



# Office of Insular Affairs

## Mission

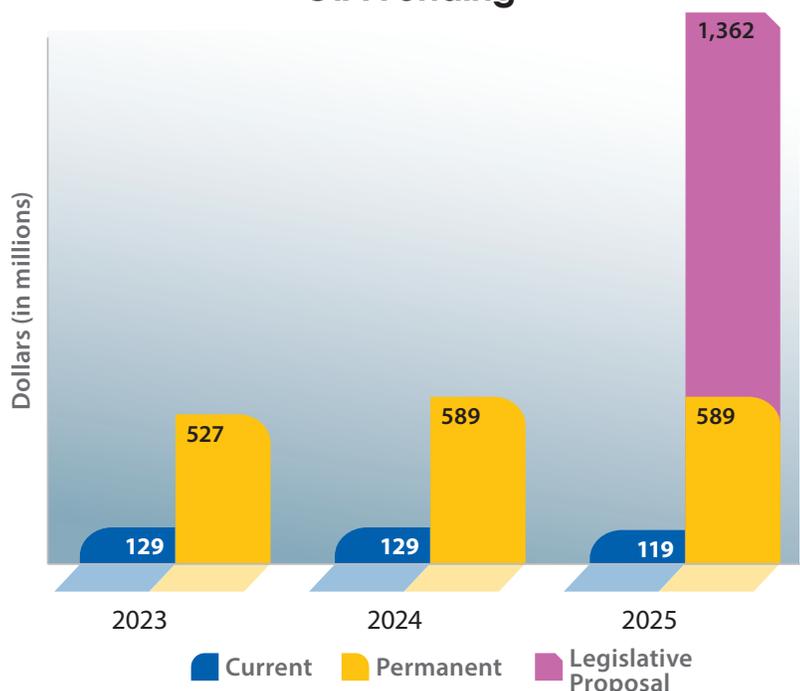
The Office of Insular Affairs (OIA) coordinates Federal policy for the U.S. territories and fulfills Compacts of Free Association (COFA) obligations to the Freely Associated States (FAS).

## Budget Overview

The 2025 budget includes \$119.1 million in current appropriations, \$9.7 million below the 2024 continuing resolution (CR). The 2025 request consists of programmatic increases totaling \$3.4 million, including an increase of \$544,000 for baseline capacity and an increase of \$508,000 for fixed costs, and reductions of \$8.7 million related to expiring Compacts of Free Association provisions and \$5.0 million for the completed payments to the Republic of the Marshall Islands (RMI) for tax and trade requirements. OIA estimates the budget will support staffing equal to 36 full-time equivalents (FTEs) in 2025.

The 2025 budget supports climate resilience and conservation through programs that provide targeted assistance to the Insular Areas—places disproportionately affected by the impacts of climate change. In 2025, the Brown Tree Snake Control and the Coral Reef and Natural Resources programs will provide funding for these underserved areas to address the effects of climate change on their communities and protect the native ecosystems from further damage.

## OIA Funding



The 2025 budget supports the Administration's priority to increase clean energy and energy efficiency with a requested \$15.5 million in the Energizing Insular Communities program to promote renewable energy and grid infrastructure in the Insular Areas. Funding will help the islands reduce their dependence on energy imports to support energy independence and increase energy conservation and efficiency through reliable and affordable energy strategies.

The Department of the Interior looks forward to working with Congress on the renewal of the U.S. Compacts of Free Association with the FAS, which continues the longstanding relationships with the governments and people of FAS and the U.S. commitment to a free and open Indo-Pacific. The 2025 budget continues to seek \$6.5 billion in economic assistance needed to bring negotiated COFA-related agreements into force through a mandatory appropriation at the Department of the Interior. In addition to the \$6.5 billion requested for economic assistance, the mandatory proposal includes \$634 million for continued U.S. Postal Service services to the FAS.



