royalties (\$M)	\$1,439	\$1,463	\$1,477	\$1,514	\$1,575	\$1,655
Subtotal Oil Royalties (\$M)	\$1,439	\$1,463	\$1,477	\$1,514	\$1,575	\$1,655
Gas						
Natural Gas Volume (tcf)	2.251	2.224	2.160	2.118	2.085	2.077
OMB Price/Mcf (in whole \$s)	\$3.68	\$3.77	\$3.65	\$3.46	\$3.62	\$3.77
Royalty Rate	0.110	0.109	0.109	0.109	0.109	0.109
Gas Royalties (\$M)	\$909	\$917	\$863	\$802	\$826	\$857
Subtotal Natural Gas Royalties (\$M)	\$909	\$917	\$863	\$802	\$826	\$857
CO2 Royalties (\$M)	\$76	\$77	\$72	\$67	\$69	\$72
Gas Plant Products (\$M)	\$127	\$107	\$88	\$88	\$92	\$94
Subtotal Gas Royalties (\$M)	\$1,112	\$1,101	\$1,023	\$957	\$987	\$1,023
Total, Oil & Gas Royalties (\$M)	\$2,551	\$2,564	\$2,500	\$2,471	\$2,562	\$2,678
Coal Royalties (\$M)	\$729	\$751	\$756	\$768	\$812	\$851
Geothermal Royalties (\$M)	\$15	\$16	\$16	\$16	\$17	\$17
All Other Royalties (\$M)	\$89	\$92	\$93	\$94	\$99	\$104
TOTAL ONSHORE ROYALTIES (\$M) ^{2/}	\$3,384	\$3,423	\$3,365	\$3,349	\$3,490	\$3,650

^{1/} Amounts are raw onshore data and differ from the "Mineral Leasing Receipts by Commodity Source" (Table 5). The oil and gas estimates in the "Mineral Leasing Receipts by Commodity Source" table include a reduction for Acquired National Grasslands.

^{2/} Estimates are subject to change; small discrepancies may occur due to rounding.

Table 9: Offshore Renewable Energy Receipt Estimates
(in millions of dollars)

Year	Fees by Type			
	Acquisition & Bonus	Rental	Operating	Total
	\$Million	\$Million	\$Million	\$Million
2018	19.4	4.06	0.00	23.5
2019	20.0	5.2	0.0	25.2
2020	14.3	6.4	0.0	20.7
2021	15.0	8.0	0.0	23.0
2022	0.0	9.2	1.6	10.8
2023	0.0	7.6	6.9	14.5
2024	0.0	5.8	13.0	18.8
2025	0.0	3.4	19.1	22.5
2026	0.0	0.8	25.4	26.2
2027	0.0	0.0	27.6	27.6
2028	0.0	0.0	27.6	27.6

Table 10: OCS Mineral Receipts, 2018 - 2019
(in thousands of dollars)

	2018 Estimate	2019 Estimate	Change	Explanation
Rents & Bonuses				
Oil & Gas Rents & Bonuses	463,706	453,846	-9,860	Revised rent payment estimates
Subtotal, Rents & Bonuses	463,706	453,846	-9,860	
Royalties				
Oil & Gas Royalties	3,637,897	3,670,799	+32,902	Revised price and production estimates
Subtotal, Royalties	3,637,897	3,670,799	+32,902	
Total OCS Mineral Receipts^{1/}	4,101,603	4,124,645	+23,042	

1/ Estimates are subject to change; small discrepancies may occur due to rounding.

Table 11: OCS Rents and Bonuses ^{1/}
(in millions of dollars)

Sale Number	Sale Date (FY)	Sale Area	High Bids	% in FY	8(g) to States	Receipt Estimate ^{1/}
2018 Estimate						
249	2018	Gulf of Mexico	137	100%	1	136
250	2018	Gulf of Mexico	230	100%	2	228
Bonuses Subtotal						364
Rents						24
FY 2018 TOTAL						388
Rents - Subject to GOMESA ^{2/}						[24]
Bonuses - Subject to GOMESA ^{2/}						[364]
2019 Estimate						
251	2019	Gulf of Mexico	156	100%	1	155
252	2019	Gulf of Mexico	203	100%	2	201
Bonuses Subtotal						356
Rents						24
FY 2019 TOTAL						380
Rents - Subject to GOMESA ^{2/}						[22]
Bonuses - Subject to GOMESA ^{2/}						[356]
2020 Estimate						
253	2020	Gulf of Mexico	137	100%	1	136
254	2020	Gulf of Mexico	178	100%	1	177
Bonuses Subtotal						313
Rents						24
FY 2020 TOTAL						337
Rents - Subject to GOMESA ^{2/}						[20]
Bonuses - Subject to GOMESA ^{2/}						[312]
2021 Estimate						
256	2021	Gulf of Mexico	121	100%	1	120
257	2021	Gulf of Mexico	160	100%	1	159
258	2021	Cook Inlet	2	100%	0	2
Bonuses Subtotal						281
Rents						35
FY 2021 TOTAL						316
Rents - Subject to GOMESA ^{2/}						[19]
Bonuses - Subject to GOMESA ^{2/}						[279]
2022 Estimate						
259	2022	Gulf of Mexico	110	100%	1	109
261	2022	Gulf of Mexico	160	100%	1	159
Bonuses Subtotal						268
Rents						50
FY 2022 TOTAL						318
Rents - Subject to GOMESA ^{2/}						[17]
Bonuses - Subject to GOMESA ^{2/}						[269]
2023 Estimate						
	2022	Gulf of Mexico	111	100%	1	110
	2022	Gulf of Mexico	155	100%	1	154
Bonuses Subtotal						264
Rents						66
FY 2023 TOTAL						330
Rents - Subject to GOMESA ^{2/}						[16]
Bonuses - Subject to GOMESA ^{2/}						[264]

^{1/} Rent estimates are subject to change based on cost recoveries recouped on an annual basis and totals are net of BOEM and BSEE offsetting collections. Small discrepancies may occur due to rounding.

^{2/} Amounts shown in brackets are for display purposes only. These represent the estimated amounts of rents and bonuses subject to GOMESA from the total receipt estimate.

Table 12: Federal Offshore Royalty Estimates ^{1/}
(in millions of dollars)

	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Oil (Million Barrels)						
Alaska	0	0	1	3	7	11
POCS	5	5	5	4	4	15
<i>Total GOM</i>	606	609	617	624	633	640
<i>Royalty Free Production (Deep Water) ^{2/}</i>	123	116	109	102	96	91
<i>GOM Royalty Production</i>	483	494	508	522	536	549
Total OCS Royalty Production	489	499	513	529	547	574
Royalty Rate	0.13	0.13	0.14	0.14	0.14	0.14
OMB Price/Bbl	\$50.87	\$50.44	\$50.20	\$50.38	\$51.68	\$54.02
Subtotal Oil Royalties	\$3,330.17	\$3,381.92	\$3,483.82	\$3,623.72	\$3,874.65	\$4,285.06
Gas (Billion Cubic Feet)						
POCS	4	3	3	3	2	25
<i>Total GOM</i>	1,191	1,132	1,117	1,098	1,083	1,086
<i>Royalty Free Production (Deep & Shallow Water Gas)</i>	283	274	258	243	227	214
<i>Royalty Free Production (Deep Water) ^{2/}</i>	277	268	252	237	221	208
<i>Royalty Free Production (Deep Gas)</i>	6	6	6	6	6	6
GOM Royalty Production	909	859	859	854	856	872
Total Royalty Production	912	862	861	857	858	898
Royalty Rate	0.13	0.13	0.14	0.14	0.14	0.15
OMB Price/Mcf	\$2.98	\$2.94	\$2.85	\$2.84	\$2.86	\$2.89
Subtotal Gas Royalties	\$357.87	\$337.73	\$332.76	\$337.30	\$349.86	\$377.76
NET FEDERAL OCS OIL AND GAS ROYALTIES ^{3/}	\$3,688.04	\$3,719.65	\$3,816.58	\$3,961.02	\$4,224.52	\$4,662.82

^{1/} Amounts are raw offshore data and differ from the "Mineral Leasing Receipts by Commodity Source" table (Table 5) since the "Mineral Leasing Receipts by Commodity Source" table includes Settlements but does not reflect OCSLA Section 8(g) or receipts from Renewable Energy.

^{2/} A Royalty Free Production is GOM production which is not subject to royalties because of deepwater royalty relief and shallow water deep gas royalty relief. Royalty relief price thresholds are expected to be exceeded (royalties due) in all forecast years for all deepwater royalty relief oil except for production up to a lease's royalty suspension volume from Deep Water Royalty Relief Act leases sold from 1996 through 2000 for which price thresholds were not in effect.

^{3/} Small discrepancies may occur due to rounding.

Other Appropriations

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Trust Land Consolidation Fund

The Claims Resolution Act, P.L. 111-291, established a new Trust Land Consolidation Fund for the buy-back and consolidation of fractional interests in parcels of trust land from individual Indian landowners. The fund covers implementation costs to address the growing problem of fractionated interests by continuing the process of consolidating fractional interests through tribal and landowner collaboration. The acquisition of fractional interests is authorized under the Indian Land Consolidation Act Amendments of 2000, P.L. 106-462, and the American Indian Probate Reform Act of 2004, P.L. 108-374.

The budget request reflects a proposal to realign the Land Buy Back Program for Tribal Nations (LBBP) from the Office of the Secretary to the Office of the Special Trustee for American Indians (OST). The LBBP is responsible for the expenditure of the \$1.9 billion Trust Land Consolidation Fund authorized by the Settlement Agreement in *Cobell v. Salazar*, No. 96-CV-1285-JR (as confirmed by the Claims Resolution Act of 2010 (P.L. 111-291)). The OST currently provides significant support to the LBBP and the realignment will enhance coordination of support activities and technical assistance and present opportunities to streamline LBBP processes.

Information on the Land Buy Back Program is presented in the Office of the Special Trustee for American Indians' Congressional Justification.

**DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY**

Take Pride in America Gifts and Bequests

Appropriation Summary Statement

Public Law 101-628 established the Gifts and Bequest trust fund account for the Take Pride in America program within the Department of the Interior. The purpose of this program is to encourage public awareness, stewardship, and conservation of public lands, facilities, and resources. The Secretary may solicit, accept, hold, administer, invest, and use gifts and bequests to further these purposes.

Payments in Lieu of Taxes

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS****Appropriations Language Sheet****Payments in Lieu of Taxes**

For necessary expenses for payments authorized by Chapter 69 of title 31, United States Code, \$396,880,000 shall be available for fiscal year 2019.

Note: The appropriations language does not reflect an additional \$68.120 million provided for Payments in Lieu of Taxes in the *Budget Policy Addendum* for FY 2019.

Appropriations Language Citations**Appropriation: Payments in Lieu of Taxes**

Appropriations language and citations:

- 1. For necessary expenses for payments authorized by Chapter 69 of title 31, United States Code,**

31 U.S.C. 69

The U.S. Code authorizes the Secretary of the Interior to make a payment for each fiscal year to each unit of general local government in which entitlement land is located as set forth in chapter.

- 2. \$396,880,000 shall be available for fiscal year 2019.**

The Department requests \$396,880,000 to remain available until September 30, 2019.

Note: Authority for PILT is provided in the Administrative Provisions under “Office of the Secretary – Departmental Operations”.

Department-wide Programs - Payments in Lieu of Taxes Budget At A Glance (Dollars in Thousands)						
	2017 Actual	2018 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2019 Request ^{1/}
Appropriation: Payments in Lieu of Taxes						
Payments in Lieu of Taxes	465,000	461,842	0	0	+3,158	465,000
Reduction to PILT Payments					[+3,158]	
TOTAL, PAYMENTS IN LIEU OF TAXES	465,000	461,842	0	0	+3,158	465,000
^{1/} The budget request reflects an additional \$68.120 million provided for Payments in Lieu of Taxes in the <i>Budget Policy Addendum</i> for FY 2019.						

Department-wide Programs - Payments in Lieu of Taxes Summary of Requirements (Dollars in Thousands)														
	2017 Actual		2018 CR Baseline		Fixed Costs & Related (+/-)		Internal Transfers (+/-)		Program Changes (+/-)		2019 Request ^{1/}		Change from 2018	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	
	Appropriation: Payments in Lieu of Taxes	465,000	2	461,842	0	0	0	0	0	+3,158	2	465,000	0	+3,158

^{1/} The budget request reflects an additional \$68.120 million provided for Payments in Lieu of Taxes in the *Budget Policy Addendum* for FY 2019.

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS

Payments in Lieu of Taxes
Program and Financing (in millions of dollars)

Identification code 14-1114-0-1-806	2017 Actual	2018 Estimate	2019 Estimate
Obligations by program activity:			
00.01 Payments in Lieu of Taxes (Direct).....	465	462	397
09.00 Total new obligations.....	465	462	397
Budgetary Resources:			
Budget authority:			
Appropriations, discretionary:			
11.00 Appropriation.....	465	462	397
11.60 Appropriation, discretionary (total).....	465	462	397
19.30 Total budgetary resources available.....	465	462	397
Change in obligated balance:			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1.....	.....	.....	.....
30.10 Obligations incurred, unexpired accounts.....	465	462	397
30.20 Outlays (gross).....	-465	462	-397
30.50 Unpaid obligations, end of year.....	.....	.....	.....
Budget authority and outlays, net:			
Discretionary:			
40.00 Budget authority, gross.....	465	462	397
Outlays, gross:			
40.10 Outlays from new discretionary authority.....	465	462	397
40.70 Outlays, net (mandatory).....	465	462	397
40.80 Budget authority, net (discretionary).....	465	462	397
41.80 Budget authority, net (total).....	465	462	397
41.90 Outlays, net (total).....	465	462	397
Employment Summary			
Direct:			
10.01 Direct civilian full-time equivalent employment.....	2	2	2

^{1/} The 2019 estimate column does not reflect an additional \$68.120 million provided for Payments in Lieu of Taxes in the *Budget Policy Addendum* for FY 2019.

Activity: Payments in Lieu of Taxes

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request ^{1/}	
Department-Wide Program, Payments in Lieu of Taxes - Discretionary Authority							
(\$000)	465,000	461,842	0	0	+3,158	465,000	+3,158
FTE	2	2	0	0	0	2	0

^{1/} The budget request reflects an additional \$68.120 million provided for Payments in Lieu of Taxes in the *Budget Policy Addendum* for FY 2019.

Summary of Program Changes

Request Component	(\$000)	FTE
PILT payments	+3,158	+0

Justification of Program Changes

The budget requests \$465.0 million in discretionary appropriations for PILT payments in 2019. The request reflects an additional \$68.120 million provided for PILT in the *Budget Policy Addendum* for FY 2019.

Program Overview

Payments in Lieu of Taxes are Federal payments to local governments that help offset lost property taxes due to nontaxable Federal lands within their jurisdictions. The program is based on the concept that local governments incur costs associated with maintaining infrastructure on Federal lands, but are unable to collect taxes on these lands. The payments are made to local governments in lieu of tax revenues and supplement other Federal land receipts shared with local governments. Unlike other Federal payments that require local governments to use the funds for specified activities, PILT payments may be used for any governmental purpose. These payments support local government services in counties that have significant Federal lands within their boundaries.

The PILT payments help local governments fund vital services such as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations. In recent years, PILT monies have been used to fund projects to construct county buildings, purchase new police cruisers, and upgrade 9-1-1 emergency services. Since the inception of the PILT program in 1977, nearly \$8 billion in payments have been made.

The amount of the payments is determined by codified formulas (31 U.S.C. 6901-07) that are based primarily on population and the amount of PILT-eligible Federal land within an affected jurisdiction. Certain Federal revenues that are transferred directly to local governments under other programs – such as income generated from the use of public land for livestock grazing, timber harvests, and mineral receipts – are deducted from the receiving counties' PILT payments. Counties in every State except Rhode Island received PILT payments in 2017. The District of Columbia, Puerto Rico, Guam, and the Virgin Islands also received PILT payments. According to the formula established by the authorizing statute, there are three categories of entitlement lands:

- Federal lands in the national forest system or the national park system, lands administered by the Bureau of Land Management, lands in Federal water resource projects, dredge areas maintained by the U.S. Army Corps of Engineers, inactive and semi-active Army installations, and some lands donated to the Federal government (31 U.S.C. 6902).
- Federal lands acquired after December 30, 1970, as additions to lands in the national park system or national forest wilderness areas (31 U.S.C. 6904).
- Federal lands in Redwood National Park or lands acquired in the Lake Tahoe Basin near Lake Tahoe under the Act of December 23, 1980 (31 U.S.C. 6905).

Program Performance Estimates

Payments made before July 1 help local governments to better plan for PILT in the preparation of their annual budgets. In 2017, a total of \$464.6 million, based on approximately 607 million entitlement acres, was distributed to approximately 1,900 local government units in 49 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

2017 PILT Payments by State/Territory

State/Territory	2017 Payment
Alabama	\$715,833
Alaska	\$29,695,460
Arizona	\$36,023,640
Arkansas	\$7,014,950
California	\$48,261,603
Colorado	\$36,618,440
Connecticut	\$31,769
Delaware	\$80,265
District of Columbia	\$22,497
Florida	\$5,583,600
Georgia	\$2,641,630
Guam	\$2,472
Hawaii	\$360,118
Idaho	\$30,054,704
Illinois	\$1,314,809
Indiana	\$600,320
Iowa	\$507,815
Kansas	\$1,218,747
Kentucky	\$2,549,650
Louisiana	\$1,050,340
Maine	\$328,222
Maryland	\$111,289
Massachusetts	\$104,726
Michigan	\$4,644,847
Minnesota	\$1,922,431
Mississippi	\$2,130,234
Missouri	\$4,036,144
Montana	\$31,786,271

State/Territory	2017 Payment
Nebraska	\$1,184,648
Nevada	\$26,184,790
New Hampshire	\$1,898,963
New Jersey	\$114,446
New Mexico	\$38,525,087
New York	\$147,017
North Carolina	\$4,482,979
North Dakota	\$1,624,414
Ohio	\$696,303
Oklahoma	\$3,303,313
Oregon	\$19,653,568
Pennsylvania	\$1,132,363
Puerto Rico	\$9,749
Rhode Island	\$0
South Carolina	\$719,218
South Dakota	\$6,584,778
Tennessee	\$2,370,775
Texas	\$5,310,455
Utah	\$39,500,105
Vermont	\$1,066,058
Virgin Islands	\$37,189
Virginia	\$3,996,099
Washington	\$21,312,109
West Virginia	\$3,206,308
Wisconsin	\$3,520,577
Wyoming	\$28,605,863
Total	\$464,600,000

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Office of Natural Resources Revenue

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS****Appropriation Language Sheet****Office of Natural Resources Revenue**

For necessary expenses for management of the collection and disbursement of royalties, fees, and other mineral revenue proceeds, and for grants and cooperative agreements, as authorized by law, \$137,505,000, to remain available until September 30, 2020; of which \$41,727,000 shall remain available until expended for the purpose of mineral revenue management activities: Provided, That notwithstanding any other provision of law, \$15,000 shall be available for refunds of overpayments in connection with certain Indian leases in which the Secretary concurred with the claimed refund due, to pay amounts owed to Indian allottees or tribes, or to correct prior unrecoverable erroneous payments.

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Appropriation Language Citations
Appropriation: Office of Natural Resources Revenue**

Appropriation language and citations:

1. For necessary expenses for management of the collection and disbursement of royalties, fees, and other mineral revenue proceeds,

This language provides authority to use appropriated funds provided for the Office of the Secretary to carry out the mission of the Office of Natural Resources Revenue (ONRR), including the collection and disbursement of royalties, fees and other mineral revenue proceeds.

2. and for grants and cooperative agreements, as authorized by law,

This language provides authority to support ONRR's minerals revenue collection and management functions including the State and Tribal Audit Program. This language provides grants and cooperative agreement authority to the Office of the Secretary to carry out minerals revenue collection and management activities such as the State and Tribal Audit Program.

3. \$137,505,000, to remain available until September 30, 2020;

The Department proposes the majority of funding for the Office of Natural Resources Revenue account to remain available until September 30, 2020.

4. of which \$41,727,000 shall remain available until expended for the purpose of mineral revenue management activities:

The Department proposes \$41,727,000 of funding for the Office of Natural Resources Revenue account to continue to partially fund ONRR's mineral revenue management activities with no-year funding. This type of funding allows ONRR a valuable degree of flexibility to support multi-year information management system contracts and State and tribal cooperative audit agreements.

5. Provided, That notwithstanding any other provision of law, \$15,000 under this heading shall be available for refunds of overpayments in connection with certain Indian leases in which the Secretary concurred with the claimed refund due, to pay amounts owed to Indian allottees or tribes, or to correct prior unrecoverable erroneous payments.

The budget request reflects the continuation of ONRR's existing authorities within the Office of Natural Resources Revenue account.

Department-wide Programs - Office of Natural Resources Revenue
Budget At A Glance
(Dollars in Thousands)

	2017 Actual	2018 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Appropriation: Office of Natural Resources Revenue						
Natural Resources Revenue	0	0	+1,278	+140,532	-4,305	137,505
Transfer of Office of Natural Resources Revenue ^{1/}				[+125,628]		
Transfer of ONRR Central Services ^{1/}				[+14,904]		
Fixed Costs			[+1,278]			
Contract Increase for the Minerals Revenue Management Support System					[+3,687]	
Reduction to Offshore Production Verification Program					[-3,000]	
Reduction in Osage Trust Accounting					[-2,337]	
Elimination of U.S. EITI Contractor Support					[-1,300]	
Completion of Denver Office Consolidation Initiative					[-1,355]	
TOTAL, OFFICE OF NATURAL RESOURCES REVENUE	0	0	+1,278	+140,532	-4,305	137,505

1/ Reflects the transfer of ONRR's Operations funding in the amount of \$140,532 (sum of ONRR and ONRR Central Services) to a new appropriation within Department-wide programs to increase transparency.

Department-wide Programs - Office of Natural Resources Revenue
Summary of Requirements
(Dollars in Thousands)

	2017 Actual		2018 CR Baseline				2019 Request				Change from 2018		
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
Appropriation: Office of Natural Resources Revenue													
Natural Resources Revenue ^{1/}	[141,493]	[622]	[140,532]	0	+1,278	+622	+140,532	-3	-4,305	619	137,505	-3	-3,027
Total, Office of Natural Resources Revenue	[141,493]	[622]	[140,532]	0	+1,278	+622	+140,532	-3	-4,305	619	137,505	-3	-3,027

1/ Reflects the transfer of ONRR's Operations funding in the amount of \$140,532 (sum of ONRR and ONRR Central Services) to a new appropriation within Department-wide programs to increase transparency.

Office of Natural Resources Revenue
Justification of Fixed Costs and Internal Realignment
(Dollars In Thousands)

Fixed Cost Changes and Projections	2018 Change	2018 to 2019 Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days between the 2018 and 2019.	0	+299
Pay Raise The change reflects the salary impact of the 1.9% pay raise for 2018 as signed by the President in February 2017. There is no pay raise for 2019 (0.0%).	+1,526	+394
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are detailed in the Budget Justification for Departmental Management.	-145	+538
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees who suffer accidental deaths while on duty. Costs will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.	0	-49
Unemployment Compensation Payments The amounts reflect projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.	0	0
Rental Payments The amounts reflect changes in the costs payable to the General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to the Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	0	+96
Baseline Adjustments for O&M Increases In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance (O&M) requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.	0	0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Office of Natural Resources Revenue
Program and Financing (in millions of dollars)**

Identification code 14-1113-0-1-306	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Obligations by program activity:			
00.01 Office of Natural Resources Revenue.....	138
01.00 Direct program activities, subtotal.....	138
08.01 Office of Natural Resources Revenue.....	1
08.99 Reimbursable program activities, subtotal.....
09.00 Total new obligations, unexpired accounts.....	139
Budgetary Resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1.....
10.21 Recoveries of prior year unpaid obligations.....
10.50 Unobligated balance (total).....
Budget authority:			
Appropriation, discretionary:			
11.00 Appropriation.....	138
Spending authority from offsetting collections, discretionary:			
17.01 Change in uncollected payments, Federal sources.....
17.50 Spending auth from offsetting collections, disc (total).....	1
19.00 Budget authority (total).....	139
19.30 Total budgetary resources available.....	139

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Office of Natural Resources Revenue
Program and Financing - cont'd (in millions of dollars)**

Identification code 14-1113-0-1-306	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Change in obligated balance:			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1.....
30.10 Obligations incurred, unexpired accounts.....	139
30.11 Obligations incurred, unexpired accounts.....
30.20 Outlays (gross).....	-98
30.40 Recoveries of prior year unpaid obligations, unexpired.....
30.41 Recoveries of prior year unpaid obligations, expired.....
30.50 Unpaid obligations, end of year.....	41
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward, Oct 1.....
30.70 Change in uncollected pymts, Fed sources, unexpired.....
30.71 Change in uncollected pymts, Fed sources, expired.....
30.90 Uncollected pymts, Fed sources, end of year.....
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year.....
32.00 Obligated balance, end of year.....	41
Budget authority and outlays, net:			
Discretionary:			
40.00 Budget authority, gross.....	139
40.10 Outlays from new discretionary authority.....	98
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.50 Change in uncollected pymts, Fed sources, unexpired.....
40.70 Budget authority, net (discretionary).....	138
40.80 Outlays, net (discretionary).....	97
41.80 Budget authority, net (total).....	138
41.90 Outlays, net (total).....	97

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Office of Natural Resources Revenue
Object Classification (in millions of dollars)**

Identification code 14-1113-0-1-306	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	50
11.5 Other personnel compensation.....	1
11.9 Total personnel compensation.....	51
12.1 Civilian personnel benefits.....	17
21.0 Travel and transportation of persons.....	1
23.1 Rental payments to GSA.....	3
25.1 Advisory and assistance services.....	18
25.2 Other services from non-federal sources.....	3
25.3 Other goods and services from Federal sources.....	18
25.7 Operation and maintenance of equipment.....	8
31.0 Equipment.....	7
41.0 Grants, subsidies, and contributions.....	10
99.0 Subtotal, obligations, Direct obligations	136
Reimbursable obligations:			
Personnel compensation:			
21.11 Full-time permanent.....	1
99.95 Adjustment for rounding.....	2
99.99 Total new obligations, unexpired accounts.....	139

Employment Summary

Direct:			
10.01 Direct civilian full-time equivalent employment.....	.....	.....	619
20.01 Reimbursable civilian full-time equivalent employment.....	.....	.....	6

Activity: Natural Resources Revenue

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-) ^{2/}	Program Changes (+/-)	Budget Request	
Office of Natural Resources Revenue ^{1/}							
2 Year Fund	88,187	87,588	+1,278	+14,904	-7,992	95,778	+8,190
No Year Fund	38,300	38,040	0	0	+3,687	41,727	+3,687
Total							
(\$000)	126,487	125,628	1,278	14,904	-4,305	137,505	11,877
FTE	610	622	0	0	-3	619	-3

1/ The Department proposes to fund ONRR in a separate appropriation account beginning FY 2019.

