



BUDGET The United States
Department of the Interior

JUSTIFICATIONS

and Performance Information
Fiscal Year 2027

**OFFICE OF SURFACE
MINING RECLAMATION
AND ENFORCEMENT**

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees.



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Office of Surface Mining Reclamation and Enforcement

Executive Summary

2027 President's Budget

Introduction

Since its creation in 1977, the Office of Surface Mining Reclamation and Enforcement (OSM) has worked closely with States, Tribes, communities, and industry to ensure responsible coal mining and restore lands impacted by mining. The Fiscal Year (FY) 2027 budget builds on this mission by advancing the Administration's priorities and Secretarial Orders. It focuses on optimizing the workforce through strategic reorganization, modernizing regulatory processes with new technologies, reducing permitting burdens, and revitalizing communities in formerly mined areas.

This FY 2027 budget request supports implementation of Executive Order 14154 and Secretary's Order 3418, *Unleashing American Energy*, by strengthening the country's coal industry and advancing policies that remove barriers to domestic energy production. It further reinforces Executive Order 14192 and Secretary's Order 3421, *Achieving Prosperity Through Deregulation*, by eliminating outdated and duplicative regulations and restoring decision-making authority to States and the American people.

OSM Mission Statement

OSM remains committed to fulfilling its mission under the Surface Mining Control and Reclamation Act of 1977 (SMCRA) in close partnership with States and Tribes.

OSM's primary objectives are to:

- (1) ensure that surface coal mine activities are operated in a manner that protects citizens and the environment during mining,
- (2) ensure that the land is restored to beneficial use following mining, and
- (3) mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

The OSM is responsible for administering programs under the SMCRA to permit and regulate surface coal mining operations (Title V) and to restore abandoned and un-reclaimed mined areas (Title IV). Upon approval of their regulatory and reclamation programs, States and Tribes are authorized to carry out these responsibilities under OSM oversight. In fulfilling its oversight role, OSM provides funding, technical training, technical assistance, support, and tools to ensure State and Tribal programs maintain consistent, high-quality, and effective regulatory and reclamation efforts nationwide.

Budget Overview

The OSM FY 2027 budget aligns with the Administration's priorities and the Secretary's Orders, emphasizing Federal cost-cutting measures, reducing regulatory barriers, and promoting effective resource management.

OSM's statutory responsibilities include overseeing programs that permit and regulate surface coal mining operations, as authorized under Title V of SMCRA. This includes direct permitting on Federal and Indian Lands and in States without approved regulatory programs, as well as regulatory oversight to ensure responsible mining practices.

Additionally, under Title IV of SMCRA, OSM administers the Abandoned Mine Land (AML) program, which facilitates the restoration of lands affected by past coal mining activities by minimizing and eliminating public health and safety hazards. States and Tribes, upon receiving approval for their reclamation programs, are authorized to carry out these responsibilities under OSM oversight.

All coal mining operations in the United States are required to be permitted and regulated in accordance with SMCRA provisions. Active mining and reclamation sites are subject to permit regulations, inspection and enforcement actions, and reclamation of bonding requirements.

OSM has reprioritized resources to deliver on Administration priorities including the timely issuance of Federal Mine Plan Decisions, corrective rulemaking, deregulatory efforts and examining opportunities to extract critical rare earth minerals from coal mine waste. OSM continues its pivotal work with State and Tribal AML programs to reclaim AML sites across the country. OSM's FY 2027 operational budget maintains a level that supports core mission and statutory responsibilities with 324 Full-Time Equivalents (FTEs).

OSM's FY 2027 President's budget strategically allocates OSM's discretionary funding and FTEs across business lines to enhance the agency's ability to fulfill its statutory obligations while advancing Administration priorities of cost efficiencies and resource management.

OSM executes its mission through two accounts with five budget activities including:

- Environmental Restoration, including AML fee-based and AMLER grants,
- Environmental Protection, including regulatory grants,
- Technology Development and Transfer,
- Financial Management, and
- Executive Direction and Administration.

The FY 2027 budget request for the OSM totals \$285.8M. This request reflects a \$1.3M increase in discretionary funding compared to the 2026 Enacted.

Summary Table: OSM’s FY 2027 President’s Budget

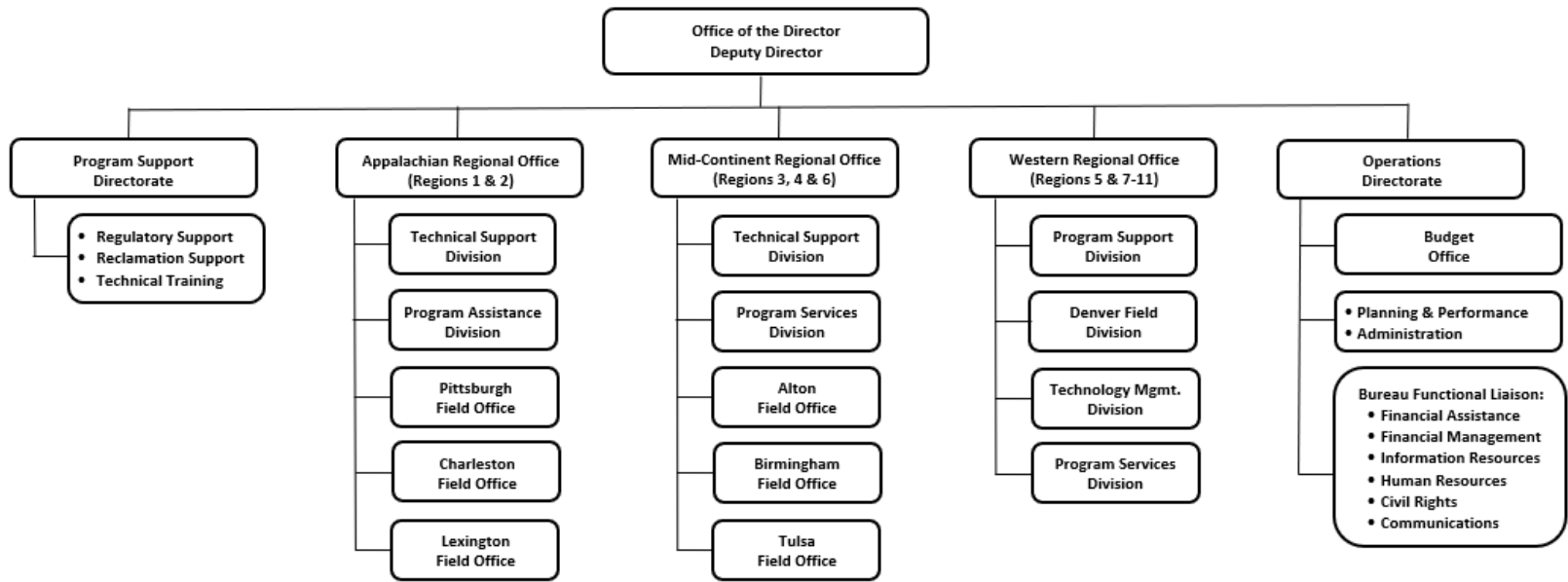
2027 President's Budget								
Office of Surface Mining Reclamation and Enforcement								
<i>(Dollars in Thousands)</i>								
	2025 Actual		2026 Enacted		2027 Request		Change from 2026 Enacted	
Budget Authority	Budget Authority	FTE	Budget Authority	FTE	Budget Authority	FTE	Budget Authority	FTE
Current	278,872	288	284,690	324	285,965	324	+1,275	-
<i>Offsetting Collections</i>								
- <i>Permit Fees</i>	-40	-	-40	-	-40	-	-	-
<i>Offsetting Collections</i>								
- <i>Civil Penalties</i>	-100	-	-100	-	-100	-	-	-
Permanent	1,237,761	-	1,221,554	-	1,274,511	-	+52,957	-
Subtotal, Budget Authority w/o Supplementals	1,516,493	288	1,506,104	324	1,560,336	324	+54,232	-
<i>Supplemental - Infrastructure Investment and Jobs Act (P.L. 117-58)</i>	-	75	-	-	-	-	-	-
Total, Budget Authority w/ Supplementals¹	1,516,493	363	1,506,104	324	1,560,336	324	+54,232	-

