



DEPARTMENT-WIDE PROGRAMS

Overview – 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 of the Interior and help to achieve key strategic goals.

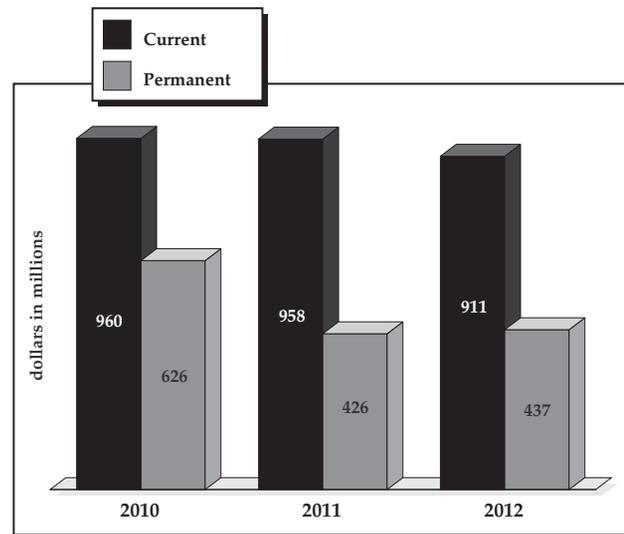
The Department’s Wildland Fire Management program funds fire prevention, suppression, and rehabilitation activities performed by the land management agencies and the Bureau of Indian Affairs. The Payments in Lieu of Taxes program supports the activities and functions of the Department’s land management bureaus by funding payments to local governments in jurisdictions where Federal lands are located. These payments assist local jurisdictions to offset costs incurred in association with maintaining infrastructure that supports Federal lands within their boundaries. Through the Central Hazardous Materials Fund, Interior remediates hazardous substances on Interior lands, working collaboratively with bureaus and offices to approach these activities in a consistent and coordinated fashion. The Natural Resource Damage Assessment and Restoration program coordinates the Department’s restoration efforts for resources that are injured as a result of oil spills or hazardous substance releases where endangered species or migratory birds are impacted.

The Department’s Working Capital Fund is a revolving fund that finances centralized administrative and business services in lieu of operating duplicative systems and processes in each bureau and office. The Working Capital Fund also provides the mechanism to collect funds for services that are provided to other Federal agencies in business areas such as payroll. The Department’s Franchise Fund finances acquisition services that are provided to Interior customers and other Federal agencies.

Wildland Fire Management

Mission – The goal of the Wildland Fire Management program is to achieve both a cost-efficient and a technically effective fire management program that meets resource and safety objectives, while minimizing both the cost of suppression and damage to resources.

Department-wide Programs Funding



Budget Overview – The 2012 budget proposes a total of \$821.5 million to support the fire preparedness, suppression, fuels reduction, and burned area rehabilitation needs of the Department of the Interior. This represents a decrease of \$34.4 million from the 2010 Enacted/2011 CR level.

The 2012 budget request fully funds the inflation-adjusted 10-year average of suppression expenditures of \$362.6 million, with the funding split between \$270.6 million in the regular suppression account and \$92.0 million in the FLAME Fund. Consistent with the FLAME Act, the regular suppression account will fund the initial attack and predictable firefighting costs, while the FLAME Fund will fund the costs of large catastrophic-type fires and also serve as a reserve when funds available in the regular suppression account are exhausted. The total request for the 10-year suppression average represents an increase of \$42.8 million above the 2010 Enacted/2011 CR level for regular suppression and the FLAME Fund combined.

The budget request includes several program reductions from the 2010 Enacted/2011 CR level, while maintaining

the capacity for supporting core firefighter activities. A program reduction of \$44.6 million to the Hazardous Fuels Reduction program reflects the reorientation of the program to give priority to reducing the risk of wildfire to communities by increasing the proportion of fuels funding spent on treatments in the wildland-urban interface. The decrease applies to projects in the non-wildland-urban interface. A funding reduction of \$7.0 million discontinues the Rural Fire Assistance program, which is duplicative of other grant programs within the Departments of Homeland Security and Agriculture. Likewise, the budget proposes a \$1.2 million reduction in Preparedness to eliminate the ready reserve program. A \$3.7 million savings in Preparedness will be achieved through a slight reduction in training, deferral of certain equipment and supply replacement, and reductions in technical contract services. The budget also reduces project funding in the Burned Area Rehabilitation program by \$6.8 million.

