



BUDGET The United States
Department of the Interior
JUSTIFICATIONS

and Performance Information
Fiscal Year 2020

**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 2020 BUDGET JUSTIFICATIONS**

Table of Contents

Item	Page Number
<u>Office of the Secretary</u>	
Organization Charts.....	OS-1
Overview.....	OS-3
Executive Summary of the 2020 Budget Request.....	OS-13
Program Performance Summary.....	OS-19
<u>Appropriation: Office of the Secretary - Departmental Operations</u>	
Appropriation Language Sheet.....	DO-1
Appropriation Language Citations.....	DO-2
Administrative Provisions and Citations.....	DO-5
Budget at a Glance.....	DO-7
Summary of Requirements.....	DO-8
Justification of Fixed Costs and Internal Realignments.....	DO-9
Employee Count by Grade.....	DO-10
Activity: Leadership and Administration	
Executive Direction.....	DO-11
Policy Analysis and Compliance.....	DO-19
Budget, Finance, Performance, and Acquisition.....	DO-25
Human Capital and Strategic Development.....	DO-33
Public Safety, Resource Protection and Emergency Services.....	DO-39
Technology and Business Services.....	DO-43
Central Services.....	DO-47
Activity: Management Services	
Office of Hearings and Appeals.....	DO-49
Appraisal and Valuation Services.....	DO-53
USBM Workers Compensation Costs.....	DO-58
Indian Arts and Crafts Board.....	DO-59
<u>Mineral Leasing Receipts</u>	
Mineral Leasing Receipts.....	MLR-1
Mineral Revenue Payments to States.....	MLR-4
Mineral Leasing Receipts Budget Proposals.....	MLR-13

FISCAL YEAR 2020 BUDGET JUSTIFICATIONS

Table of Contents

Item	Page Number
<u>Other Appropriations</u>	
Trust Land Consolidation Fund.....	OA-1
Take Pride in America, Gifts and Bequests.....	OA-2
 DEPARTMENT-WIDE PROGRAMS	
<u>Appropriation: Payments in Lieu of Taxes</u>	
Appropriation Language and Citations.....	PILT-1
Budget at a Glance.....	PILT-2
Summary of Requirements.....	PILT-3
Justification of Program Performance.....	PILT-4
PILT Payments by State and Territory.....	PILT-6
 <u>Appropriation: Office of Natural Resources Revenue</u>	
Appropriation Language Sheet.....	ONRR-1
Appropriation Language Citations.....	ONRR-2
Budget at a Glance.....	ONRR-3
Summary of Requirements.....	ONRR-4
Justification of Fixed Costs and Internal Realignments.....	ONRR-5
Justification of Program Performance.....	ONRR-6
 <u>Appropriation: Central Hazardous Materials Fund</u>	
Appropriation Language Sheet.....	CHF-1
Appropriation Language Citations.....	CHF-2
Budget at a Glance.....	CHF-3
Summary of Requirements.....	CHF-4
Justification of Fixed Costs and Internal Realignments.....	CHF-5
Justification of Program Performance.....	CHF-6

FISCAL YEAR 2020 BUDGET JUSTIFICATIONS

Table of Contents

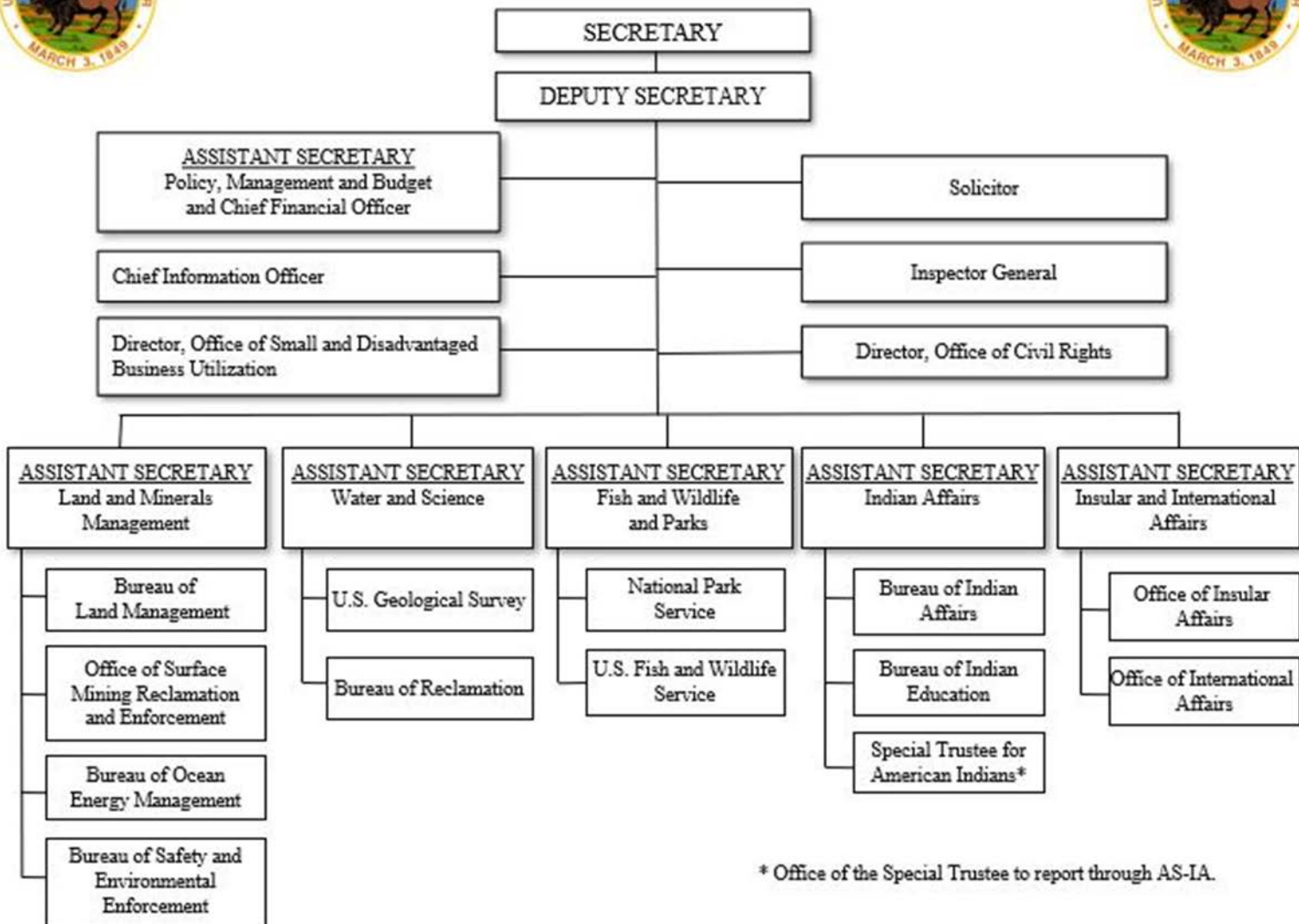
Item	Page Number
<u>Appropriation: Working Capital Fund (WCF)</u>	
Appropriation Language Sheet.....	WCF-1
Appropriation Language Citations.....	WCF-2
Administrative Provisions and Citations.....	WCF-4
Budget at a Glance.....	WCF-6
Summary of Requirements.....	WCF-7
Business Integration Office (FBMS): Justification of Program and Performance.....	WCF-8
NewPay: Justification of Program and Performance.....	WCF-12
Cybersecurity: Justification of Program and Performance.....	WCF-14
Service First: Justification of Program and Performance.....	WCF-15
Cultural and Scientific Collections: Justification of Program and Performance.....	WCF-16
Office Consolidation: Justification of Program and Performance.....	WCF-17
Working Capital Fund - Reimbursable Activity	
Narrative Statement.....	WCF-19
Reimbursable FTE and Revenue by Activity.....	WCF-23
Reimbursable FTE Summary.....	WCF-35
<u>Appropriation: Interior Franchise Fund (IFF)</u>	
Narrative Statement.....	IFF-1
Use of IFF Reserves.....	IFF-3
IFF Revenue and Expense Summary.....	IFF-3
<u>General Provisions</u>	
General Provisions.....	GP-1
<u>Legislative Proposals</u>	
Legislative Proposals.....	LP-1
<u>Appendices</u>	
Appendix A: IT Resource Statement.....	A-1
Appendix B: Good Accounting Obligation in Government Act Report.....	A-3
Appendix C: Authorizing Statutes.....	A-5

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Office of the Secretary



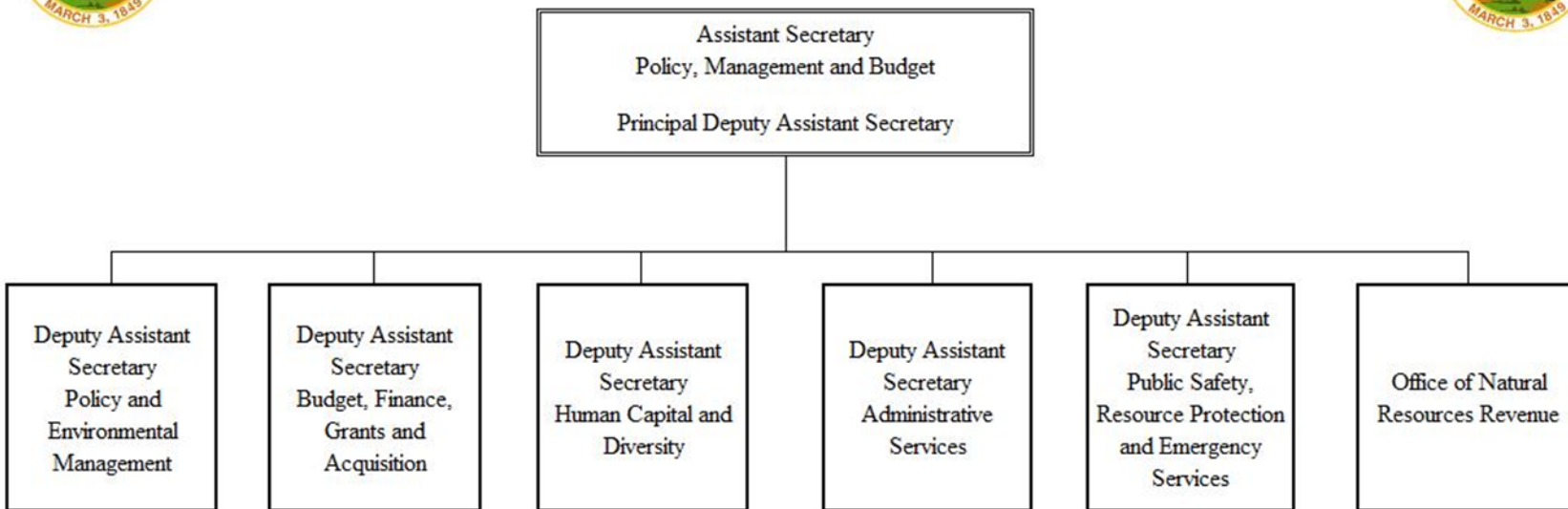
U.S. DEPARTMENT OF INTERIOR



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



Assistant Secretary - Policy, Management and Budget



OFFICE OF THE SECRETARY

DEPARTMENTAL OPERATIONS

Overview

The Department of the Interior mission is noble and complex. 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 (OS) 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 Department of the Interior touches hundreds of millions of people and plays an active role in western communities and the national economy. Every year, 18,000 ranchers graze their cattle on Bureau of Land Management (BLM) rangelands; 47,000 Native American children are educated at Bureau of Indian Education (BIE) schools; hundreds of thousands of jobs rely on the BLM's onshore energy programs; millions of people visit National Wildlife Refuges to hunt, fish, and watch wildlife; and our National Parks host more than 330 million visitors, supporting an estimated \$35.8 billion in economic output. The Department manages 1 of every 5 acres of land in the United States, touching every State, Tribal, and Alaska Native community, and territory, and supporting almost every aspect of the American economy.

Over the past 2 years, under President Donald J. Trump's leadership, the Department has made real progress to improve land and asset management in a way that grows the economy. We are delivering billions of dollars in regulatory savings, expanding access to public lands, and increasing revenue from Federal energy leases. In 2018, the Department set records for bonus bids in both conventional onshore oil and gas and offshore renewable energy lease sales and increased funds disbursed to States, Tribes, and conservation programs over the previous year. The Department also expanded public access on millions of acres of land, protected new areas of natural and cultural significance, and prioritized permitting and repairing infrastructure on public lands.

Interior's 2020 budget builds on these successes and uses the following principles to deliver on the Administration's commitment to better land management for the American people.

- *Peace*: Public lands are the perfect place to find peace and solitude. Interior’s land and assets tell the story of our natural and cultural history and provide the ideal setting to observe some of our most iconic species and landscapes. The Administration’s commitment to conservation of these resources is unyielding.
- *Prosperity*: Whether it’s a wilderness area, national park, or the National Petroleum Reserve, America’s public lands contribute significantly to the national economy, with nearly \$300 billion in economic output in 2017. Local communities rely on access to Interior lands and assets to develop resources, support family ranches and small businesses, and improve their quality of life.
- *Freedom*: At the heart of the Administration’s multiple use management of Federal lands is the belief every American should have the freedom to access public lands and resources. Our network of public lands is unrivaled. We have an extraordinary abundance of both natural resources and natural beauty.
- *Safety and Security*: The Interior Department is home to 4,000 Federal law enforcement officers who patrol the border, protect our communities, make BIE schools safe places to learn, and keep the peace. Our law enforcement officers have removed millions of dollars’ worth of opioids and other drugs from our communities, locked up drug dealers and criminals, and saved lives. Interior also manages the Nation’s great wealth of energy and mineral resources on Federal lands and on the U.S. Outer Continental Shelf. Managing the development of these resources allows our Nation to improve energy security, promote peace through trade, and not be beholden to foreign nations who may not have our best interests in mind.

The Department’s 2020 budget supports the Administration’s broader economic goals to manage Federal spending with restraint. The budget reflects the Administration’s continued commitment to strike the right balance of protection and sustainable use of resources in a way that provides proper conservation stewardship of our land and resources, enhances the safety of our communities, increases energy security, and allows America to prosper.

Promoting Jobs and Economic Growth

Interior is the steward for roughly 1 of every 5 acres of land in the United States, a diverse portfolio of all types of landscapes and ecosystems serving different needs for the American people. Interior balances the need for access for Americans to enjoy their public lands with managing these special places and natural resources for generations to come and the development needed to serve the public and fuel local economies.

The Department of the Interior manages working landscapes that provide opportunity to rural communities which in turn power the Nation’s economy, shape our culture, and create outdoor recreation opportunities. America’s Federal lands and waters contain tremendous job-creating assets, supporting more than 1.8 million jobs in energy, recreation, grazing, conservation, hospitality, and more. Dedicated stewardship of these resources and partnerships with communities bordering the public lands drive job opportunities and economic growth.

Since taking office, the Administration has launched an unprecedented economic boom, creating 5 million new jobs across multiple sectors. But there is more to be done, and Interior continues to play a strong role. Through Executive Orders 13771 and 13777, President Trump has challenged agencies to lower the regulatory burden on Americans to reform regulations that are ineffective, duplicative, and obsolete. Interior is working to ensure regulations reflect advances in science and technology and foster innovation and economic growth. In 2018, reforms put in place by Interior are expected to provide more than \$2.5 billion in regulatory relief, on top of the \$1.2 billion in estimated burden reduction that is being realized from actions taken in 2017.

Efforts to improve Interior's National Environmental Policy Act (NEPA) review processes are a great example of our commitment to cut red tape and improve service to the public. In 2017, Interior issued Secretarial Order 3355, Streamlining National Environmental Policy Act Reviews and Implementation of Executive Order 13807, "Establishing Discipline and Accountability in the Environmental Projects". The Order sets standard parameters for NEPA reviews and documentation to focus on issues that truly matter to better manage the process. Since then, Interior has created a dedicated regulatory management team, established a standard and streamlined NEPA document clearance process, standardized internal procedures for bureaus working as cooperating agencies, and established an internal tracking database to monitor compliance and progress. The progress so far has been significant. Since 2017, the average number of days from Notice of Intent to Record of Decision dropped over 79 percent, and the target completion time for Environmental Impact Statements has dropped from more than 2 years, to a time frame of between 1 and 2 years. All of these administrative improvements have been accomplished while we remain fully compliant with the letter and spirit of the law.

Interior is also working to revise outdated processes and leverage technology to deliver better service. The 2020 budget includes investments to make it easier to do business with the Department of the Interior and advance timely processing in coal, oil and gas, grazing management activities, communications infrastructure, and surface mining reclamation plan reviews. Our efforts to improve Interior's permitting activities directly contribute to a stronger infrastructure in the United States. Interior reviews and approves permits for other public and private sector uses of Interior lands, including energy and minerals development, pipelines, and transmission infrastructure.

Responsible stewardship also means being a good neighbor. The 2020 budget reflects the Administration's continuing support for the Payments in Lieu of Taxes program while balancing Departmental funding priorities. The program provides funding to local governments with certain Federal lands in their boundaries, recognizing the inability of local communities to collect property taxes on these lands. As a primary Federal land holder with approximately 480 million acres, Interior manages this program and annually makes payments to 1,900 counties across the United States.

These payments can be used for any governmental purpose and are traditionally used to help communities deliver vital services such as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations. The 2020 budget includes \$465.0 million in direct appropriations to support these payments.

Collaborative Conservation of Wildlife, Habitat and Cultural Resources

Conservation stewardship is a key component of the Department of the Interior's overall mission and is shared across all bureaus. Whether implementing resource conservation projects or providing grants, scientific expertise, or educational programs to support land, water, and wildlife conservation, Interior is a leader in protecting and managing America's resources for current and future generations to enjoy.

The Department's conservation efforts would not be possible if not for the millions of sportsmen and sportswomen in America who make up the backbone of the North American Model of Wildlife Conservation. In 2018, Interior increased hunting and fishing access to more than 5 million acres across the Department, including more than 30 national wildlife refuges. Increased access to hunting and fishing on public lands supports conservation of these lands. Sportsmen and sportswomen live America's conservation ethic. They volunteer and frequently provide private and partnership resources to care for wildlife habitat, species management, and collaborative conservation. Through the Pittman-Robertson and Dingell-Johnson Act programs, sportsmen and sportswomen contribute over a billion dollars each year to wildlife and habitat conservation and outdoor recreation projects. Every time a firearm, fishing pole, hook, bullet, motor boat or boat fuel is sold, part of that cost goes to fund recreation.

The Department's conservation mission is woven throughout each bureau and the activities they fund and undertake on the lands and waters of America's amazing landscapes. Education is an important part of conservation to ensure land stewards continue to care for the Nation's lands and resources. Interior's conservation activities are part of a balanced multiple use stewardship strategy to manage America's lands and resources for the continuing benefit of the people today and for generations to come.

An Era of Energy Prosperity and Security

By advancing policies that embrace domestic energy development, the Trump Administration is putting the United States on a path towards greater energy security and prosperity. Under the Trump Administration, crude oil and natural gas production has hit all-time highs, U.S. net energy imports have fallen to their lowest levels since 1982, with the United States becoming a net exporter of natural gas in 2017 and expected to become a net exporter of energy overall, including petroleum and other liquids, by 2020.

In 2018, energy production from Federal lands and waters produced over 835 million barrels of oil, over 4.2 trillion cubic feet of natural gas, and over 308 million short tons of coal. Altogether, Interior's energy and mineral portfolio contributed an economic output of over \$150 billion and supported an estimated 740,000 jobs nationwide. Between 2016 and 2018, overall revenues from energy and mineral production on Federal and Tribal lands grew from \$5.9 billion to \$9.1 billion. Fiscal year 2018 proved to be a landmark year for the Department of the Interior, with record breaking bids from lease sales onshore in New Mexico and for wind energy in Federal waters offshore Massachusetts. The U.S. energy outlook is strong. Thanks to this success, in 2018, the Department also disbursed a total of \$8.9 billion in revenues to States, Tribes, local communities, and the U.S. Treasury, providing support for important conservation efforts such as

those funded through the Land and Water Conservation Fund. As a result, total revenue disbursements increased by \$1.8 billion from 2017 levels.

An important component of Interior's natural resource programs is the collection and disbursement of billions of dollars in receipts from development. The 2020 budget includes \$147.3 million for the Office of Natural Resources Revenue (ONRR) to ensure Americans receive a fair return for public resources. In 2020, ONRR will continue to implement a critical new Minerals Revenue Management Support System to update and improve management and accountability of these significant revenue collections.

Expanding Public Access to Grow the Outdoor Economy

Millions of Americans access Interior's public lands seeking solitude and recreation, thereby helping grow the booming outdoor recreation industry. The Department of Commerce Bureau of Economic Analysis reports the outdoor recreation economy accounted for 2.2 percent (\$412 billion) of current-dollar GDP in 2016. Interior plays a major role providing access to public lands for outdoor recreation. Every year, hundreds of millions of visits are made to our national parks, national wildlife refuges, Bureau of Reclamation recreation areas, and BLM public lands to do everything from rock climb, kayak and camp to snorkel, hunt, and fish. Recreation visits to BLM and National Park Service (NPS) lands alone support more than 350,000 jobs.

This Administration opened access to millions of acres of previously unavailable or restricted public lands for all types of recreation, added hundreds of miles to the national recreation trails system, increased access to hundreds of thousands of acres of National Wildlife Refuge lands for hunting and fishing, added new NPS sites, and is exploring public/private partnerships to identify new recreation opportunities on public lands so more Americans of all abilities and interests may enjoy our land. The Department is also preparing to implement the 2019 bipartisan public lands package that passed Congress. Increasing recreational opportunities for more Americans through our public lands and waters is among Interior's highest priorities, which also increases economic opportunities for neighboring gateway communities.

Forest Management and Public Lands Infrastructure

The President's 2020 budget features two priority legislative proposals impacting Interior: a package of legislative reforms to improve forest management and a proposal to establish a Public Lands Infrastructure Fund to address the backlog of deferred maintenance on our public lands.

The 2018 fire season was deadly and destructive. Catastrophic fires burned millions of acres of forests and nearby towns and did long-term damage to ecosystems and communities across the West. In order to mitigate the conditions that lead to catastrophic fires, the Administration proposes a comprehensive package of legislative reforms to proactively reduce the risk of wildfires through better management of Federal forests and rangelands.

Additionally, the 2020 budget once again proposes a Public Lands Infrastructure Fund to ensure a long-term investment in infrastructure on public lands. Hundreds of millions of visitors rely on roads, bridges, water and sewer systems, and other assets on public lands. The tourism and

recreation businesses that operate around public lands also rely on this infrastructure. Last year's proposal to leverage Federal energy revenues to rebuild public lands infrastructure gained widespread bipartisan support in both chambers of Congress. The 2020 proposal incorporates key concepts considered during the 115th Congress and expands the Fund to include the Department of the Interior's BLM and the U.S. Forest Service.

Investment in Interior's infrastructure benefits local economies. Interior's infrastructure crisscrosses the country in roughly 2,400 locations, where in many communities our operations are a major economic factor and employer. Interior owns approximately 43,000 buildings, 106,000 miles of road, and 77,000 structures—including dams, laboratories, employee housing, and irrigation and power infrastructure—with a replacement value of nearly \$300 billion. Many of these assets are deteriorating, with older assets becoming increasingly expensive to repair and maintain in good condition. Interior's deferred maintenance backlog was over \$16.0 billion in 2018, of which nearly \$12 billion belongs to National Park Service (NPS) assets.

Strengthening Interior's Cybersecurity

Interior operates one of the most distributed, complex IT environments in the Federal Government. Serving over 90,000 end users, its IT infrastructure consists of five internet gateways, 210 data centers, over 1500 public-facing websites, and 58 high value IT assets spread across the United States. The Department's cybersecurity efforts are dedicated to protecting critical information assets from cyber exploitation and attack and preventing cybersecurity incidents that could harm DOI employees, customers, partners and the public, in addition to the reputation of the Federal Government.

In 2020, Interior will continue addressing new threats and external attacks on its networks, systems, and information. The Department will conduct activities that identify and manage hardware and software assets and security configuration settings; protect trusted internet connections at gateways; and prevent malware and phishing attacks through e-mail.

Government Reform

President Trump signed an Executive Order to modernize and reform the executive branch and Interior is leading the way, developing and executing a program that will streamline processes and better serve the American people. The absolute first step in building a better and more efficient executive branch though is fostering a culture of ethics and respect amongst colleagues.

Interior has launched several top management objectives to better achieve Departmental goals and lead the agency moving forward. From day one of this Administration, Interior's leadership has made the work environment a priority. There is zero tolerance for any type of workplace harassment at Interior. The Department is instilling a culture change through clear management accountability, swift personnel actions, reporting procedures for harassment conduct, improved training, and substantive action plans. In the area of anti-harassment efforts, each bureau and office has made significant headway in putting a diverse set of measures in place to prevent and address unacceptable conduct. Interior has also launched an internal Workplace Culture Transformation Advisory Council to include leadership from across the Department to keep a

focus on Interior's commitment to the workplace environment. The Council will look at common issues raised in the Federal Employee Viewpoint Survey, ways to improve employee engagement, and building career paths which cross bureau silos; all with the goal to transform Interior's workplace culture for our employees, so they can realize their individual potential and be their most productive selves for the American people.