¹ Supplemental funding reflects amounts made available in the fiscal year, not estimated allocations or obligations.

OSM will focus resources on its core mission functions essential to implementation of SMCRA, provide technical support and assistance to the States and Tribes for regulatory and reclamation programs, support the review and technology transfer of advanced technologies and reforestation of reclaimed mined lands, and administer the AML programs to achieve the Administration priorities of cost efficiencies and improve resource management. The FY 2027 President’s Budget request provides \$65.4M in discretionary funding for State and Tribal regulatory grant programs. The budget also provides \$134M of total discretionary funds for AMLER grants to eligible States and Tribes.

OSM will use the balance of the budget to perform its statutory oversight responsibilities, administer Federal regulatory and reclamation programs, provide technical assistance to the States and Tribes, and carry out its fiscal responsibilities for collecting revenues and awarding grants.

In addition to discretionary appropriations, the budget includes almost \$1.3 billion in mandatory funding for reclamation grants to States and Tribes, the UMWA health benefit plans, and the 1974 UMWA Pension Plan.



Account:

REGULATION AND TECHNOLOGY

Summary of Requirements

Office of Surface Mining Reclamation and Enforcement

Appropriation: Regulation and Technology

(Dollars in Thousands)

Treasury Account/Activity	2025 Actual		2026 Enacted		2027 Request				Change from 2026 Enacted		
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	
Regulation and Technology											
Environmental Protection	85,721	114	86,733	124	-15	-	+111	-	86,829	124	+96
Permit Fees	40	-	40	-	-	-	-	-	40	-	-
Offsetting Collections - Permit Fees	-40	-	-40	-	-	-	-	-	-40	-	-
Technology, Development and Transfer	15,683	58	15,419	57	-7	-	-1,000	-	14,412	57	-1,007
Financial Management	481	2	514	2	-	-	-	-	514	2	-
Executive Direction and Administration	14,301	24	14,909	36	-100	-	+599	-	15,408	36	+499
Total, Regulation and Technology	116,186	198	117,575	219	-122	-	-290	-	117,163	219	-412
Civil Penalties											
Civil Penalties	100	-	100	-	-	-	-	-	100	-	-
Offsetting Collections - Civil Penalties	-100	-	-100	-	-	-	-	-	-100	-	-
Total, Civil Penalties	-	-	-	-	-	-	-	-	-	-	-
Total, Regulation and Technology	116,186	198	117,575	219	-122	-	-290	-	117,163	219	-412

Summary of 2027 Program Changes for R&T

Dollars in Thousands (\$000)

Program Changes	Change	FTE Change
Environmental Protection	+111	0
Technology Development and Transfer	-1,000	0
Executive Direction and Administration	+599	0
TOTAL Program Changes	-290	0

Regulation and Technology (R&T) Account — Summary

The Regulation and Technology (R&T) appropriation funds the regulatory functions of the Surface Mining Control and Reclamation Act of 1977 (SMCRA), including Federal oversight of State regulatory programs and OSM's technical training, assistance, and technology transfer activities that support environmental protection.

The FY 2027 President's Budget requests \$117.2M and 219 FTEs for the R&T account. As shown in the Summary of Requirements table, the request includes increases for Environmental Protection and Executive Direction and Administration, and a decrease in Technology Development and Transfer.

Permit fees, civil penalties, and associated offsetting collections are displayed in the table for transparency and do not affect the net discretionary funding request.

Fixed Costs and Internal Realignments Table
Office of Surface Mining Reclamation and Enforcement
Regulation and Technology
Justification of Fixed Costs Changes

(Dollars In Thousands)