- Executive Order 6726 (May 29, 1934) established in the Department of the Interior the Division of Territories and Island Possessions, which was renamed the Office of Insular Affairs on August 4, 1995.
- The Secretary of the Interior is responsible for coordinating Federal policy with respect to the territories and administering and overseeing U.S. Federal assistance provided to the Freely Associated States.
- The responsibilities for the Insular Areas are executed through the Assistant Secretary for Insular, International, and Ocean Affairs.
- The U.S. territories under the responsibility of OIA include American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.
- The Freely Associated States are the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

The mandatory proposal also includes legislation allowing FAS migrants to become eligible for key Federal social safety net programs while residing in the United States as a long-term solution to the financial impacts of FAS migrants on State and territorial governments.

### Program Overview

The Assistant Secretary for Insular, International, and Ocean Affairs and OIA carry out the Secretary's responsibilities for the U.S. territories of American Samoa, the Commonwealth of the Northern

Mariana Islands, Guam, and the U.S. Virgin Islands. OIA also administers and oversees Federal assistance under the COFA agreements to the Federated States of Micronesia (FSM), the Republic of the Marshall Islands, and the Republic of Palau.

The economies in the Insular Areas are small, isolated, and dependent on one or two main sources of income. In most areas, Federal programs and grants represent a major contribution to the economy. OIA strengthens insular economies through strategic investments in infrastructure, public services, health and education, and technical assistance, which attracts private sector investment. The 2025 budget request strengthens insular economies through strategic investments such as infrastructure, energy independence and security, natural resource protection, capacity building, health and education, and compliance with the Insular Areas Act (Public Law 112-149) related to groundwater monitoring of Runit Dome.

In 2023, OIA provided \$792.1 million in grant funding and fiscal payments to the Insular Areas, including \$128.8 million in health-related funding and \$85.3 million in education-related funding.

The 2025 budget request achieves the Department's mission to promote well-being, equity, and justice for insular communities through balanced efforts to strengthen economic and health capacities in the territories; fulfill COFA obligations; and address climate resilience, conservation, and clean energy deployment in the Insular Areas.

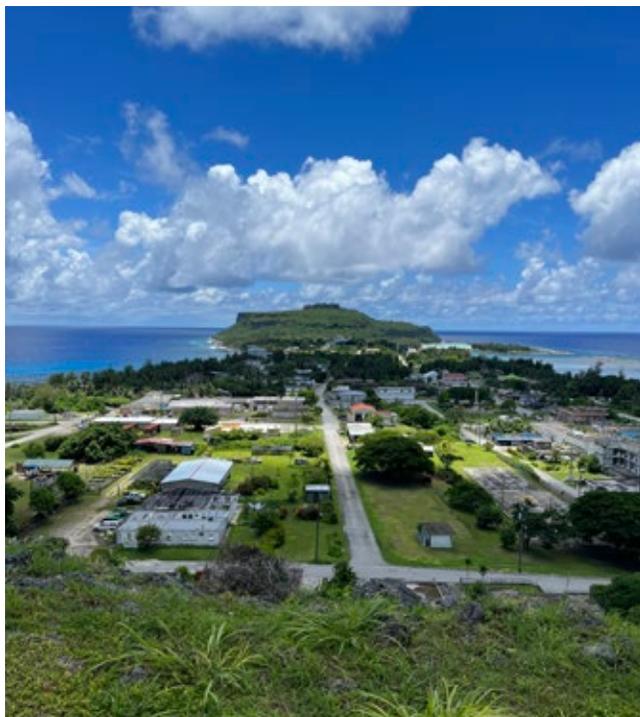


Chief Taga sculpture, House of Taga archaeological site, Tinian, CNMI.