2/ The Department proposes to transfer ONRR's Central Services funding in the amount of \$14,904K from Departmental Operations to ONRR's new appropriation account.

Summary of Program Changes

The 2019 budget request for the Office of Natural Resources Revenue (ONRR) is \$137.5 million. Included in this request is a \$14.9 million transfer from the Leadership and Administration activity to ONRR, in order to allow for a consolidated view of all ONRR funding.

Request Component	(\$000)	FTE
MRMSS Contract Base Cost Escalation	+3,687	+0
Reduction to Offshore Production Inspection Program	-3,000	-0
Reduction to Osage Trust Accounting Funding	-2,337	-3
Savings from ONRR Denver Office Consolidation Initiative	-1,355	-0
Savings from Eliminating USEITI Administrator Contract	-1,300	-0
Total Program Changes	-4,305	-3

Justification of Program Changes

MRMSS Contract Base Cost Escalation (+\$3,687,000 / +0 FTE): ONRR’s large critical Information Technology Systems contract will expire in 2018. A new contract will begin in 2019 to continue this needed support, resulting in the need for significant additional funding to support increased base contract costs. Based on current rate comparison and research, ONRR expects a \$3.7 million increase to annual operations and maintenance costs in the new contract.

The Minerals Revenue Management Support System (MRMSS) provides the backbone for all of ONRR’s mission critical functions from mineral revenue collection, accounting and disbursement to ensuring accurate reporting and compliance for Federal and Indian mineral leases. The MRMSS provides significant efficiencies and enhances analytical and reporting

capabilities, which ONRR has fully integrated into its operations. The system is the lifeblood of ONRR's operations and is essential to ONRR's ability to account for and disburse mineral revenues to State and Indian recipients.

The MRMSS is operated and maintained under an Operations and Maintenance (O&M) contract which includes complete end-to-end private cloud managed hosting and operations. The current O&M contract, which costs approximately \$11 million annually, was a full-competition contract awarded to Accenture in 2007. This contract ends in 2018 and a new contract will begin in 2019.

Reasons for this expected increase in ongoing base costs include the following:

- ***New security requirements (+\$1,250,000).*** Security requirements have increased significantly since the Office of Personnel Management data breach in June 2015. Rapid changes are now required with increased reporting to Department of Homeland Security.
- ***Maintenance of a more complex system (+\$1,387,000).*** System modernizations and enhancements that were deployed since the last contract award require additional resources to maintain the more integrated and complex environment. The MRMSS environment is utilizing more service oriented architecture and shared software for its major components. Because of the highly integrated system configuration, additional funding is needed for operation and maintenance.
- ***Increased hourly rates (+\$650,000).*** The current rates, proposed and accepted in 2008, have increased in conjunction with other similar contractors within the Alliant Government-Wide Acquisition Contract.
- ***Hosting within a FEDRAMP certified data center (+\$400,000).*** The new contract will meet all IT security requirements, including those for a Federal Risk and Authorization Management Program (FedRAMP) certified data center, which will result in an increase in scope and contract cost.

Offshore Production Meter Inspection Program (-\$3,000,000 / -0 FTE): Previous investments funded the development of an ONRR production verification inspection program for high-risk offshore sites and the establishment of the concept of operations for this compliance activity. As a result of higher priority organizational needs, ONRR will limit further development work but will maintain the high-risk meter inspection program.

Osage Trust Accounting (-\$2,337,000 / -3 FTE): The implementation of the Osage accounting function is delayed due to legal challenges which prevent DOI from finalizing rulemaking.

Savings - ONRR Denver Office Consolidation Initiative (-\$1,355,000 / -0 FTE): In 2018, ONRR will realize \$1.355 million in savings resulting from the completion of the renovation and consolidation of its Denver office space.

Savings - USEITI Independent Administrator Contract (-\$1,300,000 / -0 FTE): In 2018, ONRR will begin mainstreaming its government revenue reporting and institutionalizing many

of the EITI requirements within ONRR. Because ONRR is assuming these responsibilities, ONRR no longer requires contract support from an Independent Administrator.

Program Overview

For the benefit of all Americans, the Office of Natural Resources Revenue (ONRR) collects, accounts for, and verifies natural resource and energy revenues due to States, American Indians, Alaska Natives, and the U.S. Treasury. In 2017, ONRR disbursed over \$7.11 billion to the U.S. Treasury, various State and American Indian accounts, and special use accounts, such as the Reclamation Fund. Every American benefits from the revenues generated from mineral resources, either directly through payments to Tribes and Individual Indian Mineral Owners (IIMOs) or indirectly through payments to the Historic Preservation Fund, the Land and Water Conservation Fund, the Reclamation Fund, States, and the General Fund of the U.S. Treasury.

The beneficiaries of disbursements in 2017 included:

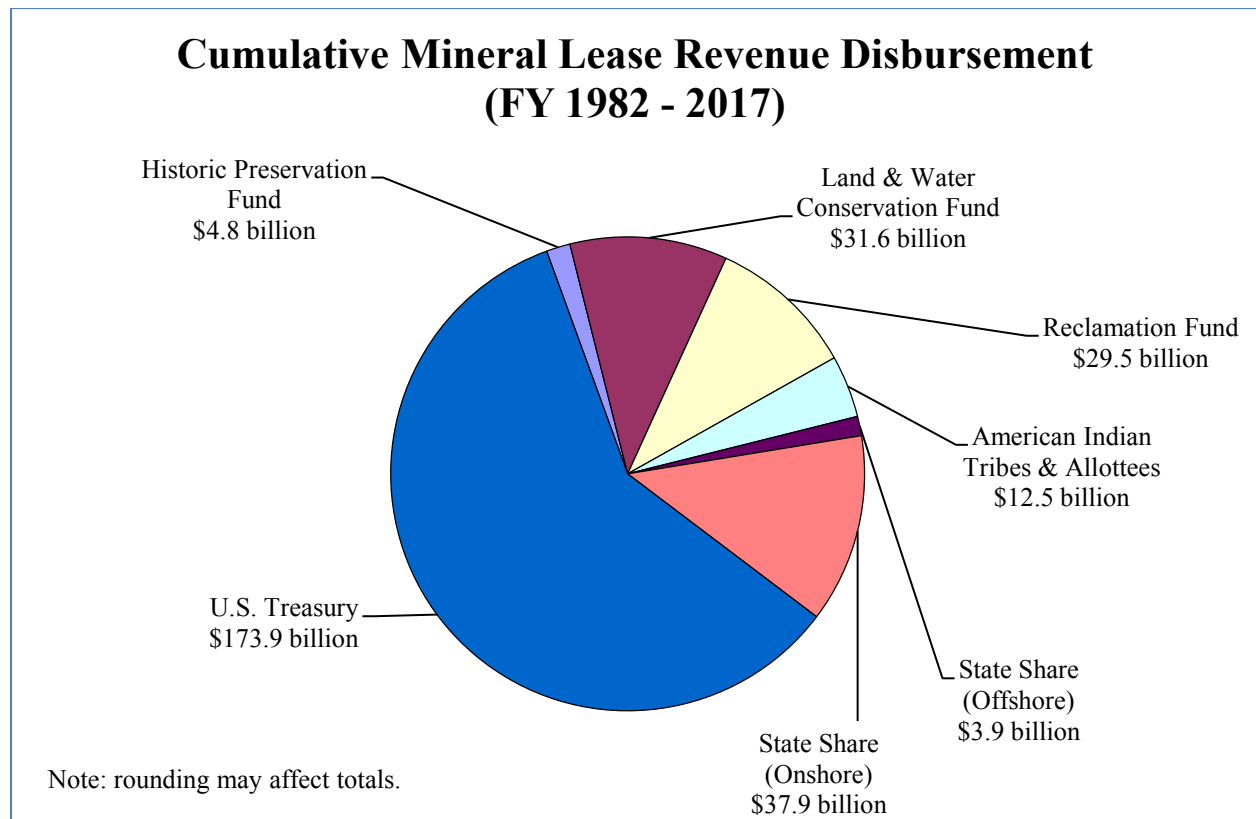
- ***U.S. Taxpayers — \$2.51 Billion***
 Mineral leasing revenues are one of the Federal Government’s largest sources of non-tax receipts, funding various government functions and programs through the General Fund of the U.S. Treasury.
- ***States — \$1.44 Billion***
 Mineral revenues disbursed to States can be a significant element of a State’s financial resource picture, providing funding for local schools, roads, libraries, public buildings, and general operations, as the States deem necessary.
- ***Western Water Users — \$1.14 Billion***
 Mineral revenue receipts fund a significant portion of the U.S. Bureau of Reclamation’s water resource development and maintenance work in the western United States. Spending from the account is subject to appropriation.
- ***Conservation and Recreation Programs — \$959 Million***
 ONRR transferred over \$950 million in 2017 to the Land and Water Conservation Fund (LWCF) to be used as a resource for Federal, State, and local governments to help acquire, develop, and improve outdoor recreation areas. Most spending from the account is currently subject to annual appropriation.
- ***American Indian Tribes and Indian Mineral Owners — \$676 Million***
 Monies collected from mineral leases on Indian lands are distributed regularly to tribal governments or IIMOs. These funds provide direct and tangible benefits to thousands within the American Indian community, often as a major source of primary income.

<p>Our Mission</p> <p><i>For the benefit of all Americans, ONRR collects, accounts for, and verifies natural resource and energy revenues due to States, American Indians, and the U.S. Treasury</i></p> <p>Our Vision</p> <p><i>Excellence in natural resources revenue management</i></p>

- Preservation — \$150 Million**
 ONRR annually transfers \$150 million to the National Historic Preservation Fund (HPF) as “seed money” to preserve and protect our Nation’s irreplaceable heritage for current and future generations. This fund is administered to help save the historic buildings, neighborhoods, and landscapes that form our communities and enrich our lives.
- Other Funds — \$234 Million**
 Includes funds directed back to Federal agencies that administer these lands to help cover operational costs. (Included in the cumulative U.S. Treasury disbursement figure.)

The Federal government has collected revenues from mineral production on Federal onshore lands since 1920; on American Indian lands since 1925; and on Federal offshore lands since 1953. In 1982, the Federal Oil and Gas Royalty Management Act called upon the Department to establish a comprehensive, consolidated system for the collection, accounting, and disbursement of these revenues. Since that time, Interior has provided over \$294 billion to Federal, State, and American Indian recipients through this program. Approximately 60 percent of all annual collections have gone to the General Fund of the U.S. Treasury, 22 percent to special purpose funds, 14 percent to States, and almost 4 percent to the American Indian community.

Special purpose funds, including the Land and Water Conservation Fund, the Historic Preservation Fund, and the Reclamation Fund, have received \$65.9 billion in ONRR-collected mineral revenues since 1982 as shown in the figure below.



ONRR was established within the Office of the Secretary under the Assistant Secretary for

Policy, Management and Budget (AS-PMB) on October 1, 2010, as part of the reorganization of the former Minerals Management Service. Placement in AS-PMB positioned ONRR to leverage its revenue-collection expertise to serve a leadership role in Department-wide collaboration and implementation of key initiatives to provide reasonable assurance the Department is collecting every dollar due.

In support of its mission, ONRR conducts work in three key program areas:

- **Revenue, Reporting, and Compliance Management.** These activities ensure that all revenues from Federal and Indian leases are efficiently, effectively, and accurately collected, accounted for, and disbursed in a timely manner. This program also supports efforts to ensure accurate reporting of production volumes and to enhance production measurement verification.
- **Audit Management.** These activities ensure the Nation's Federal and Indian mineral revenues are accurately reported and paid. Federal and Indian compliance assurance activities represent a large and critical part of the operational strategy, ensuring that companies are in compliance with applicable laws, regulations, and lease terms. This program's activities also include the administration of cooperative agreements with States and Tribes.
- **Coordination, Enforcement, Valuation, and Appeals.** These activities ensure consistency and oversight in valuation regulations and determinations; market research and information gathering; production meter verification, and enforcement actions and appeals. This program's activities also include outreach sessions with American Indian beneficiaries and resolution of their royalty-related inquiries.

ONRR exists in a dynamic environment, and since inception has continuously evolved in response to Congressional mandates and significant energy industry changes. ONRR continues to seek innovative improvements and operational efficiencies to best pursue our mission and to serve the American people. In order to improve the management and oversight of revenue collection and disbursement activities, ONRR institutionalized an employee-driven continuous improvement process to help ONRR adapt to change effectively and promote innovation and employee engagement.

In order to ensure effective controls over program operations and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA), ONRR conducts assessments of internal controls consistent with applicable laws and regulations, such as the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Controls*. The objectives of these assessments are to ensure ONRR programs achieve intended results and follow laws and regulations; verify resources are used consistent with the mission and protected from waste, fraud, and mismanagement; and ensure reliable and timely information is maintained, reported, and used for decision-making.

In February 2011, GAO added Interior's Management of Federal Oil and Gas Resources to its High Risk List. ONRR implemented all 11 of its recommendations and continues to support its partners within the Department and their efforts to close the remaining recommendations. ONRR values the continued oversight received from the GAO, the Office of the Inspector General (OIG), and other external oversight organizations. ONRR has consistently received



clean opinions on regular peer reviews of audit functions and when independent firms perform annual audits of mineral revenue custodial accounts.

ONRR Strategic Priorities

ONRR is engaged in several organization-wide priority efforts to support the accomplishment of its mission and vision, including the following:

Capitalizing on our Diverse Strengths: ONRR is committed to achieving the Department’s diversity and inclusion goals, fostering an environment that is open and accepting of individual differences, and maximizing employee potential. Our dedication to educating and

integrating diversity and inclusion throughout the culture allows ONRR to recruit and retain a diverse population of employees while engaging our employees and ensuring a wide range of perspectives and diverse viewpoints.

Information Technology (IT): Information systems play a key role in ONRR’s collection and disbursement of the Nation’s mineral revenues. The Minerals Revenue Management Support System (MRMSS) is critical to ONRR’s ability to account for and disburse mineral revenues in a timely fashion. Upgrades to the system’s hardware and software are planned in 2018 and 2019, including an enhancement that will automate the calculations for the GOMESA phase II implementation of sharing Gulf of Mexico revenues with states, counties, parishes, etc. Also, ONRR is completing the final phases of implementing a new component in MRMSS, the Operations Management Tool (OMT). This tool allows ONRR to automate planning, execution, monitoring, measurement, and reporting of all of ONRR’s compliance processes. In 2018, ONRR will complete the migration of Audit work processes into OMT, and ONRR’s State and Tribal partners will begin using the tool.

Collaboration with Partners: ONRR continues to strengthen its longstanding relationships with other bureaus because of the interdependent nature of our missions. ONRR works in partnership with the Bureau of Indian Affairs (BIA), the Bureau of Land Management (BLM), and the Office of the Special Trustee for American Indians (OST) to fulfill Interior’s trust and fiduciary responsibilities to Indian beneficiaries. ONRR is also committed to ensuring an effective,

ongoing relationship with the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE). Additionally, ONRR has strengthened holistic management of oil, gas, and other natural resources by implementing standard operating procedures applicable to all DOI bureaus and offices in the management of Federal and Indian mineral resources.

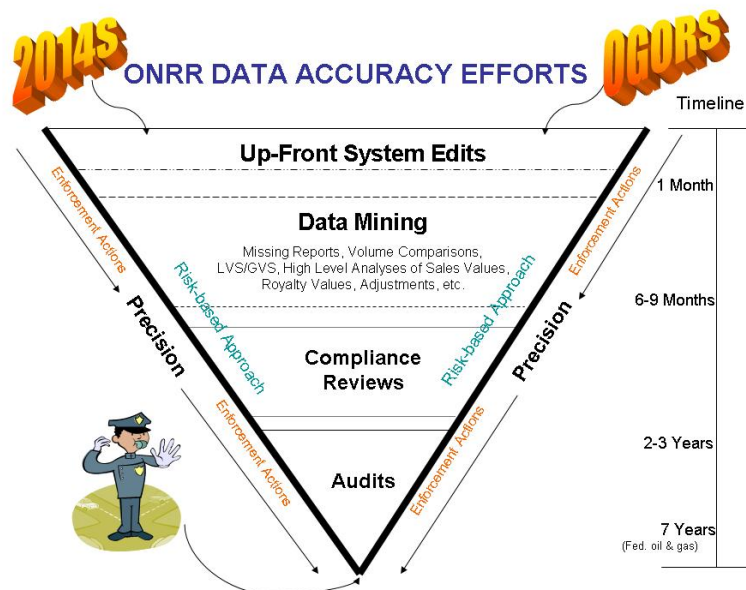
Royalty Policy Committee: ONRR supports the Royalty Policy Committee, which was re-established by Secretary Ryan Zinke and is regulated by the Federal Advisory Committee Act. The Committee will provide advice to the Secretary on the fair market value and the collection of revenues derived from the development of energy and mineral resources on Federal and Indian lands. The Committee also will advise on the potential impacts of proposed policies and regulations related to revenue collection from such development, including whether a need exists for regulatory reform.

Revenue, Reporting, and Compliance Management

The Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), as amended, requires monthly distribution and disbursement of payments to States and Tribes for their share of mineral leasing revenues. The distribution and disbursement function within ONRR is intended to ensure that collections from Federal and Indian mineral leases are properly disbursed to the appropriate recipients, including the U.S. Treasury, Federal entities, 36 States, and 34 American Indian Tribes. In 2017, ONRR disbursed over \$7.11 billion to the U.S. Treasury, various State and American Indian accounts, and special-use accounts such as the Land and Water Conservation Fund. ONRR disbursed these amounts in accordance with legislated formulas.

As part of the revenue collection process, ONRR collects annual rental revenues and reporting information on more than 14,600 non-producing leases and monthly royalty revenue and sales reports on more than 26,600 producing onshore and offshore Federal leases.

Each month, ONRR receives and processes about 47,000 royalty and production reports, containing approximately one million lines of data, from approximately 1,600 royalty payors and 1,700 production reporters. ONRR received approximately 99 percent of reporting electronically in 2017. Through this royalty and production reporting, ONRR collects and maintains several forms of primary data, including:



- Property data, such as information on mineral leases, mineral-producing or revenue-paying companies, and commodity purchasers.
- Mineral revenue and production data, consisting of monthly-required reports and payments.
- Data related to rents, mineral royalties, and mineral production volumes.
- Market and sales data required for verifying compliance.

To ensure that ONRR collects the proper revenues on the Federal and Indian royalty share, ONRR performs automated processing of royalty and production reports, coordinating reporting and payment matters with industry, State governments, American Indian Tribes, and other Federal agencies. Each month, ONRR runs automated detection processes to ensure that industry follows Federal laws, regulations, and lease terms in their financial reporting. Receiving proper payments includes ensuring that delinquent invoices are pursued in accordance with the Debt Collection Act. ONRR uses phone calls and demand letters to companies, notices to lessees/operating rights owners, demands to surety, referrals to the Justice Department for litigation or to the U.S. Treasury for collection, or if required, ONRR writes off uncollectable debt.

In addition to automated upfront system edits, ONRR performs data mining efforts as a second-level screening process in order to increase the accuracy of company-reported data before the data is subjected to compliance reviews and, ultimately, to audit.

Data mining efforts have resulted in collections of almost \$212 million in fiscal years 2010 through 2017, with over \$33 million in 2017.

ONRR assists Alaskan Natives as well by holding escrow funds for the Native Corporations for land selections. Once land selections are finalized, ONRR disburses escrow amounts, and the Corporations assume collection responsibilities. Currently, \$5 million remains in escrow awaiting distribution after the remaining land selections are processed.

Program Performance Estimates

Timely Revenue Disbursement: ONRR ensures that funds are disbursed to recipients by the end of the month following the month received, per statute. When disbursements are not completed in a timely manner, ONRR must pay late-disbursement interest to States. In 2017, timely disbursements were 99.4 percent, over the target of 98 percent. During 2017, ONRR disbursed nearly \$1.44 billion to 36 States and more than \$670 million to American Indians as their cumulative share of revenues collected from oil, gas, and mineral production.

Timely Service to American Indians: To ensure prompt payment of mineral revenues to American Indian Tribes and individual Indian mineral owners (IIMOs), ONRR immediately deposits American Indian revenues into accounts that the Special Trustee for American Indians (OST) administers, where they are invested and from where BIA subsequently distributes to American Indian Tribes and IIMOs. BIA requires Financial Distribution Report information in order to distribute funds to IIMOs. ONRR provides this lease distribution data to BIA twice each month. In 2017, ONRR provided lease distribution data to BIA for 98.4 percent of royalties by the first semi-monthly distribution, exceeding the 98 percent target.

Financial Accountability: ONRR's financial system has automated internal controls and accounting processes to reconcile subsidiary and control accounts and to ensure proper recording and reporting of revenues. ONRR records financial transactions with an account structure consistent with the U.S. Government Standard General Ledger (USSGL). ONRR uses the USSGL accounts to prepare external reports to OMB and the U.S. Treasury and to provide financial information for inclusion in the annual consolidated Interior Agency Financial Report.

The Chief Financial Officer's (CFO) Act requires annual audits of the Department's financial statements that include a thorough review of ONRR's mineral revenue custodial accounts. These audits ensure that ONRR's financial information fairly represents the transactions recorded within the ONRR financial system.

Unqualified Audit Opinion on Mineral Revenue Custodial Accounts: To provide greater assurance of the integrity of financial operations and the accuracy of financial data, ONRR undergoes annual financial audits, including a thorough review of mineral revenue custodial accounts. In November 2017, OIG released the Independent Auditors' Report on the Department of the Interior Financial Statements for fiscal year 2017, including ONRR's mineral revenue custodial accounts. The Department received an unqualified (clean) audit opinion for fiscal year 2017. As a result of the audit, ONRR received four notices of findings and recommendations, all of which ONRR is actively addressing and expects to fully implement in early fiscal year 2018.

Collection, Invoicing, and Data Mining: ONRR has several efforts underway to improve the accuracy of company-reported data used to collect and verify royalties. These efforts are in response to a 2008 Royalty Policy Committee (RPC) Subcommittee report and to a 2009 GAO report titled *Mineral Revenues: ONRR Could Do More to Improve the Accuracy of Key Data Used to Collect and Verify Oil and Gas Royalties (GAO-09-549)*.

ONRR continues to look for ways to improve the accuracy of company-reported data by implementing new automated upfront edits and data mining routines. ONRR subjects company-reported royalty data to more than 185 edit checks and has incorporated up-front edits to prevent companies reporting royalties electronically from submitting data with obvious errors. ONRR dedicates a significant amount of effort to developing new tools to automate and improve its processes.

Production Reporting for Onshore and Offshore Leases: ONRR oversees the timely reporting and processing of Oil and Gas Operations Reports (OGORs) for Federal and Indian onshore and Federal offshore leases. As with company-reported royalty data, ONRR subjects OGOR reports to numerous edit checks and incorporates additional up-front edits. These edits, combined with ongoing efforts from the Production Reporting staff to train companies on proper reporting have resulted in a continuous decline in error rates. For fiscal year 2017, the cumulative error rate was 0.91 percent, with one month reaching an all-time low of 0.38 percent.

Additionally, ONRR has made tremendous progress in ensuring operators report production information in a timely manner. The Offshore Production Reporting staff ensures the accuracy of reported offshore production information through ONRR's automated Liquid Verification System (LVS) and Gas Verification System (GVS). The LVS/GVS systems compare company-reported OGOR production volumes to third-party pipeline run tickets and third-party gas

volume statements that BSEE supplies. Analysts resolve discrepancies between the OGOR and the third-party data sources to ensure that companies accurately report production volumes, the cornerstone for downstream royalty collection efforts. Production reporting staff routinely issue Orders to Report and work with the Enforcement Operations to issue Notices of Non-Compliance to companies who fail to submit an OGOR or to report well-level production.

Audit Management

ONRR's Federal and Indian compliance activities have yielded significant additional revenues to Tribes, Individual Indian Minerals Owners (IIMOs), States, and the U.S. Treasury. Since 1982, the Department's additional collections of royalties and interest attributable to compliance activities total more than \$4.4 billion.