Fixed Cost Element	2026 Enacted Change	2026 Enacted to 2027 Request Change	Description
Change in Number of Paid Days	0	0	Total paid days for FY 2027 is 261 (2088 hours) which is the same number of days as FY 2026. This information is consistent with the published OMB Circular A-11.
Pay Raise	+659	+101	The President's Budget for 2027 includes one quarter (October-December 2026) of the 1.0% pay raise for 2026 and 0.0% pay raise for 2027. Pay raises are consistent with the published OMB Circular A-11.
FERS Employer Contribution Increase	0	-127	The estimates reflect adjustments to the employer contribution for FERS and Law Enforcement FERS for FY 2027. This information is consistent with the published OMB Circular A-11.
Departmental Working Capital Fund (WCF)	+569	-711	The estimates reflect Department decisions on the FY 2027 Working Capital Fund Central Bill.
Workers' Compensation Payments	+2	-36	The amount reflects final chargeback costs of compensating injured employees and dependents of employees who suffer accidental death while on duty. This amount reflects the final Workers Compensation bill for FY 2027 payable to the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.
Unemployment Compensation Payments	+3	0	The amount reflects 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. This estimate reflects an applied annual inflation factor of 3.0% to the 5-year average of actuals between 2020-2024.
GSA and Non-GSA Rents	-918	+651	This estimate reflects the FY 2027 President's Budget Exhibit 54s as submitted. 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 estimates reflect Udall Building rent, Security, Federal Reserve Parking, and Operations and Maintenance, distributed by bureau and office, based upon OFAS provided Udall Building occupancy levels. 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.
Baseline Adjustments for O&M Increases	0	0	This adjustment captures the associated increase to baseline operations and maintenance requirements resulting from movement out of GSA or direct-leased (commercial) space into Bureau-owned space. During these transitions, bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.
Total, Account 2027 Fixed Costs	+315	-122	

Appropriation Language

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended (30 U.S.C. 1201 et seq.), \$117,163,000, to remain available until September 30, 2028, of which \$65,400,000 shall be available for State and tribal regulatory grants, and of which not to exceed \$5,000 may be for official reception and representation expenses: Provided, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

In addition, for costs to review, administer, and enforce permits issued by the Office pursuant to section 507 of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended (30 U.S.C. 1257), \$40,000, to remain available until expended: Provided, That fees assessed and collected by the Office pursuant to such section 507 shall be credited to this account as discretionary offsetting collections, to remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as collections are received during the fiscal year, so as to result in a fiscal year 2027 appropriation estimated at not more than \$117,163,000.

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REGULATION AND TECHNOLOGY ACCOUNT

Environmental Protection

REGULATION AND TECHNOLOGY ACCOUNT
Environmental Protection Activity Budget Request

Activity: Environmental Protection ¹											
<i>(Dollars in Thousands)</i>											
	2025 Actual		2026 Enacted		2027 Request						
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Environmental Protection											
State and Tribal Funding	62,400	-	63,700	-	-	-	+1,700	-	65,400	-	+1,700
State Program Evaluation	8,616	51	8,616	61	-8	-	-2,139	-	6,469	61	-2,147
Federal Programs	4,490	25	4,490	20	-2	-	+427	-	4,915	20	+425
Federal Lands	1,510	3	1,510	7	-1	-	-24	-	1,485	7	-25
Indian Lands	3,320	14	3,320	16	-2	-	-54	-	3,264	16	-56
Program Development and Maintenance	5,385	21	5,097	20	-2	-	+201	-	5,296	20	+199
Total Environmental Protection	85,721	114	86,733	124	-15	-	+111	-	86,829	124	+96

¹ Table does not include supplemental funding.

Summary of 2027 Program Changes for R&T/Environmental Protection

Dollars in Thousands (\$000)

Program Changes	Change	FTE Change
State and Tribal Funding	+1,700	+0
State Program Evaluation	-2,139	+0
Federal Programs	+427	+0
Federal Lands	-24	+0
Indian Lands	-54	+0
Program Development and Maintenance	+201	+0
TOTAL Program Changes	+111	+0

Activity: Environmental Protection — Program Description

The Environmental Protection activity supports OSM's regulatory responsibilities under Title V of SMCRA to protect the public and environment from adverse effects of surface coal mining operations. Environmental Protection activities include oversight of State and Tribal regulatory programs, Federal regulatory activities, and compliance with environmental protection requirements for surface coal mining operations.

The FY 2027 President's Budget requests \$86.8M and 124 FTEs for Environmental Protection, reflecting a net program increase of \$111,000 and no change in FTEs from the FY 2026 Enacted.

Program Changes:

State and Tribal Funding (+\$1.7M, +0 FTE): The FY 2027 budget request for State and Tribal Funding is \$65.4M, reflecting a program change of +\$1.7M. This increase supports grants for State and Tribal regulatory programs, bringing funding levels closer in alignment with actual state program costs, which have increased recently due to inflation and the expectation of increased coal production. Additional resources will enhance the ability of State and Tribal partners to effectively implement regulatory responsibilities. This adjustment reflects OSM's commitment to sustaining strong cooperative federalism and ensuring that delegated programs have the capacity to meet statutory obligations and support timely permitting actions on non-Federal and Federal lands.

State Program Evaluation (-\$2.1M, -0 FTE): The FY 2027 budget request for State Program Evaluation is \$6.5M, reflecting a program change of -\$2.1M. The decrease to State Program Evaluation funding realigns resources and program priorities to more efficiently support OSM's statutory responsibilities for oversight.

Federal Programs (+\$427,000, +0 FTE): The FY 2027 budget request for Federal Programs is \$4.9M, reflecting a program change of +\$427,000. This increase strengthens OSM's capacity to execute its Federal regulatory responsibilities under SMCRA in States without primacy. Additional funding will enable OSM to address increased imminent public health and safety hazards associated with bond forfeited permits, ensuring timely and effective remediation efforts.

Federal Lands (-\$24,000, -0 FTE): The FY 2027 budget request for Federal Lands is \$1.5M, reflecting a program change of -\$24,000. The decrease to Federal Lands funding aligns resources with projected workloads while maintaining support for core Federal regulatory oversight responsibilities.

Indian Lands (-\$54,000, -0 FTE): The FY 2027 budget request for Indian Lands is \$3.3M, reflecting a program change of -\$54,000. The decrease to Indian Lands funding aligns resources with projected workloads while maintaining support for core Tribal regulatory responsibilities.

Program Development and Maintenance (+\$201,000, +0 FTE): The FY 2027 budget request for Program Development and Maintenance is \$5.3M, reflecting a program change of +\$201,000. The increase to Program Development and Maintenance aligns resources with projected workloads while sustaining core regulatory support and compliance functions.

PROGRAM DETAILS

State and Tribal Funding

The FY 2027 budget requests \$65.4M, an increase of \$1.7M from FY 2026, for State and Tribal regulatory grants, which fund State and Tribal coal mining and reclamation regulatory programs. This amount is more closely aligned to the projected FY 2027 requirements based on historical requests and inflation. OSM will continue to support State and Tribal regulatory grant requests by re-distributing the available de-obligated prior year funds. Funding may also be used to support the States and Tribes that are pursuing regulatory primacy.