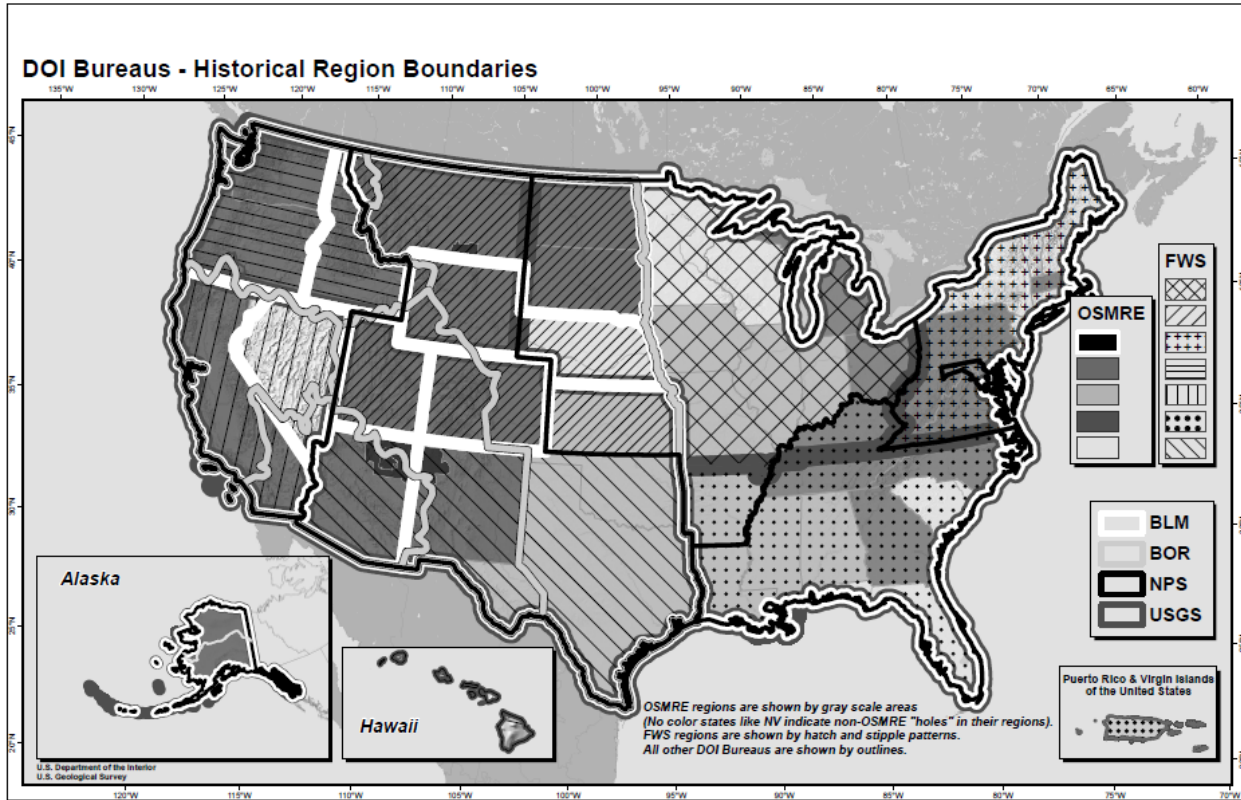
Another management priority is creating a strong ethical culture to ensure Interior employees honor the public's trust to manage funds responsibly and avoid conflicts of interest. The expectations for appropriate employee conduct have been made clear. The Department has set goals and expectations for qualified ethics officials within Interior sufficient to ensure our operations are conducted ethically and ensure all employees have access to prompt, accurate ethics advice.

Reorganization

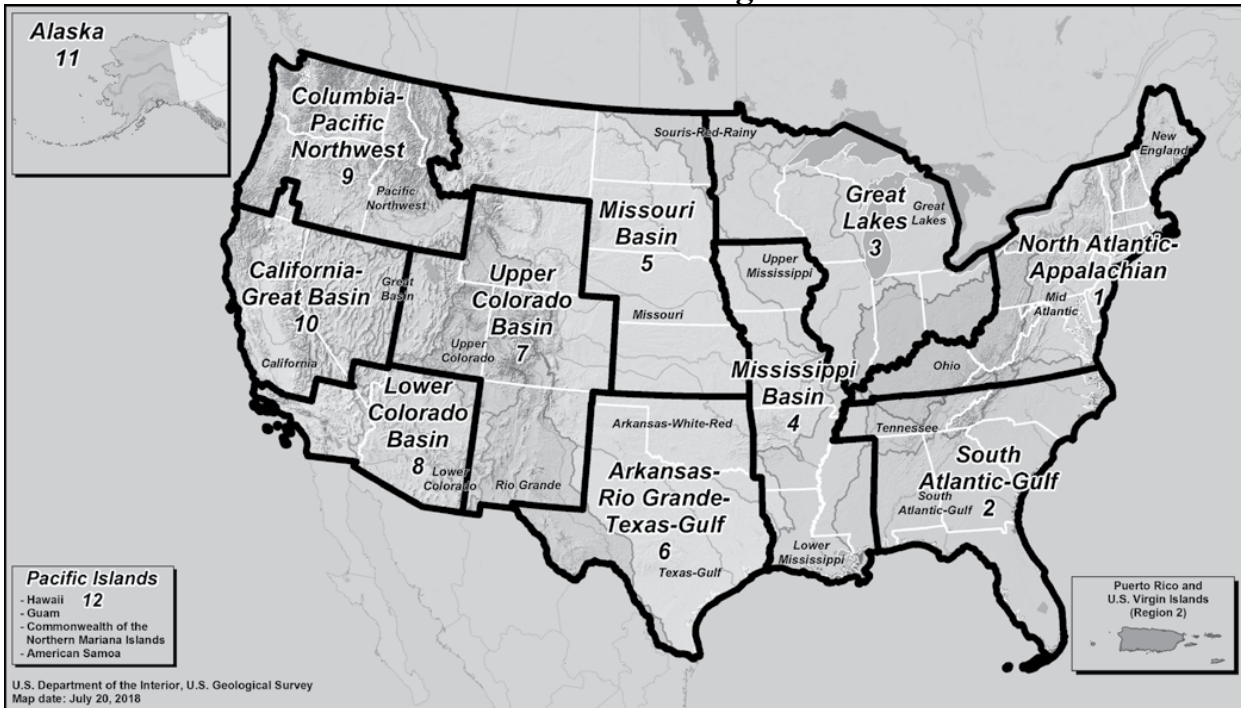
Over many decades, the Department of the Interior experienced new bureaus becoming established on an *ad hoc* basis with their own unique regional organizations. This ultimately resulted in a complicated series of 49 regional boundaries among 8 bureaus. This complexity led to the situation where bureau regional leadership was often focused on different geographic areas, did not have an adequate and shared understanding of the needs and perspectives of regional stakeholders, and opportunities to share administrative capacity across bureaus were difficult to recognize and implement. Further, members of the public were often frustrated by problems in inter-bureau decision making where uncoordinated timelines and processes could lead to unnecessarily long delays in reaching a decision. The Department's reorganization is focused on making improvements across each of these areas.

On August 22, 2018, after working closely with stakeholders across the country on options to consolidate Interior's 49 different regions into common regions, the Department announced the designation of Interior's 12 new unified regions. As a result of Tribal consultation, BIA, BIE, and the Office of the Special Trustee for American Indians will not realign their regional field structures.

Establishing unified regions across bureaus is the cornerstone of the reforms designed to improve Interior's service delivery to the public. Within each unified region, bureaus will focus work on the same resources and constituents and improve coordination across the Department. For the public, fewer regions make it easier to do business with Interior, particularly when the public interacts with several bureaus or jurisdictions. Interior will leverage the unified regional structure to improve and streamline business operations using shared services and best practices across the Department focusing primarily on human resources, information technology, and acquisition services. Work is underway in 2019 to plan implementation, conduct analysis, and identify areas for collaboration within the new regions.



DOI 12 Unified Regions



Interior's bureaus and offices have already begun to work across organizational lines to identify ways to maximize the benefits of the new regions. In 2019, Interior is analyzing options to relocate more operations out West, where the preponderance of bureau assets and acres are located, to better serve our customers. As part of the planning, Interior is considering relative cost, accessibility, and the specific functions where it makes sense to be closer to field assets. In 2020, the budget requests \$27.6 million to continue implementing the reorganization effort. As shown in the following table, funding to support the reorganization is requested in the Bureau of Land Management, Fish and Wildlife Service, the National Park Service, the U.S. Geological Survey, and the Bureau of Reclamation.

Interior Reorganization By Bureau

	2020 Request (in millions)
Bureau of Land Management	\$7.7
U.S. Fish and Wildlife Service	\$5.7
National Park Service	\$5.7
U.S. Geological Survey	\$6.2
Bureau of Reclamation	\$2.3
Total	\$27.6

The 2020 request for reorganization funding falls into three areas of focus: Implementation of the Unified Regions, Relocation and Regional Stand Up, and Modernizing Interior's Business. The 2020 budget requests \$12.1 million to support the new unified regions, including the costs bureaus may incur in transitioning their processes to the new field structure and \$10.5 million for bureau relocation costs. The 2020 budget includes \$5.0 million to support information technology interoperability, procurement and acquisition processes, implement unified regions business operations, and shared services and reporting.

Interior Reorganization

	2020 Request (in millions)
Implementation of Unified Regions	\$12.1
Relocation and Regional Stand Up	\$10.5
Modernize Interior's Business	\$5.0
Total	\$27.6

As Interior implements the new regional boundaries, we are reexamining some of the Department's common business operations. Aligning to a common regional structure creates opportunities to increase the use of common business solutions across Interior. Instead of having different ways to procure goods and services, deliver information technology, and conduct

human resource services, Interior will leverage consistent best practices across the Department. The use of shared services is taking hold throughout the Federal government and the private sector because it makes economic and management sense for large operations to adopt common solutions for standard functions.

EXECUTIVE SUMMARY**Total 2020 Budget Request**

(in thousands of dollars)

Budget Authority	2018 Actual	2019 CR Baseline	2020 Request
Current	124,182	124,182	129,422
Permanent	1,772,368	3,689,742	4,746,351
Total	1,896,550	3,813,924	4,875,773
<i>FTEs</i>	430	421	439

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 (OS) 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 2020 budget request for Departmental Operations is \$129.4 million in current appropriations. The 2020 budget reflects the transfer of \$9.4 million and 42 full-time equivalents from the Office of the Special Trustee for American Indians (OST) to the Office of the Secretary to establish a Department-wide Appraisal and Valuation Services Office (AVSO) as approved in fiscal year 2018. This consolidation helps to coordinate valuation policies and best practices and complies with the Indian Trust Asset Reform Act (ITARA) requirements to consolidate the appraisal and valuation of Indian trust property under one administrative entity. The budget adjusts the request for Federal 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.

The 2020 request for OS supports priority Departmental operations, services, and management functions and includes administrative savings realized from efforts to shrink the OS footprint within the Main Interior Building. The budget request continues to propose to realign the Land

Buy Back Program for Tribal Nations (LBBP) from the Office of the Secretary to the OST. 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*, confirmed by the Claims Resolution Act of 2010. 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.

Fixed Costs—Fixed costs of \$834,000 are fully funded.

DEPARTMENT-WIDE PROGRAMS

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

- The Payments in Lieu of Taxes program provides payments to local governments in jurisdictions where Federal lands are located.
- The 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 \$8.9 billion in 2018, benefit States, Tribes, individual Indian mineral royalty owners, and U.S. Treasury accounts.
- The Central Hazardous Materials Fund provides a coordinated, consistent approach to remediate Interior sites impacted by hazardous substances.
- The 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.
- The 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 (PILT) program makes payments to nearly 1,900 local government units in 49 States, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands to help offset the costs of services and infrastructure incurred by local jurisdictions with certain Federal lands. The PILT payments help local governments carry out vital services like firefighting and police protection, constructing public schools and roads, and conducting search and rescue operations. In recent years, PILT monies have been used to fund projects to build county buildings, purchase new police cruisers, and upgrade 911 emergency services.

The 2020 budget proposes \$465.0 million in current funding for PILT. The amount proposed supports this important program while balancing Departmental funding priorities.

Office of Natural Resources Revenue

The Office of Natural Resources Revenue (ONRR), under CFR Title 30 – Mineral Resources, is responsible for ensuring revenue from Federal and Indian mineral leases is effectively, efficiently, and accurately collected, accounted for, analyzed, audited, and timely disbursed to recipients. Revenue distributions totaled \$8.9 billion in 2018, and benefit States, Tribes, individual Indian mineral royalty owners, and U.S. Treasury accounts.

The 2020 budget requests \$147.3 million for ONRR’s receipts management programs. The request maintains ONRR’s essential revenue management functions, which ensure the accurate collection, accounting, and disbursement of revenue from Federal and Indian leases, and includes funding for ONRR to assume responsibility for Osage Trust Accounting activities. ONRR estimates the budget will support total staffing of 627 full-time equivalents in 2020.

The request includes \$8.9 million for ONRR to begin a multi-year effort to modernize its core system, the Minerals Revenue Management Support System (MRMSS). ONRR relies heavily on an aging mixed-financial system for all its mission-critical functions, from mineral revenue collection, accounting, and disbursement to ensuring accurate reporting and compliance for Federal and Indian mineral leases. Since its initial implementation nearly 20 years ago, regulatory changes, increased security concerns, and unique business requirements have led to a highly customized, complex, process-layered legacy system which relies on multiple inefficient manual processes to meet mission requirements. The complexity and customization have made operating and sustaining the MRMSS increasingly challenging and costly over time. The modernization effort will provide the capacity, flexibility, and agility to deploy new technologies as they become available and will also allow ONRR to reduce long-term operations and maintenance costs.

Fixed Costs—Fixed costs are fully funded.

Central Hazardous Materials Fund

The mission of the Central Hazardous Materials Fund (CHF) is to protect public health and the environment by addressing the most contaminated sites within national parks, national wildlife refuges, and on other Department-managed public lands. CHF funds remediation projects using the authorities 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 Potentially Responsible Parties (PRPs). The program is authorized to receive, retain, and use recoveries from PRPs to fund cleanup projects. Since CHF was established in 1995, the program has received over \$111 million in recoveries from PRPs and has avoided more than \$660 million in bureau spending through in-kind remediation work performed by PRPs and other parties.

The 2020 budget request is \$2.0 million to support CHF program management and legal staff. CHF estimates the budget will support staffing of 4 full-time equivalents. Recoveries from PRPs will fund remediation projects. The CHF will fund the highest priority remediation projects 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 to conduct internal control reviews, prioritization of projects, financial management activities, and technical support.

Fixed Costs—Fixed costs are fully funded.

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 budget includes \$69.3 million for the appropriated portion of the Department's Working Capital Fund.

Maintaining Financial and Business Operations—The 2020 budget includes \$46.8 million for the operation and maintenance of the Financial and Business Management System. The request includes funding required for steady-state operations and maintenance of the Department's integrated financial system of record.

Strengthening Interior's Cybersecurity Posture—The 2020 budget includes \$10.0 million to continue the Department's remediation of its cybersecurity systems and processes. The Department is focused on the agency's capability to quickly address significant cybersecurity requirements. The request supports Department of Homeland Security Continuous Diagnostics and Mitigation investments to identify, isolate, and quantify cyber threats. In 2020, Interior 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 email.

Modernizing Federal Payroll—The 2020 budget proposes \$12.5 million to support implementation planning and transition activities for the government-wide payroll and Work Schedule and Leave Management modernization initiative entitled NewPay. NewPay will use cloud-based technology leveraged at the scale of the Federal Government, enabling agencies to focus resources on core mission priorities, significantly improve security posture (cybersecurity), increase user experience and service, and better manage resources.

Non-Appropriated Working Capital Fund—Estimated collections for 2020 total \$198.1 million for centralized billing and \$351.6 million for direct-billed activities.

Fixed Costs—There are no fixed costs associated with the Working Capital Fund.

Interior Franchise Fund

The Interior Franchise Fund provides business support services to 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 provided 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 2020, and performance results through FY 2018. 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.

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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, \$129,422,000, to remain available until September 30, 2021; 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 \$8,190,000 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 \$11,061,000 for Indian land, mineral, and resource valuation activities shall remain available until expended: Provided, That funds for Indian land, mineral, and resource valuation activities may, as needed, be transferred to and merged with the Bureau of Indian Affairs "Operation of Indian Programs" account, the Bureau of Indian Education "Operation of Indian Education 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 2020, 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 2019 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, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.

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, 2021;

The Department proposes the availability of funding for the Departmental Operations account to remain available until September 30, 2021.

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 \$8,190,000 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 \$8,190,000 of funding for the Departmental Operations account to support valuations of lands and minerals. The Appraisal and Valuation Services Office (formerly Office of Valuation 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 \$11,061,000 for Indian land, mineral, and resource valuation activities shall remain available until expended:

The Department proposes \$11,061,000 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 transferred to the Office of the Secretary and consolidated with the Office of Valuation Services to become the Appraisal and Valuation Services Office in 2018. 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, That funds for Indian land, mineral, and resource valuation activities may, as needed, be transferred to and merged with the Bureau of Indian Affairs "Operation of Indian Programs" account, the Bureau of Indian Education "Operation of Indian Education 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, the 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 2020, 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 2020, 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 2020, 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 2020 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 2020 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)

	2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2020 Request
Appropriation: Departmental Operations						
Leadership and Administration	105,405	105,405	+737	+0	-4,786	101,356
Executive Direction	21,885	21,880	+120	+0	+0	22,000
Policy Analysis and Compliance	7,542	7,571	+46	+0	+0	7,617
Budget, Finance, Performance and Acquisition Management	17,843	17,618	+108	+0	-1,546	16,180
Human Capital and Strategic Development	7,125	7,263	+44	+0	-406	6,901
Public Safety, Resource Protection and Emergency Services	3,514	3,577	+21	+0	+0	3,598
Technology and Business Services	3,859	3,859	+24	+0	-184	3,699
Central Services	43,637	43,637	+374	+0	-2,650	41,361
Management Services	18,777	18,777	+97	+9,438	-246	28,066
Office of Hearings and Appeals	6,944	6,944	+46	+0	+191	7,181
Appraisal and Valuation Services Office ^{1/}	10,242	10,242	+45	+9,438	-474	19,251
<i>Federal Lands (Derived from LWCF)</i>	10,242	10,242	+0	+0	-2,052	8,190
<i>Indian Country (General Fund) ^{1/}</i>	0	0	+45	+9,438	+1,578	11,061
USBM Worker's Compensation	386	386	+0	+0	-7	379
Indian Arts and Crafts Board	1,205	1,205	+6	+0	+44	1,255
TOTAL, OS DEPARTMENTAL OPERATIONS	124,182	124,182	+834	+9,438	-5,032	129,422

^{1/} Reflects the transfer of OST's Office of Appraisal Services (OAS) staff and functions to the Office of the Secretary, Department-wide Appraisal and Valuation Services Office (AVSO), formerly the Office of Valuation Services, approved by Congressional reprogramming dated December 22, 2017. Under AVSO, 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)

	2018 Actual		2019 CR Baseline		Fixed Costs & Related (+/-)	Internal Transfers (+/-)		Program Changes (+/-)		2020 Request		Change from 2019	
	Amount	FTE	Amount	FTE		Amount	FTE	Amount	FTE	Amount	FTE	Amount	
Appropriation: Departmental Operations													
Leadership and Administration													
Executive Direction	21,885	112	21,880		+120	+0	+0	+0	+0	112	22,000	+0	+120
Policy Analysis and Compliance	7,542	43	7,571		+46	+0	+0	+0	+0	43	7,617	+0	+46
Budget, Finance, Performance, and Acquisition Management	17,843	87	17,618		+108	+0	+0	-9	-1,546	78	16,180	-9	-1,438
Human Capital and Strategic Development	7,125	41	7,263		+44	+0	+0	-2	-406	39	6,901	-2	-362
Public Safety, Resource Protection, and Emergency Services	3,514	15	3,577		+21	+0	+0	+0	+0	15	3,598	+0	+21
Technology and Business Services	3,859	18	3,859		+24	+0	+0	-1	-184	17	3,699	-1	-160
Central Services	43,637	0	43,637		+374	+0	+0	+0	-2,650	0	41,361	+0	-2,276
Total, Leadership and Administration	105,405	316	105,405		+737	0	0	-12	-4,786	304	101,356	-12	-4,049
Management Services													
Office of Hearings and Appeals	6,944	38	6,944		+46	+0	+0	+0	+191	38	7,181	+0	+237
Appraisal and Valuation Services Office ^{1/}	10,242	59	10,242		+45	+42	+9,438	-12	-474	89	19,251	+30	+9,009
<i>Federal Lands (Derived from LWCF)</i>	<i>10,242</i>	<i>59</i>	<i>10,242</i>		<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>-12</i>	<i>-2,052</i>	<i>47</i>	<i>8,190</i>	<i>-12</i>	<i>-2,052</i>
<i>Indian Country (General Fund) ^{1/}</i>	<i>0</i>	<i>0</i>	<i>0</i>		<i>+45</i>	<i>+42</i>	<i>+9,438</i>	<i>+0</i>	<i>+1,578</i>	<i>42</i>	<i>11,061</i>	<i>+42</i>	<i>+11,061</i>
U.S. Bureau of Mines Worker's Compensation	386	0	386		+0	+0	+0	+0	-7	0	379	+0	-7
Indian Arts and Crafts Board	1,205	8	1,205		+6	+0	+0	+0	+44	8	1,255	+0	+50
Total, Management Services	18,777	105	18,777		+97	+42	+9,438	-12	-246	135	28,066	+30	+9,289
SUBTOTAL, OS DEPARTMENTAL OPERATIONS	124,182	421	124,182		+834	+42	+9,438	-24	-5,032	439	129,422	+18	+5,240
Transfers	0	0	0		+0	+0	+0	+0	+0	0	0	+0	+0
TOTAL, OS DEPARTMENTAL OPERATIONS	124,182	421	124,182		+834	+42	+9,438	-24	-5,032	439	129,422	+18	+5,240

^{1/} Reflects the transfer of OST's Office of Appraisal Services (OAS) staff and functions to the Office of the Secretary, Department-wide Appraisal and Valuation Services Office (AVSO), formerly the Office of Valuation Services, approved by Congressional reprogramming dated December 22, 2017. Under AVSO, all appraisal and valuations are conducted by a single entity within the Department.

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

Fixed Cost Changes and Projections	2019 Change	2019 to 2020 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 2019 and 2020.	+257	+290
Pay Raise The 2020 request reflects a pay freeze for civilian employees.	+488	+0
Employer Share of Federal Employee Retirement System The change reflects the directed 2.3% increase in the employer contribution to the Federal Employee Retirement System.	+0	+170
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.	+308	+521
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the 2020 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.	-7	+73
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	+61
Rental Payments The amounts reflect changes in the costs payable to 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 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.	+301	-281

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

Employee Count By Grade

	2018 Actual	2019 Estimate	2020 Estimate
Executive Level I.....	1	1	1
Executive Level II.....	1	1	1
Executive Level IV.....	3	4	4
subtotal.....	5	6	6
SES.....	68	71	77
AL-2-3 *.....	9	11	11
SL-0 **.....	27	27	27
subtotal.....	36	38	38
GS-15.....	292	298	300
GS-14.....	592	605	608
GS-13.....	715	730	734
GS-12.....	551	563	567
GS-11.....	259	264	265
GS-10.....	7	7	7
GS-9.....	158	161	162
GS-8.....	34	35	35
GS-7.....	169	173	174
GS-6.....	39	40	40
GS-5.....	54	55	55
GS-4.....	13	13	13
GS-3.....	3	3	3
GS-2.....	1	1	1
GS-1.....	1	0	0
subtotal.....	2,888	2,948	2,964
Other Pay Schedule Systems.....	17	17	17
Total employment (actual / projected) at end of fiscal year.....	3,014	3,080	3,102

* AL - Administrative Law Judge

** SL - Administrative Judge & Senior Level

Activity: Leadership and Administration
Program Element: Executive Direction

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	21,885	21,880	+120	0	0	22,000	+120
FTE	110	112	0	0	0	112	0

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 19 percent of U.S. energy supplies, is the largest supplier and manager of water in the 17 Western States, maintains relationships with 573 federally-recognized Tribes, and provides services to nearly two million American Indian and Alaska Native peoples. Interior operates and manages 418 national park units, 567 national wildlife refuges, and 71 national fish hatcheries. Department programs operate from 2,400 locations with about 70,000 employees and 370,000 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 ten 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 Administration legislation, and for the review and analysis of all legislative matters affecting Interior and its bureaus. 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 synchronize 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. The Office of Intergovernmental and External Affairs (OIEA) strengthens relationships between State and local partners and external stakeholders with the Office of the Secretary. OIEA also serves as liaison for governmental and non-governmental partners in communicating with Interior's offices and the bureaus.

Assistant Secretary Offices:

The Office of the Assistant Secretary for Land and Minerals Management (AS-LMM) 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 AS-LMM 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 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 for Water and Science (AS-WS) 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 Office (CUPCA) for the purpose of accomplishing the agency missions and carrying out the priorities of the Secretary. Major objectives include:

- 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.
- Maximizing the effectiveness of program operations of the bureaus.
- Ensuring appropriate consultation, communication, and coordination with all affected parties in program and policy development and implementation.

The Office of the Assistant Secretary for 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 and public enjoyment of natural, cultural, and biological resources while balancing public needs and recognizing key partners, including States, Tribes, and other stakeholders. 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 AS-FWP's decisions are guided by Administration policy, the National Park Service Organic Act, the Endangered Species Act, the Fish and Wildlife Coordination Act, and the 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:

- Promoting the visitor experience at parks and refuges by providing quality facilities and recreational and educational opportunities.
- Expanding public access, including fishing and hunting, to Federal lands for all to enjoy, experience and utilize.
- Enhancing conservation and recovery 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.
- 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 for Indian Affairs (AS-IA) promotes the policy of tribal self-determination, maintains the Federal trust obligation to Indians, and ensures the 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 AS-IA are to advise the Secretary on American Indian and Alaska Native (AIAN) policy issues, communicate policy, and oversee the programs of BIA, BIE, and OST. Major objectives include:

- Advising the Secretary on American Indian and Alaska Native (AIAN) policy issues.