Sections 202 and 205 of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), as amended, authorize the Secretary to develop cooperative and delegated agreements with Tribes and States to carry out certain inspection, auditing, investigation, and enforcement activities for leases in their respective jurisdictions. The Tribes and States are working partners and integral to the overall compliance efforts. Tribes are self-empowered to perform audits on Tribal mineral royalties within their reservations, and the States perform audits on Federal leases within their boundaries. ONRR conducts compliance reviews and audits to provide compliance coverage over properties not covered by the Tribes and States.

For ONRR, cooperative agreements provide knowledgeable Tribal and State representatives who understand the systems and business processes for collecting, accounting for, and distributing mineral revenues. Tribes and States benefit by developing auditing skills, increasing knowledge of mineral revenue management, and gaining experience with ONRR's systems, processes, and regulations. This experience, as well as face-to-face contact, enables ONRR and Tribal and State employees to identify and work through issues for mutual benefit.

Together with its Tribal and States partners, ONRR performs both audits and compliance reviews on specifically targeted and randomly selected companies and properties and also focuses compliance efforts on gas plants, transportation systems, or other specific issues. These two compliance activities are described as follows:

- Audits are performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Audits have a high standard of verification in the form of evidence from company source documents and records, resulting in greater certainty of accurate payment and reporting.
- Compliance reviews supplement the audit program and provide reasonable assurance that all or part of the royalty equation is reported and paid correctly. Compliance Reviews focus on variations from expected norms and result in resolution of open issues when companies provide requested additional documentation and/or make payment to remove a variance.

To develop the compliance work plan, ONRR incorporates data from its risk tool, including prior-year performance data, cost-per-audit and compliance review, current-year targets, and data available on audit and compliance resources in order to determine the appropriate mix of audits and compliance reviews. Royalty dollars remain a key component of the risk determination,

resulting in a strong probability of high-revenue companies and properties being selected for audit or review.

Program Performance Estimates

ONRR Compliance Collections: During 2017, ONRR collected an additional \$136.1 million as a result of compliance activities across all organizations. In addition to audits and compliance reviews, these activities included data mining and exceptions processing.

Three-Year Average Compliance Return-on-Investment (ROI): For 2017, the three-year average ROI for compliance activities (collections versus costs) was \$2.67 to \$1. This measure of efficiency includes collections from audits, compliance reviews, and data mining activities.

Audit and Compliance Reviews: During 2017, ONRR and our State and Tribal audit partners closed 153 audits and completed 683 compliance reviews.

Delegated and Cooperative Compliance Agreements with States and Tribes: In May 2012, pursuant to Executive Order 13175, ONRR implemented the Tribal Consultation Policy, which allows ONRR to more effectively meet our responsibilities in supporting the Department's government-to-government relationship with Indian Tribes. The ONRR policy implements consultation practices on regulations, rulemakings, policy, guidance, legislative proposals, grant funding formula changes, and operational activity that may have a substantial and direct effect on a Tribe.

Currently, ONRR has agreements with nine States and six Tribes to perform compliance activities for leases in their jurisdictions. ONRR includes State and Tribal audit partners' compliance completion results in our performance results. In 2017, ONRR allocated \$13.0 million to States and Tribes in the 202/205 program. ONRR allocates its available budget resources for the 202/205 program by analyzing cost, workload, and risk data, such as total revenues and number of producing leases, to apply "best business case" criteria to the funding for States and Tribes.

Indian Gas Lease Coverage: In 2017, ONRR ensured substantial compliance for 100 percent of Indian gas properties within three years for Indian-specific major portion/index pricing terms.

Peer Review of ONRR Audit Organization: GAGAS requires an independent peer review of our audit activities every three years. During 2017, ONRR engaged an independent auditing firm to conduct an external peer review of our audit organization. The peer review examined the period of January 1, 2014, through December 31, 2016. The independent auditor issued a final report in 2017 with a rating of "Pass," the highest possible rating. This is the fifth consecutive peer review rating indicating that ONRR's audit functions are performed in accordance with professional standards. The independent auditor's report concluded no material weaknesses or findings. The next peer review is scheduled for spring 2020.

Coordination, Enforcement, Valuation, and Appeals

ONRR's Coordination, Enforcement, Valuation, and Appeals program (CEVA) coordinates Federal and Indian (trust) management services; provides enforcement support to ONRR programs; oversees production risk management efforts, addresses industry appeals of ONRR orders; and processes new rulemakings, authorizations to collect information, and Federal Register notices.

ONRR supports the Indian Energy Service Center (IESC) in its mission to provide a wide suite of support services to BIA and regional offices; BLM field and state offices; OST fiduciary trust officers and regional trust administrators; and ONRR. The IESC assists these offices in expediting the leasing, permitting, developing, and reporting and payment for oil and gas development on Indian trust lands. Also fundamental to this effort is responsiveness to trust mineral estate owners (tribal or allotted) and coordination between Federal agencies. The needs of the IESC are dynamic, and, as such, ONRR must quickly respond to the changing needs.

In addition to supporting the IESC, ONRR also conducts Indian outreach activities. ONRR uses several outreach methods, such as Navajo radio broadcasts and attending pow-wows, to reach American Indian beneficiaries, with the goal of fulfilling the Secretary of the Interior's trust responsibility to American Indians. These outreach events enable ONRR to listen to concerns and suggestions for royalty accounting improvements, answer questions, and identify and resolve mineral-related problems in partnership with BLM, BIA, and OST. ONRR's goal is to vigorously and effectively fulfill our trust responsibilities and to foster a positive working relationship with the Indian community.

ONRR's Royalty Valuation organization develops regulations, provides valuation guidance internally to ONRR and externally to State and Tribal audit programs and industry, issues royalty valuation determinations, and provides unbundling guidance to States, industry, and ONRR.

Analytics and Risk Management business processes include audit and compliance work planning, economic analysis, reporting and market research, Geographic Information System services, and production risk management. The production risk component of ONRR's CEVA program is focused on enhancing the Department's oversight of accurate measurement and reporting of production volumes. These efforts 1) ensure that the Department accounts for all production from Federal offshore leases and Federal and Indian onshore leases, 2) provide greater assurance of data accuracy, 3) reduce the potential for data manipulation or fraud, and 4) mitigate the risk of production reporting errors.

The Appeals group drafts proposed Director decisions or otherwise resolves industry appeals of ONRR, State, and Tribal orders and demands for payment. The Director decisions analyze, interpret, and apply statutes, regulations, lease terms, unit and communitization agreements, and guidance documents. ONRR's Appeals group also supports the Office of the Solicitor and the Department of Justice in any appeal of a Director decision to the Interior Board of Land Appeals (IBLA) or Federal Court. In addition, the Appeals group provides guidance within ONRR and for States and Tribes on complex issues.

ONRR's Regulatory Specialists ensure that all new rulemakings meet procedural requirements, all authorizations for information collection are renewed timely, and that all notices published

meet the requirements of the Federal Register.

The Enforcement group induces industry compliance with laws, regulations, and ONRR orders by investigating violations and issuing notices of non-compliance and civil penalty notices. It also performs litigation support activities by filing proofs of claims in bankruptcy cases, assuring the collection of bankruptcy payments, preparing the administrative records for Director decisions appealed to the IBLA, and supporting administrative hearings requested on civil penalties assessed.

Program Performance Estimates

Communication and Consultation with American Indians: During 2017, ONRR held 155 outreach sessions with American Indian beneficiaries and resolved 15,264 royalty-related inquiries. ONRR has experienced a large increase in inquiries in recent years. Increases in oil and gas development in North Dakota, Montana, Oklahoma, and Utah have spurred more inquiries from individual Indian mineral owners in those States.

Through the Federal Partners Groups in three regions and the Bakken Federal Executives Group, ONRR is coordinating with several Federal agencies to address a wide range of coordination issues associated with increased production in the Bakken Formation in North Dakota. ONRR is working with BIA, the Office of Indian Energy and Economic Development, BLM, OST, the Fish and Wildlife Service, the U.S. Geological Survey, the Environmental Protection Agency, and others to address concerns raised by Indian Tribes and individual Indian mineral owners in Kansas, Montana, North Dakota, Oklahoma, Texas, and Utah.

Production Risk Management: ONRR (in cooperation with BSEE and BLM) is responsible for enhancing Federal and Indian oil and gas production accountability and has implemented a reimbursable support agreement with BSEE to perform production verification, meter inspections, and other production measurement oversight functions on offshore rigs, platforms, and production facilities. An offshore production verification team is operational in the Gulf of Mexico to inspect high risk measurement facilities. To support the measurement inspection effort, ONRR Production Reporting and Verification engineers provide in-depth analysis, verify the accuracy of OGORs, and coordinate work-plans with the BSEE offshore measurement inspectors to ensure that inspections are prioritized based on high royalty value.

Since its inception in 2014, this offshore verification team has conducted inspections at 499 offshore facilities. These inspections resulted in 923 written Incidents of Non-Compliance (INCs). In addition, the team witnessed 193 oil meter provings and 130 gas meter calibrations. The INCs require companies to address deficiencies that the measurement inspectors discovered and to provide greater assurance that the measured royalty volumes are reported correctly. The inspection efforts safeguard the integrity of the measurement process by requiring companies to measure accurately and in accordance with regulatory requirements, industry standards incorporated by reference, and BSEE measurement approvals.

ONRR has begun to build on the success of its offshore production verification program by replicating this model on onshore Federal and Indian lands. ONRR and BLM signed a Memorandum of Understanding in 2015 to support development of an agile inspection team to address onshore production hot spots and to develop measurement experts to assist with field-

level inspections in BLM. BLM added two petroleum engineers and a senior petroleum engineering technician to initiate their measurement inspection effort within the Measurement and Production Team (MPT) at the National Operations Center (NOC) in 2017. The first field inspections by the MPT occurred during the 4th Quarter of FY 2017, and focused on operations in Oklahoma and Colorado. We expect the MPT to become fully operational in 2018. Collaboration with ONRR petroleum engineers will ensure that production volumes run through complex measurement systems are reported correctly, in accordance with BLM approvals, and recognized measurement standards.

Appeals: Since 1987, the Department has rendered decisions in appeals involving \$3.0 billion in additional royalties, rentals, liquidated damages, and interest. In 2017, ONRR completed Director decisions or otherwise disposed of 166 appeals of orders.

Enforcement: The Civil Penalty program serves to compel current compliance and to deter future violations. It issues civil penalties when companies fail to comply with or knowingly or willfully violate applicable laws or regulations. Such penalties are authorized by the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA). ONRR has collected more than \$55 million in civil penalties since 1982, and over the last five years, it assessed nearly \$33 million in civil penalties.

ONRR Enforcement also supports the Office of the Solicitor and Department of Justice in appeals before the Department and in Federal Court. Such litigation support activities include preparing proofs of claims to submit in bankruptcy cases and collecting any monies due. Since fiscal year 2000, ONRR has collected \$22.2 million from such bankruptcy cases and, in 2017, collected \$393,000. It also includes preparing voluminous administrative records to support litigation of appeals to the Interior Board of Land Appeals, evidentiary civil penalty hearings before Interior's Office of Hearings and Appeals, and various types of litigation in the Federal Court system. ONRR Enforcement further serves as ONRR's liaison in outside law enforcement investigations, providing data and arranging access to ONRR systems as required.

Valuation Regulations: ONRR published the Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Rule on July 1, 2016 with an effective date of January 1, 2017 ("2016 Valuation Rule"). On December 29, 2016, industry filed three lawsuits challenging the Rule. The petitions sought to invalidate the regulations, claiming they are without statutory authority, arbitrary, and capricious. In February 2017, ONRR postponed the effective date of the 2016 Valuation Rule, and in August 2017, ONRR repealed that Rule. As a result of the repeal, the regulations in effect prior to January 1, 2017, remain in effect. On November 3, 2017, industry voluntarily dismissed their lawsuits.

Though the Department never treated the rule as effective, the States of California and New Mexico, subsequently joined by the States of New York, Maryland, Oregon, and Washington, sued the Department on April 26, 2017, to invalidate ONRR's postponement of the 2016 Valuation Rule's effective date. They prevailed in the U.S. District Court for the Northern District of California, with the court finding that the Administrative Procedures Act authorizes a stay only before a rule's effective date, and only for purposes of litigation, whereas the Department's stay came after the effective date, and for purposes of repeal. Despite this loss, the court did not require ONRR to implement the rule now repealed, and no appeal was filed. Subsequently, on October 30, 2017, the States of California and New Mexico filed a second

lawsuit in the U.S. District Court for the Northern District of California, this time seeking to invalidate the repeal. This lawsuit is pending.

In April 2017, ONRR published an Advance Notice of Proposed Rulemaking seeking comments and suggestions from affected parties and the interested public on whether revisions to the valuation regulations are needed and, if so, what specific revisions should be considered. ONRR presented the comments it received to the Department's newly-reestablished Royalty Policy Committee (RPC) at its first meeting in October 2017. The RPC may recommend targeted changes to ONRR's valuation regulations as a result of those comments and its independent analysis.

ONRR Performance Overview

ONRR's performance charts are provided in the subsequent pages.

Performance Overview: Office of Natural Resources Revenue									
Mission Area #2:		Generating Revenue and Utilizing Our Natural Resources							
Goal #3:		Ensure public receives fair market value for resources; fees are reasonable and recover costs							
Strategy #1:		Ensure accurate and timely accounting and collection of energy revenues							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Plan	2017 Actual	2018 CR	2019 Pres. Budget Request	Change from 2018 CR to 2019
Strategic Plan (SP) Measure									
Percent of Federal and Indian revenues disbursed on a timely basis per statute	98.8% (\$3,010B / \$3,045)	99.5% (\$3,407B / \$3,423B)	99.3% (\$2,659B / \$2,679B)	99.2% (\$1,910B / \$1,926B)	98%	99.4% (\$1,989B / \$2,001B)	98%	98%	0%
Comments	<ul style="list-style-type: none"> This measure reports the timely disbursement of revenues that are subject to late disbursement interest (LDI). ONRR is required by statute to disburse Federal funds to recipients by the end of the month following the month of receipt. ONRR is also required to deliver Indian lease data to BIA by the end of the month following the month of receipt so that OST can disburse revenues to Indian recipients. When not provided timely, these revenues are subject to late disbursement interest. Performance for timely disbursement of Federal and Indian revenues has been at a very high level of achievement, averaging 99 percent over the past four years (FY 2013-2017). It is important to note that ONRR daily deposits all American Indian receipts into interest bearing accounts daily, and once reporting identifies where funding should be directed, the interest is also disbursed to American Indian recipients, making the recipients whole. 								
Efficiency or other Bureau-Specific Measures									
Three-year Average Compliance Return on Investment (ROI)	\$2.83	\$2.87	\$2.26	\$2.74	\$2.00	\$2.67	\$2.00	\$2.00	\$0.00
Comments	<ul style="list-style-type: none"> This is ONRR's method of monitoring the efficiencies of compliance reviews, audits, and data mining. It measures the collection/cost ratio. To mitigate variations in collections, thus providing better management information, this is measured as an average over the current + preceding 2 years. ONRR direct labor, State, and Tribal audit and CR costs and collections are included in this measure. Average costs have increased slightly over time. Average collections have fluctuated but decreased significantly due to settlements that were reflected in the FY 2013 and 2014 average results but not in the FY 2015 average result. New settlements in FY 2016 caused the average ROI to rise again. 								
Annual Compliance Collections (\$Millions)	\$115.9	\$139.4	\$114.9	\$164.6	\$110.0	\$136.1	\$105.3	\$93.8	-\$11.50
Comments	<ul style="list-style-type: none"> Collections are additional monies received as a result of ONRR's proactive compliance efforts - audits, compliance reviews, and data mining activities - to ensure receipt of all revenues due. Collections include additional royalties, interest, over recoupment of Indian royalties, and penalties. Forecasting the completion of compliance activities and their financial impact as well as timing the receipt of the resulting additional collections in any given fiscal year is tenuous at best. Collections due to compliance activity are heavily impacted by the commodity price in the target year (generally 2 to 3 years behind). 								
Percent of royalties for which lease data provided to BIA by first semi-monthly distribution (Ex. 300)	99.1% (\$543.7M / \$548.6M)	99.7% (\$795.5M / \$798.0M)	99.0% (\$613.9M / \$620.4M)	99.4% (\$357.5M / \$359.6M)	98%	98.4% (\$464.3M / \$471.9M)	98%	98%	0%
Comments	The Bureau of Indian Affairs (BIA) needs lease data so that the Office of Special Trustee (OST) can disburse revenues to individual Indian mineral owners. ONRR's goal is to provide this data to BIA no later than the first semi-monthly distribution following the month of receipt of the revenue.								

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Plan	2017 Actual	2018 CR	2019 Pres. Budget Request	Change from 2018 CR to 2019
Percent of company-reported royalty information that passes upfront system edits the first time (on Form 2014) (Ex. 300)	99.2% (4,696M lines / 4,736M lines)	99.4% (5,641M lines / 5,675M lines)	99.5% (6,144M lines / 6,173M lines)	99.6% (6,082M lines / 6,106M lines)	98%	99.6% (5,591M lines / 5,613M lines)	98%	98%	0%
Comments	This measures the accuracy of company royalty reporting on Form 2014s. Accurate reporting of royalties impacts timely disbursement. The measure result indicates the portion of reported lines that passed ONRR's up-front system edits on the first attempt without the involvement of ONRR personnel.								
Percent of company-reported production information that meets ONRR's minimum requirements for being accepted into our systems (on Oil and Gas Operations Report (OGOR)) (Ex. 300)	98.4% (6,278M lines / 6,382M lines)	98.8% (7,155M lines / 7,243M lines)	99.0% (7,571M lines / 7,645M lines)	98.9% (8,005M lines / 8,096M lines)	98%	99.1% (7,010M lines / 7,074M lines)	98%	98%	0%
Comments	This measures the accuracy of company production reporting on the Oil and Gas Operations Report (OGOR). It indicates the portion of reported lines that passed ONRR's up-front system edits on the first attempt, without the involvement of ONRR personnel.								
Ensure systems availability (Ex. 300)	99.3% (213,432 min / 215,040 min)	99.6% (203,945 min / 204,816 min)	99.6% (203,182 min / 204,000 min)	99.2% (203,983 min / 205,632 min)	99%	99.0% (202,256 min / 204,252 min)	99%	99%	0%
Comments	This measures the overall, online availability of the Minerals Revenue Management Support System (MRMSS). The MRMSS is comprised of the ONRR Financial Subsystem, the ONRR Compliance Subsystem, and the ONRR Data Warehouse/Business Automation Services Subsystem.								
Outputs									
Compliance Reviews Completed	780	557	667	645	500	683	368	400	32
Comments	<ul style="list-style-type: none"> After multiple years of increasing performance, the number of compliance reviews dropped from FY 2017 to FY 2018 because of a significant reorganization, which focuses on increasing the number of auditors and audits they conduct. In addition, there have been a number of retirements in the job classification that conducts the majority of compliance reviews and few new hires have been added to replace them. This measure includes work performed by ONRR and State and Tribal auditors. ONRR continues to implement the Operations Management Tool (OMT) across all business lines. Efficiencies gained as a result of full OMT implementation should be realized in FY 2019 and result in an increase in the number of Compliance Reviews completed. 								
Audits Completed	132	132	110	128	125	153	130	150	20
Comments	<ul style="list-style-type: none"> This measure includes audit work performed by ONRR and State and Tribal auditors. Audits can take two or more years to complete. This results in completion numbers fluctuating from year to year. ONRR is implementing the Operations Management Tool (OMT) across all business lines of the agency. New business processes have been instituted by ACM to coordinate with all of ONRR in implementing OMT With the re-organization, more individuals will be assigned audits, but it will take approximately 2 years to see a significant increase in audits closed 								
Data Mining Cases Completed	35,776	29,120	46,052	47,027	45,000	26,492	1,200	1,800	600
Comments	<ul style="list-style-type: none"> The FY 2013 through FY 2017 metric was the number of exceptions processed through data mining activities. In FY 2018, data mining implemented the Operations Management Tool (OMT). By moving to OMT, multiple exceptions are now rolled into cases. This allows for parity across ONRR's compliance activities (audits, compliance reviews and data mining). Efficiencies gained as a result of full OMT implementation should be realized in FY 2019 and result in an increase in the number of Data Mining Cases completed. 								
Enforcement Actions	199	175	172	145	171	233	171	190	19
Comments	Enforcement actions are all actions taken by the ONRR Office of Enforcement to investigate violations of mineral revenue laws and regulations, sanction violators, and resolve cases. They include Notices of Non-Compliance (NONC), Civil Penalties, referrals to other agencies (BLM, BSEE, BIA, OIG, Treasury), penalty adjustments, and case closures.								

<i>Outputs, continued</i>									
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Plan	2017 Actual	2018 CR	2019 Pres. Budget Request	Change from 2018 CR to 2019
Indian Inquiries Serviced	12,553	14,488	14,160	14,625	14,000	15,264	14,140	14,140	0
Conducted X Indian outreach sessions per year	136	129	133	151	125	155	135	135	0
Comments	<ul style="list-style-type: none"> • ONRR's outreach offices have responsibility for over 35,000 mineral owners throughout the United States and routinely work with more than 1,400 individuals each month. As more and more Indian land is developed, individual mineral ownership concerns also increase resulting in more contacts with ONRR to educate and assist mineral owners about royalty revenue processes. • In fiscal 2016, Indian Inquiries and outreach sessions peaked as a result of recent year's increase in mineral leasing development in North Dakota, Oklahoma and Utah combined with fluctuations in oil prices. • With falling oil prices, there is less industry drilling and well completion. This is expected to result in slightly fewer Inquiries in FY 2017 and only a slight increase in FY 2018, given the possibility that prices could again increase. • Outreach sessions on behalf of ONRR are anticipated to decrease slightly with implementation of the BIA Indian Energy Service Center (IESC), in which ONRR will participate. 								
Invoices processed	9,371	9,450	8,231	8,742	8,500	9,114	8,500	9,000	500
Comments	<p>ONRR issues four basic types of invoices for Federal and Indian leases; (1) Interest invoices for late payments, and insufficient estimates, (2) Financial term invoices for rents, minimum royalty, right of ways, right of use and easements, and other lease level obligations, (3) Indian over recoupment invoices for exceeding the recoupment limits for prior overpayments, and (4) miscellaneous invoices for audit, civil penalty, liquidated damages, inspection fees, fisherman's contingency fund, etc.</p>								
Lease and Agreement Actions	14,831	12,316	14,535	13,376	15,000	13,601	15,000	15,000	0
Comments	<p>Lease and agreement actions are documents processed to update our reference database. The updates enable ONRR's financial system to accept the Solids Production and Royalty Report (Form ONRR-4430) and the Report of Sales and Royalty Remittance (Form ONRR-2014) lines when they are reported. In addition, lease and agreement actions support the collection and distribution of royalties, bonuses, and rents.</p>								
Well Actions	99,642	92,013	107,108	118,440	100,000	128,693	100,000	100,000	0
Comments	<p>These are documents processed to update our well reference data. The updates enable ONRR's financial system to accept the Oil and Gas Operations Report (OGOR) lines when they are reported by the well operators.</p>								
Checks Processed	50,062	46,977	38,992	10,380	6,121	4,217	2,400	1,800	-600
Comments	<p>Prior to 2018, this measure included manual Royalty and Production documents processed. From FY 2018 to current, this measure only includes checks manually processed. Pay.gov's implementation in tandem with the Online Rental Payment System (ORPS) has had a positive impact on ONRR's electronic payment submissions. In 2015, ONRR began sending Notice of Potential Enforcement Action (NOPEA) letters to payers submitting high volumes of checks. The results of these two programs was a 76% reduction in hardcopy checks for FY16. ONRR is continuing these efforts into FY18.</p>								
Account Reconciliation Actions	16,644	15,728	16,692	18,726	19,000	16,973	18,500	17,000	-1,500
Comments	<p>Accounts Receivable actions are actions taken by accountants to reconcile payments to receivables that cannot be matched and cleared systematically due to differences in amounts. Debt Collection letters, sent pursuing payment for unpaid items in the Accounts Receivable system, are also counted as Accounts Receivable actions. The 2015 change in the requirement to refer debt to the Department of Treasury, from 180 days past due to 120 days past due, has significantly increased the number of Debt Collection letters sent in 2016. However, in 2017, Debt Collection letters sent returned to historical levels.</p>								

Central Hazardous Materials Fund

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS****Central Hazardous Materials Fund****Appropriation Language Sheet**

For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the response action, including associated activities, performed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.), \$2,000,000, to remain available until expended.

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS****Appropriation Language Citations****Appropriation: Central Hazardous Materials Fund**

Appropriation language and citations:

1. For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the response action, including associated activities, performed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.), \$2,000,000, to remain available until expended.

42 U.S.C. 9601 et seq.

The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, provides for liability, risk assessment, compensation, emergency response, and cleanup (including the clean-up of inactive sites) for hazardous substances. It requires Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed, and requires responsible parties, including Federal agencies, to cleanup releases of hazardous substances.