State Grants

The principal means of providing environmental protection within SMCRA is through cooperative federalism where primacy States receive Federal grant funding to implement active coal mining regulatory programs. These States have the capabilities and knowledge to regulate the lands within their borders. Currently, 23 States have achieved primacy and serve as coal mining regulatory authorities in the implementation and the ongoing management of SMCRA requirements. OSM provides up to a 50 percent match on State funding in Federal grants to primacy States to help ensure the States have sufficient resources to regulate coal mining operations within their State. The additional grant funding for FY 2027 provides for increases in State regulatory program operations commensurate to inflation.

Section 705(c) of SMCRA sets the amount that a State may receive to administer a regulatory program on Federal lands through a cooperative agreement at an amount approximately equal to the amount that the Federal government would have to pay to do the same work.

Cooperative agreements between OSM and primacy States that contain Federal lands provide States with grant funding to cover regulatory program costs on Federal lands within the State. Guided by Executive Orders 14261 and 14241, BLM opened an additional 13.1 million acres of federal coal available for lease in 2025. Also in 2025, DOI approved an additional 128 million tons of federal coal clearing a large backlog of mining plan approvals. The additional grant funding provides for an expected increase in permits on Federal lands that State programs administer, ultimately reducing both direct Federal program costs and Federal staff requirements.

Activities that State regulatory authorities conduct with Federal grant and matching State funding include: (1) permit review and issuance; (2) inspection and enforcement; and (3) ensuring timely reclamation after mining. In addition, individual States may conduct special activities to address specific needs. These activities may include upgrading permitting programs, modernizing systems to improve review of pending permits, and drafting regulations that respond to changes in Federal rules.

Tribal Grants

As allowed by the Energy Policy Act of 1992 and Section 710(i) of SMCRA, OSM provides grants to the Crow Tribe, the Hopi Tribe, and the Navajo Nation to assist them in developing regulations and programs for regulating surface coal mining and reclamation operations on Indian Lands. The grant amounts are based on each Tribe's anticipated workload to (1) develop a Tribal program (including Tribal laws,

regulations, and policies); (2) assist OSM with surface coal mine inspections and enforcement (including permitting activities, mine plan review and bond release); and (3) sponsor employment training and education concerning mining and mineral resources. These grants fund 100 percent of the Tribal primacy development activities.

The SMCRA amendments of 2006 allow Indian Tribes to apply for and obtain approval of a Tribal program regulating, in whole or in part, surface coal mining and reclamation operations on reservation land under the jurisdiction of the Indian Tribe. The legislation also provides for 100 percent funding of the costs of developing, administering, and enforcing an approved Tribal program. An informal review of the Navajo Nation's Tribal primacy application is substantially complete, but the Navajo Nation has not formally submitted their application. The Crow Tribe and the Hopi Tribe continue to pursue Tribal primacy and assist OSM with surface coal mine inspections and review of permit revisions and bond release applications; however, neither Tribe has submitted a formal application for Tribal primacy. The Oklahoma Cherokee, Choctaw, and Muscogee (Creek) Nations are also eligible to pursue Tribal primacy and to seek grant funding for development of their Tribal programs.

State Program Evaluation

The FY 2027 request for State Program Evaluation is \$6.5M including 61 FTEs, which provides OSM the State oversight resources to determine whether States are effectively implementing their approved regulatory programs, and to provide documentation to the public of the work that OSM and the States are doing.

OSM assumes an oversight role following primacy approval of a State or Tribal SMCRA regulatory program. That role includes both programmatic evaluations and inspections of individual mine sites to determine whether States with primacy are properly administering, implementing, maintaining, and enforcing their regulatory programs. SMCRA gives OSM the authority to intervene if needed.

Oversight Inspections

Inspections and site visits are an integral part of OSM's oversight activities. OSM's oversight inspections maximize the use of State, Tribal, and OSM resources with a goal of creating efficiency to strengthen the performance of all parties and avoid duplication of effort and redundancy.

**Inspections Conducted in Primacy States and OSM Oversight
Inspections in FY 2025**

State	Partial State Inspections	Complete State Inspections	Total State Inspections	Total Oversight Inspections
Alabama	24	632	656	31
Alaska	40	20	60	6
Arkansas	5	7	12	2
Colorado	145	72	217	12
Illinois	400	240	640	27
Indiana	299	194	493	15
Iowa	0	0	0	0
Kansas	0	0	0	2
Kentucky	7,453	3,971	11,424	311
Louisiana	24	12	36	6
Maryland	341	144	485	15
Mississippi	16	8	24	4
Missouri	37	23	60	3
Montana	87	48	135	12
New Mexico	24	12	36	2
North Dakota	317	60	377	9
Ohio	620	334	954	30
Pennsylvania	4,699	2,274	6,973	251
Texas	275	128	403	8
Utah	139	68	207	7
Virginia	1,532	785	2,317	91
West Virginia	10,579	5,594	16,173	326
Wyoming	166	76	242	14
Total	27,222	14,702	41,924	1,184

Source: Data for States and Tribes (DST) for State Inspection, Inspection and Enforcement (I&E) reports for Oversight Inspections in FY 2025.

In FY 2027, OSM will conduct oversight inspections to ensure the integrity of regulatory programs and identify compliance trends. The number of inspections will be driven by permit activity, including newly issued permits and those released upon completion of final reclamation.

Identifying and Correcting Violations of SMCRA

In primacy States, SMCRA requires that an OSM inspector provide the regulatory authority (RA) the opportunity to correct any violations observed during an oversight inspection or violations alleged by a citizen that does pose serious or immediate harm. OSM will issue a Ten-Day Notice (TDN) to the RA whenever the authorized representative has a reason to believe that there has been a violation of SMCRA,

Federal regulations, the approved regulatory program, or a permit condition (hereinafter violation). The RA then has 10 days to take enforcement action, initiate another appropriate action to correct the violation, or demonstrate good cause for not taking such action. If OSM determines that the RA's response is not appropriate, an OSM inspector will conduct a Federal inspection of the site and take any necessary enforcement action.