- Providing 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.
- Oversight of 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.
- Directing centralized administration, information resources, asset management, and other organizational support services.
- Providing centralized services to BIA and BIE which enable 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 for Insular and International Affairs (AS-IIA) 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 AS-IIA 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.

Insular Affairs: The AS-IIA, through the Office of Insular Affairs, works to strengthen economic and health capacities in the U.S. territories, and fulfill U.S. compact obligations to the three Freely Associated States (FAS). The U.S. territories under the AS-IIA'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 AS-IIA administers and oversees Federal assistance to the FAS: the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau (Palau). Information on the Office of Insular Affairs is presented in a stand-alone Congressional Justification.

International Affairs: The AS-IIA, through the Office of International Affairs, supports the Secretary and other senior Departmental officials on relations of strategic importance, in coordination with the State Department and the White House. The Office coordinates 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. Major objectives and activities include:

- Representing the Department in interagency deliberations on international issues impacting natural and cultural resource management and indigenous issues in the U.S., coordinating agreements with foreign countries on behalf of the Department, and serving as a central point of contact for other Federal agencies and foreign governments.
- Supporting 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.
- Maintaining long-term direct relationships with foreign counterparts in Ministries managing Environment, Energy, Water, Natural Resources, Science and Technology, Culture, and Indigenous Affairs programs.

- Providing valuable institutional knowledge and subject matter expertise for State Department officials who rotate every two to three years from one posting to the next.
- Advancing 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.
- Approval and oversight of foreign travel for all Departmental employees and processing of official passport and visa transactions in coordination with the State Department and foreign embassies.
- Execution of 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 AS-IIA coordinates the Department’s OGLC activities and portfolio which 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. Major objectives include:

- Upholding DOI’s stewardship responsibilities and responding to ever growing threats and complex changes to OGLC resources through increased understanding, conservation, responsible use, and collaborative science-based management.
- Coordinating and collaborating with DOI’s offices and bureaus to carry out the Department’s stewardship role.
- 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.

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 AS-PMB is designated as a successor, following the Deputy Secretary and the Solicitor, to perform the duties of the Secretary. The AS-PMB serves in a number of statutorily designated positions and is the agency’s Chief Financial Officer, Chief Acquisition Officer, and Chief Performance Officer. The AS-PMB provides direction and oversight of the Department’s information resources management and information technology programs, and 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. The 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 oversees the Wildland Fire program in coordination with the three land management bureaus and the Bureau of Indian Affairs and oversees the Office of Natural Resource Revenue collection and

disbursement of energy and mineral revenues for State, Tribal and Federal lands. 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, and is a service provider for the Interior Department for several administrative-oriented functions. Major objectives include:

- Advancing management reforms among Interior bureaus and offices to ensure standardization and cohesion across the Department and maximize resource sharing.
- Promulgating policies, processes, and tools to implement priorities, leading the development of long-term strategies to optimize mission and administrative services.
- Empowering and supporting bureau-level, regional and field-based reforms to improve service delivery.
- Providing cross cutting policy development and analysis to guide programs requiring Departmental attention due to their national concern, budgetary significance, legislative requirements, precedent-setting nature, or issues crossing bureau or office lines.
- Coordinating 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.
- Coordinating the development of the strategic plan, priority goals, annual performance plans, and quarterly performance reviews, and expanding the use of performance-based information for effective decision-making.
- Ensuring 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.

Program Performance Estimates

The President's 2020 budget continues to focus on addressing the Nation's challenges, the changing demographics of a population that is more urban and diverse and technologically advanced, and management challenges and conflicts that impact land, water, wildlife, and tribal communities. The Executive Direction program element will provide strategic and accountable leadership to guide the efforts of DOI's offices and bureaus to achieve Presidential and Secretarial goals through ensuring cost effective operations and customer-centric service; facilitating cooperation and collaboration across DOI organizations and Federal and non-Federal partners; ensuring a workplace environment that is safe and conducive to employee productivity and conflict resolution; and holding individuals at all levels accountable for their actions. In addition, the program element will provide policy direction to support the following Department strategic goals:

- Utilize science in land, water, species and habitat management supporting decisions and activities.
- Manage DOI water storage and delivery to resolve conflicts and expand capacity.
- Foster partnerships to achieve balanced stewardship and use of public lands.
- Inform land use planning processes especially for public access.

- Ensure energy and economic security for America, access to mineral resources, the public receives fair market value for resources, and recover costs where appropriate.
- Focus timber programs on the “healthy forests” lifecycle and manage grazing resources.
- Expand hunting, fishing, and other recreation on DOI lands and waters, and enhance public satisfaction at DOI sites.
- Support Tribal self-determination, self-governance and sovereignty, and fulfill fiduciary trust; strengthen economic and health capacities in the U.S. territories, and fulfill U.S. compact obligations to the freely associated states.
- Ensure emergency preparedness and DOI law enforcement staffing addresses public safety risks, support the security of our southern border, manage wildland fire to reduce risk and improve ecosystem and community resilience, and provide science to safeguard communities against natural hazards.
- Align DOI organizational structure and workforce to improve partnership engagement and mission delivery, reduce administrative and regulatory burden, prioritize DOI infrastructure needs, and reduce deferred maintenance backlog.

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	7,542	7,571	+46	0	0	7,617	+46
FTE	46	43	0	0	0	43	0

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 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

	2018 Actual	2019 Estimate	2020 Estimate
Interior non-delegated Environmental Impact Statements reviewed	6	7	7
Non-Interior projects and policies reviewed	623	700	700
Required compliance reports prepared and submitted	8	8	8
Environmental Management Systems overseen	12	12	12
Legislative bills/regulations/testimony reviewed	50	50	50
Natural Resources Conservation Achievement Awards selected	10	10	10
Oil spill and hazardous substance release notifications and reports received and reviewed	21,000	25,000	30,000

Office accomplishments include:

- Leading the Department's streamlining initiatives under Executive Order 13807 and Secretarial Order 3355, issuing policies and guidance through a series of environmental memoranda to implement the Administration and Department's NEPA streamlining initiatives.
- Initiating the Department wide NEPA and Permit Tracking Database, improving management, oversight and accountability for implementing the Administration and Department's NEPA streamlining initiatives.
- Establishing the first ever www.doi.gov/NEPA webpage. This public site has significantly contributed to socialization of the Department's NEPA streamlining procedures and has resulted in user-friendly interfaces and accessible content.
- Establishing the Department's NEPA Community of Practice (COP) monthly newsletter to effect culture change in how NEPA documents are prepared and to help ensure effective sharing of new policies, best practices, tips and information to NEPA practitioners at all levels throughout the Department.
- Monitoring the Department's Federal environmental compliance actions for externally competed recovery projects funded by the Hurricane Sandy Coastal Resiliency Grant Program (2012-2018).
- Serving as the Department's Coordinator for Emergency Support Function (ESF) #11, supporting States, Tribes, and Territories in responding to and addressing natural and cultural resource damage following a disaster. In 2018, OEPC provided support to the

Territories of Puerto Rico and U.S. Virgin Islands (USVI) following Hurricanes Irma and Maria, as well as in Hawaii in response to the Kilauea eruption and volcanic activity.

- Working with bureau staff on completing more than 500 damage assessments and cost estimates of historic properties and parks and recreational facilities in support of the Puerto Rico and USVI State Historic Preservation Offices, and the Puerto Rico Department of Natural and Environmental Resources.
- Serving as the National Coordinator for natural and cultural resources recovery efforts, on behalf of the Federal interagency team, as well as the Department, overseeing the deployment of over 100 personnel for Hurricanes Harvey (Texas), Irma (Florida) and Maria (USVI and Puerto Rico).
- Representing the Department on the National Response Team and ten Regional Response Teams, leading Interior's preparedness and response to oil discharges and hazardous substances releases under the National Oil and Hazardous Substances Pollution Contingency Plan and National Response Framework ESF #10.
- Providing coordination and support to the bureaus and Federal-on-Scene Coordinators for several oil spill responses.
- Organizing and hosting the first ever DOI Spill of National Significance (SONS) Workshop with participants from Departmental and bureau senior and executive leadership and developing and distributing the After-Action Report from the Workshop.

Office of Policy Analysis (PPA)

The PPA provides policy and economic analysis, 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.

Office accomplishments include:

- DOI Economic Report - 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.
- Wildland fire - Assisted the Office of Wildland Fire (OWF) in developing metrics related to fuels treatment activities.
- Regulatory matters - Reviewed and assisted bureaus with economic analysis associated with regulations. Assisted the Department on matters related to EO 13771 (Reducing Regulation and Controlling Regulatory Costs). This included reviewing cost estimates, tracking cost savings, and submitting data into the Regulatory Information Service Center (RISC), RISC/OIRA Combined Information System (ROCIS).

- Recreation - Led the preparation of the Recreation Enhancement Act Triennial Report to Congress. The report provides statistics on the program for the previous three years.
- Natural Resources Damages - Provided economic support to case teams assessing injury to natural resources and planning restoration projects. Provide policy and economic analysis in support of the Office of Restoration and Damage Assessment.
- 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.
- Initiated analysis of categorical exclusions that could be developed and applied across DOI to streamline the National Environmental Policy Act and address invasive plant, animal, and pathogen threats. This would create efficiency by precluding the need to prepare an environmental assessment in many cases, increasing the chance of a successful response while saving time and expense. This analysis is in progress and will continue in 2019.

Office of Native Hawaiian Relations (NHR)

The Office discharges the Secretary's responsibilities designated under the Hawaiian Homes Commission Act (HHCA), State of Hawaii 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 support 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:

- Publishing the Department of the Interior's Reference Guide to the HHCA. The Guide is 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. In short, the Guide details the over 130 separate amendments, both via Congressional and Secretarial approval, to the Hawaiian Homes Commission Act that occurred during the last 96 years.
- Leading the development of a Hawaii Island Biosecurity Protocol for Federal officials working with FEMA in response to the 2018 Kilauea volcanic eruption. Specifically, the Office worked with scientists and land managers from NPS, FWS, USGS, the State of Hawaii, and the University of Hawaii, to develop a protocol to minimize the spread of invasive species (e.g., Rapid 'Ōhi'a Death fungi, little fire ant and coqui frog) and

provide employee safety precautions for working with certain invasive species. Because of the quality of the Biosecurity Protocol, some bureaus and agencies utilize and cite its standards as best practices for operating on islands other than Hawaii.

- Defining parameters for the United States' involvement in the repatriation of Native Hawaiian Community cultural items from foreign entities where no previous guidance existed. The purpose of the International Recovery Protocol is to provide guidance to U.S. Government Officials when they receive a request from an Indian Tribe or Native Hawaiian organization (Native American Community) official to assist in the recovery of a Native American cultural item from a foreign government, private institution, or individual located outside of the United States. The Protocol also helps the responsible agency to frame its repatriation effort by defining the laws applicable to that specific effort.
- Conducting field training for NPS, USGS, and FWS field employees on working with members of the Native Hawaiian Community to develop culturally-appropriate response protocols such as in the case of inadvertent discoveries under the Native American Graves Protection and Repatriation Act (NAGPRA) and to engage in meaningful consultation when necessary or required under NAGPRA and other Federal laws such as the National Historic Preservation Act (NHPA).
- Promoting and maintaining the Department's lists for Native Hawaiian Organizations (NHO) and Homestead and Beneficiary Associations (HBA). These lists assist Federal agencies to obtain input from the Native Hawaiian Community when required under Federal law and provide 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 use the Department's NHO and HBA lists as their standard for beginning their consultations with the Native Hawaiian Community.
- Completing the review of a State of Hawaii's 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 State of Hawaii, beneficiaries of the Hawaiian Home Lands Trust, and the Native Hawaiian Community to provide the State of Hawaii with the tools it needs to handle the day-to-day management of the Trust while ensuring the Secretary's responsibility to protect the Trust is fulfilled.
- Conducting State-wide training in partnership with NPS and the Historic Hawaii Foundation on historic preservation best practices and consultation in accordance with Section 106 of the NHPA and National Environmental Policy Act (NEPA).
- Partnering with the FWS, NPS, the University of Hawaii, and other agencies to work with two Hawaiian communities in developing resilience plans to assist them in responding to extreme environmental events (e.g., hurricanes, flooding, drought, wildfire, etc.).

Program Performance Estimates

The President's 2020 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. The Policy Analysis and Compliance program element will provide strategic and accountable leadership to guide the

efforts of DOI's offices and bureaus to achieve Presidential and Secretarial goals through ensuring cost effective operations and customer-centric service; facilitating cooperation and collaboration across DOI organizations and Federal and non-Federal partners; ensuring a workplace environment that is safe and conducive to employee productivity and conflict resolution; and holding individuals at all levels accountable for their actions.

The program element will contribute to the reduction of administrative and regulatory burden by:

- Evaluating and improving the net benefits of regulatory reform initiatives and policies, and identify regulations for repeal, replacement, or modification.
- Improving the transparency and timeliness of the infrastructure permitting process.
- Continuing efforts to streamline NEPA processes.

The program element will foster partnerships to achieve balanced stewardship and use of public lands including:

- Developing analyses to address invasive plant, animal, and pathogen threats.
- Providing coordination and support to DOI bureaus and Federal-on-Scene Coordinators for oil spill responses.
- Implementing and managing a Department-wide recreation website to increase transparency, public access, and visitation.

The program element will support Departmental emergency preparedness by managing the Department's ESF-11 commitment to support States, Tribes, and territories in responding to and addressing natural and cultural resource damage following a disaster, including managing FEMA mission assignments for the Department.

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	17,843	17,618	+108	0	-1,546	16,180	-1,438
FTE	83	87	0	0	-9	78	-9

Summary of Program Changes

Request Component	(\$000)	FTE
Workforce	-1,546	-9

Justification of Program Changes

Funding is realigned to support higher 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, financial assistance, 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 POB 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 2018 and 2019 budgets, and responded to OMB and the Appropriations Subcommittees.
- Completed the Department’s 2019 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 2019 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.
- Supported the Department-wide Chief Information Officer and Budget Officer Joint Certification Process to address the Federal Information Technology Acquisition Reform Act (FITARA) legislation providing the CIO with a significant role in the budget formulation process.
- Continued refinement of an enhanced minerals revenue modeling and reporting tool.
- Managed a Federal shared service budget formulation system across the Department. Successfully executed the Department’s first end-to-end budget cycle using the Budget Formulation and Execution Manager (BFEM), a Federal shared service system. Today, BFEM serves as the Departmental system of record for budget and performance data. As an integrated system, BFEM enables consistency between funding in the Department’s budget submissions with funding in the Annual Performance Plan & Report (APP&R)

and further facilitates the use of performance data to inform the budget formulation process.

- Supported the development and improvement of the capital planning and investment control process designed to improve management of IT and capital investments for 2018 and 2019, prioritized 2020 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 2019 and 2020 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 2018, the Office calculated annual payments and issued \$552.8 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 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.

- **Financial Policy and Data Analysis** – 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. Included in PFM's realm of responsibility is the collecting of financial performance data, data analysis, as well as developing, and prescribing financial policies and procedures related to cash management and accountability, pay administration, and Treasury collections. Moreover, PFM is responsible for facilitating alternative and interactive reporting (i.e., visualizations), participating in DOI reporting strategy groups, agile project management and the development of visualizations for the AFR and for internal uses, including performance monitoring and risk assessment. PFM also manages and coordinates the Travel and Relocation Program for DOI.

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 programs. 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 2018 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 2018 Governmentwide Financial Reporting System reporting process period and successfully completed the FY 2018 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.
- Coordinated with the Department's various bureaus and offices to close 215 (89%) of OIG and GAO audit recommendations.
- Distributed 60 single audit reports to grantor bureaus and monitored timeliness of management decisions.
- Began to implement the Digital Accountability and Transparency Act of 2014 (DATA Act) Control Plan as required in the revised Appendix A to OMB Circular No. A-123 and continued implementation of the Fraud Reduction and Data Analytics Act.

Office of Acquisition and Property Management (PAM)

The PAM coordinates Department-wide implementation of Federal policy for procurement and provides executive leadership to Interior's acquisition workforce. 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 and housing management, energy efficiency, water conservation, renewable energy programs, capital planning for real and personal property assets, and 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** – 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. Department-wide, approximately three million charge card transactions, totaling in excess of \$650 million, are conducted annually. The combined annual procurement and purchase card transactions are over 40 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 Department of the Interior Museum, funded through the Working Capital Fund Central Bill, and the Indian Arts and Crafts Board (IACB). 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, 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 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 business concerns and ensure small business goals are promoted and achieved. The Department awarded 58% of its contract award dollars in 2018 to small businesses totaling \$1.8 billion, exceeding the DOI goal of 51%.
- Providing leadership on behalf of the Department to ensure that socio-economic goals are promoted and achieved. The Department exceeded all goals for small and disadvantaged businesses, women-owned small businesses, service disabled veteran-owned small businesses, and historically under-utilized businesses.

Office of Grants Management (PGM)

The newly established PGM is responsible for all non-acquisition policy aspects of Department-wide functions related to grants, cooperative agreements, loans, and direct payments; and supports government-wide grants initiatives and related automated systems. The Office develops policies and guidance affecting all Interior bureaus and offices, collectively responsible for a volume of over 36,000 financial assistance actions within 290 different programs, totaling in excess of \$5 billion. Interior's annual assistance transactions are approximately 40 percent of the Department's appropriated budget.

The PGM provides executive level leadership and direction, program evaluation and oversight, and coordinates the development and implementation of Departmental policy and guidance. The PGM also provides advocacy and support for bureau programs and operations.

The PGM performs the following functions:

- Develops and implements regulations, policy, and technical guidance related to the Department's financial assistance programs, and coordinates Department-wide implementation of Government-wide initiatives in the financial assistance areas.
- Serves as Interior's liaison for all financial assistance-related matters with the Office of Management and Budget and inter-agency forums to establish and coordinate Government-wide policies and procedures in the Office's functional area.
- Administers the Department of the Interior Certification for Financial Assistance Program, certifying that all financial assistance professionals throughout the Department

possess the proper training and experience requirements to effectively conduct the financial assistance business of the Department.

- Establishes and implements performance measures and internal controls.
- Manages Department-wide access and input into Government-wide data collection systems.

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 updates of the Department-wide integrated FY 2019-2020 Annual Performance Plans and Reports. The plans present goals and strategies across the Department and include performance measures to track and demonstrate progress on achieving Administration priorities and Departmental goals.
- Coordinated the development of the Implementation Plan for the Program Management Improvement and Accountability Act (PMIAA) for the Department.
- Developed the Agency Priority Goal plans, provided quarterly status updates and reviews with senior leadership, and reported annual results.
- Oversaw the implementation, compliance, and performance reporting for Title 41 of the Fixing America's Surface Transportation (FAST) Act, referred to as FAST-41, for the Department to improve the permitting process within the structure of Federal environmental reviews and authorizations.

Program Performance Estimates

The President's 2020 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. The Budget, Finance, Performance and Acquisition program element will provide strategic and accountable leadership to guide the efforts of DOI's offices and bureaus to achieve Presidential and Secretarial goals by ensuring cost effective operations and customer-centric service; facilitating cooperation and collaboration across DOI organizations and Federal and non-Federal partners; ensuring a workplace environment that is safe and conducive to employee productivity and conflict resolution; and holding individuals at all levels accountable for their actions.

The program element will help prioritize DOI Infrastructure needs and reduce deferred maintenance backlog by working with Bureaus to:

- Improve the percentage of priority assets in acceptable condition to 84.5%.
- Maintain DOI's inventory of historic structures in good condition at 54%.
- Maintain critical DOI infrastructure and facilities to ensure effective operations and service delivery.

The program element will support the alignment of the organizational structure and workforce to improve partnership engagement and mission delivery by:

- Developing and delivering an executable budget which supports Administration and Secretarial priorities.
- Effectively managing the Department's Annual Financial Report, maintaining DOI's achievement of clean audit opinions.
- Supporting Departmental compliance with DATA Act and budget execution reporting.
- Monitoring Departmental response and completion of audit recommendations and findings which will result in improved service delivery.
- Coordinating the publication of the Department's Annual Performance Plan and Report (APP&R).
- Improving the management of the Department's Financial Assistance Program through development of tools, internal control measures, and focused training; and implementing GrantSolutions, a government comprehensive grants management system, across the Department.

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	7,125	7,263	+44	0	-406	6,901	-362
FTE	37	41	0	0	-2	39	-2

Summary of Program Changes

Request Component	(\$000)	FTE
Workforce	-406	-2

Justification of Program Changes

Funding is realigned to support higher 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 opportunity, 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 Capital (OHC)

The OHC is the corporate human capital office and partner leading the Department's enterprise – wide Human Resource strategic planning efforts by providing policies, solutions, oversight and guidance to further the Department's overall mission. The OHC 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 OHC 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 Office interprets laws, executive orders, rules and regulations, and provides technical and professional assistance, advice, and guidance to the Secretary and the bureaus. The Office also provides critical

assistance to the bureau 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, OHC 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 OHC 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 Strategic Plan, Proposed Realignment Plans and strategies to maximize employee performance.
- Drafting the Department's Human Capital Operations Plan which demonstrates how human capital actions and initiatives support the Department's strategic goal and annual performance plan providing justification on program return on investment.
- 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 management strategies across the employee lifecycle 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 programs and efforts to close skills gaps and identify technologies to design DOI career paths to make them more employee friendly and intuitive to use.
- Support the Department's work to achieve the Administration's Cross Agency Priority (CAP) Goal relating to career paths.
- Conducting evaluation of the cost of human resources within the Department to validate expenditures through return on investments gained through accomplished human capital metrics and recommend potential HR shared services at the operational level.
- 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 science, technology, engineering, and mathematics (STEM) occupations engaged in oil and gas activities.
- Enhancing employee engagement impact and communication through the synthesis of the Federal Employee Viewpoint survey data and building internal webpages to

communicate to employees how leaders have used the data toward workplace improvements.

- Address the Department's challenges in workplace culture and harassment.
- 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 implement and adhere to the requirements of workforce reform executive orders.
- Implementing a Department-level communication strategy to enhance employee engagement, provide human capital information to decision-makers, brand DOI to highly skilled candidates, and share knowledge across the employee lifecycle.

Office of Civil Rights (OCR)

The OCR reports directly to the Principal Deputy Assistant Secretary, PMB. It is the Departmental civil rights office leading the administration of the Department's equal employment opportunity program and public access civil rights programs in furtherance of the Department's overall mission. The OCR develops policies, procedures, and programs, provides Department-wide oversight, technical assistance, advice and guidance to bureau Equal Employment Opportunity (EEO) Program Offices, and provides advice and consultation to the Secretary, Assistant Secretary - Policy, Management and Budget, and Departmental officials on all matters pertaining to affirmative employment, civil rights, equal opportunity and equal access concerning the development and enforcement of civil rights and equal opportunity policies and programs pursuant to Executive Orders and Federal statutes and regulations that prohibit discrimination and promote equal employment opportunity through a continuing affirmative program.

The OCR optimizes the Department's mission success by helping to ensure the workplace is safe, fair, and open; reflective of the Nation at all levels and all occupations; accepting of individual voices and differences; and that all employees are treated with dignity and respect and feel valued, motivated and empowered to maximize their potential. The OCR includes the Office of the Secretary, Equal Opportunity Office, which provides the full range of EEO Services, including EEO Counseling, complaints processing, training, and outreach for employees of the Office of the Secretary, to include the Assistant Secretaries, Office of Inspector General, Office of the Solicitor, Office of the Special Trustee for American Indians, Interior Business Center, and Office of Natural Resources Revenue (ONRR).

Office accomplishments include:

- Reviewing, evaluating, and monitoring the performance of the Department's bureaus and offices in carrying out their responsibilities under the laws, Executive Orders, regulations, and Departmental directives pertaining to affirmative employment, civil rights, equal opportunity and equal access.
- Custodian of all official EEO complaint records, managing the EEO complaints processing and reporting system and public civil rights complaints processing system, ensuring that files are maintained and disposed of consistent with EEOC regulations and guidelines, the Privacy Act, and Federal regulations for records retention.

- Making findings of fact on and adjudicating all EEO discrimination complaints filed against the Department by Department employees, former employees, or applicants; and the enforcement of Federal statutes that prohibit discrimination in programs or activities conducted by or receiving financial assistance from the Department.
- Partnering with stakeholders within and outside the Department to promote external civil rights compliance and accessibility to the Department's public lands and parks.
- Providing leadership and partnering with OHC and other Departmental offices on the establishment and implementation of workplace policies and practices to promote EEO, prevention and elimination of harassment, and diversity and inclusion, which helps the Department recruit, empower, engage, and retain the best talent and assures employees and applicants are protected from discrimination, including harassment and retaliation, and have equitable access to all terms, benefits, and conditions of employment.
- Partnering with the Office of Human Capital, Solicitor, and the Office of Collaborative Action and Dispute Resolution, to provide consultation and technical assistance to Departmental offices on EEO, diversity, and inclusion. This includes guidance, training, and coordination of education and cultural/sensitivity awareness programs to enhance workplace relationships, prevent and eliminate harassment, and resolve conflict.
- Providing reports, data, and analytics as required by laws, regulations, and Congress to determine patterns, practices, and trends associated with Departmental EEO complaints and to assess the organizational health of the Department through evaluation of its personnel policies, practices and procedures to inform solutions to continue to establish and maintain the Department as a model agency for equal employment opportunity.

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 implement continuous learning as part of workforce management, knowledge sharing and development, incorporating learning and knowledge sharing into management practice, and evaluating 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 and the Office of Personnel Management. 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, including re-skilling and upskilling to better align the workforce to future mission objectives. This entails utilization of a competency-based human resource management system that clearly identifies the skills, knowledge, abilities, and behaviors required of all employees and enhances knowledge management capacity. This Office leads the identification, validation, and implementation of a competency-based system across the

Department. The programs offered assist with succession planning through leadership, career and professional, and workforce development. This system allows the Office to work in collaboration with the Office of Human Capital to support an employee life-cycle approach to learning and development. Additional information on the OSEOD is also presented in the Working Capital Fund section of this Congressional Justification.