**Department-wide Programs - Central Hazardous Materials Fund
Budget At A Glance**
(Dollars in Thousands)

	2017 Actual	2018 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Appropriation: Central Hazardous Materials Fund	10,010	9,942	8	0	-7,950	2,000

Department-wide Programs - Central Hazardous Materials Fund
Summary of Requirements
(Dollars in Thousands)

	2017 Actual		2018 CR Baseline				2019 Request		Change from 2018		
	Amount	FTE	Amount	Fixed Costs & Related (+/-)		Program Changes (+/-)		FTE	Amount	FTE	Amount
				FTE	Amount	FTE	Amount				
Appropriation: Central Hazardous Materials Fund	10,010	5	9,942	0	8	-1	-7,950	4	2,000	-1	-7,942

Central Hazardous Materials Fund
Justification of Fixed Costs and Internal Realignments
(Dollars In Thousands)

Fixed Cost Changes and Projections	2018 Change	2018 to 2019 Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days between the 2018 and 2019.	+0	+2
Pay Raise The change reflects the salary impact of the 1.9% pay raise for 2018 as signed by the President in February 2017. There is no pay raise for 2019 (0.0%).	+14	+3
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are detailed in the Budget Justification for Departmental Management.	-2	+3
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees who suffer accidental deaths while on duty. Costs will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.	0	0
Unemployment Compensation Payments The amounts reflect projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.	0	0
Rental Payments The amounts reflect changes in the costs payable to the General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to the Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	0	0
Baseline Adjustments for O&M Increases In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance (O&M) requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.	0	0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Central Hazardous Materials Fund

Program and Financing (in millions of dollars)

Identification code 14-1121-0-1-304		2017	2018	2019
		Actual	Estimate	Estimate
Obligations by program activity:				
00.01	Remedial action.....	12	10	2
08.01	Reimbursable program.....	7	10	10
09.00	Total new obligations.....	19	20	12
Budgetary Resources:				
Unobligated balance:				
10.00	Unobligated balance brought forward, Oct 1.....	20	16	14
10.21	Recoveries of prior year unpaid obligations.....	2	1	1
10.50	Unobligated balance (total)	22	17	15
Budget authority:				
Appropriations, discretionary:				
11.00	Appropriation.....	10	10	2
11.60	Appropriation, discretionary (total).....	10	10	2
Spending authority from offsetting collections, discretionary:				
17.00	Collected.....	3	7	7
17.50	Spending authority from offsetting collections, disc (total).....	3	7	7
19.00	Budget authority (total).....	13	17	9
19.30	Total budgetary resources available.....	35	34	24
Memorandum (non-add) entries:				
19.41	Unexpired unobligated balance, end of year.....	16	14	12
Change in obligated balance:				
Unpaid obligations:				
30.00	Unpaid obligations, brought forward, Oct 1.....	23	18	14
30.10	Obligations incurred, unexpired accounts.....	19	20	12
30.20	Outlays (gross).....	-22	-23	-16
30.40	Recoveries of prior year unpaid obligations, unexpired.....	-2	-1	-1
30.50	Unpaid obligations, end of year.....	18	14	9
Memorandum (non-add) entries:				
31.00	Obligated balance, start of year.....	23	18	14
32.00	Obligated balance, end of year.....	18	14	9
Budget authority and outlays, net:				
Discretionary:				
40.00	Budget authority, gross.....	13	17	9
Outlays, gross:				
40.10	Outlays from new discretionary authority.....	3	3	1
40.11	Outlays from discretionary balances.....	19	20	15
40.20	Outlays, gross (total).....	22	23	16
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
40.33	Non-Federal sources.....	-3	-7	-7
40.70	Budget authority, net (discretionary).....	10	10	2
40.80	Outlays, net (discretionary).....	19	16	9
41.80	Budget authority, net (total).....	10	10	2
41.90	Outlays, net (total).....	19	16	9

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Central Hazardous Materials Fund

Object Classification (in millions of dollars)

Identification code 14-1121-0-1-304		2017	2018	2019
		Actual	Estimate	Estimate
Direct obligations:				
11.1	Full-time permanent	2	2	1
12.1	Civilian personnel benefits	1	1	1
25.2	Other services from non-federal sources.....	7	5	.....
25.3	Other goods and services from Federal sources.....	2	2	.....
99.0	Subtotal, obligations, Direct obligations.....	12	10	2
Reimbursable obligations				
11.1	Full-time permanent.....	1	1	1
25.2	Other services from non-federal sources.....	5	7	7
25.3	Other goods and services from Federal sources.....	1	2	2
99.0	Subtotal, obligations, Reimbursable obligations.....	7	10	10
99.9	Total new obligations.....	19	20	12

Employment Summary

10.01	Direct civilian full-time equivalent employment.....	5	5	4
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Activity: Central Hazardous Materials Fund

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Central Hazardous Materials Fund							
(\$000)	10,010	9,942	+8	0	-7,950	2,000	-7,942
FTE	5	5	0	0	-1	4	-1

Summary of Program Changes

Request Component	(\$000)	FTE
Remediation Project Funding	-7,950	-1

Justification of Program Changes

The 2019 budget request for the Central Hazardous Materials Fund (CHF) program is \$2.0 to fund program management and legal staff. Remediation project funding will be funded from recoveries rather than annual appropriations.

During the transition from appropriated funds to a greater reliance on funds recovered from potentially responsible parties (PRPs), the program office will continue with internal control reviews, prioritization of projects, financial management activities, and technical support although activities will be reduced in scope. The legal staff will continue to seek cost recoveries, negotiate settlements, and assist in providing legal support to bureau project managers. The CHF will fund the highest priority projects based on the availability of recoveries and focus resources on remediation projects with viable PRPs.

Program Overview

The CHF is the Department’s principal source of funds for the cleanup of the most highly contaminated sites located within national parks, national wildlife refuges, and on other Department-managed lands. CHF sites pose potential risks to employees, public health and welfare, and the environment. These sites require resources and technical expertise that cannot adequately be addressed using available bureau resources. The CHF supports the bureaus with the Department’s best legal, technical, and project management expertise to address their highest priority cleanup problems. The CHF funding is only allocated to sites using the cleanup process under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). CERCLA is also known as the “Superfund” statute.

Executive Order 12580 delegated the Department as the “lead agency” for implementing non-emergency CERCLA response actions on Department-managed land. The CHF program authorizes the Department to recover, retain, and use money from the potentially responsible

parties. The Department also avoids costs by directing and overseeing the response actions performed and funded by the PRPs. Since the CHF was established in 1995, it has received over \$110 million in recoveries from PRPs and, as of 2016, has avoided more than \$477 million in bureau spending through in-kind remediation work performed by PRPs and other parties. The CHF has undertaken response action at more than 120 sites and completed cleanup at 20 sites.

The purposes of the CHF are to:

- Protect public health and the environment on Department-managed lands and facilities.
- Respond to the release and threatened release of hazardous substances in a manner consistent with the National Oil and Hazardous Substances Pollution Contingency Plan and with bureau land use and management plan objectives.
- Pursue wherever possible cost recovery from, or the performance of cleanup work by, parties legally responsible for the contamination of Department-managed land.

Project Selection Criteria — The Department's highest priorities for remediation are identified using five criteria:

1. Risk to human health and the environment.
2. Utilization of innovative and accelerated approaches or technology.
3. Involvement of PRPs in bearing cleanup costs.
4. National Priorities List (NPL) status based on EPA's priority list of highly contaminated sites.
5. Mitigating potential enforcement actions that could result if action is not taken.

The selection criteria are applied by the Technical Review Committee (TRC) as it conducts its annual review of projects for the purpose of allocating available resources. The TRC is a multi-disciplinary working group comprised of representatives of the Bureau of Land Management (BLM), the Fish and Wildlife Service (FWS), the National Park Service (NPS), the Bureau of Indian Affairs (BIA), the Bureau of Reclamation (BOR), the U.S. Geological Survey (USGS), and the Office of the Secretary, including the Office of Budget and the Office of Environmental Policy and Compliance (OEPC). OEPC provides policy, coordination, and oversight of the CHF, and also chairs the TRC.

Program Management — The OEPC manages the CHF to provide:

- Direction, consistency, and coordination of the Department's Hazardous Materials Management program.
- Oversight of contaminated site cleanups, and the subsequent monitoring and maintenance of remedial actions, to achieve timely and protective response actions.
- Optimal and cost-effective use of the Department's remediation resources to the Department's contaminated sites.

Program management activities include CHF financial management oversight, technical support, as well as managing a database that is used to track potentially contaminated sites that might need to be funded by the CHF. This database is also used to identify and quantify the Department's Environmental and Disposal Liability (EDL), which will be discussed below.

Cost Recovery — from the establishment of the CHF in 1995 through 2018, the Department obtained an estimated \$587 million from cost-recoveries and for the performance of work by other parties. During this same period, the Department received approximately \$247 million in annual CHF appropriations (FY 2018 appropriation based on annualized CR). For those sites at which PRPs are identified, the Department has used appropriated dollars to leverage response action or recover costs from PRPs. The amount of cost recoveries the Department receives each year is dependent on a number of variables, including but not limited to: the number of projects with viable PRPs; the timing of settlement, and other agreements; the amount of costs already incurred at a project with an agreement; and projects in which the Department receives funding in advance for future remediation.

The program received approximately \$3.4 million in cost recoveries during 2017 which were used to reimburse the Department for remediation costs already incurred. These funds are used to initiate cleanup at other sites where PRPs do not exist, such as abandoned mines, or to continue remediation work at other projects, reducing the amount of appropriated funding required.

Enforcement activity to recover costs or negotiate the performance of work by PRPs is a multi-year, resource intensive Departmental priority activity. Often, extensive research must be conducted to identify viable responsible parties. Negotiations with PRPs can be complex, time consuming, and adversarial. Legal support funded by the CHF includes identifying and researching documentation of response costs, developing legal strategies for cost recovery, coordinating with the Department of Justice, bringing litigation or negotiating settlements, and providing additional support to the bureaus and the Department in the development and successful prosecution of claims.

Additionally, site-specific collaboration, where appropriate, with the Office of Restoration and Damage Assessment enables the Department to speak with one voice in negotiations with PRPs. This unified approach provides an opportunity for PRPs to discharge their obligations for clean-up as well as the restoration of natural resources through a coordinated process.

Cost Estimation — The Remedial Action Cost Estimation Requirements (RACER) is a multi-agency software package designed to provide consistent and replicable cleanup cost estimates and to support financial statements. The Department is a member of the RACER Federal Steering Committee along with the Air Force, Navy, Army, Department of Energy, and EPA. In FY 2019, the CHF will no longer centrally support the RACER software program. RACER is available to bureaus for their cost estimation of CHF projects as well as their contingent environmental liabilities.

Program Performance Estimates

Benefits and impacts from CHF funding go beyond protection of human health and environment. Benefits of cleaning up contaminated sites include increasing access and types of use at public lands that were previously restricted. Types of activities taking place at sites cleaned up by the CHF include, but are not limited to: hunting and fishing, wildlife viewing, hiking, biking, as well as off road vehicle use. There are local and nation-wide economic impacts that are experienced through the expenditure of funding at cleanup sites. For example, at the Crab

Orchard National Priorities List (NPL) site, in Carbondale, IL, 35 percent of the project's expenditures were spent within the local economy adding employment and economic opportunities to this rural community.

The following are examples of cleanup projects requesting CHF funding in 2019:

The Crab Orchard National Wildlife Refuge was established immediately after World War II. Congress wanted to maintain the munitions manufacturing capacity that had supported the war efforts as well as protect the local habitat. Contamination at the Refuge occurred from past military use and subsequent reuse of the industrial areas by private companies. In 1987, the EPA added 22,000 of the 43,500 acres of the Refuge to the NPL. The Crab Orchard NPL Site is the Department's only active Federal Facility NPL site. Activities planned for later in 2018 and in 2019 include remedy implementation at one of the seven Operable Units (OUs), completing the Remedial Investigation/Feasibility Study at another OU, and completion of the Engineering Evaluation/Cost Analysis (EE/CA) of Area 7 OU, as well as operations and maintenance in other OUs at the site.

The Orphan Mine Site is an abandoned uranium mine site located on and beneath the south rim of Grand Canyon National Park, Arizona. The site's unique location, sensitive environment, and radionuclide contamination make investigation and cleanup very challenging. The mine itself is located 1,100 feet below the rim of the canyon, with an operations yard located adjacent to the rim. NPS initiated studies of the canyon side slopes and within the mine, along with a cultural resources report and bat survey report. In FY 2019, the NPS will be completing the OU2 EE/CA work plan and OU1 Removal Action Work Plan as well as site maintenance.

Great Kills Park is located in the borough of Staten Island, NY and has been managed by the National Park Service since 1972. From the 1930s through the 1950s, the City of New York worked to develop a shorefront recreation area by filling wetlands with dredge and waste. The site was covered with clay and sludge reclaimed from City sewage. A number of follow-on surveys have identified areas of low level radiological contamination from radium 226 at the site. Following the June 2015 Final Time Critical Removal Action (TCRA) Completion Report, the NPS conducted a radiological survey of the 265 acre Site and restricted public access through the installation of over 18,000 feet of perimeter fencing with four (4) chain link gates. The radiological survey identified more than 1,200 discrete areas with elevated radiological readings spread over the site. National Park Service has determined it is appropriate to initiate a comprehensive remedial investigation and feasibility study (RI/FS). The RI will fully characterize the nature and extent of contamination, including radiological and chemical constituents, and assess potential risks to human health and the environment associated with exposure to the contamination.

The CHF will continue to focus on performance and management strategies to improve the use of resources, targeting high risk sites, and seeking innovative methods to streamline the cleanup process. Staff is working with other agencies, such as the EPA and the U.S. Army Corps of Engineers, to benchmark cleanup technologies and seek ways of capitalizing other agencies' experiences in cleanup. The CHF is also actively working on strategies to improve internal processes and to manage cleanups. CHF funding supports the economy through contract work at the cleanup sites. The CHF program, by funding remediation at these high risk sites, is returning

contaminated lands to reuse for recreation, hunting, fishing, and other economic uses. The program also improves water quality of adjacent streams and rivers that have been degraded by contaminants and runoff.

Working Capital Fund

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS****Appropriation Language Sheet****Working Capital Fund**

For the operation and maintenance of a departmental financial and business management system, information technology improvements of general benefit to the Department, cybersecurity, and the consolidation of facilities and operations throughout the Department, \$56,735,000, to remain available until expended: Provided, That none of the funds appropriated in this Act or any other Act may be used to establish reserves in the Working Capital Fund account other than for accrued annual leave and depreciation of equipment without prior notice to the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That the Secretary may assess reasonable charges to State, local and tribal government employees for training services provided by the National Indian Program Training Center, other than training related to Public Law 93–638: Provided further, That the Secretary may lease or otherwise provide space and related facilities, equipment or professional services of the National Indian Program Training Center to State, local and tribal government employees or persons or organizations engaged in cultural, educational, or recreational activities (as defined in section 3306(a) of title 40, United States Code) at the prevailing rate for similar space, facilities, equipment, or services in the vicinity of the National Indian Program Training Center: Provided further, That all funds received pursuant to the two preceding provisos shall be credited to this account, shall be available until expended, and shall be used by the Secretary for necessary expenses of the National Indian Program Training Center: Provided further, That the Secretary may enter into grants and cooperative agreements to support the Office of Natural Resource Revenue's collection and disbursement of royalties, fees, and other mineral revenue proceeds, as authorized by law.

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS****Appropriation Language Citations****Appropriation: Working Capital Fund**

Appropriation language and citations:

43 U.S.C. 1467 Et seq., the Working Capital Fund Act.

1. For the operation and maintenance of a departmental financial and business management system, information technology improvements of general benefit to the Department, cybersecurity, and the consolidation of facilities and operations throughout the Department, \$56,735,000, to remain available until expended:

This provision establishes the amount and purpose of appropriated funding in the Working Capital Fund. The funds provided are available until expended in order to ensure flexibility for contracts.

2. Provided, That none of the funds appropriated in this Act or any other Act may be used to establish reserves in the Working Capital Fund account other than for accrued annual leave and depreciation of equipment without prior notice to the Committees on Appropriations of the House of Representatives and the Senate:

This provision clarifies that reserves cannot be established in the Working Capital Fund except for those specified without first notifying the Committees on Appropriations.

3. Provided further, That the Secretary may assess reasonable charges to State, local and tribal government employees for training services provided by the National Indian Program Training Center, other than training related to Public Law 93–638: Provided further, That the Secretary may lease or otherwise provide space and related facilities, equipment or professional services of the National Indian Program Training Center to State, local and tribal government employees or persons or organizations engaged in cultural, educational, or recreational activities (as defined in section 3306(a) of title 40, United States Code) at the prevailing rate for similar space, facilities, equipment, or services in the vicinity of the National Indian Program Training Center: Provided further, That all funds received pursuant to the two preceding provisos shall be credited to this account, shall be available until expended, and shall be used by the Secretary for necessary expenses of the National Indian Program Training Center:

This provision allows the Department to recover the costs of providing training to State, local and tribal government employees at the National Indian Program Training Center, as well as allows the Department to lease space, and recover the costs for professional services and equipment from entities conducting commercial, cultural, or recreational activities at the National Indian Programs Training Center. The National Indian Program Training Center was

established in December of 2004. The Center is managed and operated by the Office of Strategic Employee and Organizational Development. The Center develops and delivers mission critical training to employees of Bureau of Indian Affairs and the Office of the Special Trustee for American Indians. The Center's goals include establishing partnerships with State, local and tribal governments to provide educational opportunities supporting Interior's trust responsibilities to American Indians.

4. Provided further, That the Secretary may enter into grants and cooperative agreements to support the Office of Natural Resource Revenue's collection and disbursement of royalties, fees, and other mineral revenue proceeds, as authorized by law.

This language provides authority to enter into grants and cooperative agreements associated with ONRR's minerals revenue collection and management functions including the State and Tribal Audit Program. This language provides the authority for the Interior Business Center to enter into such agreements necessary to carry out minerals revenue collection and management activities such as the State and Tribal Audit Program.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Appropriation Language Sheet

Administrative Provision

There is hereby authorized for acquisition from available resources within the Working Capital Fund, aircraft which may be obtained by donation, purchase or through available excess surplus property: Provided, That existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS****Appropriation Language Citations****Appropriation: Administrative Provision**

Appropriation language and citations:

1. There is hereby authorized for acquisition from available resources within the Working Capital Fund, aircraft which may be obtained by donation, purchase or through available excess surplus property: Provided, That existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft.

31 U.S.C. 1341 – 1344

This provision provides for general replacement of aircraft and contingency in case of destruction of aircraft for the Department of the Interior, Office of Aviation Services. The aircraft are acquired in order to support Interior scientific, resource protection, and wildland fire missions.

The use of proceeds derived from the sale of replaced aircraft to partially offset the purchase price of the replacement aircraft is a cost conscious and economical approach to the perpetuation of fleet operations which are financially managed through the Working Capital Fund.

Donated aircraft includes those that may become available through court-ordered action following aircraft seizure, forfeiture, or abandonment procedures in the course of conducting law enforcement investigations or that may become available for other reasons. Donated aircraft are included in the number authorized for acquisition. Aircraft acquired as a donation will be subject to the same rules and regulations of any Interior aircraft (i.e., A-76 provisions).

Department-wide Programs - Working Capital Fund Appropriated
Budget At A Glance
(Dollars in Thousands)

	2017 Actual	2018 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2019 Request
Appropriation: Working Capital Fund Appropriated						
Financial and Business Management System	53,900	53,534	0	0	-6,731	46,803
Service First	1,000	993	0	0	-993	0
Cultural and Scientific Collections	1,000	993	0	0	-993	0
Office Consolidations	1,200	1,192	0	0	-1,192	0
Cybersecurity	10,000	9,932	0	0	0	9,932
TOTAL, WORKING CAPITAL FUND APPROPRIATED	67,100	66,644	0	0	-9,909	56,735

Department-wide Programs - Working Capital Fund Appropriated
Summary of Requirements
(Dollars in Thousands)

	2017 Actual		2018 CR Baseline		Fixed Costs & Related (+/-)					2019 Request		Change from 2018	
	Amount	FTE	Amount	FTE	Internal Transfers (+/-)		Program Changes (+/-)		FTE	Amount	FTE	Amount	
					FTE	Amount	FTE	Amount					
Appropriation: Working Capital Fund Appropriated													
Financial and Business Management System	53,900	84	53,534	0	0	0	0	0	-6,731	84	46,803	0	-6,731
Service First	1,000	0	993	0	0	0	0	0	-993	0	0	0	-993
Cultural and Scientific Collections	1,000	1	993	0	0	0	0	-1	-993	0	0	-1	-993
Office Consolidations	1,200	0	1,192	0	0	0	0	0	-1,192	0	0	0	-1,192
Cybersecurity	10,000	0	9,932	0	0	0	0	0	0	0	9,932	0	+0
TOTAL, WORKING CAPITAL FUND APPROPRIATED	67,100	85	66,644	0	0	0	0	-1	-9,909	84	56,735	-1	-9,909

**DEPARTMENT OF THE INTERIOR
DEPARTMENT WIDE PROGRAMS**

**Working Capital Fund
Program and Financing (in millions of dollars)**

Identification code 010-95-4523	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Obligations by program activity:			
Direct program:			
00.01 Enterprise Initiatives, discretionary.....	76	67	57
00.02 Spectrum Category C, mandatory.....	<u>2</u>	<u>13</u>	<u>14</u>
01.00 Direct program subtotal.....	78	80	71
Reimbursable program:			
08.07 WCF Reimbursable Activities.....	<u>1,200</u>	<u>1,080</u>	<u>1,119</u>
08.09 Total reimbursable obligations.....	<u>1,200</u>	<u>1,080</u>	<u>1,119</u>
09.00 Total new obligations.....	1,278	1,160	1,190
Budgetary Resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1.....	287	252	320
10.21 Recoveries of prior year unpaid obligations.....	<u>81</u>	<u>81</u>	<u>81</u>
10.50 Unobligated balance (total).....	368	333	401
Budget authority:			
Appropriation, discretionary:			
11.00 Appropriation.....	<u>67</u>	<u>67</u>	<u>57</u>
11.60 Appropriation, discretionary (total).....	67	67	57
Spending authority from offsetting collections, discretionary:			
17.00 Collected.....	1,187	1,172	1,211
17.01 Change in uncollected payments, Federal sources.....	<u>-92</u>	<u>-92</u>	<u>-92</u>
17.50 Spending auth from offsetting collections, disc (total).....	1,095	1,080	1,119
19.00 Budget authority (total):.....	1,162	1,147	1,176
19.30 Total budgetary resources available.....	1,530	1,480	1,577
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year.....	252	320	387

**DEPARTMENT OF THE INTERIOR
DEPARTMENT WIDE PROGRAMS**

**Working Capital Fund
Program and Financing - cont'd (in millions of dollars)**

Identification code 010-95-4523	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Change in obligated balance:			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1.....	651	536	301
30.10 Obligations incurred, unexpired accounts.....	1,278	1,160	1,190
30.20 Outlays (gross).....	-1,312	-1,314	-1,358
30.40 Recoveries of prior year unpaid obligations, unexpired.....	-81	-81	-81
30.50 Unpaid obligations, end of year.....	536	301	52
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward, Oct 1.....	-559	-467	-375
30.70 Change in uncollected pymts, Fed sources, unexpired.....	92	92	92
30.90 Uncollected pymts, Fed sources, end of year.....	-467	-375	-283
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year.....	92	69	-74
32.00 Obligated balance, end of year.....	69	-74	-231
Budget authority and outlays, net:			
Discretionary:			
40.00 Budget authority, gross.....	1,162	1,147	1,176
40.10 Outlays from new discretionary authority.....	789	799	819
40.11 Outlays from discretionary balances.....	521	507	525
40.20 Outlays, gross (total).....	1,310	1,306	1,344
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.30 Federal Sources.....	-1,174	-1,161	-1,200
40.33 Non-Federal Sources.....	-13	-11	-11
40.40 Offsets against gross budget authority and outlays (total).....	-1,187	-1,172	-1,211
40.50 Change in uncollected pymts, Fed sources, unexpired.....	92	92	92
40.70 Budget authority, net (discretionary).....	67	67	57
40.80 Outlays, net (discretionary).....	123	134	133
Mandatory:			
41.01 Outlays from mandatory balances.....	2	8	14
41.70 Outlays, net (mandatory).....	2	8	14
41.80 Budget authority, net (total).....	67	67	57
41.90 Outlays, net (total).....	125	142	147

**DEPARTMENT OF THE INTERIOR
DEPARTMENT WIDE PROGRAMS**

**Working Capital Fund
Object Classification (in millions of dollars)**

Identification code 010-95-4523	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent (Discretionary).....	10	11	11
12.1 Civilian personnel benefits.....	3	3	3
23.3 Communications, utilities, and miscellaneous charges.....	12	10	9
25.1 Advisory and assistance services.....	3	2	2
25.2 Other services from non-federal sources.....	31	27	20
25.3 Other goods and services from Federal sources	9	8	7
25.3 Other goods and services for Federal sources (Mandatory).....	1	12	13
25.7 Operation and maintenance of equipment (Mandatory).....	1	1	1
25.7 Operation and maintenance of equipment	<u>6</u>	<u>6</u>	<u>5</u>
99.0 Subtotal, obligations, Direct obligations	76	80	71
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent.....	136	133	133
11.3 Other than full-time permanent.....	2	2	2
11.5 Other personnel compensation.....	<u>3</u>	<u>3</u>	<u>3</u>
11.9 Total personnel compensation.....	141	138	138
12.1 Civilian personnel benefits.....	128	127	127
21.0 Travel and transportation of persons.....	3	3	3
23.1 Rental payments to GSA.....	32	32	32
23.2 Rental payments to others.....	5	5	5
23.3 Communications, utilities, and miscellaneous charges.....	71	64	66
25.1 Advisory and assistance services.....	79	72	74
25.2 Other goods and services from non-Federal sources.....	384	317	341
25.3 Other goods and services from federal sources.....	142	127	132
25.4 Operation and maintenance of facilities.....	10	10	10
25.5 Research and development contracts.....	91	82	85
25.6 Medical care.....	1	1	1
25.7 Operation and maintenance of equipment	59	53	55
26.0 Supplies and materials.....	7	7	7
31.0 Equipment.....	8	7	7
41.0 Grants, subsidies, and contributions.....	<u>39</u>	<u>35</u>	<u>36</u>
99.0 Subtotal, obligations, Reimbursable obligations.....	1,200	1,080	1,119
99.5 Adjustment for rounding.....	<u>2</u>	<u>0</u>	<u>0</u>
99.9 Total new obligations.....	1,278	1,160	1,190

Personnel Summary

Direct:			
10.01 Civilian full-time equivalent employment.....	88	85	84
Reimbursable:			
20.01 Civilian full-time equivalent employment.....	1,321	1,283	1,283

**Activity: Business Integration Office (BIO)
Financial and Business Management System (FBMS)**

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Working Capital Fund <i>(appropriation requested)</i>							
(\$000)	53,900	53,534	+0	+0	-6,731	46,803	-6,731
FTE	87	84	+0	+0	+0	84	0

Summary of Program Changes

Request Component	(\$000)	FTE
FBMS Contract Services	-\$6,731	0

Justification of Program Changes

The BIO will continue to operate and maintain the FBMS, and provide for the administrative systems requirements of all Interior bureaus for core accounting, budget execution, acquisition, financial assistance, real and personal property management, fleet management, travel integration, enterprise information management, and reporting. As necessary to maintain core responsibilities, the BIO’s will prioritize efforts to keep the system’s operational and technical capabilities current. It is critical that FBMS remain technically current so as to keep the system secure and operational. Technical currency efforts will include migrating to a modern database and in-memory processing platform.