Fixed Costs – Fixed costs of \$445,000 are funded.

Administrative Cost Savings and Management Efficiencies – The 2012 President's budget request includes reductions that reflect the Accountable Government Initiative to curb non-essential administrative spending in support of the President's commitment on fiscal discipline and spending restraint. In accordance with this initiative, the Wildland Fire Management program budget includes \$9.7 million in savings in 2012 against actual 2010 expenditures in the following activities: \$2.5 million for travel and transportation of persons, \$1.1 million for transportation of things, \$147,000 for printing and reproduction, \$2.0 million for advisory and assistance services, and \$4.0 million for supplies and materials. Actions to address the Accountable Government Initiative and reduce these expenses build upon management efficiency efforts proposed in 2011 totaling \$4.5 million in travel and relocation, information technology, and strategic sourcing.

Central Hazardous Materials Fund

Mission – The mission of the Central Hazardous Materials Fund is to protect the public health and ensure the safety of those who use Interior's lands and facilities; conduct hazardous materials cleanup activities and the subsequent maintenance and monitoring of the remedial actions in a manner consistent with the National Contingency Plan and with bureau land use and management plan objectives; and pursue aggressive cost recovery and cost-sharing actions with the parties responsible for contaminating Federal lands.

Budget Overview – The 2012 budget request for the Central Hazardous Materials Fund is \$10.1 million, a decrease of \$26,000 from the 2010 Enacted/2011 CR level. The Central Hazardous Materials Fund continues to focus on those contaminated sites that pose the highest risks to employees, public health and welfare, and the environment; and typically, are so costly and complex to clean up that they cannot adequately be addressed using available bureau resources. In 2012, cleanup work at approximately 34 different sites is anticipated to be funded. Many of these sites are the result of past industrial or mining practices by either current or previous owners. Some of the larger sites include the Crab Orchard National Wildlife Refuge, Illinois; Valley Forge National Historic Park, Pennsylvania; Red Devil Mine, Alaska; Phosphate Mines, Idaho; and Orphan Mine, Grand Canyon National Park, Arizona. The program will continue to seek the participation of the current or previous owners to minimize the cleanup cost borne by the American taxpayer. Working with legal advisors, the Central Hazardous Materials Fund will aggressively pursue cost avoidance or cost recoveries at sites with viable potentially responsible parties. The program will also monitor performance and compliance to ensure that cleanup funds are being used for their intended purpose through internal control reviews. Completion of nine internal control reviews in 2012 is anticipated. The program will also seek opportunities or benchmark efficiencies to reduce the cost of cleanup across the Department.

Fixed Costs – Fixed costs of \$83,000 are funded.

Administrative Cost Savings and Management Efficiencies – The 2012 budget request includes efficiency efforts proposed in 2011 totaling \$108,000 in travel, relocation, and strategic sourcing.

Natural Resource Damage Assessment and Restoration

Mission – The mission of the Natural Resource Damage Assessment and Restoration program is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. In partnership with other affected State, tribal, and Federal trustee agencies, damage assessments provide the basis for determining the restoration needs that address the public's loss of these resources.

Budget Overview – The 2012 request for NRDAR is \$6.3 million, a decrease of \$199,000 from the 2010 Enacted/2011 CR level. The \$6.3 million request includes \$3.7 million for damage assessment projects, \$614,000 for restoration

support, and \$1.9 million for program management. In addition, \$60.0 million is anticipated from receipts to be recovered in settled damage assessment cases and earned interest in 2012. Pursuant to statutory requirements, the receipts are used exclusively by trustees to restore injured lands and resources or reimburse past assessment costs. The balance of the NRDAR Fund, as of December 2010, was over \$455 million, which will support restoration planning and implementation underway in various stages at hundreds of sites nationwide. In 2012, the program will continue partnership efforts with Federal, State, and tribal co-trustees to restore injured lands and resources. This includes work in the Gulf of Mexico, where the Department of the Interior is working with the Department of Commerce through the National Oceanic and Atmospheric Administration; the States of Louisiana, Mississippi, Alabama, Florida, and Texas; and the Department of Defense. In the wake of the Deepwater Horizon oil spill, the Department and its co-trustees are working to develop a comprehensive natural resource damage assessment identifying the injuries to natural resources and develop a restoration plan that will restore the region's natural resources to their pre-spill condition.