OSM works closely with the RAs to fix problems and track progress on corrective actions. During most oversight inspections, OSM does not issue a TDN if the State's inspector has already taken the right steps or until the inspection is fully completed. If a State or Tribal program does not show timely, adequate improvements, OSM has other tools under 30 CFR Parts 732 (requiring program amendments) and 733 (compelling program change or substituting a Federal program) to ensure enforcement or a program change. OSM will continue these compliance assurance activities throughout FY 2027.

Oversight Policy and Procedures

As part of the oversight process, a Performance Agreement is developed annually for each of the 23 States with primacy that outlines the responsibilities and activities of both the State and OSM. The Performance Agreement provides details about specific program evaluation goals for each State and the plans to achieve those goals, the types and number of inspections OSM plans to provide, technical or programmatic assistance that OSM may render to the State, and methods to resolve any new or ongoing problems.

Federal Programs

The FY 2027 request includes \$4.9M and 20 FTEs for Federal Programs which provides OSM the resources required to conduct statutory activities for the Federal Programs in Tennessee and Washington and the Indian Lands Program in Oklahoma (hereinafter Federal Programs). The additional \$427,000 will aid reclamation efforts in Oklahoma where most of the permits are under bond forfeiture. The funding request also includes an additional \$40,000 for permitting activities that will be offset with collections from new permit application fees in the Federal Programs.

Regulatory Activities

OSM regulates coal mining and reclamation in States without approved regulatory programs. OSM regulatory activities include reviewing permit applications, issuing permits, conducting inspections, enforcing violations, and ensuring timely reclamation including under bond forfeited permits.

Tennessee: OSM conducts full Federal program functions in the State of Tennessee. Currently, there is no active coal production in the State; however, in 2025 OSM approved coal mining at the Hurricane Creek mine. The State of Tennessee continues to evaluate whether to establish an approved regulatory program to achieve primacy, which OSM supports.

Washington: There are two surface coal mines regulated under the Federal Program in Washington: the Centralia Mine and the John Henry Mine, located in Lewis County and King County, respectively. Both mines have permanently ceased mining operations, and the sites are currently undergoing reclamation.

Muscogee (Creek), Cherokee, and Choctaw Nation Tribal Reservations: OSM assumed responsibility for

regulating coal mining and reclamation activities on Muscogee (Creek), Cherokee, and Choctaw Nation Tribal Reservation lands from the Oklahoma Department of Mines and the Oklahoma Conservation Commission in FY 2021, following the Supreme Court decision in *McGirt v. Oklahoma* and the decisions of the Oklahoma Court of Criminal Appeals in *Hogner v. State*, 500 P.3d 629 (Okla. Crim. App. 2021), and *Sizemore v. State*, 485 P.3d 867 (Okla. Crim. App. 2021).

**Permit Status and Permitted Area on Oklahoma's Indian Lands
FY 2025**

	Active Permits	Abandoned/ Forfeited Permits	Total Permits	Total Permitted Area (acres)
Muscogee (Creek) Nation	0	5	5	1,533
Cherokee Nation	0	7	7	2,161
Choctaw Nation	15	15	30	10,197
Total	15	27	42	13,891

Source: OSM, Tulsa Field Office, permit status inventory as of September 30, 2025.

**Inspections conducted by OSM in the Federal and Indian Lands
Program in FY 2025**

State/Tribe	Partial Inspections	Complete Inspections	Total Inspections	Notice of Violations	Cessation Orders
Tennessee	343	158	501	31	13
Washington	16	10	26	0	0
Federal Program States Total	359	168	527	31	13
Crow Tribe	14	6	20	0	0
Hopi Tribe	0	4	4	0	0
Navajo Nation	43	18	61	0	0
Ute Tribe	6	2	8	0	0
Western Region Tribes Total	63	30	93	0	0
Cherokee Nation	0	6	6	0	0
Choctaw Nation	138	82	220	53	8
Muscogee (Creek) Nation	8	7	15	0	0
Oklahoma Tribes Total	146	95	241	53	8
Federal Program and Tribes Total	568	293	861	84	21

Source: Data for States and Tribes (DST)

Permitting

Permit fees and other offsetting collections are assessed under SMCRA to recover a portion of the Federal costs associated with permitting, inspection, and enforcement of surface coal mining operations on Federal

and Indian lands and in States without approved programs. These collections are deposited to Treasury and credited as offsets to discretionary budget authority. The FY 2027 estimate reflects expected permit activity levels and historical collection trends.

Activity: Offsetting Collections - Permit Fees										
<i>(Dollars in Thousands)</i>										
	2025 Actual		2026 Enacted		2027 Request					
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Program Changes (\$)	Program Changes FTE (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Total, Permit Fees	40	-	40	-	-	-	-	40	-	-
Total, Offsetting Collections - Permit Fees	-40	-	-40	-	-	-	-	-40	-	-

Federal Lands

The FY 2027 request includes \$1.5M and 7 FTEs for Federal Lands program, which provide OSM the resources to support State regulatory programs on Federal lands.

In primacy States, mining on Federal lands is regulated under a cooperative agreement between the Governor and the Secretary of the Interior. SMCRA requires the Secretary to retain authority to approve mining plans; no mining may occur until approval is granted. OSM prepares decision documents for proposed mining plans and modifications and serves as the regulatory authority in States without cooperative agreements. OSM also processes valid existing rights claims and conducts environmental reviews under NEPA, preparing Environmental Assessments (EA) or Environmental Impact Statements (EIS) in consultation with other Federal agencies and State regulatory authorities

In FY 2025, OSM administered the preparation of 11 mining plan recommendations and attendant environmental analyses. In collaboration with the Department of the Interior’s Office of the Solicitor and BLM, OSM intends to continue to finalize NEPA analyses and issue mining plan recommendations for several projects in FY 2026 and FY 2027.

In FY 2025, OSM completed and obtained the Assistance Secretary for Land and Minerals Management (ASLM) approval for 7 mining plan decisions and expects to complete 8 mining plan decision documents for ASLM by the end of FY 2026.