Program Overview

The Financial and Business Management System (FBMS) is a single Department-wide management initiative that replaced the Department’s many standalone administrative systems to provide a modernized, fully integrated, enterprise-wide solution. FBMS, managed by the Business Integration Office (BIO), supports the administrative systems requirements of all Interior bureaus for core accounting, budget execution, acquisition, financial assistance, real and personal property management, fleet management, travel integration, enterprise information management, and reporting.

FBMS facilitates a common approach to financial and business management through standardization and integration. As a result, the Department is positioned to deliver programs

and services in a more efficient and effective manner, with greatly improved internal controls. Benefits include:

- Enhanced access to, and sharing of, real-time business information that supports effective business decisions for mission delivery across the Department, bureaus, and in the field;
- More timely business reports that facilitate analysis of core financial, acquisition, financial assistance, and property data;
- Retirement of outdated legacy systems that do not comply with current mandates and are no longer supported by their software vendors;
- An improved internal control environment with separation of duties and standardized business practices to support the internal controls;
- Support for the consolidated financial Department-wide audit with centrally produced information that can be used by the Department, the Office of Inspector General, and an independent auditor;
- Shared expertise across the Department and the bureaus so knowledge can be leveraged across the entire enterprise; and
- Development and adoption of shared approaches for improving reporting and data management, management of tracking and reporting of administrative efficiencies, and value management.

The implementation of FBMS across Interior has allowed the Department to realize the benefits of a fully integrated, secure, modernized, business management system, and to strengthen the integration and communication across the business management policy communities. The BIO continues to sustain this valuable business management integration, while managing the FBMS investment. The BIO performs all system analysis and project management to deliver, maintain and optimize the business process support tools for the FBMS.

Program Performance Estimates

Since FBMS became fully operational across the Department, efforts have continued to improve, optimize and leverage this valuable enterprise system. The BIO's 2017 accomplishments and activities include:

- *In-memory computing* – The BIO continued the multi-phase effort to migrate to the next generation of technology, in-memory computing. This improvement will enable quick, more complete data analysis to support decision making. The first phase was implemented in November 2016, and provided transformational improvement for over 60 transactions, mostly real-time operational reports, greatly increasing the speed and utility of these reports. This new platform also increased speed across the FBMS application. The second phase of this modernization went live in December 2017. This phase of in-memory computing will transform the FBMS-wide data warehouse, greatly increasing the ability to leverage FBMS data as well as greatly increasing the speed of reports against this data warehouse.

- *Reporting improvements* – The BIO greatly increased the ability to make business decisions by advancing the Department’s data visualization capabilities to inform decision making, including the establishment of a data warehouse to support reporting and analysis of DOI travel spending. The BIO also focused on key reporting improvement initiatives such as enterprise-wide budget reporting; improved reporting on motor vehicle inventory, cost, and use to enable improved management of DOI’s fleet; and improved and streamlined Department-wide reporting on Federal Real Property Profile (FRPP) to enable improved management of DOI’s real estate assets
- *Usability improvements* – The BIO implemented over 700 system improvement items utilizing a modular, agile deployment approach to deliver value to the user community at a more rapid pace.
- *Production Operations Support* – The BIO provided continuous, quality production support (e.g., system operations and processing, helpdesk support, issue resolution) for approximately 12,000 FBMS users and over 85,000 travel users.
- *Improved the FBMS security environment* – The BIO implemented updates to align FBMS with the Office of the Chief Information Officer policy to include improved account management controls and data encryption.

Planned 2018 activities include:

- *System Security* – With available resources, the BIO will reduce the security and operational risk to FBMS by completing system-wide upgrades.
- *Usability improvements* – The BIO will focus on implementing the business community’s highest priorities for system improvements.
- *Reporting improvements* – The BIO will strive to improve the FBMS reporting environment through enhancement of the second phase of the in-memory effort by leveraging the new technology to make data more easily available. This will improve system performance and provide timely access to system data to support analysis and visualization of Department budget, financial, acquisition, financial assistance and property information. The BIO will continue to implement a data quality program that will analyze the data within FBMS to identify opportunities to increase the efficiency of DOI operations and business decision making.
- *Performance and usability improvements* – The BIO will continue its business process analysis to identify opportunities to improve DOI operations through improved business processes or system configurations. The third phase of in-memory improvements will increase speed across the majority of transactions and enable several ease of use improvements. In-memory adoption is a multi-year effort that will improve business transaction processing and reporting, and also sets the stage for larger usability improvements. Building on the successful completion and acceptance of DOI’s financial systems roadmap, DOI has initiated business and systems roadmaps in several areas complementary to FBMS, such as budget and performance, facilities work order management, and revenue systems. The goal of each of these roadmaps is to create a plan to support the kinds of benefits being realized from FBMS, such as common business and data standards;

modern and unified platforms; transparent reporting using modern analytical tools; increased automated controls and information security; and support for Government-wide initiatives.

Activity: Service First

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Working Capital Fund <i>(appropriation requested)</i>							
(\$000)	1,000	993	+0	+0	-993	0	-993
FTE	0	0	+0	+0	+0	0	0

Summary of Program Changes

Request Component	(\$000)	FTE
Service First Activities	-993	-0

Justification of Program Changes

Due to higher priorities, the Department is not requesting funding for this program. The Service First initiative has demonstrated the benefits of collocating and consolidating land management agency offices. Future efforts will be accommodated within Bureau budgets as opportunities for colocation are identified.

Activity: Cultural and Scientific Collections

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Working Capital Fund <i>(appropriation requested)</i>							
(\$000)	1,000	993	+0	+0	-993	0	-993
FTE	1	1	+0	+0	-1	0	-1

Summary of Program Changes

Request Component	(\$000)	FTE
Cultural and Scientific Collections Management	-\$993	-1

Justification of Program Changes

Due to higher priorities, the Department is not requesting funding for this program.

Activity: Office Consolidation

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Working Capital Fund <i>(appropriation requested)</i>							
(\$000)	1,200	1,192	+0	+0	-1,192	0	-1,192
FTE	0	0	+0	+0	+0	0	+0

Summary of Program Changes

Request Component	(\$000)	FTE
Office Consolidation Activities	-1,192	-0

Justification of Program Changes

Due to higher priorities, the Department is not requesting funding for this program. Funding needed for this activity will be included in Bureau budgets.

Activity: Cybersecurity

	2017 Actual	2018 CR Baseline	2019				Change from 2018 (+/-)
			Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	Budget Request	
Working Capital Fund <i>(appropriation requested)</i>							
(\$000)	10,000	9,932	+0	+0	+0	9,932	+0
FTE	0	0	0	0	0	0	0

Program Overview

The Department of the Interior, Office of the Chief Information Officer and bureau and office leadership continue to work collaboratively to identify, plan and implement actions to address gaps in DOI’s cybersecurity readiness and risk posture. DOI continues to experience attempts to exploit cybersecurity weaknesses. As a result, continuous monitoring and process enhancements are needed to protect DOI data and systems. DHS continues to transition Continuous Diagnostics and Mitigation (CDM) support functions to DOI.

Program Performance Estimates

In 2018 and 2019, the Department continues to address new threats and external attacks on its networks, systems, and information. Cybersecurity funding is used to support ongoing operations and maintenance costs for incident remediation activities, including managing technology assets, protecting trusted internet connections, and protecting email. A portion of the funds also maintains recurring costs for DHS CDM tools implemented following the 2015 cyber breach incident involving the Office of Personnel Management. The Department supports the DHS CDM program and will continue to fund the operations and maintenance costs of the initial investments.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund — Reimbursable Activity
Narrative Statement**

History

The Department of the Interior’s (DOI) Working Capital Fund (WCF) was established pursuant to 43 U.S.C. 1467, to provide common administrative and support services efficiently and economically on a reimbursable basis to Interior’s bureaus and offices as well as other Federal agencies.

Overview

Funding Summary
(Dollars in thousands)

Billing Method	2017	2018	2019
Central Bill	\$185,197.1	\$185,493.9	\$198,658.8
Direct Bill	324,700.0	325,295.0	343,771.4
Pass Through Activities	678,060.6	557,557.8	566,569.8
Charge Card Rebate	12,042.3	11,653.3	10,000.0
	<u>\$1,200,000.0</u>	<u>\$1,080,000.0</u>	<u>\$1,119,000.0</u>
FTE	1,321	1,283	1,283

Purpose

The Fund is used to finance reimbursable activities including centralized services provided by individual Departmental Offices, Office of the Secretary (OS) offices, the Office of the Chief Information Officer (OCIO) and the Interior Business Center (IBC). The Fund also provides an efficient way to bill Interior bureaus and offices for shared costs, such as office space in the Main Interior Building provided by the General Services Administration.

In addition to meeting the needs of the Department’s bureaus and offices, selected administrative services are provided to a growing number of other Federal agencies. Chief among these activities are the Federal Personnel and Payroll System, and the Financial Management Line of Business provided by IBC. The IBC is one of the four entities providing payroll services across the entire Federal government.

The Fund also serves as the financial tool to manage the Department’s charge card rebate program. Rebates are used to fund administrative management initiatives of general benefit to Interior’s bureaus and offices.

Governance

Fiduciary responsibility for the Fund rests with the Assistant Secretary – Policy, Management, and Budget. Direct oversight and management of the Fund is conducted by the Office of Budget, with supervision of the Deputy Assistant Secretary – Budget, Finance, Performance, and Acquisition. The Working Capital Fund Consortium provides oversight for centralized and direct billed activities. The Consortium includes representation from DOI Bureaus and is chaired by the Deputy Assistant Secretary – Budget, Finance, Performance and Acquisition.

Service Providers

Service Providers in the WCF range from individual OS offices to large scale shared service providers. Services are grouped within four service categories to provide a transparent view of services provided through the WCF to DOI customers and other Federal agencies. Descriptions of Service Providers within each category are:

OS Shared Services – These activities are operational in nature, and with limited exceptions service DOI customers only. These activities are billed to bureaus using workload-based algorithms such as the number of system users, aircraft flight hours, and percentage of building population.

OS Activities – These activities provide policy oversight and Department-wide coordination functions. These activities are billed to bureaus using algorithms, such as percentage of total Department full-time equivalents (FTE), which best represent the nature of programs being overseen or coordinated.

IT Shared Services – These activities provide a variety of IT-related functions ranging from desktop and help desk support to application hosting and IT security. These activities are managed within the Office of the Chief Information Officer and provided to DOI and other Federal agency customers. Billing algorithms are workload-based.

IBC Shared Services – The Interior Business Center (IBC) is the Department’s Shared Service Provider of business management services. The IBC offers a variety of business services designed to create efficiencies and economies of scale for the Department and other Federal agencies including Acquisition Services, Financial Management Services, and Human Resources Services.

Billing Methods

Customer billing for services provided through the WCF is accomplished using one of the following methods:

Centralized Billing is used whenever the product or service being provided is not severable or it is inefficient to bill for the exact amount of product or service being procured. Customers are billed annually using a pre-established fixed price, as determined in the

Working Capital Fund Consortium budget formulation process. Estimates are adjusted from year-to-year based on a review of the costs of providing services and customer consumption. The use of centralized billing is limited to the Department’s bureaus and offices and mandatory services. Bureau and office budgets are adjusted to reflect increases or decreases in the costs of services which are centrally billed. For 2019, bureau and office budget requests include full funding for all charges in the centralized billing portion of the Fund.

Direct Billing is used whenever the product or service provided is discretionary or severable and individual customer orders are used. Direct billing is used for both fixed fee and time and materials contractual arrangements. Reimbursable support agreements, government charge cards, and similar contractual documents are used to establish the relationship between the customer and the service provider. Bureaus and offices adjust their budget requests based on their estimates of service levels required and requested through the direct billing.

Centralized and Direct Billings include overhead charges unless the product or service is a Pass Through Activity. Overhead Activities are corporate-level leadership and administrative functions and infrastructure support including acquisition, human resources, financial management, facilities and information technology. Service Providers are authorized to fully recover costs of overhead activities. Overhead costs are included in rates charged by Service Providers for centralized and direct billed services.

Pass Through Activities are activities where the value of goods provided is recovered. Costs to administer Pass Through Activities are recovered through separate direct bill fee structures. Pass Through Activities include the value of contracts awarded on behalf of other Federal agency customers of the IBC Acquisition Services Directorate, maintenance of DOI fleet aircraft, rent, physical security, and maintenance for the Main Interior Building Complex. Pass Through Activities also include the Department’s Workers Compensation and Unemployment Compensation costs.

Charge Card Rebate is used to support Departmental projects including enterprise financial and property management. Authorization to retain refunds and rebates to enhance Interior-wide programs and administrative systems was provided in the Interior Appropriations Act of 1999 and made permanent in 2001. The table below provides a summary of projects funded through the Charge Card Rebate:

Projects Funded:	2017 Actual	2018 Estimate	2019 Estimate
Charge Card Operations & Oversight	\$1,407.6	\$1,572.3	\$1,507.7
Government-Wide Initiatives	342.9	0.0	0.0
Financial Systems Reporting & Optimization	5,993.7	6,194.4	6,030.0
Emergent Requirements	4,298.1	3,886.6	2,462.3
	\$12,042.3	\$11,653.3	\$10,000.0

Financial Overview

In 2019, the WCF will finance delivery of \$1,119 million of reimbursable services, an increase \$39 million, or 3.61%, over the 2018 Estimate. In 2019, the WCF centralized bill reflects an overall increase of \$13.2 million above the 2018 estimate. All bureaus and offices are fully funded for their WCF bills.

Bureaus and offices have included funding requests in their budgets equal to the proposed charges in the centralized billing portion of the Fund.

Revenue reported in 2017 for direct billing represents reimbursable agreements received in 2017. Revenue projected for 2018 and 2019 is based on anticipated business. For direct billing, since service level agreements are negotiated between customers and service providers, customers may not be billed for the estimates shown in 2018 and 2019 because billings are based on the goods and services actually procured.

The table following on the next pages summarizes the Fund's revenue and FTE for 2017, 2018, and 2019 by budget activity. The 2018 column has been updated from the 2018 President's Budget level, to reflect current 2018 estimates. Thus, changes to the 2019 column are calculated based on these updated figures.

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE and Revenue by Activity

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
<u>Centralized Billing</u>						
OS Shared Services						
FBMS Infrastructure Hosting and Support	0.0	14,837.0	0.0	14,837.0	0.0	14,837.0
FBMS Business Integration Office	0.0	14,837.0	0.0	14,837.0	0.0	14,837.0
Aviation Management	57.0	9,987.8	57.0	9,987.8	57.0	9,987.8
Office of Aviation Services	57.0	9,987.8	57.0	9,987.8	57.0	9,987.8
Interior Complex Management and Services	30.0	6,737.7	28.0	6,696.0	25.0	6,797.0
Vehicle Fleet	1.0	262.4	1.0	258.1	1.0	265.3
Departmental Library	9.0	1,481.6	9.0	1,449.4	8.0	1,308.3
Mail Policy	2.0	259.8	2.0	249.8	2.0	256.9
Real Property Leasing	0.0	0.0	0.0	244.1	0.0	279.7
Office of Facilities & Admin Services	42.0	8,741.5	40.0	8,897.4	36.0	8,907.2
Valuation Services	8.0	2,053.7	8.0	2,053.7	8.0	2,159.8
Appraisal and Valuation Service Office	8.0	2,053.7	8.0	2,053.7	8.0	2,159.8
OS Shared Services Subtotal	107.0	35,620.0	105.0	35,775.9	101.0	35,891.8
OS Activities						
Secretary's Indian Water Rights Office	2.0	694.5	2.0	694.5	2.0	694.5
Secretary's Immediate Office	2.0	694.5	2.0	694.5	2.0	694.5
Document Management Unit	7.0	1,275.9	7.0	1,275.9	7.0	1,275.9
FOIA Tracking and Reporting System	10.0	1,871.3	10.0	1,871.3	10.0	1,871.3
Office of the Executive Secretariat	17.0	3,147.2	17.0	3,147.2	17.0	3,147.2
Alaska Affairs Office	4.0	1,096.2	4.0	1,096.2	4.0	1,116.6
Alaska Resources Library and Information Services	0.0	1,002.6	0.0	1,072.3	0.0	1,072.3
Secretary's Immediate Office	4.0	2,098.8	4.0	2,168.5	4.0	2,188.9
Departmental News and Information	4.0	1,189.4	4.0	1,189.4	4.0	1,189.4
Photographic Services	1.0	217.7	1.0	217.7	1.0	217.7
Office of Communications	5.0	1,407.1	5.0	1,407.1	5.0	1,407.1
Asbestos-Related Cleanup Cost Liabilities	2.0	21.2	2.0	21.2	2.0	21.2
FedCenter	0.0	21.3	0.0	21.3	0.0	21.3
Compliance Support ESF-11/ESF-11 Website	0.0	90.9	0.0	90.9	0.0	90.9
Office of Environmental Policy and Compliance	2.0	133.4	2.0	133.4	2.0	133.4
Land and Water Settlements	0.0	204.6	0.0	0.0	0.0	0.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Invasive Species Coordinator	1.0	217.6	1.0	217.6	1.0	217.6
Office of Policy Analysis	1.0	422.2	1.0	217.6	1.0	217.6
Passport and Visa Services	2.0	290.0	0.0	0.0	0.0	0.0
International Affairs Office	2.0	290.0	0.0	0.0	0.0	0.0
National Invasive Species Council	5.0	1,202.1	5.0	1,202.1	5.0	1,202.1
Office of Policy Analysis	5.0	1,202.1	5.0	1,202.1	5.0	1,202.1
CPIC	1.0	216.7	1.0	216.7	1.0	216.7
Office of Budget	1.0	216.7	1.0	216.7	1.0	216.7
Financial Statement, Internal Controls and Performance	2.0	644.7	2.0	644.6	2.0	644.6
Travel Management Center	1.0	187.9	1.0	188.0	1.0	188.0
PFM Departmental Offices Finance Branch	7.0	1,074.4	7.0	1,074.4	10.0	1,547.0
e-Travel	0.0	999.9	0.0	999.9	0.0	999.9
Partnerships	1.0	292.3	1.0	292.3	1.0	292.3
Office of Financial Management	11.0	3,199.2	11.0	3,199.2	14.0	3,671.8
Interior Asset Disposal System O&M	0.0	40.4	0.0	40.4	0.0	40.4
Interior Collections Management System (1G-ICMS)	0.0	592.0	0.0	592.0	0.0	592.0
Space Management Initiative	2.0	345.5	2.0	400.7	2.0	400.7
Renewable Energy Certif. and NREL Project Coordination	1.0	300.4	1.0	300.4	0.0	101.5
Facility Maintenance Management System	1.0	204.7	1.0	204.7	1.0	204.7
Departmental Museum	4.0	1,130.9	4.0	1,130.9	4.0	1,130.9
DOT Relocation Technical Assistance	0.0	35.4	0.0	35.4	0.0	35.4
Office of Property & Acquisition Management	8.0	2,649.3	8.0	2,704.5	7.0	2,505.6
Planning and Performance Management	4.0	1,151.3	4.0	1,151.3	4.0	1,151.3
Office of Planning and Performance Management	4.0	1,151.3	4.0	1,151.3	4.0	1,151.3
Firefighter and Law Enforcement Retirement Team	1.0	296.4	1.0	296.4	1.0	296.4
Department-wide Worker's Compensation Program	4.0	560.5	4.0	560.5	4.0	560.5
Human Resources Accountability Team	2.0	636.2	2.0	636.2	2.0	636.2
Employee and Labor Relations Tracking System	0.0	31.8	0.0	31.8	0.0	31.8
Accessibility and Special Hiring Programs	2.0	595.3	2.0	595.3	2.0	595.3
Consolidated Employee Assistance Program	0.0	708.1	0.0	708.1	0.0	708.1
OPM Federal Employment Services	0.0	360.0	0.0	360.0	0.0	360.0
Office of Human Resources	9.0	3,188.3	9.0	3,188.3	9.0	3,188.3

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Working Capital Fund

FTE and Revenue by Activity

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
EEO Complaints Tracking System	0.0	36.2	0.0	36.2	0.0	36.2
Special Emphasis Program	0.0	38.7	0.0	38.7	0.0	38.7
Office of Civil Rights	0.0	74.9	0.0	74.9	0.0	74.9
Occupational Safety and Health	5.0	1,470.0	5.0	1,470.0	5.0	1,470.0
Safety Management Information System	3.0	1,177.0	3.0	1,177.0	3.0	1,177.0
Office of Occupational Health and Safety	8.0	2,647.0	8.0	2,647.0	8.0	2,647.0
DOIU Management	2.0	641.0	2.0	641.0	2.0	641.0
Leadership Development Programs	2.0	922.6	2.0	922.6	2.0	922.6
Department-Wide Training Programs	3.0	964.8	3.0	964.8	3.0	964.8
Learning and Performance Center Management	3.0	957.3	3.0	957.3	3.0	957.3
DOI Learning Management System	1.0	1,596.0	1.0	1,596.0	1.0	1,757.6
DOI University	11.0	5,081.7	11.0	5,081.7	11.0	5,243.3
Security (MIB)	7.0	7,523.4	7.0	7,525.4	7.0	7,525.4
Sensitive Compartmented Information Facility (SCIF)	2.0	501.3	2.0	501.3	2.0	501.3
Law Enforcement Coordination	3.0	673.2	3.0	677.2	3.0	677.2
Victim Witness Coordinator	1.0	181.2	1.0	181.2	1.0	181.2
OLES Detailees - Training and Compliance	3.0	765.4	3.0	765.4	3.0	765.4
Office of Law Enforcement and Security	16.0	9,644.5	16.0	9,650.5	16.0	9,650.5
Interior Operations Center	10.0	2,121.4	10.0	2,121.4	10.0	2,195.0
Emergency Preparedness	2.0	909.3	2.0	909.3	2.0	909.3
Emergency Response	5.0	1,338.9	5.0	1,338.9	5.0	1,338.9
MIB Emergency Health and Safety	1.0	176.8	1.0	176.8	1.0	176.8
Federal Executive Board	2.0	266.4	2.0	266.4	2.0	266.4
DOI Incident Coordination - IQCS/iROSS	1.0	250.0	1.0	250.0	1.0	250.0
Send Word Now Emergency Notification System	0.0	9.0	0.0	9.0	0.0	19.2
Office of Emergency Management	21.0	5,071.8	21.0	5,071.8	21.0	5,155.6
Alternative Dispute Resolution Training	0.0	48.0	0.0	48.0	0.0	48.0
Collaborative Action and Dispute Resolution	0.0	48.0	0.0	48.0	0.0	48.0
Passport and Visa Services	0.0	0.0	2.0	290.0	2.0	290.0
Assistant Secretary for Insular and International Affairs	0.0	0.0	2.0	290.0	2.0	290.0
Cooperative Ecosystem Study Units (CESU)	0.0	245.0	0.0	245.0	0.0	245.0
CFO Financial Statement Audit	0.0	8,080.0	0.0	8,080.0	0.0	8,282.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Working Capital Fund