Fixed Costs – Fixed costs of \$79,000 are funded.

Administrative Cost Savings and Management Efficiencies – The 2012 budget request includes \$86,000 in reductions that reflect the Accountable Government Initiative to curb non-essential administrative spending in support of the President's commitment to fiscal discipline and spending restraint. In accordance with this initiative, Department-wide's budget includes \$86,000 in savings in 2012 against actual 2010 expenditures in the following activities: \$65,000 for travel and transportation of persons, \$1,000 for transportation of things, \$2,000 for printing and reproduction, \$10,000 for advisory and assistance services, and \$8,000 for supplies and materials. Actions to address the Accountable Government Initiative and reduce these expenses build upon management efficiency efforts proposed in 2011 totaling \$119,000 in travel and relocation, information technology, and strategic sourcing.

Working Capital Fund

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

Budget Overview – The 2012 budget proposes \$73.1 million for the appropriated portion of the Department's Working Capital Fund, a decrease of \$12.7 million from the 2010 Enacted/2011 CR level. Of this amount, \$58.1

million is included to continue the deployment of the Financial and Business Management System, a decrease of \$22.3 million from the 2010 Enacted/2011 CR level. The FBMS has been deployed to the Bureau of Ocean Energy Management, Regulation and Enforcement, Office of Surface Mining, Bureau of Land Management, and U.S. Geological Survey. Deployment is scheduled for Departmental Offices and the Fish and Wildlife Service by late 2011. The 2012 funding will complete the deployment of FBMS to the Bureau of Indian Affairs and National Park Service and initiate deployment for the Bureau of Reclamation.

The request includes \$5.0 million to implement significant changes in the Department's approach to information technology infrastructure management maintaining Interior's 2011 commitment to reduce information technology expenditures. In the future, this transformation will reduce costs as a result of consolidation, but also from redirection of technology staff to other duties, reduced rented office space, and other overhead costs. The Federal Chief Information Officer has approved this long-term savings plan and has agreed to provide the Department near-term flexibility to conduct necessary planning, develop tools and mechanisms, and implement policies and procedures to realize the transformation.

An increase of \$5.0 million is also included to strengthen the Department's acquisition workforce and capabilities. These funds would be available for training, recruitment, retention and hiring members of the acquisition workforce. This will address skill gaps in acquisition staffing and pursue options to maximize the effectiveness of an expanded strategic sourcing strategy. The Department is identifying strategic sourcing centers of excellence with specialists in certain types of procurement, strategically located to implement master contracts. Looking forward, the Department's administrative savings strategy provides opportunities for consolidation of services, facilities, and infrastructure. Interior is taking a corporate approach to identify operating efficiencies and achieve savings. The budget includes an additional \$5.0 million to identify and implement opportunities to leverage assets across the Department through consolidation or shared services to reduce future costs and accomplish Interior's mission more effectively.

In 2012, estimated collections into the WCF total \$193.9 million for centralized billing and \$370.1 million for direct billed activities.

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

Administrative Cost Savings and Management Efficiencies – The 2012 budget request builds upon reductions taken in 2011 totaling \$1.2 million for travel and relocation, information technology, and strategic sourcing.

Payments in Lieu of Taxes

Mission – The Payments in Lieu of Taxes program makes payments to counties to help offset the costs of services and infrastructure incurred by local jurisdictions where certain Federal lands are located. The 2012 budget continues this activity as a mandatory program in accordance with the Emergency Economic Stabilization Act of 2008.