Office accomplishments include:

- Collaborating with the information technology, acquisition, and program management communities to develop a departmental competency profile for these groups while building competency profiles for Departmental mission-critical occupations.
- Utilizing competency profiles to assess the workforce and use the data to establish benchmarks and inform improvement strategies for workforce planning and overall development opportunities.
- Reviewing and implementing an effective and efficient mandatory training strategy across the Department that reduces costs, training time, provides practical learning, and influences organizational behaviors and practices.
- Building towards consistent leadership and supervisory training that supports succession and workforce planning efforts across the Department.
- Increasing employee engagement through enhancements to the learning ecosystem, which includes shared training events, enhanced knowledge sharing, and integration of continuous learning throughout the employee lifecycle.

Program Performance Estimates

The President's 2020 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. The Human Capital and Strategic Development program element will provide strategic and accountable leadership to guide the efforts of DOI's offices and bureaus to achieve Presidential and Secretarial goals through ensuring cost effective operations and customer-centric service; facilitating cooperation and collaboration across DOI organizations and Federal and non-Federal partners; ensuring a workplace environment that is safe and conducive to employee productivity and conflict resolution; and holding individuals at all levels accountable for their actions.

The program element will improve strategic hiring, placement and retention efforts to ensure mission-critical service delivery through data driven processes and increased employee engagement efforts including:

- Leveraging automation to improved employee performance and training opportunities.
- Examining additional data to determine if operational efficiencies can be gained while minimizing redundancies under the current organizational design.
- Managing the Workplace Culture Transformation Advisory Council to improve employee engagement and build career paths across the Department.
- Transforming the management of the ethics function across the Department to ensure operations are conducted ethically and all employees have access to prompt, accurate ethics advice.

- Launching a career pathing initiative to allow Interior to attract, retain, and expand opportunities for DOI employees across the Department.
- Increasing the employee engagement index for DOI in the Federal Employee Viewpoint Survey to 72%.
- Improving DOI's ranking among large agencies in the Partnership for Public Services' Best Places to Work report to 6th.

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	3,514	3,577	+21	0	0	3,598	+21
FTE	16	15	0	0	0	15	0

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 Interior building. 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 has ownership of some of the Nation's most recognizable critical infrastructure. Officers from various bureaus 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 potential targets identified by Federal entities including the Department of Justice and the Department of Homeland Security.

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 maintaining 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 and 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 year operations with safe and mission-ready aircraft through a certification and inspection process 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 729 Government-owned manned and unmanned aircraft and assures the safety and mission readiness of 1,095 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, law enforcement, 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 \$718 million to the Department and its supporting vendors in reduced losses.
- Supporting over 119,000 student hours of aviation training.

Program Performance Estimates

The President's 2020 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. The Public Safety, Resource Protection and Emergency Services program element will provide strategic and accountable leadership to guide the efforts of DOI's offices and bureaus to achieve Presidential and Secretarial goals through ensuring cost effective operations and customer-centric service; facilitating cooperation and collaboration across DOI organizations and Federal and non-Federal partners; ensuring a workplace environment that is safe and conducive to employee productivity and conflict resolution; and holding individuals at all levels accountable for their actions.

The program element will ensure emergency preparedness and DOI law enforcement staffing addresses public safety risks and supports the security of our southern border including:

- Collaborating with DOI's law enforcement community to increase the number of Bureaus with a current law enforcement staffing plan to 85%.
- Providing training and oversight on law enforcement policy to provide a safe environment to visitors and other users of our lands and facilities.
- Coordinating with other Federal, State, and local agencies to assist in the protection of assets on the Outer Continental Shelf, Trans-Alaska pipeline, and gas transmission lines.
- Supporting the five National Planning Frameworks (Protection, Prevention, Mitigation, Response, and Recovery) and their related five Federal Interagency Operational Plans, the National Incident Management System, and the National Oil and Hazardous

Substances Pollution Contingency Plan while continuing the Department's mission to protect natural and cultural resources.

- Partnering with Federal, State, Tribal, and local law enforcement agencies working in proximity to each other to address critical issues and participating in local Border Management Task Force meetings, interagency training, and law enforcement specific operations.

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	3,859	3,859	+24	0	-184	3,699	-160
FTE	23	18	0	0	-1	17	-1

Summary of Program Changes

Request Component	(\$000)	FTE
Workforce	-184	-1

Justification of Program Changes

Funding is realigned to support higher priorities.

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 (IT) 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 OCIO reports to the Secretary with administrative support from the AS-PMB. It 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:

- In support of the Administration's goal to modernize DOI, OCIO has prioritized its work to ensure the success of this important effort, including procuring third-party services for an independent assessment of DOI's IT landscape to develop a roadmap for moving the Department to shared IT services.
- OCIO released a 10-step Standard Service Guide to be used by the Department in planning, developing, and implementing Information Management and Technology (IMT) Standard Services for deployment in the unified regional construct.
- OCIO initiated work to pilot shared network resources in New Mexico and Alaska as a first step toward Department-wide deployment. The pilot will enable employees from all DOI bureaus and offices to work in other DOI offices and receive common help desk support.
- OCIO continues to successfully implement the Federal Information Technology Acquisition Reform Act (FITARA) and utilize it as a driver to strengthen IMT governance, including providing review and approval for systems acquisition, key IT position hiring, and performance management.
- On behalf of the CIO Council, the OCIO is working with the National Institute of Standards and Technology (NIST) to create an environment for testing zero trust and software defined networking technologies for the Federal government. This initiative is connecting work underway at the Defense Information Systems Agency (DISA) with NIST's National Cybersecurity Center of Excellence, supporting civilian agency participation in DISA's pilot for Continuous Multi-Factor Authentication.
- DOI has improved its overall score to "Managing Risk" under OMB's Risk Management Assessment across four risk functions.
- OCIO developed a comprehensive IMT service site, a single place for DOI employees to get current information on DOI-wide and bureau-specific IT services as part of a broader strategy to improve communications on IT with DOI's workforce.

Office of Collaborative Action and Dispute Resolution (CADR)

The 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.

The 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 upon completion, 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.

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 ten 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 2020 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. The Technology and Business Services program element will provide strategic and accountable leadership to guide the efforts of DOI's offices and bureaus to achieve Presidential and Secretarial goals through ensuring cost effective operations and customer-centric service; facilitating cooperation and collaboration across DOI organizations and Federal and non-Federal partners; ensuring a workplace environment that is safe and conducive to employee productivity and conflict resolution; and holding individuals at all levels accountable for their actions.

The program element will prioritize DOI Infrastructure and technology needs including:

- Providing dependable and efficient information technology.
- Improving the percent of unclassified network hardware and software assets appropriately authorized and managed to 81%.
- Maintaining DOI's Federal Information Technology Acquisition Reform Act compliance.
- Protecting high value information assets by isolating these assets from the shared computing environment.
- Improving connectivity, with an emphasis on broadband in remote areas and standardized and streamlined WiFi capabilities.
- Optimizing Data Centers including reducing the total number of data centers, using Trusted Internet Connections, and promoting standard services.
- Establishing accountability, compliance and risk management functions for improving management of IMT resources.
- Ensuring maximum optimization of shared services.

Activity: Leadership and Administration
Program Element: Central Services

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	43,637	43,637	+374	0	-2,650	41,361	-2,276
FTE	0	0	0	0	0	0	0

Summary of Program Changes

Request Component	(\$000)	FTE
Main Interior Building Rent and Utilities	-2,650	-0-

Justification of Program Changes

The program change reflects anticipated reductions in MIB rent and utilities payments for the Office of the Secretary. The reduction is the result of OS efforts to shrink the OS footprint within the MIB and increase MIB occupancy by co-locating other bureau staff such as NPS, OSMRE, and BIA from other locations.

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 2019 and 2020.

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	6,944	6,944	+46	0	+191	7,181	+237
FTE	35	38	0	0	0	38	0

Summary of Program Changes

Request Component	(\$000)	FTE
Interior Board of Land Appeals Administrative Judges	+191	-0-

Justification of Program Changes

Funding is provided to support additional Interior Board of Land Appeals (IBLA) Administrative Judges to accelerate the processing of IBLA cases for land and minerals issues. IBLA work supports the Secretarial priority of sustainably developing the Nation's energy and natural resources. In addition, 80% of IBLA pending appeals come from the Bureau of Land Management and many involve oil and gas permitting issues or land use planning issues related to energy decisions. The request is made based on the results of a 10-year analysis of the relationship between pending appeals and the number of judges on the IBLA. The number of judges has fluctuated between 6 and 10 in the last 10 years, with the IBLA having 6 judges for 8 of these 10 years. The number of appeals received each year continues to increase, with projections of pending appeals indicating that IBLA will reach 500 pending cases by the end of FY 2020, unless two judges are added. The Office of Hearings and Appeals is realigning staffing resources internally to hire two additional IBLA judges. The IBLA continues to refine its processes to improve efficiency in case resolution, which is critical in meeting its responsibility to the public and the Department.

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:

	2016	2017	2018
Received	93	95	81
Concluded	82	130	123
End of Year (pending)	171	136	94

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:

	2016	2017	2018
Received	112	142	78
Concluded	154	98	101
End of Year (pending)	69	113	90

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:

	2016	2017	2018
Received	307	346	220
Concluded	279	295	270
End of Year (pending)	349	400	350

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

	2016	2017	2018
Received	61	75	46
Concluded	128	79	51
End of Year (pending)	102	98	93

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:

	2016	2017	2018
Received	230	145	149
Concluded	206	194	126
End of Year (pending)	74	25	48

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:

	2016	2017	2018
Received	6,317	6,051	5,635
Concluded	6,233	6,604	4,607
End of Year (pending)	5,236	4,683	5,711

Program Performance Estimates

Caseload Summary - In 2018, OHA received a total of 574 non-probate cases and closed 671, leaving 675 pending at the end of the year. OHA also received 5,635 new probate cases and closed 4,607 leaving 5,711 pending. During the 4th quarter of FY 2018, the Supreme Court issued a decision in *Lucia v. SEC*, 138 S. Ct. 2044, 585 US ___ (2018). The case's ruling called into question the appropriateness of appointments for Administrative Law Judges and other similarly situated adjudicatory officers, i.e., Indian Probate Judges and Administrative Judges serving on the boards of appeal. OHA paused the issuance of final, dispositive decisions and orders while working with the Secretary of the Interior's Office to determine the impact of the ruling and any subsequent action necessary. The Secretary issued a memorandum on October 24, 2018 ratifying the previous appointments of all judges and approving the appointments as his own under the Constitution. 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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations - Land and Water Conservation Fund							
Federal Lands Appraisals							
(\$000)	10,242	10,242	0	0	-2,052	8,190	-2,052
FTE	70	59	0	0	-12	47	-12
Office of the Secretary, Departmental Operations							
Indian Country Appraisals*							
(\$000)	0	0	+45	+9,438	+1,578	11,061	+11,061
FTE	0	0	0	+42	0	42	+42
Total							
(\$000)	10,242	10,242	+45	+9,438	-474	19,251	+9,009
FTE	70	59	0	+42	-12	89	+30

* Indian Country Appraisals were transferred from the Office of the Special Trustee (OST) to the Office of the Secretary's Department-wide Appraisal and Valuation Services Office (AVSO) by Congressional reprogramming dated December 22, 2017. The 2020 Budget Request reflects the transfer of the associated staff and funding from OST to OS.

Summary of Program Changes

Request Component	(\$000)	FTE
Land Acquisition Valuations Project Work	-2,052	-12
Indian Country Appraisals Support	+1,578	+0

Justification of Program Changes

Land Acquisition Valuations Project Work (-\$2,052,000/-12 FTE)

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

The budget request maintains capacity to support on-going LWCF-funded projects and related land exchanges. The President's 2020 Budget focuses available funds on the protection and management of existing lands and assets. DOI already owns 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 FY 2020 request for major land acquisition projects, although land exchanges and administrative support will continue.

Indian Country Appraisals Support (+\$1,578,000/+0 FTE)

The budget request provides an additional \$1,118,000 to support Indian Country appraisal workload performed through PL 93-638 compacts/contracts and \$460,000 for base rent for staff transferred to AVSO from the Office of Special Trustee for American Indians (OST) in 2018.

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 appraisal 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 under Secretarial Order 3363, March 18, 2018, brought together two strong appraisal and valuation entities. 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" following 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 support appraisals in Indian country, as well as to other Departmental clients under inter-agency agreements and reimbursable service agreements.

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 IT platforms 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. System scoping has been completed, with programming to occur in FY 2019 and testing/implementation in FY 2020.

A key focus over the next three years is 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. AVSO has undertaken VERA and VSIP authority to begin the process of strategically aligning staff, while expanding the use of mass appraisal and area-wide minerals evaluations to support Federal Lands and other Indian country 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 2018, the AVSO Federal Lands Division handled over 1,000 valuation services, completed appraisal reviews on 861 properties representing approximately 410,200 acres with value estimates totaling over \$689.5 million; contracting costs for these appraisal assignments totaled \$1,633,105. 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). Note that over 80% of Federal Lands Division appraisals are subject to the Uniform Appraisal Standards for Federal Land Acquisition

(UASFLA) which has additional requirements over the Uniform Standards for Professional Appraisal Practice (USPAP). In FY 2019, with the increase in the micro-purchase threshold, AVSO will contract for more services through direct procurement, following a process that ensures competition and best value for the government.

In FY 2018, the AVSO Indian Trust Property Valuation Division completed 3,751 appraisal requests, containing 485,800 acres having a composite value of \$1.017 billion. The appraisal backlog was at 128, up from 12 at the end of fiscal year 2017. The increase is attributable to overall increased workload for the Division. Appraisals for BIA, Tribes and individual beneficiaries must be completed in accordance with USPAP rather than UASFLA. We anticipate the FY 2019 workload to be very similar to 2018, including a small increase to the proportion of funds allocated to Tribal Shares for those Tribes that manage appraisal programs directly.

The AVSO Land Buy Back Valuation Division completed appraisal reports for 9,353 tracts (9,422 appraisal and review reports) using both site-specific appraisals and mass appraisal modeling to support the acquisitions of the Department's Land Buy Back Program for Tribal Nations. The total cumulative values reported in these appraisals was approximately \$1.34 billion and the acreage appraised totaled 1.648 million acres. Appraisals for the Land Buy Back Program are subject to USPAP. The FY 2019 workload will continue at a similar level with continued emphasis on mass appraisals, but with more site-specific work done through the regional offices of the Indian Trust Property Valuation Division.

The AVSO Division of Minerals Evaluation reviewed 478 Federal Lands Division appraisal cases, resulting in 247 mineral valuation review reports (994 parcels); completed 106 mineral lease and appraisal cases (215 parcels) for the Bureau of Indian Affairs, on behalf of the Five Civilized Tribes of Oklahoma; and reviewed over 22,100 multi-parcel tracts, across 11 Reservations for the Land Buy Back Program for Tribal Nations. During FY 2018, DME began reviews similar to Federal Lands reviews but for Appraisal Services to Indian Country providing shared access to minerals evaluations on more than 57,000 multi-parcel tracts, covering 36 Reservations, and completed 960 individual appraisal and lease valuation cases (over 1,600 parcels). Additionally, DME staff performed eleven coal lease reviews for the BLM. The staff also performed field work and finalized valuation analyses for area-wide mineral material reports covering three States for the BLM in FY 2018. The FY 2019 workload is expected to be at the same level; while there will be fewer Federal Lands Division cases, minerals materials and coal leasing cases are increasing with BLM and probate work to support Indian country appraisals continuing to increase.

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 each step of the process, we have made steady progress in improving response times from over 240 days to under 165 days. Similarly, the Indian Trust Property Division is focused on timely service with a minimum of cases in backlog status, i.e., taking longer than the negotiated due date with the BIA. The Indian Trust Division ended FY 2018 with 4% 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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	386	386	0	0	-7	379	-7
FTE	0	0	0	0	0	0	0

Summary of Program Changes

Request Component	(\$000)	FTE
Revised Estimate	-7	+0

Justification of Program Changes

Worker's Compensation Estimate (-\$7,000/0 FTE)

The budget request of \$379,000 reflects the estimated payments for former U.S. Bureau of Mines employees.

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of the Secretary, Departmental Operations							
(\$000)	1,205	1,205	+6	0	+44	1,255	+50
FTE	10	8	0	0	0	8	0
Permanent Appropriation (Revenue from Museum Fees)							
(\$000)	36	40	0	0	0	40	0
FTE	0	0	0	0	0	0	0
Total							
(\$000)	1,241	1,245	+6	0	+44	1,295	+50
FTE	10	8	0	0	0	8	0

Summary of Program Changes

Request Component	(\$000)	FTE
IACB Activities	+44	+0

Justification of Program Changes

The 2020 budget request for the Indian Arts and Crafts Board is \$1.255 million. The IACB will focus on the operation of its three regional Indian museums; the implementation and enforcement of the Indian Arts and Crafts Act, including complaint processing, case development, and investigation referrals; and associated Act compliance and education endeavors.

Program Overview

The IACB 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 American Indian and Alaska Native (Indian) arts and crafts market, including the influx of mass-produced and imported counterfeit Indian art and craftwork. The IACB 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 IACB's activities are not duplicated in either the Federal or private sector. Its five-member Board of Commissioners serve without compensation, are appointed by the Secretary of the Interior, and determine the IACB'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 IACB support Departmental goals for promoting self-determination and economic self-sufficiency of, and law enforcement protections for, the federally recognized Tribes, Indians, and their communities.

The top priority of the IACB is enforcement 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 as defined by the Act. It is intended to protect Indian artists and artisans, businesses, Tribes, and consumers; protect Indian cultural heritage; and promote economic self-reliance.

The IACB operates the Southern Plains Indian Museum, in Anadarko, Oklahoma; Sioux Indian Museum, in Rapid City, South Dakota; and Museum of the Plains Indian, in Browning, Montana. The museums house and exhibit extensive historic collections of Plains Indian art. The museums also showcase the work of up-and-coming contemporary Indian artists from across the country through changing exhibitions to provide entrepreneurial opportunities to Indian artists.

The IACB and its museums provide Indian artists access to Indian art markets nationwide, enhance the economic vitality of tribal communities, educate consumers about the importance and inherent value of authentic Indian art, inform consumers and Indian artists about their protections under the Act, and bring the Indian arts community together to celebrate and preserve their rich cultural heritage.

Program Performance Estimates

During 2020, the IACB will continue its reimbursable law enforcement work with the U.S. Fish and Wildlife Service's Office of Law Enforcement (FWS) for comprehensive Act investigations and enforcement. This collaboration continues to exponentially strengthen the IACB's ability to address counterfeit Indian art and craftwork, including an onslaught of overseas knock-offs, which undermine Indian economies, self-determination, cultural heritage, and the future of an original American treasure. In collaboration with the FWS, the IACB will build upon its multi-state and international law enforcement actions, which have culminated in numerous successful indictments, convictions, and sentencing, to respond to Act violations nationwide.

The IACB will continue its existing collaborations with other Federal law enforcement agencies, such as the Federal Trade Commission, and key State Attorneys General to protect Indian artists and consumers. The IACB will continue to educate and work with Tribes and Tribal affiliated organizations, the Indian arts and crafts industry, tourist bureaus, cultural institutions, and consumers nationwide to increase awareness about the Act's protections, requirements, and prohibitions to encourage the broadest possible compliance.

The IACB will continue its work with the U.S. Patent and Trademark Office (USPTO) to promote trademarks and branding for Indian artists, provide Indian artist workshops, and revise the collaborative educational brochure on Indian artists' intellectual property rights protections. As Indian trademark registration expands, there will be an increase in the public recognition, value, and reliance on products marketed as authentic Indian art.

In 2020, the IACB will continue participation in key Indian art markets 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 IACB will also continue support of contemporary Indian artist exhibitions at its three museums. The IACB's museums will continue their community outreach and services to benefit their respective communities as they fulfill their goals to promote authentic contemporary Indian art and craftwork and compliance with the Act. Simultaneously, the IACB will concentrate on connecting Indian artists to consumers, growing Indians' fair share of the existing Indian art market, helping to create new and more robust Indian art entrepreneurship, and enhancing consumers' confidence in the integrity of the authentic Indian art market.

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Mineral Leasing Receipts

2020 PERFORMANCE BUDGET REQUEST

Mineral Leasing Receipts

The discussion under this section provides information about mineral receipts collected and disbursed by the Department of the Interior, primarily through the Office of Natural Resources Revenue (ONRR). This section is organized by the Congressionally authorized distribution of the receipts as follows:

Permanent Appropriations: This section refers specifically to mineral leasing receipts generated from onshore Federal lands and from certain offshore mineral leasing activities, which are available for expenditure without the need for additional appropriation (or “permanently appropriated”) for making payments to States and local governments. Receipts subject to permanent appropriations are a subset of the larger “Mineral Leasing Receipts” discussion.

Mineral Leasing Receipts: This section comprehensively discusses both onshore and offshore receipts and how they are distributed. Consistent with the underlying Congressional authorization, funds are deposited in permanent appropriations accounts, or in the General Fund of the U.S. Treasury and various special fund accounts, with spending from those accounts requiring subsequent appropriation by Congress.

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

PERMANENT APPROPRIATIONS

The permanent appropriations administered by the Department provide for the distribution 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. 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 the budget year, for certain permanent appropriations. The 2018 Actual payments match year-end Treasury Statements. These amounts represent the revenue paid out from each of the Treasury accounts that correspond to the permanent appropriations. Fiscal year estimates for payments are based on estimated revenue 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	2018 Actual	2019 Estimate	2020 Estimate	Change From 2019
Mineral Leasing Act Payments to States [5003.00] ^{1/ & 2/}	50%	1,524,781	3,385,215	3,035,252	-349,963
National Petroleum Reserve - Alaska [5045]	50%	25,484	19,032	20,336	+1,304
National Forest Fund Payments to States [5243.1] (Forest Fund)	25%	5,484	11,847	9,931	-1,916
Payments to States from Lands Acquired for Flood Control, Navigation, and Allied Purposes. [5248] (Flood Control)	75%	24,923	54,896	41,421	-13,475
Qualified OCS Revenues to Gulf Producing States (GOMESA) [5535.1 + 5535.2] ^{3/}	37.5% subject to annual cap	187,989	214,939	339,366	+124,427
Subtotal, Payments to States	--	1,768,661	3,685,929	3,446,306	-239,623
Geothermal, Payments to Counties [5574.1] ^{4/}	25%	3,641	3,768	0	-3,768
Total Permanent Appropriations	--	1,772,302	3,689,697	3,446,306	-243,391

^{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 is subject to a 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 2020 estimate reflects a 2020 Budget Proposal to terminate Geothermal Payments to Counties starting in 2020.

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. (Separate statutes cover revenue sharing payments from the National Petroleum Reserve-Alaska and the 1002 Area of the Arctic National Wildlife Refuge, where the traditional MLA fifty-percent state share applies.)

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. Except for Alaska, States receive 90 percent of State Select Lands mineral revenues under the provisions of 43 U.S.C. § 852. These amounts are 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 [lands in Federal ownership that were obtained by the

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).

government through purchase, condemnation, gift or by exchange]. These receipts are shared with States in accordance with the specific land category shown below:

- 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 is located.
- 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 P.L. 105-83, for the National Petroleum Reserve-Alaska (NPR-A), Alaska receives 50 percent of the NPR-A revenue receipts. 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 and are not projected to start until 2022.

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, State Select Land provisions, and the Mineral Leasing Act for Acquired Lands.

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

States	2018 Actual	2019 Estimate	2020 Estimate
Alabama	1,376	3,034	2,716
Alaska	34,371	75,786	67,837
Arizona	9	20	18
Arkansas	854	1,883	1,686
California	41,430	91,350	81,769
Colorado	112,554	248,175	222,146
Florida	477	1,051	941
Idaho	4,334	9,556	8,554
Illinois	76	169	151
Indiana	4	8	7
Kansas	639	1,409	1,261
Kentucky	120	267	237
Louisiana	2,153	4,748	4,250
Michigan	148	326	292
Minnesota	12	26	23
Mississippi	661	1,458	1,305
Missouri	2,299	5,070	4,538
Montana	25,686	56,637	50,696
Nebraska	29	63	57
Nevada	4,066	8,966	8,026
New Mexico	634,978	1,400,086	1,253,241
North Dakota	53,224	117,355	105,046
Ohio	863	1,902	1,702
Oklahoma	7,867	17,346	15,527
Oregon	47	104	93
Pennsylvania	10	22	19
South Carolina	1	1	1
South Dakota	565	1,245	1,114
Texas	4,847	10,688	9,567
Utah	76,015	167,609	150,030
Virginia	39	86	77
Washington	8	18	17
West Virginia	471	1,038	929
Wyoming	563,956	1,243,488	1,113,067
Total	1,574,189	3,470,990	3,106,940

^{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 2020 Budget Proposals.

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

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. The Act provided that 50 percent of revenues from these 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 (LWCF), with specific provisions for allocation during fiscal years 2007 - 2016, Phase 1.