FTE and Revenue by Activity

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Glen Canyon Adaptive Management Program (GCAMP)	0.0	653.6	0.0	653.6	0.0	653.6
Department-wide Activities	0.0	8,978.6	0.0	8,978.6	0.0	9,180.6
Ethics	0.0	509.0	0.0	587.1	0.0	629.9
FOIA Appeals	0.0	501.9	0.0	501.9	0.0	503.0
Torts Management Support	0.0	0.0	8.0	1,652.7	8.0	1,664.7
Office of the Solicitor	0.0	1,010.9	8.0	2,741.7	8.0	2,797.5
OS Activities Subtotal	127.0	52,357.5	135.0	54,014.5	137.0	54,811.9
IT Shared Services						
IT Transformation (ITT)	0.0	5,000.0	0.0	0.0	0.0	0.0
Office of the Chief Information Officer	0.0	5,000.0	0.0	0.0	0.0	0.0
Unified Messaging	11.0	1,358.9	9.0	1,242.2	9.0	1,003.2
Enterprise Directory Services	4.0	3,468.4	4.0	3,497.1	4.0	3,508.1
IOS Collaboration	0.0	1,038.5	0.0	1,042.9	0.0	803.6
IT Desktop Software Administration	0.0	819.7	0.0	838.9	0.0	838.9
Desktop Services	4.0	2,458.6	3.0	2,570.7	3.0	2,575.9
IT Service Delivery Division - End User Services	19.0	9,144.1	16.0	9,191.8	16.0	8,729.7
Threat Management	14.0	7,007.3	11.0	7,082.7	11.0	7,104.2
Privacy and Civil Liberties	2.0	829.1	2.0	1,018.4	2.0	1,207.0
Assessment and Authorization Services	1.0	182.2	1.0	185.0	1.0	186.3
IT Security	3.0	955.4	3.0	971.5	3.0	977.0
Information Assurance Division	3.0	789.0	3.0	951.0	3.0	957.3
Identity Credential Access Mgmt (ICAM)	2.0	946.5	1.0	965.4	1.0	789.7
Enterprise Continuous Diagnostics and Monitoring	7.0	957.4	6.0	972.3	6.0	2,097.2
CDM Phase I	0.0	0.0	0.0	0.0	0.0	2,321.7
CDM Phase II	0.0	0.0	0.0	0.0	0.0	5,910.0
Enterprise Security Incident and Event Management Solution	2.0	2,040.7	2.0	2,060.8	2.0	2,063.0
Information Systems Security Operations (ISSO)	1.0	201.6	1.0	39.2	1.0	39.2
Information Assurance Division	35.0	13,909.2	30.0	14,246.3	30.0	23,652.5
Hosting Services	1.0	452.5	1.0	459.5	1.0	462.1
IT Management Division	1.0	452.5	1.0	459.5	1.0	462.1
Solutions, Design and Innovation (SDI)	4.0	1,035.7	4.0	1,052.6	4.0	1,057.6
Electronic Records Management	11.0	3,106.1	9.0	3,177.9	9.0	3,187.8

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE and Revenue by Activity

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
National Archives and Records Administration	0.0	141.6	0.0	164.0	0.0	164.0
Geospatial Services	1.0	236.1	1.0	238.6	1.0	240.0
e-Forms	0.0	1,813.0	0.0	0.0	0.0	0.0
Information and Technology Management Division	16.0	6,332.5	14.0	4,633.1	14.0	4,649.5
Enterprise Services Network (ESN)	11.0	3,947.5	9.0	3,942.4	9.0	4,006.5
Federal Relay Service	0.0	240.0	0.0	247.2	0.0	379.1
Frequency Management Support	4.0	1,115.0	4.0	1,066.2	4.0	1,134.5
NTIA Spectrum Management	0.0	1,890.7	0.0	2,182.6	0.0	2,182.8
Radio Program Management Office (NRSPMO)	2.0	1,039.2	2.0	850.4	2.0	1,071.0
Enterprise Services Network - Central Bill Pass-Throughs	0.0	16,740.6	0.0	16,775.2	0.0	16,777.3
Telecommunication Services	4.0	1,548.2	3.0	1,586.3	3.0	1,593.9
Integrated Digital Voice Communications System (IDVC)	0.0	1,268.2	0.0	1,306.3	0.0	1,306.3
MIB Data Networking	1.0	604.8	1.0	620.6	1.0	629.3
MIB WIFI	0.0	0.0	0.0	0.0	0.0	615.0
IT Service Delivery Division - Telecommunications	22.0	28,394.1	19.0	28,577.2	19.0	29,695.7
ISSO Customer Support Services	1.0	735.4	1.0	752.8	1.0	754.1
IT Service Delivery Division - Customer Support Services	1.0	735.4	1.0	752.8	1.0	754.1
e-Government Initiatives	0.0	3,740.6	0.0	3,578.6	0.0	4,047.1
e-Gov - Performance Management Line of Business	0.0	0.0	0.0	54.6	0.0	54.6
Architecture and IT Portfolio Performance Management	0.0	2,582.8	0.0	2,767.5	0.0	2,771.9
Compliance and Audit Management (CAM)	6.0	1,884.8	6.0	1,915.1	6.0	1,924.4
IT Budget Formulation and Portfolio Development	4.0	2,081.7	4.0	2,106.5	4.0	2,116.7
Recreation One-Stop	0.0	100.0	0.0	103.0	0.0	103.0
CPIC	0.0	401.9	0.0	414.0	0.0	414.0
Planning and Performance Management Division	10.0	10,791.8	10.0	10,939.3	10.0	11,431.7
Sustain Data Center Consolidation and Cloud Hosting	0.0	0.0	0.0	1,697.0	0.0	848.5
Gateway/Bandwidth Expansion	0.0	0.0	0.0	2,548.8	0.0	2,548.8
IT Management Division	0.0	0.0	0.0	4,245.8	0.0	3,397.3
IT Shared Services Subtotal	104.0	74,759.6	91.0	73,045.8	91.0	82,772.5
Interior Business Center						
Federal Personnel and Payroll System	83.0	16,365.1	83.0	16,478.2	83.0	17,353.3
HR System Integration Framework	3.0	785.0	3.0	823.8	3.0	871.3

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Drug and Alcohol Testing - Collection	4.0	0.0	2.0	700.5	2.0	737.9
Drug and Alcohol Testing - Program Management	4.0	0.0	2.0	387.8	2.0	487.0
Employee Express	0.0	744.0	0.0	741.2	0.0	763.4
Drug Testing	4.0	1,066.9	0.0	0.0	0.0	0.0
IBC Human Resources Directorate	98.0	18,961.0	90.0	19,131.5	90.0	20,212.9
Transportation Services	1.0	169.5	1.0	169.4	1.0	170.7
Quarters Management Information System	0.0	233.1	1.0	136.6	1.0	138.9
Quarters Program	2.0	448.4	1.0	561.1	1.0	604.9
IBC Financial Management Directorate	3.0	851.0	3.0	867.1	3.0	914.5
Boise Acquisition Office	15.0	2,648.2	15.0	2,659.1	15.0	4,055.2
IBC Acquisitions Services Directorate	15.0	2,648.2	15.0	2,659.1	15.0	4,055.2
Interior Business Center Subtotal	116.0	22,460.2	108.0	22,657.7	108.0	25,182.6
Centralized Billing Subtotal	454.0	185,197.4	439.0	185,493.9	437.0	198,658.8

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
<u>Direct Billing</u>						
OS Shared Services						
FBMS DOI-IT Support	2.0	371.8	2.0	371.2	2.0	376.8
Financial and Business Mgmt System - FBMS	2.0	371.8	2.0	371.2	2.0	376.8
Creative Communications	2.0	355.1	2.0	472.4	2.0	547.0
Reimbursable Mail Services	0.0	898.0	0.0	841.5	0.0	850.4
Reimbursable Vehicle Fleet	0.0	60.8	0.0	67.0	0.0	67.0
Office of Facilities & Admin Services	2.0	1,314.0	2.0	1,380.9	2.0	1,464.4
Lease Administration - MIB	2.0	921.0	2.0	778.3	2.0	792.3
MIB Operation and Maintenance	13.0	14,208.9	12.0	12,526.5	12.0	12,745.3
Office of Facilities & Administrative Services	15.0	15,129.9	14.0	13,304.8	14.0	13,537.6
Federal Consulting Group	9.0	19,213.7	9.0	22,633.1	9.0	22,633.1
Federal Consulting Group / DOIU	9.0	19,213.7	9.0	22,633.1	9.0	22,633.1
Aviation Management	5.0	2,148.9	5.0	2,160.9	5.0	2,160.9
Office of Aviation Services	5.0	2,148.9	5.0	2,160.9	5.0	2,160.9
OS Shared Services Subtotal	33.0	38,178.3	32.0	39,850.9	32.0	40,172.9
OS Activities						
Secretary's Indian Water Rights Office	1.0	875.0	1.0	675.0	1.0	684.7
Secretary's Immediate Office	1.0	875.0	1.0	675.0	1.0	684.7
Recycle Program	0.0	40.0	0.0	40.0	0.0	40.0
Office of Environmental Policy and Compliance	0.0	40.0	0.0	40.0	0.0	40.0
Ocean Coastal Great Lakes Activities	0.0	270.4	0.0	0.0	0.0	0.0
Office of Policy Analysis	0.0	270.4	0.0	0.0	0.0	0.0
WCF Budget Formulation, Execution, and Funds Control	10.0	1,882.6	8.0	1,546.1	8.0	1,587.3
Office of Budget	10.0	1,882.6	8.0	1,546.1	8.0	1,587.3
OS Finance Office	3.0	461.8	3.0	636.4	0.0	0.0
Single Audit Clearinghouse	0.0	46.2	0.0	50.7	0.0	53.5
Office of Financial Management	3.0	508.0	3.0	687.0	0.0	53.5
e-OPF	0.0	2,520.6	0.0	1,429.4	0.0	1,429.4
Office of Human Resources	0.0	2,520.6	0.0	1,429.4	0.0	1,429.4
Equal Employment Opportunity (EEO) Training	0.0	0.0	0.0	73.7	0.0	73.7
Equal Employment Opportunity (EEO) Investigations	0.0	189.3	0.0	166.7	0.0	166.7

DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE and Revenue by Activity

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Diversity Change Training	0.0	235.5	0.0	160.0	0.0	160.0
Office of Civil Rights	0.0	424.8	0.0	400.4	0.0	400.4
Consolidated Direct Billed Leadership and Perf Centers	6.0	2,009.1	7.0	2,400.0	7.0	2,089.1
Government-wide Acquisition Intern Program XII	1.0	402.7	1.0	423.2	1.0	629.9
DOI Learning Management System	1.0	158.6	1.0	255.0	1.0	400.0
Senior Executive Service Candidate Development Program	0.0	319.6	0.0	703.6	0.0	725.4
Government-Wide Forums	1.0	292.3	0.0	100.0	0.0	120.0
National Indian Prgms Training Center (NIPTC)	0.0	323.6	0.0	109.0	0.0	133.5
DOI University	9.0	3,506.0	9.0	3,990.8	9.0	4,097.9
OLES BSEE Detailee	1.0	252.5	1.0	240.0	1.0	243.8
Incident Management Analysis and Reporting System	8.0	3,955.1	8.0	4,694.7	8.0	4,788.5
Reimbursable Security Services	0.0	0.0	0.0	0.0	0.0	0.0
Office of Law Enforcement and Security	9.0	4,207.6	9.0	4,934.7	9.0	5,032.3
Ocean Coastal Great Lakes Activities	0.0	0.0	0.0	220.0	0.0	220.0
Assistant Secretary for Insular and International Affairs	0.0	0.0	0.0	220.0	0.0	220.0
Transportation Benefits (Transit Subsidies)	0.0	645.6	0.0	645.6	0.0	645.6
Federal Flexible Savings Account (FSA) Program	0.0	200.0	0.0	200.0	0.0	200.0
Department-wide Programs	0.0	845.6	0.0	845.6	0.0	845.6
OS Activities Subtotal	32.0	15,080.6	30.0	14,769.0	27.0	14,391.1
IT Shared Services						
Unified Messaging	1.0	7,376.8	4.0	8,300.0	4.0	8,346.4
IOS Collaboration	0.0	77.4	0.0	31.3	0.0	31.3
Desktop Services	4.0	3,818.5	4.0	2,661.4	4.0	2,673.1
IT Service Delivery Division - End User Services	5.0	11,272.8	8.0	10,992.7	8.0	11,050.7
Anti-Virus Software Licenses	0.0	69.0	0.0	55.0	0.0	55.0
Data-at-Rest Initiative	0.0	323.1	0.0	162.0	0.0	162.0
End Point Manager Licenses	0.0	2,249.9	0.0	2,640.9	0.0	2,720.1
Identity Credential Access Management (ICAM)	0.0	8,546.1	0.0	8,744.8	0.0	8,744.8
CDM Licenses	1.0	160.0	1.0	2,544.8	1.0	2,544.8
Information Assurance Division	1.0	11,348.1	1.0	14,147.5	1.0	14,226.7
Data Center Consolidation and Cloud Planning, Analysis and	0.0	130.0	0.0	0.0	0.0	0.0
Core Hosting Services	36.0	33,994.6	39.0	26,458.7	39.0	27,588.5

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
IT Management Division	36.0	34,124.6	39.0	26,458.7	39.0	27,588.5
Electronic Records Management	0.0	5,593.7	0.0	4,589.3	0.0	4,589.3
ESRI Enterprise Licenses	0.0	225.0	0.0	6,772.0	0.0	6,902.6
ESRI ELA and NAIP Payment Collection	0.0	9,240.3	0.0	1,900.0	0.0	1,900.0
Information and Technology Management Division	0.0	15,059.0	0.0	13,261.3	0.0	13,391.9
Information Systems Security Operations (ISSO)	15.0	6,339.2	16.0	6,709.0	16.0	6,747.1
Information Systems Security Line of Business	0.0	5,335.2	0.0	4,700.0	0.0	4,700.0
Information Assurance Division	15.0	11,674.4	16.0	11,409.0	16.0	11,447.1
Enterprise Services Network	0.0	28,775.1	0.0	26,225.3	0.0	26,225.3
EIS (Contracts)	0.0	0.0	0.0	0.0	0.0	10,000.0
EID Rack Space	0.0	122.9	0.0	346.7	0.0	352.6
Frequency Management Support	0.0	72.3	0.0	73.0	0.0	74.2
EID Office Space	0.0	31.8	0.0	31.2	0.0	31.6
COMSEC Program	1.0	229.4	1.0	232.1	1.0	234.8
ISSO Telecommunications	2.0	1,532.7	2.0	1,137.4	2.0	1,142.4
ISSO Network Support Services	5.0	5,418.0	5.0	5,399.8	5.0	5,465.5
Denver Phone System	0.0	510.7	0.0	712.4	0.0	712.5
IT Service Delivery Division - Telecommunications	8.0	36,692.9	8.0	34,157.9	8.0	44,238.8
Customer Support Services Division	0.0	0.0	0.0	190.9	0.0	190.9
Customer Support Ctr Division (CSCD) - Customer Support	28.0	8,277.3	31.0	9,649.9	31.0	9,728.1
IT Service Delivery Division - Customer Support Services	28.0	8,277.3	31.0	9,840.8	31.0	9,919.0
IT Shared Services Subtotal	93.0	128,449.1	103.0	120,267.9	103.0	131,862.8
Interior Business Center						
IBC Facilities Services	0.0	641.0	0.0	649.0	0.0	668.5
IBC Office of the Director	0.0	641.0	0.0	649.0	0.0	668.5
Federal Personnel and Payroll System	213.0	39,587.1	210.0	41,056.4	210.0	42,721.1
Quicktime	0.0	3,269.2	8.0	3,553.1	8.0	4,156.7
webTA	7.0	3,976.5	8.0	3,395.4	8.0	3,914.5
FPPS Casuals	4.0	895.6	4.0	899.9	4.0	924.7
FedTalent	0.0	0.0	0.0	142.5	0.0	147.3
Human Resources Management Suite	0.0	0.0	7.0	2,131.0	7.0	2,202.3
Migrations/Implementations	14.0	952.6	8.0	2,642.1	8.0	2,721.5

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

Working Capital Fund

FTE and Revenue by Activity

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Talent Management System	8.0	628.2	6.0	544.0	6.0	1,581.9
Learning Content	0.0	1,048.5	0.0	1,188.8	0.0	1,224.4
HR Systems Integration Framework	8.0	1,899.4	6.0	2,052.8	6.0	2,138.0
Employee Express	0.0	1,098.0	0.0	1,097.2	0.0	1,116.8
Human Resource Operations Division	48.0	7,486.1	48.0	7,573.0	48.0	8,517.0
Staffing Solutions - USA Staffing	0.0	4,983.1	0.0	5,029.0	0.0	5,036.0
Staffing Solutions - Monster Hiring Management	0.0	6,499.0	1.0	4,248.8	1.0	4,376.4
Special Projects	0.0	2,684.6	6.0	2,183.5	6.0	2,245.0
Payroll & HR Systems (Passthrough)	0.0	0.0	0.0	0.0	0.0	0.0
Leave and Earning Statements	0.0	195.8	0.0	200.3	0.0	205.9
HR Line of Business	0.0	0.0	0.0	0.0	0.0	0.0
Personnel Security	25.0	1,794.6	25.0	5,279.3	25.0	5,425.5
Drug Testing (Direct Bill)	0.0	0.0	0.0	0.0	0.0	0.0
Drug and Alcohol Testing - Collection	1.0	1,307.8	5.0	1,621.6	5.0	1,712.3
Drug and Alcohol Testing - Program Management	0.0	686.9	3.0	1,035.0	3.0	1,301.1
IBC Human Resources Directorate	328.0	78,993.0	345.0	85,873.8	345.0	91,668.5
Financial Systems	48.0	20,703.0	48.0	22,809.4	48.0	23,196.1
Quarters Management Information System	1.0	497.0	1.0	224.0	1.0	229.6
FPSD: e-Travel Solutions	3.0	1,485.2	5.0	1,088.4	5.0	1,120.9
FMD General License Passthrough	0.0	4,158.7	0.0	2,904.1	0.0	2,953.5
FM Line of Business Passthrough	0.0	188.2	0.0	0.0	0.0	0.0
IBC Financial Management Systems	52.0	27,032.2	54.0	27,025.9	54.0	27,500.1
FBMS Discretionary Support for OS-IBC	0.0	1,118.1	0.0	0.0	0.0	0.0
Accounting Operations	97.0	9,319.5	0.0	0.0	0.0	0.0
FBMS Master Data Management	0.0	337.5	0.0	0.0	0.0	0.0
Acct Ops: Financial Transact Proc - Commercial Payments	0.0	0.0	20.0	3,950.7	20.0	4,049.3
Acct Ops: Financial Transact Proc - PCS Travel Coordinator	0.0	0.0	8.0	1,126.5	8.0	1,143.6
Acct Ops: Financial Transact Proc - TDY Local Payment	0.0	0.0	11.0	2,088.3	11.0	2,137.3
Acct Ops: General Accounting	0.0	0.0	28.0	4,771.2	28.0	4,890.5
Acct Ops: Intra-Governmental Payments	0.0	0.0	9.0	1,739.0	9.0	1,777.0
Acct Ops: Revenue, AR, Reimbursable Mgmt	0.0	0.0	11.0	2,260.8	11.0	2,318.5
IBC Financial Management Directorate	97.0	10,775.1	87.0	15,936.5	87.0	16,316.2

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS**

**Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Indirect Cost Services	17.0	2,804.3	19.0	3,071.0	19.0	3,163.9
IBC Financial Management Directorate	17.0	2,804.3	19.0	3,071.0	19.0	3,163.9
Quarters Direct Surveys / Financial Systems	0.0	0.0	1.0	417.0	1.0	429.0
Charge Card Support Operations	6.0	0.0	6.0	1,232.5	6.0	1,267.7
IBC Financial Management Directorate	6.0	0.0	7.0	1,649.5	7.0	1,696.7
Acquisition Services	117.0	20,906.4	81.0	14,401.5	81.0	14,530.7
Aviation Acquisition Services	0.0	1,840.0	0.0	1,800.0	0.0	1,800.0
IBC Acquisitions Services Direct	117.0	22,746.5	81.0	16,201.5	81.0	16,330.7
Interior Business Center Subtotal	617.0	142,991.9	593.0	150,407.2	593.0	157,344.7
Direct Billing Subtotal	775.0	324,700.0	758.0	325,295.0	755.0	343,771.4

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE and Revenue by Activity**

<u>Account</u>	<u>2017 Actual</u>		<u>2018 Estimate</u>		<u>2019 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
<u>Charge Card Rebates</u>						
OS Activities						
Charge Card Rebate Program	2.0	12,042.3	1.0	11,653.3	1.0	10,000.0
Policy , Management and Budget	2.0	12,042.3	1.0	11,653.3	1.0	10,000.0
OS Activities Subtotal	2.0	12,042.3	1.0	11,653.3	1.0	10,000.0
Charge Card Rebates Subtotal	2.0	12,042.3	1.0	11,653.3	1.0	10,000.0

**DEPARTMENT OF THE INTERIOR
DEPARTMENT-WIDE PROGRAMS
Working Capital Fund
FTE by Billing Type**

<u>Billing Type</u>	<u>2017 Actual</u>	<u>2018 Estimate</u>	<u>2019 Estimate</u>
Centralized Billing	454.0	439.0	437.0
Direct Billing	775.0	758.0	755.0
Charge Card Rebates	2.0	1.0	1.0
Overhead Activities	90.0	85.0	90.0
Working Capital Fund Grand Total	1,321.0	1,283.0	1,283.0

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Interior Franchise Fund

DEPARTMENT OF THE INTERIOR DEPARTMENT-WIDE PROGRAMS

Interior Franchise Fund Narrative Statement

History

The Government Management Reform Act of 1994 (P.L. 103-356) authorized creation of six executive agency pilot franchise funds. The Director of the Office of Management and Budget approved the Department of the Interior's application for a pilot program in May 1996 and the Interior Franchise Fund was established in the 1997 Interior and Related Agencies Appropriations Act (P.L. 104-208). The 2008 Omnibus Appropriation bill provided permanent franchise fund authority.

Purpose

The purpose of the Interior Franchise Fund (IFF) is to provide common administrative and financial management services to Federal agencies on a discretionary and competitive basis. The objective of the Franchise Fund program is to reduce the costs of common services and systems to Interior and other Federal agencies and, ultimately, the taxpayer by streamlining and standardizing business processes and supporting architecture and systems. Common services are those functions all agencies perform in support of their missions.

Governance

The Department provides IFF oversight through a formal governance structure and policy. The governance structure provides operating principles, criteria, and a management control framework for shared services operating in the IFF. This oversight ensures business lines support the Department's strategic goals and initiatives and service offerings are in compliance with Federal and Departmental programs and expectations.

Service Providers

The Interior Business Center (IBC) provides services executed in the Interior Franchise Fund. IBC is the Department of the Interior's Shared Service Provider of business management services. IBC offers business services through the IFF designed to create efficiencies and economies of scale for the Department and other Federal agencies as described below:

Acquisition Services – Provides lifecycle assisted acquisition from project inception through contract completion including acquisition planning; pre-award documentation and solicitation; negotiation; contract award and administration; and contract closeout services.

Financial Systems – Provides financial system conversion, implementation, and operation and maintenance. Financial system services are provided as a component of OMB and the Department of the Treasury's Financial Management Line of Business (FMLoB) Initiative.

FMLoB is a Federal government-wide e-government initiative providing solutions that respond to the financial management needs of participating agencies. FMLoB is managed by the Department of the Treasury's Office of Financial Innovation and Transformation.

Billing Methods

Customer billing for services provided through the Interior Franchise Fund is accomplished using one of the following methods:

Direct Billing is used whenever the product or service provided is discretionary or severable and individual customer orders are used. Direct billing is used for both fixed fee and time and materials contractual arrangements. Reimbursable support agreements and similar contractual documents are used to establish the relationship between the customer and the Service Provider. Customer agencies adjust their budget requests based on their estimates of service levels required and requested through the direct billing.

Overhead Activities are corporate-level leadership and administrative functions and infrastructure support including acquisition, human resources, financial management, facilities and information technology. Service Providers are authorized to fully recover costs of overhead activities. Overhead costs are included in rates charged by service providers for direct billed services.

Pass Through Activities are activities where the value of goods provided is recovered. Costs to administer pass-through activities are recovered through separate direct bill fee structures. Pass Through Activities include the value of contracts awarded on behalf of other Federal agency customers of the IBC Acquisition Services Directorate.

Financial Overview

The IFF has been instrumental in assisting the Department with major infrastructure improvements and other Department-wide initiatives. The following table details the use of the IFF Capital Improvements Reserve from 2004 – 2018.

Department of the Interior
Use of IFF Capital Improvement Reserve
2004 - 2018
Dollars in thousands

Fiscal Year	Financial			Total
	Management Systems	ADP Systems 1/	Other Support Systems	
2004-2016	\$68,000	\$36,640	\$5,267	\$109,907
2017	1,530	4,964	0	6,494
2018 2/	0	0	0	0
Total	\$69,530	\$41,604	\$5,267	\$116,401

1/ An IT System of one or more computers, associated software, and data storage.

2/ 2018 Usage is through January 3, 2018.

The following table details revenue, expenses, and estimated contributions to the IFF Capital Improvements Reserve.

Interior Franchise Fund
Revenue and Expense Summary
2017-2019
Dollars in thousands

<u>Revenue</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Acquisition Services	\$38,269.9	\$52,590.0	\$52,588.1
Financial Systems	\$12,372.4	\$70,384.4	\$50,766.4
Total Revenue	\$50,642.3	\$122,974.4	\$103,354.5
<u>Operating Expenses</u>			
Acquisition Services	\$29,769.9	\$43,713.1	\$45,051.0
Financial Systems	\$11,880.4	\$70,384.4	\$50,766.4
Total Expense	\$41,650.3	\$114,097.5	\$95,817.4
Net Reserve Contribution	\$8,992.0	\$8,876.9	\$7,537.1

2018 and 2019 are estimates based on projected customer workload.

Overview of Detail to Follow

The tables following this narrative provide the Program and Financing Schedule, Object Class Summary and Personnel Summary.