**Mining Plan Decision Document Fiscal Year (FY) Workload on
Leased Federal Coal**

Activity	FY 2025	FY 2026
	Actual	Projected
In progress (prior FY)	10	4
Actual/Anticipated Submissions	1	9
Completed in FY	7	8
Total FY Workload	11	13
Remaining Workload	4	5

Source: OSM Regional Offices

Indian Lands Program

The FY 2027 request includes \$3.3M and 16 FTEs for the Indian Lands Program on Tribal lands outside the State of Oklahoma (hereinafter Indian Lands Program). OSM is responsible for regulating coal mining and reclamation activities on Indian Lands. The Indian Lands Program staff review and approve permit applications and revisions, conduct inspections and enforcement activities, and ensure timely reclamation after mining. OSM coordinates closely with Indian Tribes and other resource management entities. OSM ensures that the lands and trust resources of federally recognized Tribes and their members are identified, conserved, and protected. In fulfilling these responsibilities, OSM operates within a government-to-government relationship with Indian Tribes.

The Crow Tribe, the Hopi Tribe, the Ute Mountain Ute Tribe, and the Navajo Nation have active coal mine permits on their lands. The coal mines on Indian Lands are among the largest in the United States, with a total of 107,625 acres regulated by OSM.

Navajo Nation and the Hopi Tribe: The McKinley Mine and the Navajo Mine are large surface mines located in McKinley and San Juan Counties, New Mexico. These mines are on lands within the Navajo Nation. The Navajo Mine is an active mine and provides coal to the Four Corners Power Plant in New Mexico. Mining operations permanently ceased at the McKinley Mine in 2009, and it is currently undergoing final reclamation. Navajo Transitional Energy Company is seeking approval for a new SMCRA permit application to mine 500 million tons of coal through 2136. The new permit will be referred to as the No Name Permit, which will also provide coal to the Four Corners Power Plant. The Kayenta Mine is a large surface mine located in Navajo County, Arizona, on lands within the Navajo Nation and the Hopi reservation. The Navajo Nation owns most coal resources at this mine, but certain coal resources are jointly owned by the Navajo Nation and the Hopi Tribe. The Kayenta Mine permanently ceased mining in August 2019, and the Navajo Generating Station ceased operations in November 2019, and is currently undergoing final reclamation.

Crow Tribe: The Absaloka Mine is a large surface mine located in Big Horn County, Montana. The Absaloka (South) Mine operates within the boundaries of the Crow Reservation and is regulated by OSM. The Absaloka (North) Mine operates outside the boundaries of the Crow Reservation but includes Crow-

owned coal resources. The Absaloka (North) Mine is co-regulated by OSM and the State regulatory authority.

Ute Mountain Ute Tribe: The King II Mine is an underground mine located in La Plata County, Colorado. The mine extracts Federal coal beneath surface land owned privately by the Ute Mountain Ute. The OSM permit includes the lands above the underground mine workings, including approximately nine acres of surface disturbance. No reclamation liability release applications are expected until the mine closes and completes final reclamation of its facilities.

Program Development and Maintenance

The FY 2027 request includes \$5.3M and 20 FTEs for Program Development and Maintenance. Work elements under this program are primarily policy actions that support the other program activities in the Environmental Protection business line.

National Policy Development

National Policy Development entails rulemaking and guidance development and analyzing their effects on other statutes and assessing their conformity with executive orders and Administration priorities. In addition, the work under this program entails preparation of EAs and EISs as required under NEPA, information collection request, and regulatory impact analyses, such as cost benefit analyses. When required, OSM involves the public and interested parties in the development of regulations. OSM also maintains the administrative record for rules and coordinates rule publication with the Office of the Federal Register.

State Program Amendments

OSM assists States with the development, administration, implementation, and maintenance of their approved regulatory program. OSM evaluates State-initiated program changes (statutory, regulatory, or changes in the program's provisions, scope, or objectives), and decisions to approve or disapprove State program amendments are Federal rulemaking actions. In the case where States may be required to amend their programs because of changes to SMCRA or Federal regulations, OSM notifies the State of the required change, and reviews and evaluates the State program amendment submission. When a State program amendment is required due to changes in the States program, the State will submit an amendment describing the change for OSM to review and evaluate. As part of the review and evaluation of any State program amendment, OSM solicits public comments, holds public meetings, maintains the administrative record, and publishes the decisions as final rules in the Federal Register.

FY 2025 State Program Amendment Activity

Amendment Type	Pending	Received	Completed	Pending
	Oct. 1, 2024	FY 2025	FY 2025	Sept. 30, 2025
Pre-Submission Assistance	2	1	1	2
Formal	43	9	12	40
Total	45	10	13	42

Source: OSM Regional Offices

FY 2027 PLANNED PROGRAM ACTIVITIES

The Environmental Protection program will participate in the following activities in FY 2027:

- Provide State regulatory program grants to support primacy States fulfilling their responsibilities under SMCRA on Federal and non-Federal lands.
- Prepare Performance Agreements between OSM and each primacy State.
- Conduct oversight inspections on State and Indian lands and administer enforcement actions as needed in primacy States.
- Review and approve permit applications, conduct inspections and enforcement activities, and ensure timely reclamation after mining in non-primacy States and on Indian lands where OSM is the regulatory authority.
- Review all applications to mine Federal coal and provide recommendations on mining plan decision approvals, including the preparation of effects analyses in compliance with NEPA.
- Evaluate State program amendment submissions for approval, partial approval, or disapproval.

FY 2025 PROGRAM ACCOMPLISHMENTS

The Environmental Protection program accomplished the following in FY 2025:

- Administered the approval of five Mine Plan Decisions, totaling over 120 million tons of Federal coal – reinforcing the country’s ability to meet demand for affordable reliable energy and helping sustain a secure domestic energy supply.
- Worked to ensure that nearly 94.2% of permitted sites inspected nationwide were free of off-site impacts (i.e., those occurring outside the permitted area, having the potential to harm the environment or public as specified under existing regulations).
- Approved the release of 38,259 acres from Phase III performance bond, certifying that reclaimed lands had successfully achieved their approved post-mining land uses. These restored areas – now available for uses such as infrastructure development (2,500 acres), grazing (4,900 acres), or forestry (3,900 acres) – directly contribute to community-level strategic land use planning and economic revitalization in previously mined regions.

- Administered the regulatory program for coal mining on 107,625 acres of Indian Lands in co-stewardship with the Tribes. Awarded financial assistance to Tribes with coal programs to mitigate the hazards of abandoned mine lands, develop and maintain coal regulatory programs, and return legacy coal mining sites to productive uses through economic and community development.