Beginning in 2017, the Act shared additional revenue from any new leases signed after enactment in the current program areas of the Gulf, Phase 2. 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 the newly opened areas in Phase 1. However, the additional revenue sharing from Phase 2 is subject to a cap of \$500.0 million per year (from 2017 - 2019 and 2022 - 2055) and is 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 3: Payments to Gulf producing States under GOMESA 2006: ^{1/2/}
(in thousands of dollars)

	2018 Actual	2019 Estimate	2020 Estimate
ALABAMA	21,422	24,493	38,672
BALDWIN COUNTY ALABAMA	2,476	2,830	4,469
MOBILE COUNTY ALABAMA	2,880	3,293	5,199
LOUISIANA	66,272	75,772	119,637
ASSUMPTION PARISH LOUISIANA	554	633	999
LIVINGSTON PARISH LOUISIANA	863	986	1,557
CALCASIEU PARISH LOUISIANA	1,091	1,247	1,969
CAMERON PARISH LOUISIANA	871	996	1,572
IBERIA PARISH LOUISIANA	1,378	1,576	2,488
JEFFERSON PARISH LOUISIANA	865	990	1,563
LAFORCHE PARISH LOUISIANA	694	794	1,253
ORLEANS PARISH LOUISIANA	1,146	1,311	2,070
PLAQUEMINES PARISH LOUISIANA	1,623	1,856	2,931
ST. BERNARD PARISH LOUISIANA	782	894	1,411
ST. CHARLES PARISH LOUISIANA	594	679	1,073
ST. JAMES PARISH LOUISIANA	517	591	934
ST. JOHN THE BAPTIST PARISH LOUISIANA	559	640	1,010
ST. MARTIN PARISH LOUISIANA	617	705	1,114
ST. MARY PARISH LOUISIANA	720	823	1,300
ST. TAMMANY PARISH LOUISIANA	912	1,043	1,647
TANGIPAOA PARISH LOUISIANA	670	766	1,209
TERREBONNE PARISH LOUISIANA	1,260	1,441	2,275
VERMILION PARISH LOUISIANA	850	972	1,535
MISSISSIPPI	22,204	25,387	40,083
HANCOCK COUNTY MISSISSIPPI	1,059	1,211	1,912
HARRISON COUNTY MISSISSIPPI	2,158	2,467	3,896
JACKSON COUNTY MISSISSIPPI	2,334	2,669	4,213
TEXAS	40,494	46,299	73,101
ARANSAS TEXAS	413	473	746
BRAZORIA TEXAS	663	758	1,196
CALHOUN TEXAS	550	628	992
CAMERON TEXAS	610	697	1,100
CHAMBERS TEXAS	335	383	604
GALVESTON TEXAS	869	993	1,568
HARRIS TEXAS	1,962	2,244	3,543
JACKSON TEXAS	264	302	476
JEFFERSON TEXAS	664	760	1,199
KENEDY TEXAS	582	665	1,050
KLEBERG TEXAS	417	477	753
MATAGORDA TEXAS	776	888	1,402
NUECES TEXAS	546	624	986
ORANGE TEXAS	324	370	585
REFUGIO TEXAS	271	309	489
SAN PATRICIO TEXAS	276	316	499
VICTORIA TEXAS	346	396	625
WILLACY TEXAS	256	292	461
TOTAL	187,989	214,939	339,366

^{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)

	2018 Actual	2019 Estimate	2020 Estimate
ALABAMA	2,385	4,017	3,948
ALASKA	1,510	2,543	2,501
CALIFORNIA	1,363	2,296	2,257
FLORIDA	0	2	2
LOUISIANA	6,053	10,194	10,020
MISSISSIPPI	259	437	429
TEXAS	4,635	7,806	7,672
TOTAL	16,205	27,295	26,829

^{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

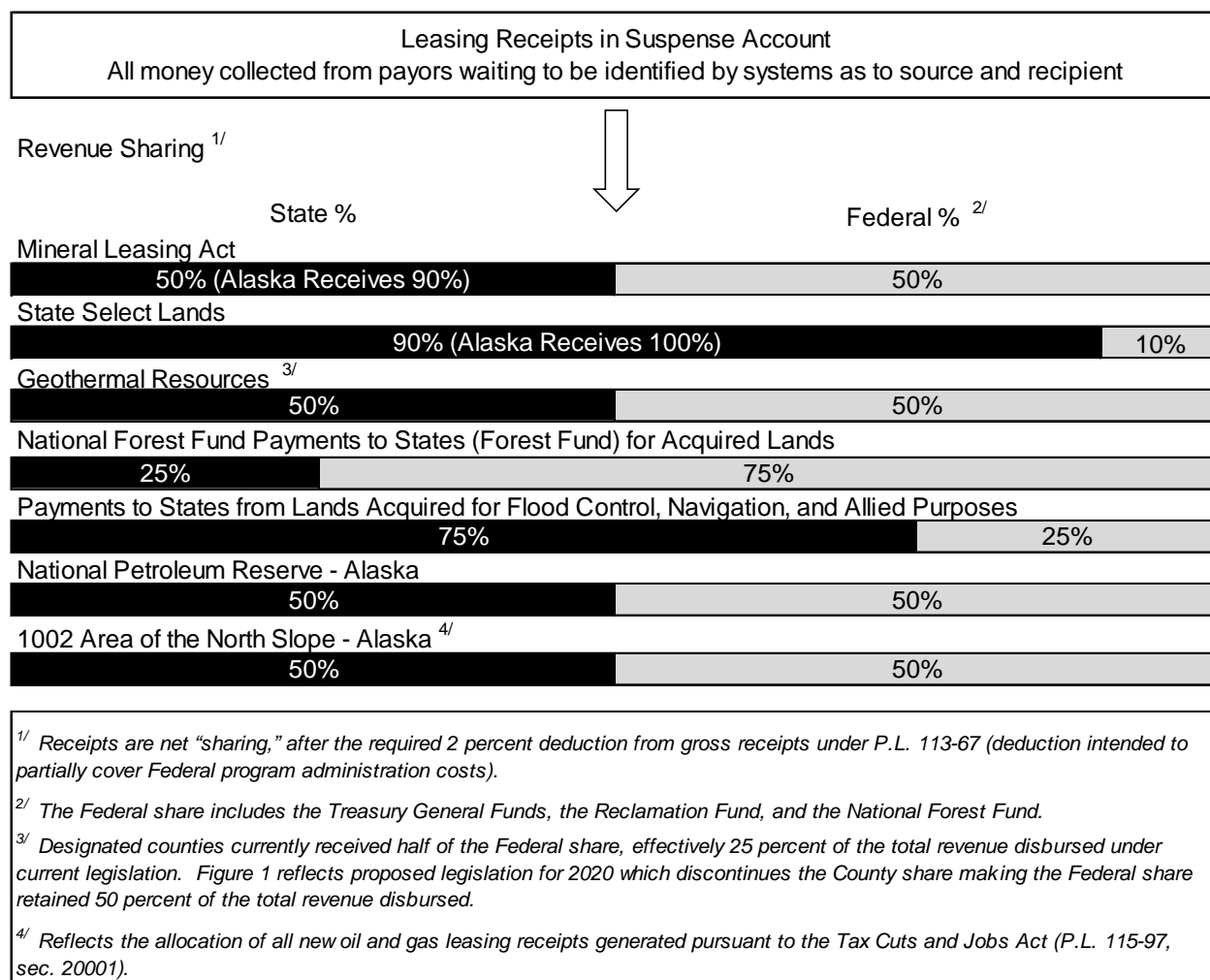
The distribution of mineral leasing receipts is broken down into two broad categories, onshore and offshore lands. In both cases, prior to distribution, the revenues are deposited into a holding or suspense account until the accounting system has identified the payments by the following three criteria:

- 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 the appropriate accounts based on land category and source type. Figure 1 displays the distribution process for onshore mineral leasing receipts, the statutory recipients and sharing percentages.

Figure 1: Distribution of Onshore Mineral Leasing Receipts

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.

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.

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.

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 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 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*).
- 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*).

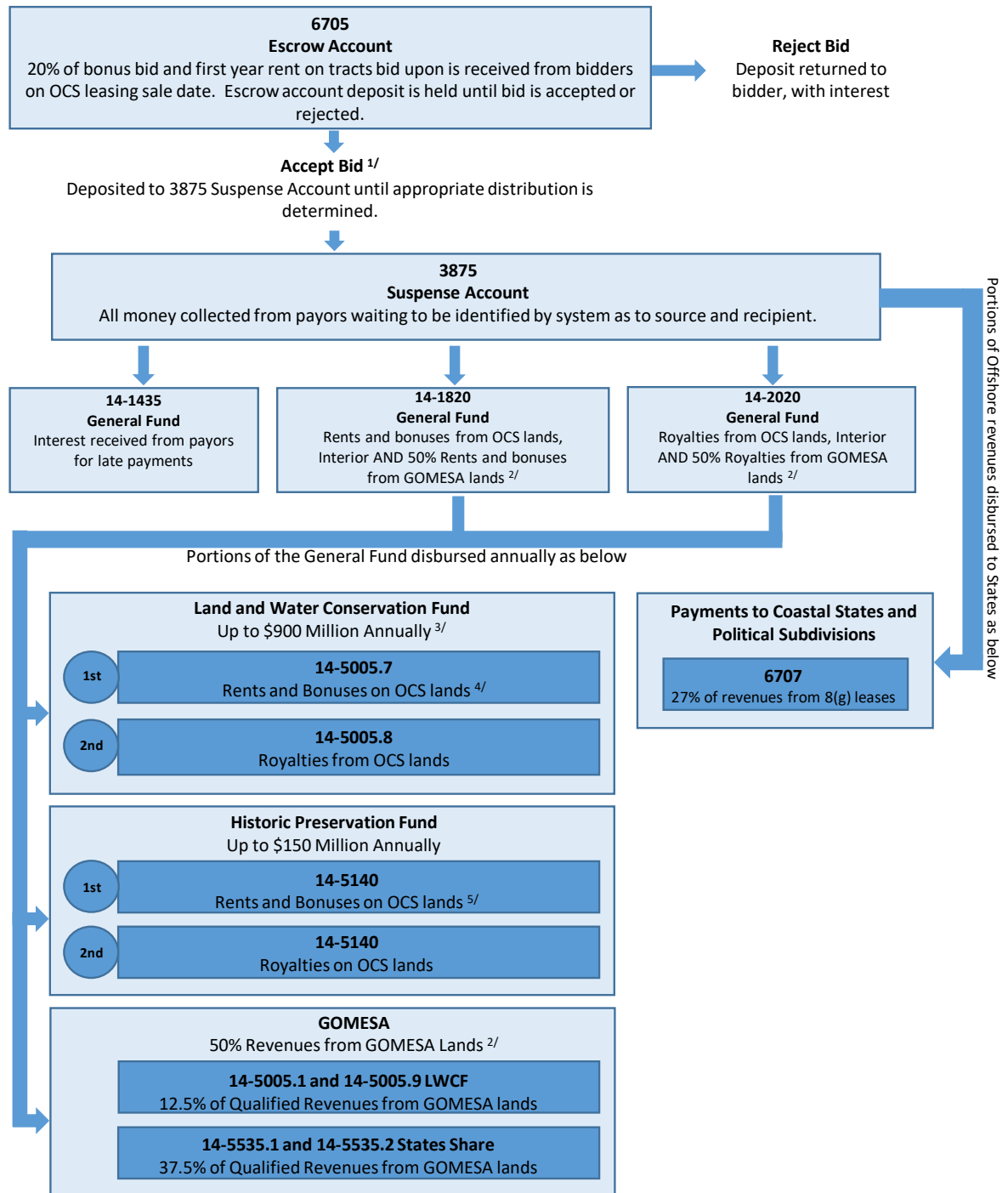
Collections from the National Petroleum Reserve in Alaska are disbursed 50 percent to Alaska (*Account 5045*) and 50 percent to the General Fund of the U.S. Treasury.

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.

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 and interest for late payments, rents and bonuses, or royalty. Figure 2 provides a visual representation of the distribution of offshore mineral leasing receipts.

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/} Authorization to deposit up to \$900 million in the LWCF annually expired on September 30, 2018. In the absence of authorization, the funds will be deposited in the General Fund of the Treasury.

^{4/} 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.

^{5/} If there are insufficient rents and bonuses to cover the \$150 million transfer, the balance is transferred from royalties (14-2020) to 14-5140.

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. LWCF deposits are reduced by other required deposits from motorboat fuels taxes and surplus property sales. The LWCF continues to receive 12.5 percent of qualified OCS revenues under GOMESA as a permanent mandatory appropriation.

OCS receipts also provide \$150.0 million in funding for the Historic Preservation Fund (*Account 5140*). Accounting procedures require payments to the Fund 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 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.

LEGISLATIVE PROPOSALS AND RECEIPT ESTIMATES

The 2020 budget includes the following legislative proposals that would affect mineral leasing receipt collections and/or payments to State and local governments from mineral receipts:

Public Lands Infrastructure Fund – Interior and Agriculture manage an infrastructure asset portfolio with over \$18 billion in deferred maintenance, which includes structures, trails, roads, utility systems, and Bureau of Indian Education (BIE) schools. To address these needs, the budget includes \$6.5 billion over 5 years for a Public Lands Infrastructure Fund. The fund will support infrastructure improvements through an allocation of 70 percent for national parks, 10 percent for national forests, 10 percent for wildlife refuges, five percent for BIE schools, and five percent for lands managed by the Bureau of Land Management. The Fund will be supported by the deposit of 50 percent of all Federal energy development revenue that would otherwise be credited or deposited as miscellaneous receipts to the Treasury over the 2020-2024 period, subject to an annual limit of \$1.3 billion. This investment will significantly improve many of America’s most visible, visited, and treasured places.

Termination of 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 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 Estimates;
- Table 10: Outer Continental Shelf 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 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate
Onshore Mineral Leasing						
Onshore Rents and Bonuses						
Oil and Gas	1,796,568	734,010	632,846	2,040,701	610,263	604,637
Coal	11,515	29,290	49,779	65,719	84,441	103,825
Geothermal	978	993	1,008	1,023	1,039	1,054
Oil Shale	-	-	-	-	8	8
All Other	564	564	564	564	564	564
Subtotal, Rents and Bonuses	1,809,626	764,857	684,197	2,108,007	696,315	710,088
Onshore Royalties						
Oil and Gas	4,836,519	4,488,370	4,311,864	4,400,786	4,663,485	4,813,994
Coal	546,390	519,168	503,870	495,743	502,564	504,772
Geothermal	10,351	10,539	10,727	10,915	11,104	11,292
All Other	75,067	75,067	75,067	75,067	75,067	75,067
Subtotal, Royalties	5,468,327	5,093,144	4,901,528	4,982,511	5,252,220	5,405,125
Total, Onshore Receipts	7,277,953	5,858,001	5,585,725	7,090,518	5,948,535	6,115,213
Outer Continental Shelf (OCS)						
OCS Rents and Bonuses	475,482	480,527	453,579	376,617	348,620	350,506
OCS Royalties	4,954,363	4,869,784	4,831,819	5,091,826	5,542,301	5,803,406
Total, OCS Receipts	5,429,845	5,350,311	5,285,398	5,468,443	5,890,921	6,153,912
TOTAL, MINERAL RECEIPTS ^{2/}	12,707,798	11,208,312	10,871,123	12,558,961	11,839,456	12,269,125

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 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate
Onshore Mineral Leasing Receipts						
1811.00	Rents and Bonuses	181,855	80,531	71,932	69,824	73,739
2025.00	ANWR Oil & Gas Leasing Revenues, Federal Share ^{2/}	-	-	-	725,000	-
2039.00	MLR Royalties ^{3/}	641,662	584,043	563,592	574,856	608,388
5243.10	Forest Fund, States share	12,630	9,931	9,499	9,511	9,870
5000.24	Reclamation Fund	2,847,385	2,290,010	2,181,704	2,200,844	2,319,880
5003.00	Payments to States ^{3/}	3,501,475	2,818,150	2,684,947	2,707,875	2,853,216
5045.10	Payments to Alaska from Oil & Gas Leases (NPRA)	20,290	20,336	21,800	25,535	29,376
5134.00	Payment to Oklahoma (Royalties)	10	10	10	10	10
5248.10	Flood Control, States shares	58,525	41,421	39,178	39,454	41,857
5488.00	ANWR Oil & Gas Leasing Revenues, Federal Share ^{2/}	-	-	-	725,000	-
5573.10	Rent from mineral leases (Permit Processing Fund)	10,356	9,738	9,161	8,642	8,163
5574.10	Geothermal Lease Revenues, County share	3,761	-	-	-	-
5575.10	Geothermal Lease Revenues, Federal share	-	3,828	3,896	3,963	4,031
5576.10	Leases from Naval Petroleum Reserve #2	5	5	5	5	5
Subtotal, Onshore Receipts		7,277,954	5,858,003	5,585,724	7,090,519	5,948,535
Outer Continental Shelf (OCS) Receipts						
1820.00	OCS Rents and Bonuses ^{4/}	99,607	-	-	-	-
2020.00	OCS Royalties	4,727,750	3,829,147	3,769,151	3,962,414	4,358,396
5005.70	Land & Water Conservation Fund (OCS Rents & Bonuses)	-	103,176	93,539	48,337	31,324
5005.80	Land & Water Conservation Fund (OCS Royalties)	-	796,824	806,461	851,663	868,676
5535.1	OCS Rents and Bonuses, State share from qualified leases	169,406	170,513	157,530	133,710	125,471
5535.2	OCS Royalties, State share from qualified leases	169,960	182,860	192,155	208,312	236,423
5005.1	OCS Royalties, LWCF share from qualified leases	56,653	60,953	64,052	69,437	78,808
5005.9	OCS Rents and Bonuses, LWCF share from qualified leases	56,469	56,838	52,510	44,570	41,824
5140.00	Historic Preservation Fund (OCS Rents & Bonuses)	150,000	150,000	150,000	150,000	150,000
5140.2	Historic Preservation Fund (OCS Royalties)	-	-	-	-	-
Subtotal, OCS Receipts		5,429,845	5,350,311	5,285,398	5,468,443	5,890,922
TOTAL, MINERAL RECEIPTS ^{5/}		12,707,799	11,208,314	10,871,122	12,558,962	11,839,457

^{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 2025 and 5488 reflect the estimated rents and bonuses from lease sales in Area 1002 as outlined in PL 115-97 sec. 20001.

^{3/} Accounts 2039 and 5003 reflect the Net Receipts Sharing provision made permanent in the Bipartisan Budget Act of 2013.

^{4/} The distribution of receipt funding differs from the President's Budget Appendix for these accounts: 1820 OCS Rents and Bonuses, 2020 OCS Royalties, 5005.7 Land and Water Conservation Fund (OCS Rents and Bonuses) and 5005.8 Land and Water Conservation Fund (OCS Royalties). The Appendix table includes revenue from the 1820 and 2020 accounts as part of the Land and Water Conservation Fund accounts. Both displays are consistent with the Administration's support for reauthorization of LWCF, which expired at the end of FY 2018.

^{5/} Estimates are subject to change; small discrepancies may occur due to rounding.

Table 7: Onshore Mineral Receipts, 2019 - 2020

(in thousands of dollars)

	2019 Estimate	2020 Estimate	Change	Explanation
Rents & Bonuses				
Oil & Gas	1,796,568	734,010	-1,062,558	Large 2018 lease sale paid in 2019
Coal	11,515	29,290	+17,775	Revised bonus payment estimates
Geothermal	978	993	+15	Revised bonus payment estimates
Oil Shale	0	0	0	
All Other	564	564	0	Revised bonus payment estimates
Subtotal, Rents & Bonuses	1,809,625	764,857	-1,044,768	
Royalties				
Oil & Gas	4,836,519	4,488,370	-348,149	Revised price and production estimates
Coal	546,390	519,168	-27,222	Revised price and production estimates
Geothermal	10,351	10,539	+188	Revised price and production estimates
All Other	75,067	75,067	0	Revised price and production estimates
Subtotal, Royalties	5,468,327	5,093,144	-375,183	
Total Onshore Mineral Receipts ^{1/}	7,277,952	5,858,001	-1,419,951	

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)

	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
Oil						
Oil Volume (MMBbl)	319.16	258.31	255.37	228.99	233.19	244.90
OMB Price/Bbl (in whole \$s)	\$117.98	\$110.85	\$105.67	\$104.44	\$108.81	\$111.13
Royalty Rate	0.123	0.123	0.124	0.124	0.125	0.125
Oil Royalties (\$M)	\$3,909	\$3,533	\$3,338	\$3,362	\$3,571	\$3,671
Subtotal Oil Royalties (\$M)	\$3,909	\$3,533	\$3,338	\$3,362	\$3,571	\$3,671
Gas						
Natural Gas Volume (tcf)	3.016	2.994	2.974	2.963	2.962	2.941
OMB Price/Mcf (in whole \$s)	\$2.14	\$2.11	\$2.23	\$2.37	\$2.47	\$2.60
Royalty Rate	0.126	0.134	0.124	0.123	0.125	0.125
Gas Royalties (\$M)	\$813	\$843	\$823	\$864	\$914	\$954
Subtotal Natural Gas Royalties (\$M)	\$813	\$843	\$823	\$864	\$914	\$954
CO2 Royalties (\$M)	\$68	\$71	\$69	\$72	\$77	\$80
Gas Plant Products (\$M)	\$355	\$329	\$352	\$371	\$380	\$390
Subtotal Gas Royalties (\$M)	\$1,236	\$1,243	\$1,244	\$1,307	\$1,371	\$1,424
Total, Oil & Gas Royalties (\$M)	\$5,145	\$4,776	\$4,582	\$4,669	\$4,942	\$5,095
Coal Royalties (\$M)	\$546	\$519	\$504	\$496	\$503	\$505
Geothermal Royalties (\$M)	\$10	\$11	\$11	\$11	\$11	\$11
All Other Royalties (\$M)	\$75	\$75	\$75	\$75	\$75	\$75
TOTAL ONSHORE ROYALTIES (\$M) ^{2/}	\$5,776	\$5,381	\$5,172	\$5,251	\$5,531	\$5,686

^{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
2019	19.4	4.1	0.0	23.5
2020	20.0	5.6	0.0	25.6
2021	19.3	6.8	0.0	26.1
2022	10.0	8.0	1.7	19.7
2023	0.0	8.7	5.0	13.7
2024	0.0	6.7	11.4	18.1
2025	0.0	4.2	19.8	24.0
2026	0.0	1.4	27.7	29.1
2027	0.0	0.0	30.6	30.6
2028	0.0	0.0	30.6	30.6
2029	0.0	0.0	30.6	30.6

Table 10: OCS Mineral Receipts, 2019 - 2020

(in thousands of dollars)

	2019 Estimate	2020 Estimate	Change	Explanation
Rents & Bonuses				
Oil & Gas Rents & Bonuses	475,482	480,527	+5,045	Revised rent payment estimates
Subtotal, Rents & Bonuses	475,482	480,527	+5,045	
Royalties				
Oil & Gas Royalties	4,954,363	4,869,784	-84,579	Revised price and production estimates
Subtotal, Royalties	4,954,363	4,869,784	-84,579	
Total OCS Mineral Receipts^{1/}	5,429,845	5,350,311	-79,534	

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/}
2019 Estimate						
251	2019	Gulf of Mexico	178	100%	1	177
252	2019	Gulf of Mexico	248	100%	2	246
Bonuses Subtotal						423
Rents						24
FY 2019 TOTAL						447
Rents - Subject to GOMESA ^{2/}						[26]
Bonuses - Subject to GOMESA ^{2/}						[423]
2020 Estimate						
253	2020	Gulf of Mexico	188	100%	2	186
254	2020	Gulf of Mexico	240	100%	2	238
Bonuses Subtotal						424
Rents						24
FY 2020 TOTAL						448
Rents - Subject to GOMESA ^{2/}						[26]
Bonuses - Subject to GOMESA ^{2/}						[425]
2021 Estimate						
256	2021	Gulf of Mexico	159	100%	1	158
257	2021	Gulf of Mexico	226	100%	2	224
258	2021	Cook Inlet	7	100%	0	7
Bonuses Subtotal						389
Rents						34
FY 2021 TOTAL						423
Rents - Subject to GOMESA ^{2/}						[28]
Bonuses - Subject to GOMESA ^{2/}						[381]
2022 Estimate						
259	2022	Gulf of Mexico	132	100%	1	131
261	2022	Gulf of Mexico	197	100%	2	195
Bonuses Subtotal						325
Rents						34
FY 2022 TOTAL						359
Rents - Subject to GOMESA ^{2/}						[28]
Bonuses - Subject to GOMESA ^{2/}						[326]
2023 Estimate						
	2023	Gulf of Mexico	127	100%	1	126
	2023	Gulf of Mexico	176	100%	1	175
Bonuses Subtotal						301
Rents						33
FY 2023 TOTAL						334
Rents - Subject to GOMESA ^{2/}						[28]
Bonuses - Subject to GOMESA ^{2/}						[301]
2024 Estimate						
	2024	Gulf of Mexico	131	100%	1	130
	2024	Gulf of Mexico	176	100%	1	175
Bonuses Subtotal						305
Rents						38
FY 2023 TOTAL						343
Rents - Subject to GOMESA ^{2/}						[29]
Bonuses - Subject to GOMESA ^{2/}						[305]

^{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)

	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
Oil (Million Barrels)						
Alaska	0	0	0	0	1	3
POCS	5	5	4	15	16	14
<i>Total GOM</i>	609	612	616	623	632	636
<i>Royalty Free Production (Deep Water)</i> ^{2/}	112	97	84	73	65	60
<i>GOM Royalty Production</i>	498	515	532	550	567	576
Total OCS Royalty Production	503	520	537	565	584	593
Royalty Rate	0.13	0.13	0.13	0.13	0.14	0.14
OMB Price/Bbl	\$70.61	\$66.82	\$63.54	\$62.83	\$65.59	\$66.90
Subtotal Oil Royalties	\$4,667.42	\$4,593.78	\$4,540.71	\$4,767.49	\$5,188.28	\$5,423.46
Gas (Billion Cubic Feet)						
POCS	3	3	3	26	30	27
<i>Total GOM</i>	904	884	866	863	864	866
<i>Royalty Free Production (Deep & Shallow Water Gas)</i>	126	114	105	98	91	85
<i>Royalty Free Production (Deep Water)</i> ^{2/}	122	110	101	94	87	81
<i>Royalty Free Production (Deep Gas)</i>	4	4	4	4	4	4
<i>GOM Royalty Production</i>	778	770	761	766	773	781
Total Royalty Production	782	773	764	791	804	807
Royalty Rate	0.13	0.13	0.13	0.13	0.13	0.14
OMB Price/Mcf	\$3.10	\$2.99	\$3.13	\$3.30	\$3.46	\$3.63
Subtotal Gas Royalties	\$304.58	\$293.18	\$308.08	\$342.73	\$374.91	\$402.27
NET FEDERAL OCS OIL AND GAS ROYALTIES ^{3/}	\$4,972.00	\$4,886.96	\$4,848.78	\$5,110.22	\$5,563.19	\$5,825.73

^{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, \$465,000,000 shall be available for fiscal year 2020.