**DEPARTMENT OF THE INTERIOR
DEPARTMENT WIDE PROGRAMS**

**Interior Franchise Fund
Program and Financing (in millions of dollars)**

Identification code 14-4529-0-306	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Obligations by program activity:			
08.01 Reimbursable Activity.....	2,204	1,426	1,407
09.00 Total new obligations.....	2,204	1,426	1,407
Budgetary Resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1.....	133	143	199
10.21 Recoveries of prior year unpaid obligations.....	56	56	56
10.50 Unobligated balance (total).....	189	199	255
Budget authority:			
Spending authority from offsetting collections, discretionary:			
17.00 Collected.....	1,079	1,347	1,328
17.01 Change in uncollected payments, Federal sources.....	79	79	79
17.50 Spending auth from offsetting collections, disc (total).....	1,158	1,426	1,407
Spending authority from offsetting collections, mandatory:			
18.00 Collected.....	1,000	.....	.....
19.30 Total budgetary resources available.....	2,347	1,625	1,662
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year.....	134	185	267
Change in obligated balance:			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1.....	997	2,022	1,045
30.10 Obligations incurred, unexpired accounts.....	2,204	1,426	1,407
30.20 Outlays (gross).....	-1,123	-2,347	-1,348
30.40 Recoveries of prior year unpaid obligations, unexpired.....	-56	-56	-56
30.50 Unpaid obligations, end of year.....	2,022	1,045	1,048
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward, Oct 1.....	-757	-836	-915
30.70 Change in uncollected pymts, Fed sources, unexpired.....	-79	-79	-79
30.90 Uncollected pymts, Fed sources, end of year.....	-836	-915	-994
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year.....	240	1,186	130
32.00 Obligated balance, end of year.....	1,186	130	54
Budget authority and outlays, net:			
Discretionary:			
40.00 Budget authority, gross.....	1,158	1,426	1,407
40.10 Outlays from new discretionary authority.....	108	278	274
40.11 Outlays from discretionary balances.....	995	1,089	1,074
40.20 Outlays, gross (total).....	1,103	1,367	1,348
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.30 Federal Sources.....	-1,073	-1,347	-1,328
40.33 Non-Federal Sources.....	-6	.....	.....
40.40 Offsets against gross budget authority and outlays (total).....	-1,079	-1,347	-1,328
Additional offsets against gross budget authority only:			
40.50 Change in uncollected pymts, Fed sources, unexpired.....	-79	-79	-79
40.80 Outlays, net (discretionary).....	24	20	20

**DEPARTMENT OF THE INTERIOR
DEPARTMENT WIDE PROGRAMS**

**Interior Franchise Fund
Program and Financing - cont'd (in millions of dollars)**

Identification code 14-4529-0-306	2017	2018	2019
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Mandatory:			
40.90 Budget authority, gross.....	1,000	.....	.....
41.00 Outlays from new mandatory authority.....	20	.....	.....
41.01 Outlays from mandatory balances.....	.....	980	.....
41.10 Outlays, gross (total).....	20	980	.....
41.20 Federal Sources (total).....	-1,000	.....	.....
41.70 Outlays, net (mandatory).....	-980	980	.....
41.90 Outlays, net (total).....	-956	1,000	20

Object Classification (in millions of dollars)

Reimbursable obligations:

Personnel compensation:

11.1 Full-time permanent.....	14	17	17
12.1 Civilian personnel benefits.....	5	6	6
23.1 Rental payments to GSA.....	1	1	1
23.3 Communications, utilities, and miscellaneous charges.....	8	10	9
25.1 Advisory and assistance services.....	1,493	589	582
25.2 Other services from non-Federal sources.....	587	691	682
25.3 Other goods and services from Federal sources.....	21	25	24
25.4 Operation and maintenance of facilities.....	1	1	1
25.5 Research and development contracts.....	62	73	72
25.7 Operation and maintenance of equipment.....	2	3	3
26.0 Supplies and materials.....	1	1	1
31.0 Equipment.....	6	7	7
41.0 Grants, subsidies, and contributions.....	1	2	2
99.0 Subtotal, obligations, Reimbursable obligations.....	2,202	1,426	1,407
99.5 Adustment for rounding.....	2	.....	.....
99.0 Subtotal, obligations, Direct obligations	2,204	1,426	1,407

Employment Summary

20.01 Civilian full-time equivalent employment.....	139	168	168
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General Provisions

Interior, Environment, and Related Agencies

Title I - GENERAL PROVISIONS (INCLUDING TRANSFERS OF FUNDS)

EMERGENCY TRANSFER AUTHORITY—INTRA-BUREAU

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: Provided, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: Provided further, That it is the sense of Congress that all funds used pursuant to this section be replenished by a supplemental appropriation, to be requested as promptly as possible.

Purpose: Sec. 101. The provision allows for the transfer of funds within a bureau in cases of emergency and defined circumstances when authorized by the Secretary.

EMERGENCY TRANSFER AUTHORITY—DEPARTMENT-WIDE

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of wildland fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oil spills; for response and natural resource damage assessment activities related to actual oil spills or releases of hazardous substances into the environment; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 417(b) of Public Law 106–224 (7 U.S.C. 7717(b)); for emergency reclamation projects under section 410 of Public Law 95–87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: Provided, That appropriations made in this title for wildland fire operations shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for wildland fire operations, with such reimbursement to be credited to appropriations currently available at the time of receipt thereof: Provided further, That for wildland fire operations, no funds shall be made available under this authority until the Secretary determines that funds appropriated for "wildland fire suppression" shall be exhausted within 30 days: Provided further, That all funds used pursuant to this section be replenished by a supplemental appropriation, to be requested as promptly as possible: Provided further, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

Purpose: Sec. 102. The provision allows for the transfer of funds between bureaus in cases of emergency and defined circumstances when authorized by the Secretary.

AUTHORIZED USE OF FUNDS

SEC. 103. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by section 3109 of title 5, United States Code, when authorized by the Secretary, in total amount not to exceed \$500,000; purchase and replacement of motor vehicles, including specially equipped law enforcement vehicles; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

Purpose: Sec. 103. The provision allows for the use of appropriations, up to \$500,000 for certain consulting services, and authorizes the purchase, and replacement of motor vehicles; hire, maintenance and operation of aircraft; payment of dues, etc.

AUTHORIZED USE OF FUNDS, INDIAN TRUST MANAGEMENT

SEC. 104. Appropriations made in this Act under the headings Bureau of Indian Affairs and Bureau of Indian Education, and Office of the Special Trustee for American Indians and any unobligated balances from prior appropriations Acts made under the same headings shall be available for expenditure or transfer for Indian trust management and reform activities. Total funding for historical accounting activities shall not exceed amounts specifically designated in this Act for such purpose.

Purpose: Sec. 104. The provision permits the transfer of appropriated and unobligated balances in the Bureau of Indian Affairs, Bureau of Indian Education and the Office of the Special Trustee for American Indians, for Indian trust and reform activities.

REDISTRIBUTION OF FUNDS, BUREAU OF INDIAN AFFAIRS

SEC. 105. Notwithstanding any other provision of law, the Secretary of the Interior is authorized to redistribute any Tribal Priority Allocation funds, including tribal base funds, to alleviate tribal funding inequities by transferring funds to address identified, unmet needs, dual enrollment, overlapping service areas or inaccurate distribution methodologies. No tribe shall receive a reduction in Tribal Priority Allocation funds of more than 10 percent in fiscal year 2019. Under circumstances of dual enrollment, overlapping service areas or inaccurate distribution methodologies, the 10 percent limitation does not apply.

Purpose: Sec. 105. The provision permits the redistribution of tribal priority allocation and tribal base funds to alleviate funding inequities. The provision also prohibits the reduction of a Tribe's

Tribal Priority Allocation funds by more than 10 percent in fiscal year 2019, except in certain circumstances.

ELLIS, GOVERNORS, AND LIBERTY ISLANDS

SEC. 106. Notwithstanding any other provision of law, the Secretary of the Interior is authorized to acquire lands, waters, or interests therein including the use of all or part of any pier, dock, or landing within the State of New York and the State of New Jersey, for the purpose of operating and maintaining facilities in the support of transportation and accommodation of visitors to Ellis, Governors, and Liberty Islands, and of other program and administrative activities, by donation or with appropriated funds, including franchise fees (and other monetary consideration), or by exchange; and the Secretary is authorized to negotiate and enter into leases, subleases, concession contracts or other agreements for the use of such facilities on such terms and conditions as the Secretary may determine reasonable.

Purpose: Sec. 106. The provision authorizes the Secretary to acquire lands, waters, or interests therein to operate and maintain facilities in support of transportation and accommodation of visitors to Ellis, Governors, or Liberty Islands, by donation or with appropriated funds, including franchise fees, or by exchange. The provision also authorizes the Secretary to negotiate and enter into leases, subleases, concession contracts, or other agreements for the use of such facilities.

OUTER CONTINENTAL SHELF INSPECTION FEES

SEC. 107. (a) In fiscal year 2019, the Secretary shall collect a nonrefundable inspection fee, which shall be deposited in the "Offshore Safety and Environmental Enforcement" account, from the designated operator for facilities subject to inspection under 43 U.S.C. 1348(c).

(b) Annual fees shall be collected for facilities that are above the waterline, excluding drilling rigs, and are in place at the start of the fiscal year. Fees for fiscal year 2019 shall be:

- (1) \$10,500 for facilities with no wells, but with processing equipment or gathering lines;*
- (2) \$17,000 for facilities with 1 to 10 wells, with any combination of active or inactive wells;*
and
- (3) \$31,500 for facilities with more than 10 wells, with any combination of active or inactive wells.*

(c) Fees for drilling rigs shall be assessed for all inspections completed in fiscal year 2019. Fees for fiscal year 2019 shall be:

- (1) \$30,500 per inspection for rigs operating in water depths of 500 feet or more; and*
- (2) \$16,700 per inspection for rigs operating in water depths of less than 500 feet.*

(d) Fees for inspection of well operations conducted via non-rig units as outlined in title 30 CFR 250 subparts D, E, F, and Q shall be assessed for all inspections completed in fiscal year 2019.

Fees for fiscal year 2019 shall be:

- (1) \$13,260 per inspection for non-rig units operating in water depths of 2,500 feet or more;*
- (2) \$11,530 per inspection for non-rig units operating in water depths between 500 feet and 2,499 feet; and*
- (3) \$4,470 per inspection for non-rig units operating in water depths of less than 500 feet.*

(e) The Secretary shall bill designated operators under subsection (b) within 60 days, with payment required within 30 days of billing. The Secretary shall bill designated operators under subsections (c) and (d) within 30 days of the end of the month in which the inspection occurred, with payment required within 30 days of billing.

Purpose: Sec. 107. The provision provides the authority to charge Outer Continental Shelf oil and gas operators a fee for the OCS facilities that the Bureau of Safety and Environmental Enforcement inspects.

BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT REORGANIZATION

SEC. 108. The Secretary of the Interior, in order to implement a reorganization of the Bureau of Ocean Energy Management, Regulation and Enforcement, may transfer funds among and between the successor offices and bureaus affected by the reorganization only in conformance with the reprogramming guidelines described in the report accompanying this Act.

Purpose: Sec. 108. The provision authorizes the Secretary to transfer funds among and between the successor offices and bureaus affected by the reorganization of the Bureau of Ocean Energy Management, Regulation and Enforcement.

CONTRACTS AND AGREEMENTS FOR WILD HORSE AND BURRO HOLDING FACILITIES

SEC. 109. Notwithstanding any other provision of this Act, the Secretary of the Interior may enter into multiyear cooperative agreements with nonprofit organizations and other appropriate entities, and may enter into multiyear contracts in accordance with the provisions of section 3903 of title 41, United States Code (except that the 5-year term restriction in subsection (a) shall not apply), for the long-term care and maintenance of excess wild free roaming horses and burros by such organizations or entities on private land. Such cooperative agreements and contracts may not exceed 10 years, subject to renewal at the discretion of the Secretary.

Purpose: Sec. 109. The provision authorizes the Secretary to enter into multiyear cooperative agreements and contracts with certain entities for the long-term care and maintenance of excess wild horses and burros.

MASS MARKING OF SALMONIDS

SEC. 110. The United States Fish and Wildlife Service shall, in carrying out its responsibilities to protect threatened and endangered species of salmon, implement a system of mass marking of salmonid stocks, intended for harvest, that are released from federally operated or federally financed hatcheries including but not limited to fish releases of coho, chinook, and steelhead species. Marked fish must have a visible mark that can be readily identified by commercial and recreational fishers.

Purpose: Sec. 110. The provision requires the FWS implement a system of mass making of salmonid stocks, intended for harvest, that are released from federally financed hatcheries. The provision requires that marked fish have a mark readily identifiable by commercial and recreational fishermen.

EXHAUSTION OF ADMINISTRATIVE REVIEW

SEC. 111. Paragraph (1) of section 122(a) of division E of Public Law 112–74 (125 Stat. 1013) is amended by striking "fiscal years 2012 through 2018," in the first sentence and inserting "fiscal year 2012 and each fiscal year thereafter,".

Purpose: Sec. 111. The provision stipulates that a person may bring a civil action challenging a decision of the Bureau of Land Management concerning grazing on public lands (as defined in section 103(e) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(e)) in Federal District Court only if the person has exhausted the administrative hearings and appeals procedures established by Interior, including having filed a timely appeal and a request for stay.

CONTRACTS AND AGREEMENTS WITH INDIAN AFFAIRS

SEC. 112. Notwithstanding any other provision of law, during fiscal year 2019, in carrying out work involving cooperation with State, local, and tribal governments or any political subdivision thereof, Indian Affairs may record obligations against accounts receivable from any such entities, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year.

Purpose: Sec. 112. The provision allows the Bureau of Indian Affairs and Bureau of Indian Education to continue to perform reimbursable work for Tribes, State and local governments, and pre-approved private organizations in advance of receipt of the funding, through FY 2019.

AFFILIATED AREA

SEC. 113. Section 5 of Public Law 95–348 is amended by striking "not to exceed \$3,000,000" and inserting "such sums as may be necessary for the purposes of this section".

Purpose: Sec. 113. The provision eliminates the funding cap for an affiliated area of the National Park Service, the American Memorial Park.

TRANSFER OF ANIMALS TO OTHER AGENCIES

SEC. 114. Notwithstanding any other provision of law, the Secretary of the Interior may transfer excess wild horses or burros that have been removed from the public lands to other Federal, State, and local government agencies for use as work animals: Provided, That the Secretary may make such transfer immediately upon request of such Federal, State, or local government agency: Provided further, That any excess animal transferred under this provision shall lose its status as a wild free-roaming horse or burro as defined in the Wild Free-Roaming Horses and

Burros Act: Provided further, That any Federal, State, or local government agency receiving excess wild horses or burros as authorized in this section shall not: destroy the horses or burros in a way that results in their destruction into commercial products; sell or otherwise transfer the horses or burros in a way that results in their destruction for processing into commercial products; or euthanize the horses or burros except upon the recommendation of a licensed veterinarian, in cases of severe injury, illness, or advanced age.

Purpose: Sec. 114. The provision continues authority for the Bureau of Land Management to transfer excess wild horses and burros to other Federal, State, and local government agencies.

DEPARTMENT OF THE INTERIOR EXPERIENCED SERVICES PROGRAM

SEC. 115. (a) Notwithstanding any other provision of law relating to Federal grants and cooperative agreements, the Secretary of the Interior is authorized to make grants to, or enter into cooperative agreements with, private nonprofit organizations designated by the Secretary of Labor under title V of the Older Americans Act of 1965 to utilize the talents of older Americans in programs authorized by other provisions of law administered by the Secretary and consistent with such provisions of law.

(b) Prior to awarding any grant or agreement under subsection (a), the Secretary shall ensure that the agreement would not—

- (1) result in the displacement of individuals currently employed by the Department, including partial displacement through reduction of non-overtime hours, wages, or employment benefits;*
- (2) result in the use of an individual under the Department of the Interior Experienced Services Program for a job or function in a case in which a Federal employee is in a layoff status from the same or substantially equivalent job within the Department; or*
- (3) affect existing contracts for services.*

Purpose: Sec. 115. The provision continues authority for the Department to enter into grants or cooperative agreements with private nonprofit organizations designated by the Secretary of Labor under Title V of the Older Americans Act of 1965.

CONTRIBUTION AUTHORITY

SEC. 116. Section 113 of Division G of Public Law 113–76 is amended by striking "2019," and inserting "2020,".

Purpose: Sec. 116. The provision extends authority for BOEM and BSEE to accept contributions of money or services through FY 2020.

INVASIVE SPECIES COUNCIL

SEC. 117. Appropriations contained in this or any other Act to the heads of agencies that are members of the Invasive Species Council as established in Executive Order No. 13112 may be used to support operations of the Council.

Purpose: Sec. 117. The provision provides authority for the Federal agencies that are members of the Invasive Special Council to provide funding to support operations of the Council.

**TITLE IV—GENERAL PROVISIONS
(INCLUDING TRANSFERS OF FUNDS)****OBLIGATION OF APPROPRIATIONS**

SEC. 401. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Purpose: Sec. 401. The provision provides that appropriations are only available for one year unless expressly provided in the Act.

DISCLOSURE OF ADMINISTRATIVE EXPENSES

SEC. 402. The amount and basis of estimated overhead charges, deductions, reserves or holdbacks, including working capital fund and cost pool charges, from programs, projects, activities and subactivities to support government-wide, departmental, agency, or bureau administrative functions or headquarters, regional, or central operations shall be presented in annual budget justifications. Advance notice of changes to such estimates shall be presented to the Committees on Appropriations.

Purpose: Sec. 402. The provision requires submission of estimated overhead charges, deductions, reserves or holdbacks in the annual budget justifications.

MINING APPLICATIONS

SEC. 403. (a) LIMITATION OF FUNDS.—None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws.

(b) EXCEPTIONS.—Subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned (1) a patent application was filed with the Secretary on or before September 30, 1994; and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims, sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date.

(c) REPORT.—On September 30, 2020, the Secretary of the Interior shall file with the House and Senate Committees on Appropriations and the Committee on Natural Resources of the House and the Committee on Energy and Natural Resources of the Senate a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the Department of the Interior and Related Agencies Appropriations Act, 1997 (Public Law 104–208).

(d) MINERAL EXAMINATIONS.—In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Director of the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole responsibility to choose and pay the third-party contractor in accordance

with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.

Purpose: Sec. 403. The provision continues a limitation on accepting and processing applications for patents and on the patenting of Federal lands.

CONTRACT SUPPORT COSTS, PRIOR YEAR LIMITATION

SEC. 404. Sections 405 and 406 of division F of the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113–235) shall continue in effect in fiscal year 2019.

Purpose: Sec. 404. The provision continues the limitation on contract support costs in the 1994-2014 Appropriations Acts.

CONTRACT SUPPORT COSTS, FISCAL YEAR 2019 LIMITATION

SEC. 405. Amounts provided by this Act for fiscal year 2019 under the headings "Department of Health and Human Services, Indian Health Service, Contract Support Costs" and "Department of the Interior, Bureau of Indian Affairs and Bureau of Indian Education, Contract Support Costs" are the only amounts available for contract support costs arising out of self-determination or self-governance contracts, grants, compacts, or annual funding agreements for fiscal year 2019 with the Bureau of Indian Affairs or the Indian Health Service: Provided, That such amounts provided by this Act are not available for payment of claims for contract support costs for prior years, or for repayments of payments for settlements or judgments awarding contract support costs for prior years.

Purpose: Sec. 405. The provision specifies that funds provided in the annual appropriation are available for contract support costs of activities funded by that appropriation. Funds are not available to pay prior year contract support cost claims.

FOREST MANAGEMENT PLANS

SEC. 406. The Secretary of Agriculture shall not be considered to be in violation of subparagraph 6(f)(5)(A) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(f)(5)(A)) solely because more than 15 years have passed without revision of the plan for a unit of the National Forest System. Nothing in this section exempts the Secretary from any other requirement of the Forest and Rangeland Renewable Resources Planning Act (16 U.S.C. 1600 et seq.) or any other law: Provided, That if the Secretary is not acting expeditiously and in good faith, within the funding available, to revise a plan for a unit of the National Forest System, this section shall be void with respect to such plan and a court of proper jurisdiction may order completion of the plan on an accelerated basis.

Purpose: Sec. 406. The provision does not apply to the Department of the Interior.

PROHIBITION WITHIN NATIONAL MONUMENTS

SEC. 407. No funds provided in this Act may be expended to conduct preleasing, leasing and related activities under either the Mineral Leasing Act (30 U.S.C. 181 et seq.) or the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) within the boundaries of a National Monument established pursuant to the Act of June 8, 1906 (16 U.S.C. 431 et seq.) as such boundary existed on January 20, 2001, except where such activities are allowed under the Presidential proclamation establishing such monument.

Purpose: Sec. 407. The provision limits preleasing, leasing, and related activities within the boundaries of National Monuments.

LIMITATION ON TAKINGS

SEC. 408. Unless otherwise provided herein, no funds appropriated in this Act for the acquisition of lands or interests in lands may be expended for the filing of declarations of taking or complaints in condemnation without providing prior notification to the House and Senate Committees on Appropriations: Provided, That this provision shall not apply to funds appropriated to implement the Everglades National Park Protection and Expansion Act of 1989, or to funds appropriated for Federal assistance to the State of Florida to acquire lands for Everglades restoration purposes.

Purpose: Sec. 408. The provision requires the approval of the Committees on Appropriations for all declarations of taking and complaints in condemnation except those associated with Everglades restoration activities.

PROHIBITION ON NO-BID CONTRACTS

SEC. 409. None of the funds appropriated or otherwise made available by this Act to executive branch agencies may be used to enter into any Federal contract unless such contract is entered into in accordance with the requirements of Chapter 33 of title 41, United States Code, or Chapter 137 of title 10, United States Code, and the Federal Acquisition Regulation, unless—

- (1) Federal law specifically authorizes a contract to be entered into without regard for these requirements, including formula grants for States, or federally recognized Indian tribes; or*
- (2) such contract is authorized by the Indian Self-Determination and Education Assistance Act (Public Law 93–638, 25 U.S.C. 450 et seq.) or by any other Federal laws that specifically authorize a contract within an Indian tribe as defined in section 4(e) of that Act (25 U.S.C. 450b(e)); or*
- (3) such contract was awarded prior to the date of enactment of this Act.*

Purpose: Sec. 409. The provision prohibits no-bid contracts except in certain cases including formula grants and contracts authorized by the Indian Self-Determination and Education Assistance Act.

POSTING OF REPORTS

SEC. 410. (a) Any agency receiving funds made available in this Act, shall, subject to subsections (b) and (c), post on the public website of that agency any report required to be submitted by the Congress in this or any other Act, upon the determination by the head of the agency that it shall serve the national interest.

(b) Subsection (a) shall not apply to a report if—

(1) the public posting of the report compromises national security; or

(2) the report contains proprietary information.

(c) The head of the agency posting such report shall do so only after such report has been made available to the requesting Committee or Committees of Congress for no less than 45 days.

Purpose: Sec. 410. The provision requires public disclosure of certain reports.

RECREATION FEE

SEC. 411. Section 810 of the Federal Lands Recreation Enhancement Act (16 U.S.C. 6809) is amended by striking "September 30, 2019" and inserting "September 30, 2021".

Purpose: Sec. 411. The provision extends the authority for the Recreation Fee program authorized by the Federal Lands Recreation Enhancement Act through September 30, 2021.

REPORT ON USE OF CLIMATE CHANGE FUNDS

SEC. 412. Not later than 120 days after the date on which the President's fiscal year 2019 budget request is submitted to the Congress, the President shall submit a comprehensive report to the Committees on Appropriations of the House of Representatives and the Senate describing in detail all Federal agency funding, domestic and international, for climate change programs, projects, and activities in fiscal years 2017 and 2018, including an accounting of funding by agency with each agency identifying climate change programs, projects, and activities and associated costs by line item as presented in the President's Budget Appendix, and including citations and linkages where practicable to each strategic plan that is driving funding within each climate change program, project, and activity listed in the report.

Purpose: Sec. 412. The provision requires the President to submit a comprehensive report to the Senate and House Committees on Appropriations describing all Federal agency funding, domestic and international, for climate change programs, projects and activities in fiscal years 2017 and 2018.

PROHIBITION ON USE OF FUNDS

SEC. 413. Notwithstanding any other provision of law, none of the funds made available in this Act or any other Act may be used to promulgate or implement any regulation requiring the issuance of permits under title V of the Clean Air Act (42 U.S.C. 7661 et seq.) for carbon

dioxide, nitrous oxide, water vapor, or methane emissions resulting from biological processes associated with livestock production.

Purpose: Sec. 413. The provision does not apply to the Department of the Interior.

GREENHOUSE GAS REPORTING RESTRICTIONS

SEC. 414. Notwithstanding any other provision of law, none of the funds made available in this or any other Act may be used to implement any provision in a rule, if that provision requires mandatory reporting of greenhouse gas emissions from manure management systems.

Purpose: Sec. 414. The provision does not apply to the Department of the Interior.

MODIFICATION OF AUTHORITIES

SEC. 415. Section 8162(m)(3) of the Department of Defense Appropriations Act, 2000 (40 U.S.C. 8903 note; Public Law 106–79) is amended by striking "September 30, 2015" and inserting "September 30, 2018".

Purpose: Sec. 415. The provision does not apply to the Department of the Interior.

CONTRACTING AUTHORITIES

SEC. 416. Section 412 of Division E of Public Law 112–74 is amended by striking "fiscal year 2017," and inserting "fiscal year 2019,".