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REGULATION AND TECHNOLOGY ACCOUNT

Technology Development and Transfer

REGULATION AND TECHNOLOGY ACCOUNT

Technology Development and Transfer Activity Budget Request

Activity: Technology, Development and Transfer ¹											
<i>(Dollars in Thousands)</i>											
Activity/Sub Activity/Program Element/Budget Element	2025 Actual		2026 Enacted		2027 Request						Change from 2026 Enacted
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	
Technology, Development and Transfer											
Technical Assistance	11,446	39	11,182	39	-5	-	+71	-	11,248	39	+66
Training	2,139	12	2,139	11	-1	-	-36	-	2,102	11	-37
Technology Transfer	2,098	7	2,098	7	-1	-	-1,035	-	1,062	7	-1,036
Total, Technology, Development and Transfer	15,683	58	15,419	57	-7	-	-1,000	-	14,412	57	-1,007

¹ Table does not include supplemental funding.

Summary of 2027 Program Changes for R&T/Technology, Development and Transfer

Dollars in Thousands (\$000)

Program Changes	Change	FTE Change
Technical Assistance	+71	+0
Technical Training	-36	+0
Technology Transfer	-1,035	+0
TOTAL Program Changes	-1,000	+0

Activity: Technology, Development and Transfer — Program Description

The Technology, Development and Transfer (TDT) activity supports OSM’s regulatory responsibilities under SMCRA by providing technical assistance, technical training, technology development, and technology transfer services to Federal, State, and Tribal regulatory programs. These activities enhance the technical capacity needed to support effective permitting, inspection, enforcement, and environmental protection functions related to surface coal mining operations.

The FY 2027 President’s Budget requests \$14.4M and 57 FTEs for Technology, Development and Transfer. The FY 2027 request continues to support essential technical expertise, technical training, and information-sharing activities that enable States, Tribes, and Federal partners to meet SMCRA requirements and advance environmental protection goals.

Program Changes:

Technical Assistance (+\$71,000, +0 FTE): The FY 2027 budget request for Technical Assistance is \$11.3M, reflecting a program change of +\$71,000. The increase aligns resources with projected workload while supporting core regulatory assistance functions.

Technical Training (-\$36,000, -0 FTE): The FY 2027 budget request for Technical Training is \$2.1M, reflecting a program change of -\$36,000. This decrease reflects a modest adjustment to training funding to align resources with projected needs while maintaining support for essential regulatory training.

Technology Transfer (-\$1.04M, -0 FTE): The FY 2027 budget request for Federal Programs is \$1.1M, reflecting a program change of -\$1.0M. The reduction in funding for Technology Transfer is to align resources with projected workload while sustaining essential technology transfer support for regulatory oversight activities.

PROGRAM DETAILS

The following program activities support OSM’s goal of enhancing the skills and knowledge of States and Tribes for effective SMCRA implementation. This goal is vital for the success of surface mining and reclamation programs and is achieved through quality technical information, expertise, and technical training.

The TDT program supports necessary technical skills that States and Tribes need to operate their regulatory programs. The FY 2027 request provides resources for OSM’s technical assistance, technical training, technology development, and technology transfer programs.

Technical Assistance

The FY 2027 request provides \$11.2M funding and 39 FTEs for Technical assistance. OSM offers technical assistance to State and Tribal regulatory staff, as well as OSM personnel involved in reviewing and overseeing State programs and developing rules or policies.

OSM provides technical assistance and site-specific technology support to help States and Tribes with science and engineering expertise needed to regulate active mining operations. Areas of assistance include, but are not limited to:

- Rulemaking
- Citizen complaint investigations
- Review of offsite impacts
- State program amendments
- State mining permit evaluation
- Blasting policy
- Dam safety program
- Prime farmland reclamation
- Placement of coal combustion residue
- Reclamation bonding sufficiency and bond release
- Threatened and endangered species
- Restoration of mined land with native vegetation
- Land unsuitability determinations
- Participation as technical experts on interagency committees

- Acid Mine Drainage (AMD) prevention and remediation
- Acid and toxic forming materials handling
- Surface and groundwater dewatering
- Stream and underground mine flooding
- Mountaintop mining and valley fills
- Permit findings
- Subsidence caused by underground mining
- Assistance in fostering Tribal primacy by helping Tribes develop technical capabilities

The following examples highlight a few specific areas of technical assistance provided to State and Tribes by OSM.

AMDTreat

One of OSM’s key tools for addressing water-quality issues is the AMDTreat software program, developed in collaboration with the Pennsylvania Department of Environmental Protection, the U.S. Geological Survey, and the West Virginia Department of Environmental Protection. OSM staff continuously improve and enhance the AMDTreat software treatment modules to ensure the program remains relevant to the concerns of regulators and the public regarding AMD.

Rare Earth Elements and Critical Minerals Evaluations

Coal mine waste and acid mine drainage, along with associated metal precipitates, are being evaluated nationwide as potential sources of rare earth elements (REEs) and critical minerals (CMs), which are vital for many high-tech devices. By advancing opportunities for the recovery of REEs and CMs from coal waste and AMD, OSM creates economic opportunities in coal communities and establishes a sustainable domestic supply chain for these materials as envisioned by Executive Order 14241 and Secretary Order 3436.

Reforestation

OSM continues its effort to encourage proper reforestation practices to transform reclaimed mined land to healthy, productive forests. This reforestation initiative developed and promoted the use of the Forestry Reclamation Approach (FRA), held technical and policy symposia, and introduced a reforestation website to explain the methods and benefits of reforestation. Through the Appalachian Regional Reforestation Initiative (ARRI), OSM provides technical assistance to a 33-member science team made up of researchers from across the country and members of the American Bird Conservancy, the American Chestnut Foundation, the U.S. Geological Survey, and the U.S. Forest Service.

Technical Training

The FY 2027 request provides \$2.1M and 11 FTEs for technical training. Technical training provides OSM, State, and Tribal staff the necessary information and skills to implement the surface mining reclamation and enforcement program. OSM provides comprehensive technical training in essential disciplines for implementing the SMCRA, including aquatic biology, geology, engineering, hydrology, blasting, agronomy, innovation, and botany. Additionally, OSM offers courses on permit approval, bond release, reclamation, and enforcement to enhance technical expertise and establish professional standards.