Note.—A full-year 2019 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, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.

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. \$465,000,000 shall be available for fiscal year 2020.**

The Department requests \$465,000,000 to remain available until September 30, 2020.

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)

	2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2020 Request
Appropriation: Payments in Lieu of Taxes	553,155	500,000	0	0	-35,000	465,000

Department-wide Programs - Payments in Lieu of Taxes
Summary of Requirements
(Dollars in Thousands)

	2018 Actual		2019 CR Baseline		Fixed Costs & Related (+/-)	Internal Transfers (+/-)		Program Changes (+/-)		2020 Request		Change from 2019	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Appropriation: Payments in Lieu of Taxes	553,155	2	500,000		+0	+0	+0	-35,000	2	465,000	+0	-35,000	

Activity: Payments in Lieu of Taxes

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Department-Wide Program, Payments in Lieu of Taxes - Discretionary Authority							
(\$000)	553,155	500,000	0	0	-35,000	465,000	-35,000
FTE	2	2	0	0	0	2	0

Summary of Program Changes

Request Component	(\$000)	FTE
PILT payments	-35,000	+0

Justification of Program Changes

The 2020 budget request for PILT is \$465.0 million in discretionary appropriations for PILT payments. The amount proposed reflects the desire to support this important program while balancing Departmental funding priorities in a constrained budget environment.

Program Overview

Payments in Lieu of Taxes are Federal payments to local governments that help offset lost property taxes due to the existence of 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, approximately \$8.5 billion in payments have been made.

The amount of the payments is determined by codified formulas (31 U.S.C. 6901-07) based primarily on population and the amount of PILT-eligible Federal land within an affected

jurisdiction. Certain Federal revenues 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 2018. 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:

- Section 6902: Federal lands in the National Forest System and 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.
- Section 6904: Federal lands acquired after December 30, 1970, as additions to lands in the National Park System or National Forest Wilderness Areas.
- Section 6905: Federal lands in the Redwood National Park or lands acquired in the Lake Tahoe Basin near Lake Tahoe under the Act of December 23, 1980.

Program Performance Estimates

Payments made before July 1 help local governments to better plan for PILT in the preparation of their annual budgets. In 2018, a total of \$552.8 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. 2018 PILT payment amounts were unusually high due to a 64% decrease in prior year payment deductions in the 2018 PILT calculation. This decrease reflects the impact of non-authorization of Secure Rural Schools (SRS) in 2017. In 2018, Congress reauthorized Secure Rural Schools (SRS) payments for 2018 and 2019.

2018 PILT Payments by State/Territory

State/Territory	2018 Payment
Alabama	\$1,592,542
Alaska	\$32,308,994
Arizona	\$39,929,266
Arkansas	\$7,938,962
California	\$60,451,685
Colorado	\$40,144,620
Connecticut	\$32,428
Delaware	\$80,856
District of Columbia	\$22,969
Florida	\$6,571,022
Georgia	\$3,388,005
Guam	\$2,524
Hawaii	\$368,438
Idaho	\$36,091,206
Illinois	\$1,342,298
Indiana	\$806,351
Iowa	\$518,365
Kansas	\$1,244,595
Kentucky	\$3,304,066
Louisiana	\$1,228,654
Maine	\$748,353
Maryland	\$120,065
Massachusetts	\$110,915
Michigan	\$5,389,933
Minnesota	\$5,156,488
Mississippi	\$3,452,551
Missouri	\$4,885,724
Montana	\$40,073,049

State/Territory	2018 Payment
Nebraska	\$1,311,052
Nevada	\$26,987,166
New Hampshire	\$2,036,937
New Jersey	\$117,667
New Mexico	\$42,630,492
New York	\$163,655
North Carolina	\$4,645,116
North Dakota	\$1,788,185
Ohio	\$540,945
Oklahoma	\$3,660,913
Oregon	\$36,915,386
Pennsylvania	\$1,388,322
Puerto Rico	\$41,008
Rhode Island	\$0
South Carolina	\$1,134,945
South Dakota	\$7,036,593
Tennessee	\$3,266,219
Texas	\$6,512,880
Utah	\$40,715,865
Vermont	\$1,097,519
Virgin Islands	\$37,967
Virginia	\$5,643,252
Washington	\$29,037,327
West Virginia	\$3,367,942
Wisconsin	\$3,654,986
Wyoming	\$31,717,661
Total	\$552,754,924

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, \$147,330,000, to remain available until September 30, 2021; of which \$50,651,000 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 2019 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, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 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 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. \$147,330,000, to remain available until September 30, 2021;

The Department proposes the majority of funding for the Office of Natural Resources Revenue account to remain available until September 30, 2021.

4. of which \$50,651,000 shall remain available until expended for the purpose of mineral revenue management activities:

The Department proposes \$50,651,000 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 authority within the Office of Natural Resources Revenue account regarding refunds of Indian lease overpayments.

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

	2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2020 Request
Appropriation: Office of Natural Resources Revenue						
Natural Resources Revenue	137,757	137,757	-279	+0	+9,852	147,330
Fixed Costs			[-279]			
Minerals Revenue Management Support System Modernization					[+8,891]	
Audit and Compliance Activities					[+961]	
TOTAL, OFFICE OF NATURAL RESOURCES REVENUE	137,757	137,757	-279	+0	+9,852	147,330

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

	2018 Actual		2019 CR Baseline		Fixed Costs & Related (+/-)	Internal Transfers (+/-)		Program Changes (+/-)		2020 Request		Change from 2019	
	Amount	FTE	Amount	Amount	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Appropriation: Office of Natural Resources Revenue													
Natural Resources Revenue	137,757	622	137,757		-279	+0	+0	+0	+9,852	622	147,330	+0	+9,573
Total, Office of Natural Resources Revenue	137,757	622	137,757		-279	+0	+0	+0	+9,852	622	147,330	+0	+9,573

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

Fixed Cost Changes and Projections	2019 Change	2019 to 2020 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 2019 and 2020.	+299	+306
Pay Raise The 2020 request reflects a pay freeze for civilian employees.	+394	+0
Employer Share of Federal Employee Retirement System The change reflects the directed 2.3% increase in the employer contribution to the Federal Employee Retirement System.	+0	+172
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.	+538	-675
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the 2020 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.	-49	+12
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 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 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.	+96	-94

Activity: Office of Natural Resources Revenue

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Office of Natural Resources Revenue							
2 Year Fund	96,030	96,030	-279	0	+928	96,679	+649
No Year Fund	41,727	41,727	0	0	+8,924	50,651	+8,924
Total							
(\$000)	137,757	137,757	-279	0	+9,852	147,330	+9,573
FTE	594	622	0	0	0	622	0

Summary of Program Changes

The 2020 budget request for the Office of Natural Resources Revenue (ONRR) is \$147.3 million. Included in this request is a much needed \$8.9 million investment in modernizing ONRR’s information technology (IT) system, and a \$1.0 million increase to audit and compliance activities.

Request Component	(\$000)	FTE
IT Modernization	+8,891	+0
Audit and Compliance Activities	+ 961	+0
Total Program Changes	+9,852	+0

Justification of Program Changes

IT Modernization (+\$8,891,000 / +0 FTE): ONRR is requesting \$8.9 million in FY 2020 to begin a multi-year effort to fully modernize its core system to increase the reliability, accuracy and efficiency of its data processes, and potentially increase mineral revenue collections. The modernization effort will provide the capacity, flexibility and agility to deploy new technologies as they become available and will also allow ONRR to reduce long-term operations and maintenance costs. This request directly aligns with the Administration’s and the Secretary’s strategic imperative of modernizing key system processes and underlying technology to increase productivity and security.

ONRR relies on an aging and increasingly inefficient mixed-financial system, the Minerals Revenue Management Support System (MRMSS), to provide the backbone for all of its mission-critical functions from mineral revenue collection, accounting and disbursement to ensuring accurate reporting and compliance for Federal and Indian mineral leases. Antiquated manual processes and offline tools outside the MRMSS continue to put core ONRR activities at risk. The current system requires thousands of labor hours to manually validate, aggregate, and process duplicative data. As one example, since the current system does not allow uploads and

data exchanges needed to accommodate other DOI bureaus such as the Bureau of Land Management and Bureau of Ocean Energy Management, ONRR must make numerous manual edits to reference data or manually validate it directly with those bureaus in order to ensure accuracy. These manual interventions introduce the risk of error, and as new regulations such as Phase 2 revenue sharing under the Gulf of Mexico Energy Security Act (GOMESA) of 2006 are promulgated, processes and validation become increasingly complex and therefore prone to error.

Since its initial implementation nearly two decades ago, regulatory changes, increased security concerns, and unique business requirements have led to a highly customized, complex, process-layered system. In spite of this customization, ONRR still must currently use multiple inefficient manual processes to meet its mission requirements. Over time, this complexity and customization has made the MRMSS operation and sustainment increasingly challenging and costly. Operation of the MRMSS currently represents roughly 20 percent of ONRR's annual budget. ONRR's projections indicate that MRMSS costs will continue to rise becoming unsustainable in the long term.

An Analysis of Alternatives performed by Booz Allen Hamilton and the Department's Interior Business Center, indicates that a modernized system would be much more flexible and agile than the MRMSS while also being less costly to operate and maintain. Using industry benchmarks and vendor research, the analysis concluded that by moving to a modernized system platform, ONRR could expect a return on investment of 13 percent, including potential acquisition and implementation costs.

By modernizing the MRMSS, ONRR can reasonably expect to decrease Federal labor costs; reduce system complexity; and generate cost savings and efficiencies in IT operations, development, and maintenance. MRMSS modernization will ultimately improve the accuracy of revenue reporting between industry, ONRR, and revenue recipients including States, Tribes, and the U.S. Treasury. Modernizing and shifting to a modular system design also will allow ONRR to select the best technologies for each of the five core components of the system. Vendor research shows that platform modernization could decrease costs across the board while resulting in more streamlined processes, greater efficiency, and overall resource or labor savings.

This modernization effort would begin in FY 2020 with an \$8.9 million increase to ONRR's base funding for requirements discovery and business process redesign, which are necessary to ensure the creation of an efficient system that meets all of ONRR's needs. Included in this modernization is the utilization of the Energy Information Repository, where data from DOI energy bureaus and offices share a common data warehouse for exchanging data that supports each group's mission. This is a partnership with the DOI Business Integration Office, ONRR, and the Bureau of Land Management, which will be expanded to include the Bureau of Safety and Environmental Enforcement, the Office of the Special Trustee for American Indians, and the Bureau of Indian Affairs.

Without modernizing, ONRR will continue the inefficient, manual processes necessary to meet its mission requirements, and the Department will be forced to continue to invest in an outdated

system that is increasingly expensive to sustain as inevitable future operations and software updates require significantly more testing, development, and support.

Audit and Compliance Activities (+\$961,000 / +0 FTE): The request will enable ONRR to collect an estimated \$100 million annually in compliance revenues. The budget request maintains ONRR's current level of support for Osage trust accounting activities, and allows ONRR to expand implementation of the accounting, audit, compliance, and valuation functions upon regulation finalization.

Program Overview

For the benefit of all Americans, the ONRR collects, accounts for, and verifies natural resource and energy revenues due to States, American Indians, Alaska Natives and the U.S. Treasury. In 2018, ONRR disbursed over \$8.93 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 2018 included:

- ***U.S. Taxpayers — \$3.51 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 — \$1.78 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 — \$1.22 Billion***
Mineral revenue receipts support 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.
- ***American Indian Tribes and Indian Mineral Owners — \$1.02 Billion***
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.

Our Mission

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

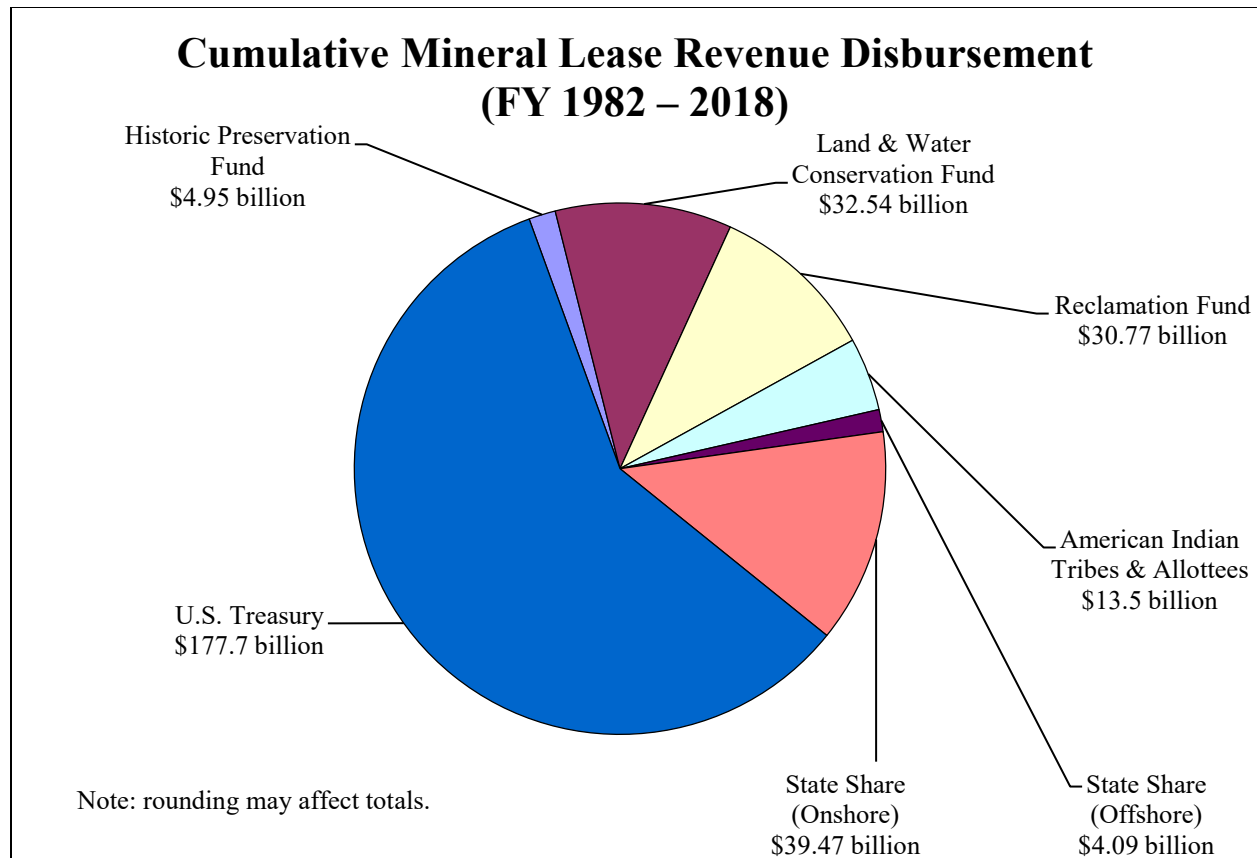
Our Vision

Excellence in natural resources revenue management

- ***Conservation and Recreation Programs — \$970 Million***
ONRR transfers over \$900 million annually 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.
- ***Historic 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 — \$280 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 \$303 billion to Federal, State, and American Indian recipients through this program. Approximately 59 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 LWCF, the Historic Preservation Fund, and the Reclamation Fund, have received \$68.3 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's activities also include efforts to ensure accurate reporting of production volumes.
- **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 adapt to change effectively and promote innovation and employee engagement.

To ensure effective controls over program operations and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act, 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, the U.S. Government Accountability Office (GAO) added Interior's Management of Federal Oil and Gas Resources to its High-Risk List. ONRR has or seeks to implement all GAO recommendations, including supporting 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: As we plan in FY 2020 to upgrade an increasingly obsolescent MRMSS, our legacy information systems continue to 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. Partial upgrades to the system’s hardware and software were completed in 2018 and additional upgrades will be completed in 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 audit and compliance processes. In 2018, ONRR completed the migration of the compliance processes into OMT for both ONRR and a subset of its State and Tribal partners. In 2019, ONRR will complete the migration of audit work processes into OMT for both ONRR and its State and Tribal partners.

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 is established pursuant to the Federal Advisory Committee Act. The Committee’s purpose is to 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 advises on the potential impacts of proposed policies and regulations related to revenue collection from such development, including whether a need exists for regulatory reform.

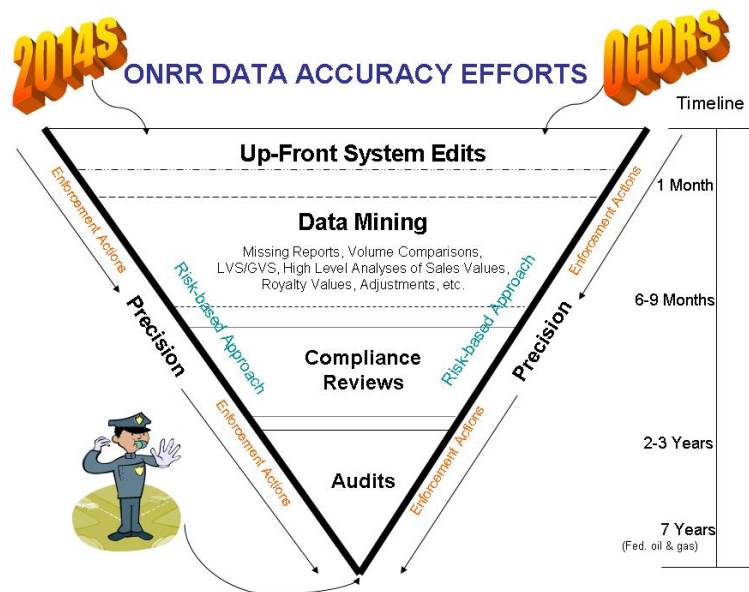
Revenue, Reporting, and Compliance Management

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, 35 States, and 32 American Indian Tribes. In 2017, ONRR disbursed over \$8.93 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 1,900 royalty payors and 2,700 production reporters. ONRR received approximately 99 percent of reporting electronically in 2018. 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, the Compliance Management staff perform data mining efforts as a second-level screening process to increase the accuracy of company-reported data before the data is subjected to compliance reviews and, ultimately, to audit. Closure of data mining cases has resulted in collections of \$237 million in fiscal years 2010 through 2018. By aligning the verification work of data mining and compliance reviews into one group, ONRR is creating a more efficient and effective compliance program. Of ONRR's \$102.3 million in 2018 compliance collections, the Compliance Management staff collected over \$25 million as a result of data mining cases and \$2.7 million from compliance reviews.

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, \$5.7 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 2018, ONRR completed 96.5 percent of disbursements timely, including nearly \$1.78 billion to 35 States and more than \$1 billion 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 deposits American Indian revenues into Office of Special Trustee for American Indians (OST) accounts within 24 hours of receipt, where they are invested and subsequently distributed by BIA to American Indian Tribes and IIMOs. BIA requires Financial Distribution Report information to distribute funds to IIMOs. ONRR provides this lease distribution data to BIA twice each month. In 2018, ONRR distributed 99.4 percent of revenue timely to Indian recipients, 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 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 2018, OIG released the Independent Auditors' Report on the Department of the Interior Financial Statements for fiscal year 2018, including ONRR's mineral revenue custodial accounts. The Department received an unqualified (clean) audit opinion for fiscal year 2018. As a result of the audit, ONRR received one notice of finding and recommendation, which ONRR is actively addressing and expects to fully implement in fiscal year 2019.

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 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 re-enforce 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 via the Internet from submitting erroneous data. For fiscal year 2018, 99.6 percent of company-reported royalty information passed system edit checks on the first attempt. 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 ONRR efforts to train companies on proper reporting have resulted in a continuous decline in error rates. For fiscal year 2018, the error rate was 0.82 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 supplied by BSEE. ONRR 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. As a result, ONRR routinely issues

Orders to Report and issues 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, States, and the U.S. Treasury. Since 1982, the Department's additional collections of royalties and interest attributable to compliance activities total more than \$4.5 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. These Tribes and States are working partners with ONRR, 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 State 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 2018, ONRR collected an additional \$102.3 million as a result of all compliance activities. In addition to audits and compliance reviews, these activities included data mining and exceptions processing.

Three-Year Average Compliance Return-on-Investment (ROI): For 2018, the three-year average ROI for compliance activities (collections versus costs) was \$2.70 to \$1. This measure of efficiency includes collections from audits, compliance reviews, and data mining activities.

Audit and Compliance Reviews: During 2018, ONRR and our State and Tribal audit partners closed 115 audits and completed 564 compliance reviews.

Delegated and Cooperative Compliance Agreements with States and Tribes: Currently, ONRR has agreements with nine States and six Tribes to perform compliance activities for leases in their jurisdictions. ONRR includes its State and Tribal partners' compliance completion results in our performance results. In 2018, ONRR allocated \$13.3 million to States and Tribes in the 202/205 program. ONRR applies a "best business case" criteria to funding for the 202/205 program by analyzing cost, workload, and risk data, such as total revenues and number of producing leases in deciding how to allocate available budget resources.

Indian Gas Lease Coverage: In 2018, 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; drafts and publishes rulemakings and authorizations to collect information; and processes Federal Register notices.

To help fulfill the Secretary of the Interior's trust responsibility to American Indians, ONRR conducts Indian outreach activities through avenues such as Navajo radio broadcasts and attending pow-wows to reach American Indian beneficiaries. 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 an ongoing positive working relationship with the Indian community.

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 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.

In addition, 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 Service Center 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 Service Center are dynamic, and, as such, ONRR must respond quickly.

ONRR's Royalty Valuation group participates in valuation rulemaking, provides valuation guidance internally to ONRR, and trains internal and external customers on the proper value for royalty purposes. In addition, they issue royalty valuation determinations, and provide unbundling guidance to States, Tribal audit groups, industry, and ONRR compliance personnel.

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.

ONRR 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.

In addition, 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.

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 Regulations group drafts all new rulemakings and all authorizations for information collection. It also processes all notices published to 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 Interior Board of Land Appeals (IBLA), and supporting administrative hearings requested on civil penalties assessed.

ONRR's Enforcement group also supports the Office of the Solicitor and Department of Justice in appeals before the Department and in Federal Court. This includes preparing voluminous administrative records to support litigation of appeals to the IBLA, evidentiary civil penalty hearings before Interior's Office of Hearings and Appeals, and various types of litigation in the Federal Court system. The Enforcement group further serves as ONRR's liaison in outside law enforcement investigations, providing data and arranging access to ONRR systems as required.

Program Performance Estimates

Communication and Consultation with American Indians: During 2018, ONRR held 168 outreach sessions with American Indian beneficiaries and resolved 16,437 royalty-related inquiries. ONRR has experienced a significant 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.

Royalty Valuation: In 2018, ONRR completed 423 valuation guidance requests from internal and external customers. In addition, it completed 59 training sessions on Federal and Indian Royalty Value, training industry as well as State, Tribal and ONRR personnel. ONRR completed seven complex unbundling projects and published the unbundling cost allocation percentages to its web site. ONRR also supported the Secretary's Royalty Policy Committee, sub-committees, and working groups throughout 2018, and published Valuation Handbook Chapters at the recommendation of the Committee.

Production Risk Management: Since its inception in 2014, the offshore verification team has conducted inspections at 679 offshore facilities. These inspections resulted in 985 written Incidents of Non-Compliance (INCs). In addition, the team witnessed 276 oil meter proving's and 159 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 and BLM continue to ramp up the onshore production verification program. In 2018, the Measurement and Production Team at the National Operations Center began inspecting a wide variety of onshore production facilities. In 2019, BLM will be deploying a new strategy to take advantage of the logistics of having trained and certified petroleum engineering technicians in the vicinity of virtually all high-risk oil and gas production operations. BLM expects this strategy to allow measurement inspection efforts to reach a high percentage of high-risk oil and gas production operations within a single year. Continued collaboration with ONRR petroleum engineers will ensure that production volumes run through complex measurement systems are reported correctly, and 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 2018, ONRR completed Director decisions or otherwise disposed of 159 appeals of orders and offered guidance on more than 100 matters.

Regulations: In 2018, ONRR completed two priority rulemakings, one of which was deregulatory, and a second mandated by Congress. Also, it timely published three information collection renewals and, in a deregulatory action, terminated a fourth as no longer necessary in light of withdrawal from the U.S. Extractive Industries Transparency Initiative. ONRR also provided subject matter expertise to the Secretary's Royalty Policy Committee.

Enforcement: Civil penalties serve to compel current compliance and to deter future violations. ONRR 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 \$56.5 million in civil penalties since 1982, and over the last five years, it assessed nearly \$25 million in civil penalties.

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 \$22.7 million from such bankruptcy cases and, in 2018, collected \$533,000.