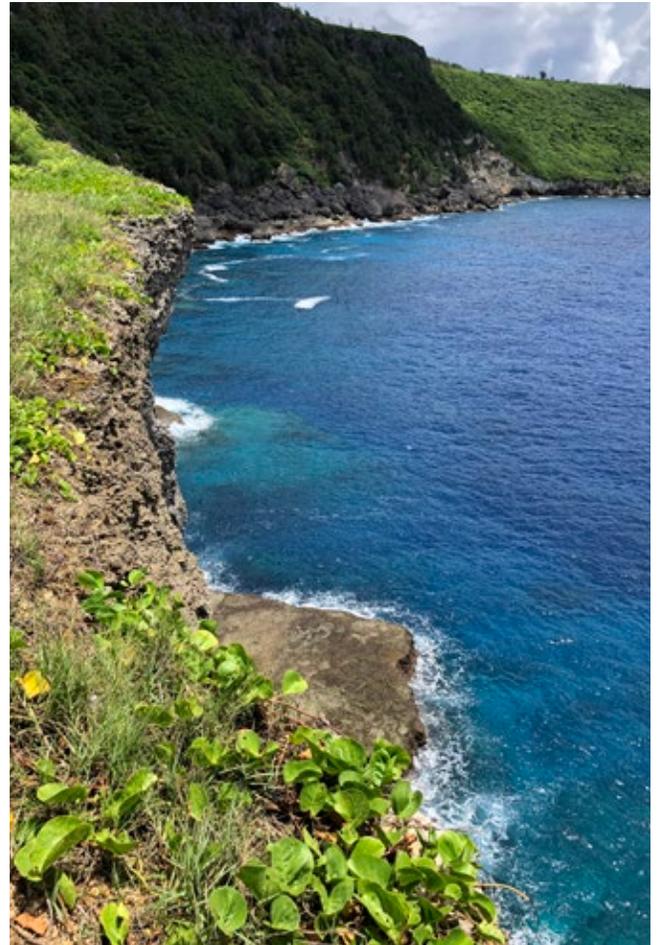
OIA Photo.

## Assistance to Territories

OIA's main account, Assistance to Territories, is funded at \$118.3 million, \$2.0 million below the 2024 CR level, reflecting program increases of \$3.4 million offset by a reduction of \$6.0 million for provisions proposed for funding in the COFA mandatory proposal. Within this account, the budget contains \$61.5 million for Territorial Assistance programs, which consists of \$11.5 million for OIA operations, including financial oversight efforts, a program increase of \$200,000; \$23.3 million for Technical Assistance, an increase of \$1.0 million for compliance with Public Law 112-149; \$4.4 million for Maintenance Assistance; \$2.8 million for Coral Reef and Natural Resources, an increase of \$200,000; \$15.5 million for Energizing Insular Communities; and \$4.0 million for Brown Tree Snake Control, an increase of \$500,000. The budget includes \$28.1 million for American Samoa Operations support, and the request for the Capital Improvement Project grant program is \$28.7 million, of which \$27.7 million is current mandatory funding and \$1.0 million is discretionary funding. This important discretionary funding increase for Capital Improvement Projects will further support critical infrastructure projects in the territories.



View of Songsong Village with Wedding Cake Mountain in the background, Rota, CNMI. *OIA Photo.*



Coastline near Bird Island, Saipan, CNMI.

*OIA Photo.*

Following the expiration of mandatory appropriations for Compact Impact authorized under the 2003 Compacts of Free Association Act, the 2025 budget for Assistance to Territories also discontinues the smaller discretionary supplement of \$6.0 million to the mandatory funds for Compact Impact.

## Compact of Free Association

The 2025 budget includes \$813,000 in discretionary funding for the COFA account, a reduction of \$7.7 million from the 2024 CR level, reflecting the completion of payments to the RMI for Tax and Trade Compensation and payments for certain Federal services to be included in the COFA mandatory appropriations proposal. The entire budget request is for Federal Services activities.

Most of OIA's annual budget consists of mandatory funding. Financial assistance under the COFA expired in 2023 for the FSM and the RMI and

## Bipartisan Infrastructure Law: Protecting Island Communities and Ecosystems



View of Tumon Bay, Guam.

OIA Photo.