Budget Overview – Since the inception of the PILT program in 1977 and through 2007, PILT funding had been subject to appropriation. The Emergency Economic Stabilization Act of 2008 converted PILT to a mandatory classification, and authorized the program through 2012. In 2010, payments of \$358.1 million were made to counties, which were funded from the mandatory appropriation at the full entitlement level of \$358.5 million. The remaining \$400,000 covered administrative costs which are authorized to be funded from the mandatory appropriation. The 2011 PILT payment amounts for local jurisdictions will be formulated with a scheduled payment to be made in June 2011.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2012 Request with 2010 Enacted/2011 CR

	2010 Enacted/ 2011 CR		2012 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Wildland Fire Management (<i>FTE DWP only</i>).....	13	794,897	13	729,521	0	-65,376
FLAME Wildfire Suppression Reserve Fund.....	0	61,000	0	92,000	0	+31,000
Central Hazardous Materials Fund.....	5	10,175	5	10,149	0	-26
Natural Resource Damage Assessment.....	10	6,462	10	6,263	0	-199
Working Capital Fund.....	19	85,823	34	73,119	+15	-12,704
Subtotal, Appropriations.....	47	958,357	62	911,052	+15	-47,305
Permanents and Other						
Payments in Lieu of Taxes.....	1	369,233	1	380,310	0	+11,077
Natural Resource Damage Assessment.....	0	57,000	0	57,000	0	0
Working Capital Fund.....	1,287	0	1,262	0	-25	0
Interior Franchise Fund.....	111	0	111	0	0	0
Subtotal, Permanents and Other.....	1,399	426,233	1,374	437,310	-25	+11,077
TOTAL, DEPARTMENT-WIDE PROGRAMS	1,446	1,384,590	1,436	1,348,362	-10	-36,228

APPROPRIATION: FLAME Wildfire Suppression Reserve Fund

	2010 Actual	2010 Enacted/ 2011 CR	2012 Request	Net Change
TOTAL APPROPRIATION	61,000	61,000	92,000	+31,000

Detail of Budget Changes

	2012 Change from <u>2010 Enacted/2011 CR</u>
TOTAL APPROPRIATION	+31,000
FLAME Wildfire Suppression Reserve Fund	
10-Year Suppression Average Adjustment	+31,000

APPROPRIATION: Central Hazardous Materials Fund

	2010 Actual	2010 Enacted/ 2011 CR	2012 Request	Net Change
TOTAL APPROPRIATION	10,175	10,175	10,149	-26

Detail of Budget Changes

	2012 Change from <u>2010 Enacted/2011 CR</u>
TOTAL APPROPRIATION	-26
Central Hazardous Materials Fund	
Fixed Costs	+83
2011 Interior-wide and Bureau Management Efficiencies	-108
Unspecified Reductions	-1
TOTAL APPROPRIATION	-199

APPROPRIATION: Natural Resource Damage Assessment and Restoration Fund

	2010 Actual	2010 Enacted/ 2011 CR	2012 Request	Net Change
Damage Assessments	4,022	4,022	3,743	-279
Restoration Support.....	615	615	614	-1
Program Management.....	1,825	1,825	1,906	+81
TOTAL APPROPRIATION	6,462	6,462	6,263	-199

Detail of Budget Changes

	2012 Change from <u>2010 Enacted / 2011 CR</u>	2012 Change from <u>2010 Enacted / 2011 CR</u>
Damage Assessments	-279	
Fixed Costs	+12	
Internal Transfer	-75	Internal Transfer
Program Adjustments.....	-73	2011 Interior-wide and Bureau
2011 Interior-wide and Bureau		Management Efficiencies
Management Efficiencies	-100	2012 Administrative Cost Savings
2012 Administrative Cost Savings.....	-43	
Restoration Support.....	-1	TOTAL APPROPRIATION
Fixed Costs	+7	-12,704
2011 Interior-wide and Bureau		
Management Efficiencies	-3	
2012 Administrative Cost Savings.....	-5	
Program Management.....	+81	
Fixed Costs	+60	

APPROPRIATION: Working Capital Fund

	2010 Actual	2010 Enacted/ 2011 CR	2012 Request	Net Change
TOTAL APPROPRIATION	85,823	85,823	73,119	-12,704

Detail of Budget Changes

	2012 Change from <u>2010 Enacted / 2011 CR</u>
Working Capital Fund	
Financial Business Management System	-21,110
Department-wide Information Technology	
Enhancements.....	-396
Department-wide Acquisition Improvement	+5,000
Operating Efficiencies.....	+5,000
2011 Interior-wide and Bureau	
Management Efficiencies	-1,198