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 2019 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, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 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 (CERCLA), 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)

	2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2020 Request
Appropriation: Central Hazardous Materials Fund						
Central Hazardous Materials Fund	10,010	10,010	-4	+0	-8,006	2,000
Fixed Costs			[-4]			
Program Management					[-8,006]	
TOTAL, CENTRAL HAZARDOUS MATERIALS FUND	10,010	10,010	-4	+0	-8,006	2,000

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

	2018 Actual		2019 CR Baseline		Fixed Costs & Related (+/-)	Internal Transfers (+/-)		Program Changes (+/-)		2020 Request		Change from 2019	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Appropriation: Central Hazardous Materials Fund	10,010	4	10,010		-4	+0	+0	+0	-8,006	4	2,000	+0	-8,010

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

Fixed Cost Changes and Projections	2019 Change	2019 to 2020 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 2019 and 2020.	+2	+2
Pay Raise The 2020 request reflects a pay freeze for civilian employees.	+3	+0
Employer Share of Federal Employee Retirement System The change reflects the directed 2.3% increase in the employer contribution to the Federal Employee Retirement System.	+0	+1
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.	+3	-7
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the 2020 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 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 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

Activity: Central Hazardous Materials Fund

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Central Hazardous Materials Fund							
(\$000)	10,010	10,010	-4	0	-8,006	2,000	-8,010
FTE	4	4	0	0	0	4	0

Summary of Program Changes

Request Component	(\$000)	FTE
Program Management	-8,006	+0

Justification of Program Changes

The 2020 budget request for the Central Hazardous Materials Fund (CHF) program is \$2.0 million 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. 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 \$111 million in recoveries from PRPs and, as of 2017, has avoided more than \$660 million in bureau spending through in-kind remediation work performed by PRPs and other parties. The CHF has received 137 funding requests over time and has funded 84 projects. Of these funded projects, 25 sites are either in long term monitoring, no longer require funding, or cleanup is complete.

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 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 is reported on the Department's financial statements.

Cost Recovery — From the establishment of the CHF in 1995 through 2019, the Department obtained an estimated \$771 million from cost-recoveries and for the performance of work by other parties. During this same period, the Department received approximately \$257 million in annual CHF appropriations (FY 2019 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 several 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 \$4.6 million in cost recoveries during 2018 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.

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 nationwide 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 which had the complementary effect of adding employment and economic opportunities to this rural community.

The following are examples of cleanup projects requesting CHF funding in 2020:

The Crab Orchard National Wildlife Refuge was established shortly 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 in 2020 include remedy completion at the Area 7 Pesticides Site, issuing the Additional and Uncharacterized Sites (AUS) proposed plan, and hosting public meetings for the plan as well as operations and maintenance in other OUs at the site.

Great Kills Park is located in the borough of Staten Island, New York 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. The NPS 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 Topock Pacific Gas and Electric (PG&E) Natural Gas Compressor Station located in Topock, California, released hexavalent Chromium into soil and groundwater during the 1950s and early 1960s. The site is located along the Colorado River that supplies water to numerous States, cities and communities. The California Department of Toxic Substances Control (DTSC) and the Department have been working with PG&E to investigate and develop a strategy to mitigate the contaminants. In addition, the Department, as part of its trust responsibilities, has conducted government to government consultation with nine Native American Tribes that hold the area as sacred lands. After eleven years of investigation, PG&E began the groundwater remedy construction in October 2018. The first phase is expected to be completed by 2020. The second phase is expected to be completed by 2023. Agencies are evaluating the soil risk assessment with the soil investigation report expected to be completed in 2020. Concurrently, PG&E is developing an Engineering Evaluation/Cost Analysis (EE/CA) for potential soil removal actions focused on areas of high contamination. This document should be available for public comment mid-2019. Any removal actions would occur in 2020.

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, \$69,284,000, 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 2019 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, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 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, \$69,284,000, 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 especially 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)

	2018 Actual	2019 CR Baseline	Fixed Costs	Internal Transfers	Program Changes	2020 Request
Appropriation: Working Capital Fund Appropriated						
Financial and Business Management System	49,195	49,195	+0	+0	-2,392	46,803
NewPay	0	0	+0	+0	+12,500	12,500
Cybersecurity	9,981	9,981	+0	+0	+0	9,981
Service First	998	998	+0	+0	-998	0
Cultural and Scientific Collections	998	998	+0	+0	-998	0
Office Consolidation	1,198	1,198	+0	+0	-1,198	0
TOTAL, WORKING CAPITAL FUND APPROPRIATED	62,370	62,370	+0	+0	+6,914	69,284

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

	2018 Actual		2019 CR Baseline		Fixed Costs & Related (+/-)	Internal Transfers (+/-)		Program Changes (+/-)		2020 Request		Change from 2019	
	Amount	FTE	Amount	Amount	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Appropriation: Working Capital Fund Appropriated													
Financial and Business Management System	49,195	84	49,195	+0	+0	+0	+0	-2,392	84	46,803	+0	-2,392	
NewPay	0	0	0	+0	+0	+0	+0	+12,500	0	12,500	+0	+12,500	
Cybersecurity	9,981	6	9,981	+0	+0	+0	+0	+0	6	9,981	+0	+0	
Service First	998	1	998	+0	+0	+0	-1	-998	0	0	-1	-998	
Cultural and Scientific Collections	998	0	998	+0	+0	+0	+0	-998	0	0	+0	-998	
Office Consolidation	1,198	0	1,198	+0	+0	+0	+0	-1,198	0	0	+0	-1,198	
TOTAL, WORKING CAPITAL FUND APPROPRIATED	62,370	91	62,370	+0	+0	+0	-1	+6,914	90	69,284	-1	+6,914	

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

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Working Capital Fund (<i>appropriation requested</i>)							
(\$000)	49,195	49,195	0	0	-2,392	46,803	-2,392
FTE	84	84	0	0	0	84	0

Summary of Program Changes

Request Component	(\$000)	FTE
FBMS Contract Services	-\$2,392	0

Justification of Program Changes

The 2020 budget request for the BIO is \$46.8 million 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 will prioritize efforts to maintain the system’s operational and technical capabilities, so the system is secure and operational. Technical currency efforts 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, aspects of 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 2018 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 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 transformed 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 completion of a data warehouse in December 2018 to support reporting and analysis of DOI travel spending. The BIO also focused on key reporting improvement initiatives such as enterprise-wide budget reporting and compliance with new mandatory requirements.
- *Usability improvements* – The BIO implemented several system improvement items utilizing a modular, agile deployment approach to deliver value to the user community at a more rapid pace while better managing risk, including internal control improvements such as processing for space lease obligations.
- *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 and to strengthen the cybersecurity posture of FBMS.

Planned activities include:

- *System security* – With available resources, the BIO will reduce the security and operational risk to FBMS by completing system-wide upgrades, including improvements to document scanning and storage.
- *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 next 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 also 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 areas of use improvements. In-memory adoption is a multi-year effort that will improve business transaction processing and reporting and 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 and revenue systems. The goal of each of these roadmaps is to

create a plan to expand support for 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 across other areas of DOI's business operations.

- *Grants Management* – Assist the Office of Grants Management with migration to the Department of Health and Human Service's Grant Solutions Technology platform to improve management of Interior's \$5 billion financial assistance portfolio.

Activity: NewPay

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Working Capital Fund (<i>appropriation requested</i>)							
(\$000)	0	0	0	0	+12,500	12,500	+12,500
FTE	0	0	0	0	0	0	0

Summary of Program Changes

Request Component	(\$000)	FTE
NewPay Planning and Transition Support Activities	+12,500	-0-

Justification of Program Changes

Funding is requested to support DOI’s implementation planning and transition activities in support of the Administration’s payroll and Work Schedule and Leave Management (WSLM) modernization initiative entitled NewPay. NewPay will utilize existing cloud-based technology (e.g. Software as a Service (SaaS)) to leverage the scale of the Federal Government and enable agencies to focus resources on core mission priorities, significantly improve security posture (cybersecurity), increase user experience and service, and better manage budgets. NewPay strongly aligns with the Administration’s efforts to be more efficient, make wise investments of taxpayer funds, and shift the focus from low to high-value work by modernizing government processes and systems.

Program Overview

NewPay is the General Services Administration (GSA) Office of Shared Solutions and Performance Improvement (OSSPI) solution to provide payroll and WSLM SaaS solutions and services to the Federal government. Two SaaS solutions have been chosen through a competitive process and Federal Shared Service Providers will work to migrate existing customers to the new SaaS solutions.

DOI’s Interior Business Center, as one of the four Federal Payroll Shared Service Providers, is working with the GSA to develop detailed migration and implementation plans. The budget request will support cyber security; planning, project and change management efforts; communication and training support; and some of the migration costs to the new SaaS solutions.

Program Performance Estimates

The NewPay payroll modernization initiative aligns with the fifth Cross Agency Priority goal from the President's Management Agenda, which calls for streamlining administrative services across the Federal government. As new information regarding the SaaS solutions is provided, DOI through IBC will update existing implementation plans and develop detailed project management plans to fully test the NewPay solutions as well as identify necessary work to develop NewPay interfaces with DOI's Federal Personnel and Payroll System and existing customer personnel systems. These plans will also include communication and training support for customers migrating to the new solutions, project management and change management support, and direct migration support.

Activity: Cybersecurity

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Working Capital Fund (<i>appropriation requested</i>)							
(\$000)	9,981	9,981	0	0	0	9,981	0
FTE	4	6	0	0	0	6	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. The Department of Homeland Security continues to transition Continuous Diagnostics and Mitigation (CDM) support functions to DOI.

Program Performance Estimates

In 2019 and 2020, 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.

Activity: **Service First**

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Working Capital Fund (<i>appropriation requested</i>)							
(\$000)	998	998	0	0	-998	0	-998
FTE	0	0	0	0	0	0	0

Summary of Program Changes

Request Component	(\$000)	FTE
Service First Activities	-\$998	-0-

Justification of Program Changes

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

Activity: Cultural and Scientific Collections

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Working Capital Fund (<i>appropriation requested</i>)							
(\$000)	998	998	0	0	-998	0	-998
FTE	1	1	0	0	-1	0	-1

Summary of Program Changes

Request Component	(\$000)	FTE
Cultural and Scientific Collections Management	-\$998	-1

Justification of Program Changes

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

Activity: Office Consolidation

	2018 Actual	2019 CR Baseline	2020 Fixed Costs & Related Changes (+/-)	2020 Internal Transfers (+/-)	2020 Program Changes (+/-)	2020 Budget Request	Change from 2019 (+/-)
Working Capital Fund (<i>appropriation requested</i>)							
(\$000)	1,198	1,198	0	0	-1,198	0	-1,198
FTE	0	0	0	0	0	0	0

Summary of Program Changes

Request Component	(\$000)	FTE
Office Consolidation Activities	-\$1,198	-0-

Justification of Program Changes

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

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**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	2018	2019	2020
Central Bill	\$185,515.7	\$194,767.8	\$198,120.0
Direct Bill	317,825.0	355,070.2	351,561.7
Pass Through Activities	525,864.8	635,162.0	635,318.3
Charge Card Rebate	9,794.5	10,000.0	10,000.0
	<u>\$1,039,000.0</u>	<u>\$1,195,000.0</u>	<u>\$1,195,000.0</u>
FTE	1,270	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 other Federal agencies.

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, Grants, and Acquisition. The Working Capital Fund Consortium provides oversight for centralized and direct billed activities. The Consortium includes representation from DOI Bureaus.

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:	2018 Actual	2019 Estimate	2020 Estimate
Charge Card Operations & Oversight	\$1,564,270.0	\$1,639,535.0	\$1,639,535.0
Financial Systems Reporting & Optimization	5,961,489.0	5,992,713.0	5,830,000.0
Emergent Requirements	2,268,692.0	2,367,752.0	2,530,465.0
	\$9,794,451.0	\$10,000,000.0	\$10,000,000.0

Financial Overview

In 2020, the WCF will finance delivery of \$1,195 million of reimbursable services, which is the same level as the 2019 Estimate. In 2020, the WCF centralized bill reflects an overall increase of \$3.4 million above the 2019 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 2018 for direct billing represents reimbursable agreements received in 2018. Revenue projected for 2019 and 2020 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 2019 and 2020 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 2018, 2019, and 2020 by budget activity. The 2019 column has been updated from the 2019 President's Budget level, to reflect current 2019 estimates. Thus, changes to the 2020 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>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 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	10,156.2
Office of Aviation Services	57.0	9,987.8	57.0	9,987.8	57.0	10,156.2
Interior Complex Management and Services	27.0	6,696.0	24.0	6,758.3	24.0	7,115.3
Vehicle Fleet	1.0	258.1	1.0	236.0	1.0	250.1
Departmental Library	9.0	1,449.4	8.0	1,335.4	8.0	1,351.5
Mail Policy	2.0	249.8	2.0	261.2	2.0	285.5
Real Property Leasing	1.0	244.1	1.0	311.2	1.0	315.0
Office of Facilities & Admin Services	40.0	8,897.4	36.0	8,902.1	36.0	9,317.5
Valuation Services	8.0	2,053.7	0.0	0.0	0.0	0.0
Appraisal and Valuation Service Office	8.0	2,053.7	0.0	0.0	0.0	0.0
OS Shared Services Subtotal	105.0	35,775.9	93.0	33,726.9	93.0	34,310.6
OS Activities						
Secretary's Indian Water Rights Office	3.0	694.5	2.0	694.5	2.0	663.9
Alaska Resources Library and Information Services	0.0	1,072.3	0.0	1,072.2	0.0	1,148.1
Secretary's Immediate Office	3.0	1,766.8	2.0	1,766.7	2.0	1,812.0
Document Management Unit	7.0	1,275.9	7.0	1,275.9	7.0	1,275.9
FOIA Tracking and Reporting System	9.0	1,871.3	10.0	1,871.3	10.0	1,901.9
Office of the Executive Secretariat	16.0	3,147.2	17.0	3,147.2	17.0	3,177.8
Alaska Affairs Office	2.0	1,096.2	4.0	1,116.6	4.0	1,086.0
Secretary's Immediate Office	2.0	1,096.2	4.0	1,116.6	4.0	1,086.0
Departmental News and Information	4.0	1,189.4	4.0	1,189.4	4.0	1,440.9
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	1,658.6
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
Invasive Species Coordinator	1.0	217.6	1.0	217.6	1.0	217.6

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

Working Capital Fund

FTE and Revenue by Activity

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Office of Policy Analysis	1.0	217.6	1.0	217.6	1.0	217.6
Invasive Species Council	6.0	1,202.1	5.0	1,202.1	5.0	601.1
Office of Policy Analysis	6.0	1,202.1	5.0	1,202.1	5.0	601.1
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	644.6	2.0	644.6	2.0	690.0
Travel Management Center	1.0	188.0	1.0	188.0	1.0	226.8
PFM Departmental Offices Finance Branch	7.0	1,074.4	10.0	1,547.0	10.0	1,516.3
e-Travel	0.0	999.9	0.0	999.9	0.0	1,028.9
Partnerships	1.0	292.3	1.0	292.3	1.0	264.5
Office of Financial Management	11.0	3,199.2	14.0	3,671.7	14.0	3,726.6
Interior Collections Management System (1G-ICMS)	0.0	592.0	0.0	592.0	0.0	596.9
Space Management Initiative	2.0	400.7	2.0	400.7	2.0	394.2
Renewable Energy Certificates	0.0	300.4	0.0	101.5	0.0	101.5
Facility Maintenance Management System	1.0	204.7	1.0	204.7	1.0	242.8
Departmental Museum	4.0	1,130.9	4.0	1,130.9	4.0	1,133.1
DOT Relocation Technical Assistance	0.0	35.4	0.0	35.4	0.0	35.4
Interior Asset Disposal System O&M	0.0	40.4	0.0	40.4	0.0	40.4
Office of Acquisition and Property Management	7.0	2,704.5	7.0	2,505.7	7.0	2,544.3
Planning and Performance Management	5.0	1,151.3	4.0	1,151.3	4.0	1,316.5
Office of Planning and Performance Management	5.0	1,151.3	4.0	1,151.3	4.0	1,316.5
Firefighter and Law Enforcement Retirement Team	1.0	296.4	1.0	296.4	1.0	265.8
Department-wide Worker's Compensation Program	4.0	560.5	4.0	560.5	4.0	540.3
Human Resources Accountability Team	2.0	636.2	2.0	636.2	2.0	605.6
Employee and Labor Relations Tracking System	0.0	31.8	0.0	31.8	0.0	0.0
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	556.9
OPM Federal Employment Services	0.0	360.0	0.0	360.0	0.0	455.4
Office of Human Resources	9.0	3,188.3	9.0	3,188.3	9.0	3,019.3
EEO Complaints Tracking System	0.0	36.2	0.0	36.2	0.0	65.5
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	104.2

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

Working Capital Fund

FTE and Revenue by Activity

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Occupational Safety and Health	4.0	1,470.0	5.0	1,470.0	5.0	1,536.8
Safety Management Information System	3.0	1,177.0	3.0	1,177.0	3.0	1,295.3
Office of Occupational Health and Safety	7.0	2,647.0	8.0	2,647.0	8.0	2,832.0
DOIU Management	1.0	641.0	2.0	641.0	2.0	610.4
Leadership Development Programs	2.0	922.6	2.0	922.6	2.0	892.0
Department-Wide Training Programs	3.0	964.8	3.0	964.8	3.0	1,168.8
Learning and Performance Center Management	2.0	957.3	3.0	957.3	3.0	957.3
DOI Talent	1.0	1,596.0	1.0	1,757.6	1.0	1,758.1
DOI University	9.0	5,081.7	11.0	5,243.3	11.0	5,386.6
Sensitive Compartmented Information Facility (SCIF)	2.0	501.3	2.0	501.3	2.0	535.3
Law Enforcement Coordination	4.0	677.2	3.0	677.2	3.0	986.8
Victim Witness Coordinator	1.0	181.2	1.0	181.2	1.0	221.2
Security (MIB)	7.0	7,525.4	7.0	7,525.4	7.0	7,581.5
OLES Detailees - Training and Compliance	4.0	765.4	3.0	765.4	3.0	897.4
Office of Law Enforcement and Security	18.0	9,650.5	16.0	9,650.5	16.0	10,222.2
Interior Operations Center	9.0	2,121.4	10.0	2,194.7	10.0	2,431.0
Emergency Preparedness	2.0	909.3	2.0	909.3	2.0	814.0
Emergency Response	6.0	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	150.2
Federal Executive Board	2.0	266.4	2.0	266.4	2.0	330.3
DOI Incident Coordination - IQCS/iROSS	1.0	250.0	1.0	250.0	1.0	317.6
Send Word Now Emergency Notification System	0.0	9.0	0.0	19.2	0.0	78.2
WEBEOC	0.0	0.0	0.0	0.0	0.0	54.0
IOC Network	0.0	0.0	0.0	0.0	0.0	85.1
Office of Emergency Management	21.0	5,071.8	21.0	5,155.3	21.0	5,599.2
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	2.0	290.0	2.0	290.0	2.0	240.5
Assistant Secretary for Insular and International Affairs	2.0	290.0	2.0	290.0	2.0	240.5
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	6,363.0	0.0	6,363.0
Glen Canyon Adaptive Management Program (GCAMP)	1.0	653.6	0.0	653.6	0.0	643.2

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

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Department-wide Activities	1.0	8,978.6	0.0	7,261.6	0.0	7,251.2
Ethics	0.0	587.1	0.0	276.2	0.0	390.7
FOIA Appeals	0.0	501.9	0.0	502.9	0.0	543.7
Torts Management Support	8.0	1,652.7	8.0	1,664.7	8.0	1,664.7
Financial Disclosure System	0.0	0.0	0.0	353.6	0.0	360.6
Office of the Solicitor	8.0	2,741.7	8.0	2,797.5	8.0	2,959.7
OS Activities Subtotal	134.0	54,014.6	137.0	52,892.5	137.0	54,153.6
IT Shared Services						
Unified Messaging	1.0	1,242.2	9.0	1,003.3	9.0	961.8
Enterprise Directory Services	4.0	3,497.1	4.0	3,508.1	4.0	3,541.6
IOS Collaboration	0.0	1,042.9	0.0	803.6	0.0	823.4
IT Desktop Software Administration	0.0	838.9	0.0	838.9	0.0	839.4
Desktop Services	1.0	2,570.7	3.0	2,575.9	3.0	2,650.1
IT Service Delivery Division - End User Services	6.0	9,191.8	16.0	8,729.8	16.0	8,816.4
Threat Management	14.0	7,082.7	11.0	7,104.2	11.0	7,070.4
Privacy and Civil Liberties	2.0	1,018.4	2.0	1,207.0	2.0	1,215.8
Assessment and Authorization Services	1.0	185.0	1.0	186.3	1.0	170.9
IT Security	4.0	971.5	4.0	977.0	4.0	1,006.1
Information Assurance Division	3.0	951.0	3.0	957.3	3.0	920.6
Identity Credential Access Mgmt (ICAM)	2.0	965.4	1.0	789.7	1.0	914.6
Enterprise Continuous Diagnostics and Monitoring	9.0	972.3	6.0	2,097.2	6.0	2,272.5
CDM Phase I	0.0	0.0	0.0	2,321.7	0.0	2,321.6
Enterprise Security Incident and Event Management Solution	2.0	2,060.8	2.0	2,063.0	2.0	2,105.1
Information Systems Security Operations (ISSO)	0.0	39.2	0.0	39.2	0.0	0.0
Information Assurance Division	37.0	14,246.3	30.0	17,742.5	30.0	17,997.7
Hosting Services	2.0	459.5	1.0	462.1	1.0	561.3
IT Management Division	2.0	459.5	1.0	462.1	1.0	561.3
Solutions, Design and Innovation (SDI)	5.0	1,052.6	4.0	1,057.6	4.0	1,065.5
Electronic Records Management	7.0	3,177.9	9.0	3,187.8	9.0	3,271.8
National Archives and Records Administration	0.0	164.0	0.0	164.0	0.0	206.7
Geospatial Services	1.0	238.6	1.0	240.0	1.0	253.5
Information and Technology Management Division	13.0	4,633.1	14.0	4,649.4	14.0	4,797.6

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Enterprise Services Network (ESN)	11.0	3,942.4	9.0	4,006.5	9.0	3,744.4
Federal Relay Service	0.0	247.2	0.0	379.1	0.0	479.6
Frequency Management Support	4.0	1,066.2	4.0	1,134.5	4.0	992.0
NTIA Spectrum Management	0.0	2,182.6	0.0	2,182.8	0.0	2,020.4
Radio Program Management Office (NRSPMO)	2.0	850.4	2.0	1,071.0	2.0	1,080.6
Enterprise Services Network - Central Bill Pass-Throughs	0.0	16,775.2	0.0	16,777.3	0.0	16,885.5
Telecommunication Services	3.0	1,586.3	3.0	1,593.9	3.0	1,492.0
Integrated Digital Voice Communications System (IDVC)	0.0	1,306.3	0.0	1,306.3	0.0	1,306.3
MIB Data Networking	1.0	620.6	1.0	629.3	1.0	632.8
IT Service Delivery Division - Telecommunications	21.0	28,577.2	19.0	29,080.7	19.0	28,633.6
ISSO Customer Support Services	1.0	752.8	1.0	754.1	1.0	755.5
IT Service Delivery Division - Customer Support Services	1.0	752.8	1.0	754.1	1.0	755.5
e-Gov - e-rulemaking	0.0	3,578.6	0.0	4,047.1	0.0	4,489.0
e-Gov - Performance Management Line of Business	0.0	54.6	0.0	54.6	0.0	79.8
Architecture and IT Portfolio Performance Management	2.0	2,767.5	0.0	2,771.9	0.0	2,866.0
Compliance and Audit Management (CAM)	8.0	1,915.1	6.0	1,924.4	6.0	1,966.6
IT Budget Formulation and Portfolio Development	4.0	2,106.5	4.0	2,116.7	4.0	2,071.3
Recreation One-Stop	0.0	103.0	0.0	103.0	0.0	100.0
CPIC	0.0	414.0	0.0	414.0	0.0	414.0
Planning and Performance Management Division	14.0	10,939.3	10.0	11,431.7	10.0	11,986.6
Sustain Data Center Consolidation and Cloud Hosting	0.0	1,697.0	0.0	848.5	0.0	849.3
Gateway/Bandwidth Expansion	0.0	2,548.8	0.0	2,548.8	0.0	2,548.8
IT Service Delivery Division - Telecommunication	0.0	4,245.8	0.0	3,397.3	0.0	3,398.1
CDM Phase II	0.0	0.0	0.0	5,910.0	0.0	5,910.0
Information Assurance Division	0.0	0.0	0.0	5,910.0	0.0	5,910.0
MIB WIFI	0.0	0.0	0.0	615.0	0.0	615.0
IT Service Delivery Division - Telecommunications	0.0	0.0	0.0	615.0	0.0	615.0
IT Shared Services Subtotal	94.0	73,045.8	91.0	82,772.6	91.0	83,471.8
Interior Business Center						
Federal Personnel and Payroll System	83.0	16,478.2	83.0	17,458.1	83.0	17,958.7
HR System Integration Framework	3.0	823.8	3.0	1,041.5	3.0	1,072.9
Employee Express	0.0	741.2	0.0	687.6	0.0	820.2

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
IBC Human Resources Directorate	86.0	18,043.2	86.0	19,187.1	86.0	19,851.8
Drug and Alcohol Testing - Collection	2.0	700.5	0.0	0.0	0.0	0.0
Drug and Alcohol Testing - Program Management	2.0	387.8	0.0	0.0	0.0	0.0
Drug-Free Workplace Program	0.0	0.0	4.0	1,219.1	4.0	1,343.9
IBC Human Resources Directorate	4.0	1,088.2	4.0	1,219.1	4.0	1,343.9
Transportation Services	1.0	169.4	1.0	170.7	1.0	171.0
Quarters Management Information System	1.0	136.6	0.0	0.0	0.0	0.0
Quarters Central	0.0	0.0	2.0	743.8	2.0	806.5
Quarters Program	1.0	561.1	0.0	0.0	0.0	0.0
IBC Financial Management Directorate	3.0	867.1	3.0	914.5	3.0	977.5
Boise Acquisition Office	15.0	2,659.1	15.0	4,055.2	15.0	4,010.8
IBC Acquisitions Services Directorate	15.0	2,659.1	15.0	4,055.2	15.0	4,010.8
Interior Business Center Subtotal	108.0	22,657.7	108.0	25,375.8	108.0	26,184.1
Centralized Billing Subtotal	441.0	185,493.9	429.0	194,767.8	429.0	198,120.0