The historically underserved communities of the Insular Areas are among the most vulnerable communities to sea level rise, invasive species, drought, and loss of fresh water. The Department has announced a number of projects to address the threats to these communities. Most recently, in February 2024, the Department announced projects and programs for American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands. The projects will support the development of actions to mitigate biosecurity risks, accelerate the restoration of coastal areas and coral reefs, and the revegetation of degraded wetland areas with native mangrove forests and other native trees. These new announcements are in addition to previous investments made in the U.S. territories through the BIL to address the effects of climate change in the Insular Areas.

expires after 2024 for Palau. Financial assistance to the RMI under the Military Use and Operating Rights Agreement, which is permanently authorized and appropriated, will continue and is estimated to be \$35.0 million in 2025.

The Administration supports funding the renewal of our COFA relationships with the FSM, the RMI, and Palau. The 2025 budget seeks \$6.5 billion in economic assistance over 20 years to be provided through a permanent appropriation through the Department of the Interior. In addition, a COFA legislative proposal includes \$634.0 million for continued U.S. Postal Service services to the FAS. Funding for postal services will be requested

as a direct payment to the Postal Service Fund. The United States remains committed to its longstanding partnerships with the governments and people of the FAS as we work together to promote a free and open Indo-Pacific.

### **Fixed Costs**

Fixed costs of \$508,000 are fully funded. The request also includes \$544,000 for baseline capacity, which reflects the incremental amount needed to cover the fixed costs associated with mission operations in 2024. This request in combination with the 2025 fixed costs will allow OIA to meet must-pay requirements without affecting program activities.

## SUMMARY OF BUREAU APPROPRIATIONS

(dollar amounts in thousands)

### Comparison of 2025 Request with 2024 CR

	2024 CR		2025 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>Current</b>						
Assistance to Territories .....	36	120,357	36	118,309	0	-2,048
Compact of Free Association .....	0	8,463	0	813	0	-7,650
Subtotal, Current .....	36	128,820	36	119,122	0	-9,698
<b>Permanent</b>						
Compact of Free Association <sup>1/</sup> .....	0	208,797	0	1,570,847	0	+1,362,050
Payments to the United States Territories, Fiscal Assistance .....	0	380,000	0	380,000	0	0
Subtotal, Permanent .....	0	588,797	0	1,950,847	0	+1,362,050
<b>TOTAL, OFFICE OF INSULAR AFFAIRS .....</b>	<b>36</b>	<b>717,617</b>	<b>36</b>	<b>2,069,969</b>	<b>0</b>	<b>+1,352,352</b>

<sup>1/</sup> Permanent appropriations in 2025 include the Compact of Free Association legislative proposal.

## HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

### APPROPRIATION: Assistance to Territories

	2023 Actual	2024 CR	2025 Request	Change
American Samoa Operations .....	28,120	28,120	28,120	0
Capital Improvement Project Grants				
CIP Grants—Mandatory .....	27,720	27,720	27,720	0
CIP Grants—Discretionary .....	0	0	1,000	+1,000
Subtotal, Capital Improvement Project Grants .....	27,720	27,720	28,720	+1,000
Territorial Assistance				
Office of Insular Affairs .....	10,217	10,217	11,469	+1,252
Technical Assistance .....	22,300	22,300	23,300	+1,000
Maintenance Assistance Fund .....	4,375	4,375	4,375	0
Brown Tree Snake Control .....	3,500	3,500	4,000	+500
Coral Reef & Natural Resources Initiative .....	2,625	2,625	2,825	+200
Energizing Insular Communities .....	15,500	15,500	15,500	0
Compact Impact—Discretionary .....	6,000	6,000	0	-6,000
Subtotal, Territorial Assistance .....	64,517	64,517	61,469	-3,048
<b>TOTAL APPROPRIATION .....</b>	<b>120,357</b>	<b>120,357</b>	<b>118,309</b>	<b>-2,048</b>

### APPROPRIATION: Compact of Free Association

	2023 Actual	2024 CR	2025 Request	Change
Federal Services .....	7,813	7,813	813	-7,000
Enewetak .....	650	650	0	-650
<b>TOTAL APPROPRIATION .....</b>	<b>8,463</b>	<b>8,463</b>	<b>813</b>	<b>-7,650</b>