Purpose: Sec. 416. The provision extends the authority through FY 2019 relating to consideration of local contractors when awarding Federal contracts.

CHESAPEAKE BAY INITIATIVE

SEC. 417. Section 502(c) of the Chesapeake Bay Initiative Act of 1998 (Public Law 105–312; 54 U.S.C. 320101 note) is amended by striking "2017" and inserting "2020".

Purpose: Sec. 417. The provision extends the authority for the NPS Chesapeake Bay Initiative through FY 2020.

EXTENSION OF GRAZING PERMITS

SEC. 418. The terms and conditions of section 325 of Public Law 108–108 (117 Stat. 1307), regarding grazing permits issued by the Forest Service on any lands not subject to administration under section 402 of the Federal Lands Policy and Management Act (43 U.S.C. 1752), shall remain in effect for fiscal year 2019.

Purpose: Sec. 418. The provision does not apply to the Department of the Interior.

STEWARDSHIP CONTRACTING AMENDMENTS

SEC. 419. Section 604(d) of the Healthy Forest Restoration Act of 2003 (16 U.S.C. 6591), as amended by the Agricultural Act of 2014 (Public Law 113–79), is further amended—
(a) in paragraph (5), by adding at the end the following: "Notwithstanding the Materials Act of 1947 (30 U.S.C. 602(a)), the Director may enter into an agreement or contract under subsection (b)."; and
(b) in paragraph (7), by striking "and the Director".

Purpose: Sec. 419. The provision amends the stewardship contracting authority provided by the Healthy Forest Restoration Act, as amended by the Agricultural Act of 2014, as it applies to the BLM. The provision in the Agricultural Act of 2014 requires the Chief and Director to align both USFS and BLM stewardship contracts in substantially the same form as the Forest Service integrated resource timber contracts. While this provision addressed a fire liability discrepancy problem between USFS stewardship and timber sale contracts, it had the opposite effect on BLM stewardship and timber sale contracts regarding fire liability. The BLM did not have a fire liability issue between their stewardship, service, or timber sale contracts. The provision also adds a reference to an underlying BLM statute that was not included.

FOREST SERVICE FACILITY REALIGNMENT AND ENHANCEMENT ACT

SEC. 420. Section 503(f) of the Forest Service Facility Realignment and Enhancement Act of 2005 (16 U.S.C. 580d note; Public Law 109–54) is amended by striking "2016" and inserting "2019".

Purpose: Sec. 420. The provision does not apply to the Department of the Interior.

**SMALL TRACTS CONVEYANCE AUTHORITY, LAND ADJUSTMENT PROGRAM,
NATIONAL FOREST SYSTEM**

SEC. 421. The Act of January 12, 1983 (commonly known as the Small Tracts Act (16 U.S.C. 521c - 521i)) is amended—

(a) in section 3—

(1) in the introductory text, by striking "\$150,000" and inserting "\$500,000";

(2) in paragraph (2) by striking "; or" and inserting a semicolon;

(3) in paragraph (3), by striking the period and inserting a semicolon; and

(4) by adding at the end the following—

"(4) parcels of 40 acres or less which are determined by the Secretary to be physically isolated, to be inaccessible, or to have lost their National Forest character;

"(5) parcels of 10 acres or less and encumbered by permanent habitable improvements which are not eligible for conveyance under the Encroachment Category, but which are not intentional trespasses nor for which existing information would have prevented the encroachment;

"(6) parcels used as a cemetery, a landfill, or a sewage treatment plant under a special use authorization issued by the Secretary.

(b) by adding at the end the following—"SECTION 8. DISPOSITION OF PROCEEDS.

"(a) IN GENERAL.—The net proceeds derived from any sale or exchange under paragraphs (4), (5) and (6) of section 3 shall be deposited in the fund established by Public Law 90–171 (commonly known as the "Sisk Act") (16 U.S.C. 484a).

"(b) USE.—Amounts deposited under subsection (a) shall be available to the Secretary, without further appropriation, and shall remain available until expended for—

"(i) the acquisition of land or interests in land for administrative sites for the National Forest System in the State;

"(ii) the acquisition of land or interests in land for inclusion in the National Forest System within the State, including those which enhance recreational access opportunities.

Purpose: Sec. 421. The provision does not apply to the Department of the Interior.

USE OF AMERICAN IRON AND STEEL

SEC. 422. (a)(1) None of the funds made available by a State water pollution control revolving fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States.

(2) In this section, the term "iron and steel" products means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(b) Subsection (a) shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency (in this section referred to as the "Administrator") finds that—

(1) applying subsection (a) would be inconsistent with the public interest;

(2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(c) If the Administrator receives a request for a waiver under this section, the Administrator shall make available to the public on an informal basis a copy of the request and information available to the Administrator concerning the request, and shall allow for informal public input on the request for at least 15 days prior to making a finding based on the request. The Administrator shall make the request and accompanying information available by electronic means, including on the official public Internet Web site of the Environmental Protection Agency.

(d) This section shall be applied in a manner consistent with United States obligations under international agreements.

(e) The Administrator may retain up to 0.25 percent of the funds appropriated in this Act for the Clean and Drinking Water State Revolving Funds for carrying out the provisions described in subsection (a)(1) for management and oversight of the requirements of this section.

Purpose: Sec. 422. The provision does not apply to the Department of the Interior.

JOHN F. KENNEDY CENTER REAUTHORIZATION

SEC. 423. Section 13 of the John F. Kennedy Center Act (20 U.S.C. 76r) is amended by striking subsections (a) and (b) and inserting the following:

"(a) MAINTENANCE, REPAIR, AND SECURITY.—There is authorized to be appropriated to the Board to carry out section 4(a)(1)(H), \$24,490,000 for fiscal year 2019.

"(b) CAPITAL PROJECTS.—There is authorized to be appropriated to the Board to carry out subparagraphs (F) and (G) of section 4(a)(1), \$13,000,000 for fiscal year 2019."

Purpose: Sec. 423. The provision does not apply to the Department of the Interior.

WILD AND SCENIC RIVERS COMPREHENSIVE RIVER MANAGEMENT PLANS

SEC. 424. The Secretary of Agriculture shall not be considered to be in violation of section 3(d)(1) of the Wild and Scenic Rivers Act (16 U.S.C. 1274) solely because more than three years have passed since designation prior to the completion of a comprehensive river management plan: Provided, that if more than three years have passed since designation without the completion of a comprehensive river management plan, then said plan must be completed or appropriately updated no later than during the next forest plan revision process.

Purpose: Sec. 424. The provision does not apply to the Department of the Interior.

DIRECT HIRE AUTHORITY

SEC. 425. (a) For fiscal year 2019, the Secretary of Agriculture may appoint, without regard to the provisions of subchapter I of chapter 33 of title 5, United States Code, other than sections 3303 and 3328 of such title, a qualified candidate described in subsection (b) directly to a position with the United States Department of Agriculture, Forest Service for which the candidate meets Office of Personnel Management qualification standards.

(b) Subsection (a) applies to a former resource assistant (as defined in section 203 of the Public Land Corps Act (16 U.S.C. 1722)) who completed a rigorous undergraduate or graduate summer internship with a land managing agency, such as the Forest Service Resource Assistant Program successfully fulfilled the requirements of the internship program; and subsequently earned an undergraduate or graduate degree from an accredited institution of higher education.

(c) The direct hire authority under this section may not be exercised with respect to a specific qualified candidate after the end of the two-year period beginning on the date on which the candidate completed the undergraduate or graduate degree, as the case may be.

Purpose: Sec. 425. The provision does not apply to the Department of the Interior.

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Legislative Proposals

Legislative Proposals

The 2019 President's budget includes legislative proposals affecting revenues, and available budget authority that require action by the Congress. These proposals provide an important contribution to the Administration's policy goals, including achieving a fair return to the American taxpayer from the sale of Federal resources.

Public Lands Infrastructure Initiative – The FY 2019 budget launches the Administration's Public Lands Infrastructure Fund to address repairs and improvement in national parks, national wildlife refuges, and Bureau of Indian Education-funded schools. The Department is taking action to increase revenue from Federal energy leasing and development over 2018 budget projections and will keep 50 percent of additional revenue that is not allocated for other purposes, for Department infrastructure needs. This will not impact revenue for important purposes such as the Reclamation Fund, Land and Water Conservation Fund, Historic Preservation Fund, and State and local revenue sharing payments. These receipts will be derived from energy mineral leasing, e.g., oil, gas and coal, under the Mineral Leasing Act and Outer Continental Shelf Lands Act, as well as solar, wind and geothermal development on public lands and offshore areas. Receipts above the 2018 baseline will be deposited into the Fund for 10 years and will be capped at a total of \$18 billion. The budget estimates this initiative will result in \$6.8 billion in expenditures from the fund over 10 years. This investment would significantly improve the Nation's most visible and visited public facilities that support a multi-billion dollar outdoor recreation economy. By investing in BIE-funded schools, we are fulfilling commitments to provide a safe learning environment for Indian children. The other 50 percent of increased revenues would go to the Treasury supporting deficit reduction.

Bureau of Reclamation Title Transfer – The Administration proposes legislation to better facilitate title transfer of Reclamation facilities to non-Federal entities when the transfers are beneficial to all parties. This proposal would allow local water managers to make their own decisions to improve water management at the local level, while allowing Reclamation to focus management efforts on projects with a greater Federal nexus.

Reduce Southern Nevada Public Land Management Act Account Balances – The budget proposes to cancel \$230 million in unobligated balances from the Southern Nevada Public Land Management Act program over a three year period. The SNPLMA, enacted in 1998, authorized the Bureau of Land Management to sell specified public lands around Las Vegas, Nevada, and retain the proceeds for capital improvements and various conservation, restoration, and recreational purposes in the State. The SNPLMA program is not proposed for elimination; the proposal will only reduce a portion of the over \$600 million in remaining balances and will not affect any projects currently identified for support.

Reauthorize the Federal Land Transaction Facilitation Act – The budget assumes permanent reauthorization of FLTFA's land sale authority, allowing Interior to dispose of lands with low conservation value and use the proceeds to acquire lands with high conservation values, consistent with the original FLTFA mandate. Also consistent with the prior authorization, 80 percent of the receipts will be spent in the same state in which the funds were generated. The

FLTFA authority provides Interior with the flexibility to manage its land portfolio to improve access to public lands or to acquire inholdings within existing Interior areas. This proposal is estimated to result in savings of \$36.0 million over ten years due to the lag between receipts collection and expenditure.

Recreation Fee Program – The budget proposes to permanently reauthorize the Federal Lands Recreation Enhancement Act, which expires in September 2019. As a precaution, the budget also proposes appropriations language to provide a two-year extension of FLREA through September 2021. The revenues collected by Interior from these recreation fees—approximately \$318.8 million in 2017—are an important source of funding for land management operations, maintenance, and improvements to recreation facilities on public lands.

EPAct Geothermal Payments to Counties – The budget proposes to restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the states and 50 percent to the U.S. Treasury by repealing Section 224(b) of the Energy Policy Act of 2005. That section changed the distribution to direct 50 percent to states, 25 percent to counties, and 25 percent to the Federal government. The 25 percent share for county payments is inconsistent with long-standing revenue-sharing practices and reduces the return to Federal taxpayers from geothermal leases on Federal lands. The proposal is estimated to result in savings of \$40 million over ten years.

Land and Water Conservation Fund – The LWCF receipts authorization expires at the end of fiscal year 2018 and the Administration will review options for reauthorization.

Wildland Fire Suppression Disaster Cap Adjustment – The budget responsibly funds 100 percent of the rolling 10-year average cost for wildfire suppression in the Departments of Agriculture and the Interior within discretionary budget caps, and proposes a separate annual cap adjustment for wildfire suppression operations. Similar to how unanticipated funding needs for other natural disasters are addressed, the budget proposes a separate Fund that will include an annual cap adjustment appropriation for wildfire suppression to ensure adequate resources are available to fight wildland fires, protect communities, and safeguard human life during the most severe wildland fire seasons. In addition, the Administration believes that meaningful forest management reforms to strengthen our ability to restore the Nation’s forests and improve their resilience to destructive wildfires should be a part of any permanent solution. The cap proposal is described separately in the *2019 President’s Budget Appendix*.

Appendices

**Department of the Interior
Information Technology (IT) Resource Statement**

Information management and technology (IMT) is an integral part of the Department of the Interior's operations that crosscuts all programs and significantly impacts the cost, efficiency, and effectiveness of conducting business at the Department. The Federal Information Technology Acquisition Reform Act of 2014 expanded the authority of Department-level Chief Information Officers (CIO) to ensure accountability, control, and transparency over all information technology resources throughout the agency. Under FITARA, CIOs must participate in a significant manner in their agency's strategic planning, budget formulation and execution, acquisitions, and human resources activities as it relates to IMT. CIOs must also maintain senior executive partnerships with these communities to establish effective management controls around all IMT decisions and expenditures. The CIO is the final decision-making authority for all major IMT investments for Interior with authority to delegate non-major investments to a direct report. The Department has established clear, direct lines of accountability from the agency CIO to Associate CIOs in bureaus and offices. Interior has realigned reporting structures to ensure senior IMT officials within bureaus are accountable to the Department CIO.

The Department continues to enhance processes and procedures for planning and budgeting for IMT investments, contracting IMT products and services, and managing IMT effectively throughout its lifecycle. The following certification serves as Interior's IT Resource Statement:

IT Resources Statement

In accordance with the Office of Management and Budget (OMB) FY 2019 IT Budget – Capital Planning Guidance (OMB A-11, Section 51.3), the CIO has reviewed and had significant input in approving IT investments included in this budget request; the CIO has reviewed and approved the major IT investments portion of this budget request; the CIO and Director, Office of Budget, jointly affirm that the CIO had a significant role in reviewing planned IT support for major programs and significant increases and decreases in IT resources; the CIO certifies Interior bureaus and offices are using incremental development practices to the extent practical; and Interior has fully implemented Common Baseline Element D1, which requires the CIO to review and approve the major IT Investment portion of the budget request, as detailed in Interior's approved FITARA Implementation Plan located on the agency's public website.

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Authorizing Statutes

Native American Land, Mineral, and Resource Valuations

25 U.S.C. 5301, et seq. The Indian Self-Determination and Education Assistance Act of 1975, as amended, authorizes funds obligated for tribal contracts to remain available until expended.

Outer Continental Shelf (OCS) Lands Program

43 U.S.C. 1331, et seq. The Outer Continental Shelf (OCS) Lands Act of 1953, as amended, extended the jurisdiction of the United States to the OCS and provided for granting of leases to develop offshore energy and minerals.

P.L. 114-94 The Fixing America’s Surface Transportation Act amended Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721)

P.L. 109-432 The Gulf of Mexico Energy Security Act of 2006 required leasing certain areas in the Central and Eastern Gulf of Mexico Planning Areas within one year of enactment (December 20, 2006); and established a moratoria on leasing in remaining areas in the eastern planning area and a portion of the central planning area until 2022.

P.L. 109-58 The Energy Policy Act of 2005 amended the OCS Lands Act to give authority to the Department of the Interior to coordinate the development of an alternative energy program on the OCS and also to coordinate the energy and non-energy related uses in areas of the OCS where traditional oil and natural gas development already occur.

43 U.S.C. 4321, 4331-4335,
4341-4347 The National Environmental Policy Act of 1969 required Federal agencies consider in their decisions the environmental effects of proposed activities and prepare environmental impact statements for Federal actions having a significant effect on the environment.

16 U.S.C. 1451, et seq. The Coastal Zone Management Act of 1972, as amended, established goals for ensuring that Federal and industry activity in the coastal zone be consistent with coastal zone plans set by the States.

16 U.S.C. 1531-1543	The <u>Endangered Species Act of 1973</u> established procedures to ensure interagency cooperation and consultations to protect endangered and threatened species.
42 U.S.C. 7401, <u>et seq.</u>	The <u>Clean Air Act</u> , as amended, was applied to all areas of the OCS except the central and western Gulf of Mexico. OCS activities in those non-excepted areas will require pollutant emission permits administered by the EPA or the States.
30 U.S.C. 21(a)	The <u>Mining and Minerals Policy Act of 1970</u> set forth the continuing policy of the Federal Government to foster and encourage private enterprise in the orderly and economic development of domestic mineral resources and reserves.
30 U.S.C. 1601	The <u>Policy, Research and Development Act of 1970</u> set forth the continuing policy <u>et seq.</u> of the Federal Government to foster and encourage private enterprise in the orderly and economic development of domestic mineral resources and reserves.
33 U.S.C. 2701, <u>et seq.</u>	The <u>Oil Pollution Act of 1990</u> established a fund for compensation of damages resulting from oil pollution and provided for interagency coordination and for the performance of oil spill prevention and response research. It also expanded coverage of Federal requirements for oil spill response planning to include State waters and the transportation of oil. The Act also addressed other related regulatory issues.
P.L. 104-58	The <u>Deepwater Royalty Relief Act of 1995</u> provides royalty rate relief for offshore drilling in deepwater of the Gulf of Mexico (GOM).

Natural Resources Revenue Management

25 U.S.C. 397, <u>et seq.</u>	The <u>Indian Mineral Leasing Act of 1891</u> , as amended, authorizes mineral leasing on land bought and paid for by American Indians.
25 U.S.C. 396, <u>et seq.</u>	The <u>Indian Minerals Leasing Act of 1909</u> authorizes oil and gas leases on American Indian allotted lands.
25 U.S.C. 396-396(g), <u>et seq.</u>	The <u>Indian Mineral Leasing Act of 1938</u> authorizes oil and gas lease on American Indian Tribal lands and provides

uniformity with respect to leasing of Tribal lands for mining purposes.

30 U.S.C. 181, et seq.

The Mineral Leasing Act of 1920 (MLA) provides for classification and leasing of coal, oil, oil shale, natural gas, phosphate, potassium, sulfur, and sodium and the payment of bonuses, rents, and royalties on such leases. ONRR currently pays 49 percent (88.2 percent for Alaska) of revenues monthly to the States as required by the Act.

7 U.S.C. 1012

The Bankhead-Jones Farm Tenant Act of 1937 (BJFTA) authorized acquisition of lands to be used as National Grasslands. Revenues are transferred to either the Forest Service or the Bureau of Land Management depending on management responsibilities. These agencies pay 25 percent to the counties as required by the Act.

30 U.S.C. 355

The Mineral Leasing Act for Acquired Lands of 1947 (MLAAL) extends the provisions of the Mineral Leasing Act and the authority of the Secretary of the Interior over mineral leasing to include acquired lands, without changing leasing revenue distribution.

43 U.S.C. 1331, et seq.

The Outer Continental Shelf Lands Act of 1953 provides for granting of leases to develop offshore energy and minerals; provides for bonuses, rents, and royalties to be paid in connection with such leases; and calls for sharing certain revenues with coastal states.

30 U.S.C. 1001, et seq.

The Geothermal Steam Act of 1970 authorizes the Secretary to issue leases for the development of geothermal energy and provides for receipt sharing with the States.

30 U.S.C. 181, et seq.

The Combined Hydrocarbon Leasing Act of 1981 provides for combined hydrocarbon leases and receipt sharing with the States for such leases within their boundaries.

25 U.S.C. 2101, et seq.

The Indian Minerals Development Act of 1982 provides that any American Indian Tribe may enter into lease agreements for minerals resources within their boundaries with the approval of the Secretary. Allotted landowners may join Tribal mineral agreements.

30 U.S.C. 1701, et seq.

The Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) provides for comprehensive fiscal and production accounting and auditing systems to provide the

capability of accurately determining oil and gas royalties, interest, fines, penalties, fees, deposits, and other payments owed and to collect for such amounts in a timely manner.

30 U.S.C. 181, et seq.

The Federal Onshore Oil and Gas Leasing Reform Act of 1987 (FOOGLRA) amends the Mineral Leasing Act to grant the USDA Forest Service authority to make decisions and implement regulations concerning the leasing of public domain minerals on National Forest System lands containing oil and gas. The Act also established a requirement that all public lands that are available for oil and gas leasing be offered first by competitive leasing.

110 Stat. 1700

The Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (P.L. 104-185) changes the royalty collection program by establishing a 7-year statute of limitations, limits of appeals, requires the government to pay interest on royalty overpayments, changes definitions, and allows for delegation of certain functions.

P.L. 105-277

The Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 General Provisions Department of the Interior Sec. 130 Oil Valuation Rider Sec. 139 - Small Refiner Ratification of Payments.

P.L. 102-486

The Energy Policy Act of 1992 requires the Secretary of the Interior to disburse monthly to States all mineral leasing payments authorized by Section 6 of the MLA.

P.L. 108-447

The Consolidated Appropriations Act of 2005 provided that late disbursement interest owed to states be made from current receipts from bonuses, royalties, interest collected from lessees and designees, and rentals of the public lands and outer continental shelf which are not payable to a state or the Reclamation Fund.

P.L. 109-54

The Department of the Interior, Environment and Related Agencies Appropriations Act of 2006 (30 U.S.C. 1758) provided that MMS may under the royalty-in-kind program, or under its authority to transfer oil to the Strategic Petroleum Reserve, use a portion of the revenues from royalty-in-kind sales to pay for transportation to wholesale market centers or upstream pooling points, to process or otherwise dispose of royalty production taken in kind, and to recover MMS transportation costs, salaries,

and other administrative costs directly related to the royalty-in-kind program.

P.L. 109-432 Gulf of Mexico Energy Security Act of 2006 requires sharing with Gulf producing states revenues generated from leases entered into after the date of enactment of the Act in certain Gulf OCS areas.

P.L. 113-67 The Bipartisan Budget Act of 2013 ended ONRR’s transfer of receipts to the Department of Energy’s Ultra-Deepwater and Unconventional Natural Gas research program. The Act removed the requirement that excessive overpayments be deemed by the Secretary to have been made for the sole purpose of collecting interest before the prohibition on paying interest on excessive overpayments is applied. The Act also made Net Receipts Sharing, whereby the state share of Mineral Leasing Act payments are reduced by two percent, permanent.

P.L. 113-76 The Consolidated Appropriations Act, 2014 amended Section 206 of the Federal Oil and Gas Royalty Management Act of 1982 to clarify that amounts due to States or Indian Tribes resulting from civil penalties are to be reduced by amounts provided to the States and Tribes through cooperative and delegated agreements to run State and Tribal audit programs related to mineral development.

P.L. 114-357 The Fixing America’s Surface Transportation Act amended Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), removing the requirement for ONRR to pay interest on overpayments.

54 U.S.C. 200301 Authorizes the annual deposit of up to \$900 million into the Land and Water Conservation Fund. Authorization expires on September 30, 2018.

54 U.S.C. 300101-303901 The National Historic Preservation Act established procedures to ensure protection of significant archaeological resources.

Permanent Appropriations Distribution

30 U.S.C. 191 Requires monthly payments to States of 49 percent (88.2 percent for Alaska) of revenue from public lands leasing, with the application of Net Receipts Sharing.

30 U.S.C. 355; 16 U.S.C. 499 Provides for forest fund payments to a state of 25 percent of all monies received during any fiscal year from each national forest be paid monthly to the state in which that forest is situated.

30 U.S.C. 355; 33 U.S.C. 701, et seq. The Flood Control Act of 1936 provides that 75 percent of flood control revenue collected be paid monthly with the State in which it was collected.

General Administration

31 U.S.C. 65 Budget and Accounting Procedures Act of 1950

31 U.S.C. 3901-3906 Prompt Payment Act of 1982

31 U.S.C. 3512 Federal Managers Financial Integrity Act of 1982

5 U.S.C. 552 Freedom of Information Act of 1966, as amended

31 U.S.C. 7501-7507 Single Audit Act of 1984

41 U.S.C. 35045 Walsh Healy Public Contracts Act of 1936

41 U.S.C. 351-357 Service Contract Act of 1965

41 U.S.C. 601-613 Contract Disputes Act of 1978

44 U.S.C. 35 Paperwork Reduction Act of 1980

44 U.S.C. 2101 Federal Records Act 1950

40 U.S.C. 4868 Federal Acquisition Regulation of 1984

31 U.S.C. 3501 Privacy Act of 1974

31 U.S.C. 3501 Accounting and Collection

31 U.S.C. 3711, 3716-19 Claims

31 U.S.C. 1501-1557 Appropriation Accounting

5 U.S.C. 1104 et seq. Delegation of Personnel Management Authority

31 U.S.C. 665-665(a) Anti-Deficiency Act of 1905, as amended

41 U.S.C. 252	<u>Competition in Contracting Act of 1984</u>
18 U.S.C. 1001	<u>False Claims Act of 1982</u>
18 U.S.C. 287	<u>False Statements Act of 1962</u>
41 U.S.C. 501-509	<u>Federal Grant and Cooperative Agreement Act of 1977</u>
41 U.S.C. 253	<u>Federal Property and Administrative Services Act of 1949</u>
41 U.S.C. 401	<u>Office of Federal Procurement Policy Act of 1974, as amended</u>
15 U.S.C. 631	<u>Small Business Act of 1953, as amended</u>
15 U.S.C. 637	<u>Small Business Act Amendments of 1978</u>
10 U.S.C. 137	<u>Small Business and Federal Competition Enhancement Act of 1984</u>
15 U.S.C. 638	<u>Small Business Innovation Research Program of 1983</u>
10 U.S.C. 2306(f)	<u>Truth in Negotiations Act of 1962 Authorization</u>
31 U.S.C. 3716	<u>Administrative Offset</u>
31 U.S.C. 3720(a)	<u>Reduction of Tax Refund by Amount of Debt</u>

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