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Direct Billing						
OS Shared Services						
FBMS DOI-IT Support	2.0	997.0	2.0	376.4	2.0	383.9
Financial and Business Mgmt System - FBMS	2.0	997.0	2.0	376.4	2.0	383.9
Creative Communications	2.0	231.5	2.0	580.5	2.0	589.9
Reimbursable Mail Services	0.0	210.9	0.0	819.7	0.0	819.7
Reimbursable Vehicle Fleet	0.0	83.7	0.0	87.1	0.0	87.1
Office of Facilities & Admin Services	2.0	526.1	2.0	1,487.3	2.0	1,496.7
Lease Administration - MIB	1.0	778.3	2.0	792.3	2.0	808.2
MIB Operation and Maintenance	8.0	13,457.9	12.0	12,625.3	12.0	12,877.8
Office of Facilities & Administrative Services	9.0	14,236.2	14.0	13,417.6	14.0	13,686.0
Valuation Services	0.0	0.0	8.0	2,089.6	8.0	2,136.3
Appraisal and Valuation Service Office	0.0	0.0	8.0	2,089.6	8.0	2,136.3
Federal Consulting Group	8.0	14,998.3	9.0	22,633.1	9.0	25,728.0
Federal Consulting Group / DOIU	8.0	14,998.3	9.0	22,633.1	9.0	25,728.0
Aviation Management	6.0	3,937.2	5.0	2,160.9	5.0	2,170.1
Office of Aviation Services	6.0	3,937.2	5.0	2,160.9	5.0	2,170.1
OS Shared Services Subtotal	27.0	34,694.8	40.0	42,164.9	40.0	45,600.9
OS Activities						
Secretary's Indian Water Rights Office	1.0	865.0	1.0	684.7	1.0	698.3
Secretary's Immediate Office	1.0	865.0	1.0	684.7	1.0	698.3
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
WCF Budget Formulation, Execution, and Funds Control	8.0	1,461.9	8.0	1,473.0	8.0	1,545.9
Office of Budget	8.0	1,461.9	8.0	1,473.0	8.0	1,545.9
OS Finance Office	2.0	229.7	0.0	0.0	0.0	0.0
Single Audit Clearinghouse	0.0	70.0	0.0	53.5	0.0	53.5
Office of Financial Management	2.0	299.7	0.0	53.5	0.0	53.5
DOI Talent	0.0	0.0	0.0	0.0	0.0	734.5
Office of Human Resources	0.0	0.0	0.0	0.0	0.0	734.5
e-OPF	0.0	1,431.6	0.0	1,438.8	0.0	1,438.8
Office of Human Resources	0.0	1,431.6	0.0	1,438.8	0.0	1,438.8

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Equal Employment Opportunity (EEO) Training	0.0	0.0	0.0	73.7	0.0	73.7
Equal Employment Opportunity (EEO) Investigations	0.0	228.2	0.0	166.7	0.0	166.7
Diversity Change Training	0.0	166.5	0.0	202.0	0.0	202.0
Office of Civil Rights	0.0	394.7	0.0	442.4	0.0	442.4
Consolidated Direct Billed Leadership and Perf Centers	6.0	2,761.0	7.0	2,073.9	7.0	2,125.7
Government-wide Acquisition Intern Program XII	1.0	0.0	1.0	693.9	1.0	963.3
DOI Learning Management System	1.0	110.6	1.0	409.5	1.0	409.5
Senior Executive Service Candidate Development Program	0.0	0.0	0.0	652.8	0.0	663.2
Government-Wide Forums	0.0	3.0	0.0	581.6	0.0	605.6
National Indian Prgms Training Center (NIPTC)	0.0	0.0	0.0	95.9	0.0	55.1
DOI University	8.0	2,874.6	9.0	4,507.6	9.0	4,822.4
Incident Management Analysis and Reporting System	8.0	3,970.7	8.0	4,788.5	8.0	4,788.5
OLES BSEE Detailee	1.0	240.0	0.0	0.0	0.0	0.0
Office of Law Enforcement, Security, and Emergency	9.0	4,210.7	8.0	4,788.5	8.0	4,788.5
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	791.7	0.0	677.8	0.0	711.7
Federal Flexible Savings Account (FSA) Program	0.0	0.0	0.0	200.0	0.0	200.0
Department-wide Activities	0.0	791.7	0.0	877.8	0.0	911.7
OS Activities Subtotal	28.0	12,369.9	26.0	14,526.3	26.0	15,696.0
IT Shared Services						
Email and Collaboration Licenses and Services	0.0	0.0	0.0	5,554.9	0.0	41.2
Unified Messaging	11.0	6,809.0	4.0	10,396.5	4.0	15,591.7
IOS Collaboration	0.0	25.4	0.0	31.3	0.0	31.3
Desktop Services	4.0	3,600.8	4.0	2,673.1	4.0	2,743.7
IT Service Delivery Division - End User Services	15.0	10,435.1	8.0	18,655.8	8.0	18,407.9
CDM Phase II	0.0	0.0	0.0	0.0	0.0	566.7
Anti-Virus Software Licenses	0.0	78.8	0.0	55.0	0.0	55.0
Data-at-Rest Initiative	0.0	182.6	0.0	162.0	0.0	162.0
End Point Manager Licenses	0.0	1,939.4	0.0	2,720.1	0.0	2,801.7
Identity Credential Access Management (ICAM)	0.0	8,085.1	0.0	8,744.8	0.0	8,744.8
CDM Licenses	0.0	515.2	1.0	2,544.8	1.0	2,544.8

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
Information Assurance Division	0.0	10,801.1	1.0	14,226.7	1.0	14,875.0
Security & Privacy Migration	0.0	0.0	0.0	0.0	0.0	1,132.8
Core Hosting Services	36.0	28,462.3	39.0	27,588.5	39.0	26,673.4
IT Service Delivery Division - Hosting Services	36.0	28,462.3	39.0	27,588.5	39.0	27,806.2
Electronic Records Management	1.0	5,757.9	0.0	4,589.3	0.0	4,589.3
ESRI ELA and NAIP Payment Collection	0.0	0.0	0.0	1,900.0	0.0	1,900.0
ESRI Enterprise Licenses	0.0	9,466.9	0.0	6,902.6	0.0	7,035.8
Information and Technology Management Division	1.0	15,224.8	0.0	13,391.9	0.0	13,525.1
Information Systems Security Line of Business	0.0	2,780.3	0.0	4,700.0	0.0	4,700.0
Information Systems Security Operations (ISSO)	14.0	7,573.2	16.0	6,747.1	16.0	6,620.9
Information Assurance Division	14.0	10,353.5	16.0	11,447.1	16.0	11,320.9
Radio Security	0.0	0.0	0.0	0.0	0.0	475.1
IT Service Delivery Division - Telecommunications	0.0	0.0	0.0	0.0	0.0	475.1
Enterprise Services Network	0.0	31,088.0	0.0	26,225.3	0.0	26,225.3
EID Rack Space	0.0	205.5	0.0	352.6	0.0	128.9
Frequency Management Support	0.0	73.0	0.0	74.2	0.0	75.7
EID Office Space	0.0	0.0	0.0	31.6	0.0	5.3
COMSEC Program	1.0	229.4	1.0	234.8	1.0	241.8
EIS (Contracts)	0.0	0.0	0.0	10,000.0	0.0	7,100.0
ISSO Telecommunications	2.0	1,306.5	2.0	1,142.4	2.0	1,143.5
ISSO Network Support Services	5.0	5,836.0	5.0	5,465.5	5.0	5,362.2
Denver Phone System	0.0	496.4	0.0	712.5	0.0	713.0
IT Service Delivery Division - Telecommunications	8.0	39,234.8	8.0	44,238.8	8.0	40,995.8
Customer Support Ctr Division (CSCD) - Customer Support	25.0	9,619.5	31.0	9,728.1	31.0	9,865.6
IT Service Delivery Division - Customer Support Services	25.0	9,619.5	31.0	9,728.1	31.0	9,865.6
IT Shared Services Subtotal	99.0	124,131.0	103.0	139,276.9	103.0	137,271.6
Interior Business Center						
IBC Facilities Services	0.0	0.0	0.0	668.5	0.0	688.6
IBC Office of the Director	0.0	0.0	0.0	668.5	0.0	688.6
Federal Personnel and Payroll System	210.0	43,070.3	210.0	45,652.0	210.0	44,510.1
Quicktime	8.0	3,749.9	8.0	4,618.7	8.0	4,495.0
webTA	7.0	4,142.3	8.0	4,394.3	8.0	5,012.8

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
FPPS Casuals	1.0	948.3	4.0	911.7	4.0	1,016.9
Fed Talent	0.0	1,773.1	0.0	2,802.5	0.0	3,390.6
Human Resources Management Suite	6.0	2,068.2	7.0	2,185.7	7.0	2,729.5
Migrations/Implementations	11.0	1,101.8	8.0	2,690.1	8.0	2,012.8
Talent Management System	1.0	505.8	6.0	0.0	6.0	0.0
HR Systems Integration Framework	4.0	2,103.6	6.0	2,649.9	6.0	2,658.3
Employee Express	0.0	1,103.4	0.0	1,205.7	0.0	1,231.3
Human Resource Operations Division	46.0	7,150.0	49.0	7,903.1	49.0	8,087.4
Staffing Solutions - USA Staffing	0.0	4,759.4	0.0	5,036.0	0.0	5,223.2
Staffing Solutions - Monster Hiring Management	1.0	7,729.3	1.0	4,374.9	1.0	4,151.8
Special Projects	12.0	2,669.0	6.0	2,370.9	6.0	3,201.0
Learning Content	0.0	932.9	0.0	1,224.4	0.0	1,071.0
Leave and Earning Statements	0.0	182.3	0.0	251.0	0.0	228.2
Personnel Security	12.0	5,295.5	25.0	3,545.5	25.0	3,840.6
Drug and Alcohol Testing - Collection	4.0	1,610.1	5.0	1,705.6	5.0	2,013.8
Drug and Alcohol Testing - Program Management	6.0	1,004.3	3.0	1,284.8	3.0	921.9
IBC Human Resources Directorate	329.0	91,899.4	346.0	94,806.9	346.0	95,796.3
FMD Project Management and Systems Implementation	0.0	0.0	0.0	0.0	0.0	396.1
Quarters Direct	2.0	483.0	2.0	529.5	2.0	542.3
IBC Financial Management Directorate	2.0	483.0	2.0	529.5	2.0	938.4
Financial Systems	41.0	21,951.5	48.0	23,101.3	48.0	16,140.9
FPSD: e-Travel Solutions	7.0	2,085.0	5.0	1,782.9	5.0	1,749.3
FMD General License Passthrough	0.0	0.0	0.0	2,953.5	0.0	2,953.5
IBC Financial Management Systems	48.0	24,036.5	53.0	27,837.7	53.0	20,843.7
Acct Ops: Financial Transact Proc - Commercial Payments	25.0	3,038.4	20.0	4,006.0	20.0	3,781.5
Acct Ops: Financial Transact Proc - PCS Travel Coordinator	9.0	957.0	8.0	1,183.5	8.0	1,305.2
Acct Ops: Financial Transact Proc - TDY Local Payment	16.0	2,225.8	11.0	2,355.3	11.0	2,312.2
Acct Ops: General Accounting	21.0	4,150.6	28.0	4,629.9	28.0	4,076.7
Acct Ops: Intra-Governmental Payments	12.0	1,692.5	9.0	1,784.6	9.0	1,704.1
Acct Ops: Revenue, AR, Reimbursable Mgmt	17.0	2,172.6	11.0	2,362.4	11.0	2,463.2
IBC Accounting Operations Services	100.0	14,236.9	87.0	16,321.7	87.0	15,642.8
Indirect Cost Services	18.0	2,773.8	19.0	3,132.8	19.0	3,090.0

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 Estimate</u>	
	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>	<u>FTE</u>	<u>(\$000)</u>
IBC Financial Management Directorate	18.0	2,773.8	19.0	3,132.8	19.0	3,090.0
Charge Card Support Operations	6.0	1,387.3	6.0	1,212.9	6.0	1,231.7
IBC Financial Management Directorate	6.0	1,387.3	6.0	1,212.9	6.0	1,231.7
Acquisition Services	84.0	16,047.4	81.0	14,665.8	81.0	14,835.5
Aviation Acquisition Services	0.0	1,666.9	0.0	0.0	0.0	0.0
IBC Acquisitions Services Direct	84.0	17,714.3	81.0	14,665.8	81.0	14,835.5
Interior Business Center Subtotal	587.0	152,531.3	594.0	159,175.8	594.0	153,067.0
Direct Billing Subtotal	741.0	323,727.1	763.0	355,143.9	763.0	351,635.4

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

<u>Account</u>	<u>2018 Actual</u>		<u>2019 Estimate</u>		<u>2020 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	1.0	9,794.5	1.0	10,000.0	1.0	10,000.0
Policy , Management and Budget	1.0	9,794.5	1.0	10,000.0	1.0	10,000.0
OS Activities Subtotal	1.0	9,794.5	1.0	10,000.0	1.0	10,000.0
Charge Card Rebates Subtotal	1.0	9,794.5	1.0	10,000.0	1.0	10,000.0

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

<u>Billing Type</u>	<u>2018 Actual</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>
Centralized Billing	441.0	429.0	429.0
Direct Billing	741.0	763.0	763.0
Charge Card Rebates	1.0	1.0	1.0
Overhead Activities	87.0	90.0	90.0
Working Capital Fund Grand Total	<u>1,270.0</u>	<u>1,283.0</u>	<u>1,283.0</u>

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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. The Department is presently reviewing the services offered through the IFF.

Service Providers

The Interior Business Center (IBC) provides services executed in the IFF. 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. In FY 2020, IBC will no longer provide Financial Systems services in the IFF. IBC continues to provide Financial Systems services within the Working Capital Fund.

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 – 2019.

Interior Franchise Fund
Revenue and Expense Summary
2004-2019
Dollars in thousands

Fiscal Year	Financial Management Systems	ADP Systems ^{1/}	Other Support Systems	Total
2004-2017	\$69,530	\$41,604	\$5,267	\$116,401
2018	0	9,059	0	9,059
2019 ^{2/}	0	0	2,927	2,927
Total	\$69,530	\$50,663	\$8,194	\$128,387

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

2/ 2019 Usage is through February 8, 2019.

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

<u>Revenue</u>	2018	2019	2020
Acquisition Services	\$52,590.0	\$59,545.3	\$64,142.6
Financial Systems	\$70,384.4	\$12,595.8	\$0.0
Total Revenue	\$122,974.4	\$72,141.1	\$64,142.6
 <u>Operating Expense</u>			
Acquisition Services	\$43,713.1	\$48,409.6	\$51,335.3
Financial Systems	\$70,384.4	\$12,495.1	\$0.0
Total Expense	\$114,097.5	\$60,904.7	\$51,335.3
 Net Reserve Contribution	 \$8,876.9	 \$11,236.4	 \$12,807.3

2019 and 2020 are estimates based on projected customer workload.

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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 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: 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 2020. 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 2020, 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 2020, 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 2020 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 2020. Fees for fiscal year 2020 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 2020. Fees for fiscal year 2020 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) quarterly, 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.

CONTRACTS AND AGREEMENTS FOR WILD HORSE AND BURRO HOLDING FACILITIES

SEC. 108. 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. 108. 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.

CONTRACTS AND AGREEMENTS WITH INDIAN AFFAIRS

SEC. 109. Notwithstanding any other provision of law, during fiscal year 2020, 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. 109. 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. 110. 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. 110. 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. 111. 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. 111. 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. 112. (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. 112. 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.

INVASIVE SPECIES COUNCIL

SEC. 113. 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. 113. 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.

DECOMMISSIONING ACCOUNT

SEC. 114. The fifth and sixth provisos under the amended heading "Royalty and Offshore Minerals Management" for the Minerals Management Service in Public Law 101-512 (104 Stat. 1926, as amended) (43 U.S.C. 1338a) are further amended by striking and replacing them with— "Notwithstanding section 3302 of title 31, any moneys hereafter received as a result of the forfeiture of a bond or other security by an Outer Continental Shelf permittee, lessee, or right-of-way holder that does not fulfill the requirements of its permit, lease, or right-of-way or does not comply with the regulations of the Secretary, or as a bankruptcy distribution or settlement associated with such failure or noncompliance, shall be credited to a separate account established in the Treasury for decommissioning activities and shall be available to the Bureau of Ocean Energy Management without further appropriation or fiscal year limitation to cover the cost to the United States of any improvement, protection, rehabilitation, or decommissioning work rendered necessary by the action or inaction that led to the forfeiture or bankruptcy distribution or settlement, to remain available until expended: Provided further, That amounts deposited into the decommissioning account may be allocated to the Bureau of Safety and Environmental Enforcement for such costs: Provided further; That any moneys received for such costs currently held in the Ocean Energy Management account shall be transferred to the decommissioning account: Provided further, That any portion of the moneys so credited shall be returned to the bankruptcy estate, permittee, lessee, or right-of-way holder to the extent that the money is in excess of the amount expended in performing the work necessitated by the action or inaction which led to their receipt or, if the bond or security was forfeited for failure to pay the civil penalty, in excess of the civil penalty imposed."

Purpose: Sec. 114. The provision establishes a Treasury account to allow for the collection of bankruptcy settlements and bond forfeitures and provides flexibility for the amounts collected by the Bureau of Ocean Energy Management to be allocated to the Bureau of Safety and Environmental Enforcement.

**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 2020.

Purpose: Sec. 404. The provision continues the limitation on contract support costs in the 1994-2014 Appropriations Acts.

CONTRACT SUPPORT COSTS, FISCAL YEAR 2020 LIMITATION

SEC. 405. Amounts provided by this Act for fiscal year 2020 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 2020 with the Bureau of Indian Affairs, the Bureau of Indian Education, 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. 5301 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. 5304(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, 2022".

Purpose: Sec. 411. The provision extends the authority for the Recreation Fee program authorized by the Federal Lands Recreation Enhancement Act through September 30, 2022.

PROHIBITION ON USE OF FUNDS

SEC. 412. 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. 412. The provision does not apply to the Department of the Interior.

GREENHOUSE GAS REPORTING RESTRICTIONS

SEC. 413. 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. 413. The provision does not apply to the Department of the Interior.

CONTRACTING AUTHORITIES

SEC. 414. Section 412 of Division E of Public Law 112–74 is amended by striking "fiscal year 2019," and inserting "fiscal year 2021,".

Purpose: Sec. 414. The provision extends the authority through FY 2021 relating to consideration of local contractors when awarding Federal contracts.

CHESAPEAKE BAY INITIATIVE

SEC. 415. 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 "2019" and inserting "2021".

Purpose: Sec. 415. The provision extends the authority for the NPS Chesapeake Bay Initiative through FY 2021.

EXTENSION OF GRAZING PERMITS

SEC. 416. 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 2020.

Purpose: Sec. 416. The provision does not apply to the Department of the Interior.

JOHN F. KENNEDY CENTER REAUTHORIZATION

SEC. 417. 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), \$25,690,000 for fiscal year 2020.

"(b) CAPITAL PROJECTS.—There is authorized to be appropriated to the Board to carry out subparagraphs (F) and (G) of section 4(a)(1), \$14,000,000 for fiscal year 2020."

Purpose: Sec. 417. The provision does not apply to the Department of the Interior.

WILD AND SCENIC RIVERS COMPREHENSIVE RIVER MANAGEMENT PLANS

SEC. 418. 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. 418. The provision does not apply to the Department of the Interior.

INTERPRETIVE ASSOCIATION AUTHORITY

Sec. 419. Section 426 of Division G of the Consolidated Appropriations Act, 2014 (Public Law 113–7616 U.S.C. 565a-1 note) is amended by striking "2019" and inserting "2020".

Purpose: Sec. 419. The provision does not apply to the Department of the Interior.

SHASTA-TRINITY MARINA FEE AUTHORITY

Sec. 420. Section 422 of Division F of the Consolidated Appropriations Act, 2008 (P.L. 110–161; 121 Stat. 1844) is amended by striking "2019" and inserting "2020".

Purpose: Sec. 420. The provision does not apply to the Department of the Interior.

PUERTO RICO SCHOOLING

Sec. 421. The 18th unnumbered paragraph under the heading "Administrative Provisions, Forest Service" in the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2014 (P.L. 113–76) 128 Stat. 327 is amended by striking "2019" and inserting "2020".

Purpose: Sec. 421. The provision does not apply to the Department of the Interior.

Legislative Proposals

Legislative Proposals

The 2020 budget request includes the following legislative proposals to request new authorities and reauthorize expiring legislation.

Forest Management—Dense undergrowth has amassed across much of the public lands, providing fuel for catastrophic wildfires and worsening insect infestation, invasive species, and disease. These conditions adversely impact the Nation’s forests, rangelands and watersheds, and contribute to increased wildfire risk to surrounding communities. Active management of timber and vegetation is necessary to combat these threats, save lives, and protect property. The Administration proposes a package of forest management legislative reforms coupled with a strong 2020 budget to kick start a solution to this serious risk. The proposed legislation would provide categorical exclusions on Interior lands for active forest management, including the ability to harvest dead, dying, or damaged trees and proactive fuels management including the use of fuel breaks. These changes are much needed to help reduce fire risk, improve forest health, minimize after fire impacts, prevent re-burn of fire impacted areas, and improve safety for wildland firefighters.

Public Lands Infrastructure Fund—Interior and Agriculture manage an infrastructure asset portfolio with over \$18 billion in deferred maintenance, which includes structures, trails, roads, utility systems, and Bureau of Indian Education (BIE) schools. To address these needs, the budget includes \$6.5 billion over 5 years for a Public Lands Infrastructure Fund. The Fund will support infrastructure improvements through an allocation of 70 percent for national parks, 10 percent for national forests, 10 percent for wildlife refuges, five percent for BIE schools, and five percent for lands managed by the Bureau of Land Management. The Fund will be supported by the deposit of 50 percent of all federal energy development revenue that would otherwise be credited or deposited as miscellaneous receipts to the Treasury over the 2020–2024 period, subject to an annual limit of \$1.3 billion. Interior and Agriculture would prioritize projects, monitor implementation, and measure results. This investment will significantly improve many of America’s most visible, visited, and treasured places.

Recreation Fee Program—The budget proposes to reauthorize the Federal Lands Recreation Enhancement Act, which expires in September 2020. As a precaution, the budget also proposes appropriations language to provide a 2-year extension of FLREA through September 2022. The revenues collected by the Department of the Interior from these recreation fees—\$406 million in 2018—are an important source of funding to enhance the visitor experience through maintenance, operations, and improvements to recreation facilities on public lands.

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 will 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.

Cancel Southern Nevada Public Land Management Act Account Balances—The budget proposes to cancel \$230.0 million in unobligated balances from the Southern Nevada Public Land Management Act (SNPLMA) program over a 3-year period. SNPLMA, enacted in 1998,

authorizes the Bureau of Land Management to sell specified public lands around Las Vegas, NV, 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 more than \$536 million in remaining balances and will not affect any projects currently identified for support.

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 10 years.

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:

Federal IT Acquisition Reform Act (FITARA) Joint Certification Statement

This document certifies the accuracy and completeness of the amounts budgeted for the Fiscal Year 2020 President's Budget submission, in accordance with the Budget Formulation and Planning requirements prescribed in the Office of Management and Budget (OMB) Circular A-11, Section 51.3.b, and OMB FITARA Implementation Guidance Common Baseline for IT Management. The Chief Information Officer (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 program objectives and significant increases and decreases in IT resources; and the IT Portfolio (formerly Exhibit 53) includes appropriate estimates of all IT resources included in the budget request.

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Department of the Interior

Good Accounting Obligation in Government Act Report

The Good Accounting Obligation in Government Act (GAO-IG Act, P.L. 115-414) enacted January 3, 2019, requires that Agencies report the status of each open audit recommendation issued more than one year prior to the submission of the Agency's annual budget justification to Congress. The Act requires Agencies to include the current target completion date, implementation status, and any discrepancies on closure determinations.

The Department of the Interior (Department) leadership takes audit follow-up very seriously and considers our external auditors, to include the Government Accountability Office (GAO) and Office of the Inspector General, valued partners in not only improving the Department's management and compliance obligations but also enhancing its programmatic and administrative operations. As stewards of taxpayer resources, the Department applies cost-benefit analysis and enterprise risk management principles in recommendation implementation decisions.

The Department has established a formalized audit follow-up process which (1) provides the bureaus and offices with tools, technical support, and oversight to remediate internal and auditor-identified recommendations; (2) monitors and communicates remediation progress against target closure dates by maintaining an annual performance goal reported in the Agency Financial Report; and (3) includes review of proposed recommendation closures by senior staff with follow-on management concurrence. Moreover, management is held accountable to achieving an 85% rate of closing audit recommendations with current fiscal year due dates, barring any unforeseen events.

The Department's GAO-IG Act Report will be available at the following link:
<https://www.doi.gov/cj>

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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.

Cultural Resources Management

25 U.S.C. 3001 The Native American Graves Protection and Repatriation Act of 1990 requires agencies to inventory archeological and ethnological collections in their possession (which includes non-Federal museums) for human remains, associated funerary objects, sacred objects, and objects of cultural patrimony; identify them geographically and culturally; and notify appropriate tribes within five years.

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. 3501-3520 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	<u>Accounting and Collection</u>
31 U.S.C. 3711, 3716-19	<u>Claims</u>
31 U.S.C. 1501-1557	<u>Appropriation Accounting</u>
5 U.S.C. 1104 <u>et seq.</u>	<u>Delegation of Personnel Management Authority</u>
31 U.S.C. 665-665(a)	<u>Anti-Deficiency Act of 1905, as amended</u>
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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