Technology Transfer

The FY 2027 request includes \$1.1M and 7 FTEs for technology and transfer. Technology and Technology transfer is an integral component of OSM’s Environmental Protection activity, providing essential support to State and Tribal programs. Technology transfer is accomplished through a variety of activities including workshops and technical forums; publication of workshop and forum proceedings, handbooks, and other materials; maintenance of the OSM technical library and various information websites; and educational outreach. The OSM national and regional technology transfer teams meet monthly to evaluate initiatives or ongoing activities to encourage networking and information sharing that will result in program improvement or enhancement. OSM’s technology transfer activities bring a new approach to nationwide cooperation and customer service.

One of OSM’s missions is to advance and transfer technologies that improve the effectiveness and efficiency of the science of coal mining and mine land reclamation. Advancing these technologies improves mining and reclamation practices and provides better science-based decision-making. OSM will continue to advance coal mine site technologies and practices to deliver more comprehensive ecosystem restoration, including reforestation and reclamation using native vegetation and plant habitat.

Activity: Civil Penalties										
<i>(Dollars in Thousands)</i>										
Activity/Sub Activity/Program Element/Budget Element	2025 Actual		2026 Enacted		2027 Request					Change from 2026 Enacted
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Program Changes (\$)	Program Changes FTE (+/-)	Budget Authority	FTE	
Total, Civil Penalties	100	-	100	-	-	-	-	100	-	-

Activity: Offsetting Collections - Civil Penalties										
<i>(Dollars in Thousands)</i>										
Activity/Sub Activity/Program Element/Budget Element	2025 Actual		2026 Enacted		2027 Request					Change from 2026 Enacted
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Program Changes (\$)	Program Changes FTE (+/-)	Budget Authority	FTE	
Total, Offsetting Collections - Civil Penalties	-100	-	-100	-	-	-	-	-100	-	-

The FY 2027 President’s Budget reflects civil penalty collections based on updated estimates of enforcement activity and historical collection trends. Civil penalties assessed under SMCRA are deposited into the appropriate Treasury accounts and are used, as authorized, to support reclamation activities at abandoned mine sites.

FY 2027 PLANNED PROGRAM ACTIVITIES

FY 2027 planned activities in Technology Development and Transfer include:

- Provide technical assistance to States and Tribes, leveraging emerging technologies for field data collection and in-house information processing capabilities.
- Coordinate blaster certification activities with State personnel, Federal agencies (Mine Safety and Health Administration, Occupational Safety and Health Administration, and the Bureau of Alcohol, Tobacco, Firearms and Explosives), and professional organizations (International Society of Explosives Engineers, Institute of Makers of Explosives, and National Fire Protection Association).
- Support State and Tribal coal reclamation programs with direct technical support.
- Develop course materials and topics that are relevant, useful, and technically sound.
- Serve customers seeking information from the National Mine Map Repository (NMMR). NMMR will continue outreach efforts to coordinate with State mapping programs to synchronize efforts. NMMR will also work towards allowing digital downloads of map scans.

FY 2025 PROGRAM ACCOMPLISHMENTS

In FY 2025, the Technology Development and Transfer:

- Through its Applied Science Program, OSM funded research to advance the recovery of critical rare earth elements and minerals (CREM) from coal byproducts such as mine drainage and mine water – supporting domestic supply chain resilience and environmental remediation. One such project, led by researchers affiliated with the University of Pittsburgh, explored fungal-based treatment systems for acid mine drainage and showed strong potential to both clean contaminated water and recover valuable critical metals, including rare earth elements, cobalt, and nickel.
- Advanced the ongoing AMDTreat software re-write, a mine drainage treatment cost modeling tool, which will include a rare-earth module to enable users to calculate treatment costs and integrate critical mineral recovery considerations into mine water treatment planning and design.
- Provided over 275 instances of technical assistance and technology transfer, including support for specialized software, mobile GIS workflows, and Unmanned Aircraft System (UAS) integration—enhancing the operational capacity of State and Tribal partners. These efforts improved on-the-ground decision-making, accelerated reclamation planning and monitoring, and fostered greater consistency and innovation in addressing abandoned mine land hazards nationwide.
- Hosted 63 technical trainings, attended by 426 students in environmental restoration and reclamation sciences, designed to develop and enhance the technical skills and capabilities to effectively meet SMCRA requirements. This included an Unmanned Aerial System (UAS) Technology Virtual Workshop attended by 70 participants that offered drone-based technology demonstrations and presentations to facilitate technology transfer and field application of UAS tools for mining and reclamation.

REGULATION AND TECHNOLOGY ACCOUNT

Financial Management

REGULATION AND TECHNOLOGY ACCOUNT

Financial Management Budget Request

Activity: Financial Management ¹											
<i>(Dollars in Thousands)</i>											
Activity/Sub Activity/Program Element/Budget Element	2025 Actual		2026 Enacted		2027 Request						Change from 2026 Enacted
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	
Financial Management											
Revenue Management	380	1	413	1	-	-	-	-	413	1	-
Financial Management	101	1	101	1	-	-	-	-	101	1	-
Total, Financial Management	481	2	514	2	-	-	-	-	514	2	-

¹ Table does not include supplemental funding.

Activity: Financial Management — Program Description

The Financial Management activity supports OSM’s regulatory responsibilities under SMCRA by providing revenue management and grant accounting/financial management services for programs funded through the Regulation and Technology account. These functions ensure accurate collection, accounting, oversight, and reporting of revenues and grants that underpin environmental protection and regulatory oversight activities.

The FY 2027 President’s Budget requests \$514,000 and 2 FTEs for Financial Management. The FY 2027 request continues to support core financial operations, including civil penalty revenue collection and reconciliation, grants accounting/financial management and reporting, while maintaining efficient administrative support for OSM’s regulatory programs.

PROGRAM DETAILS

Revenue Management

Revenue management includes the accounting and collection of revenue other than reclamation fees, such as civil penalties assessed under Federal citations for mining violations, and Federal performance bonds forfeited by coal mine permittees.

This FY 2027 Budget request is for the Revenue management program activity to manage non-fee revenues and receivables. These include the following:

- Federal civil penalties issued for mining operation violations.
- Bond forfeitures by Federally permitted mining companies.
- Fees for mine permit reviews and administration; and
- Other miscellaneous fees and receipts.

OSM utilizes a range of debt collection tools, which include demand letters, personal contact with the debtor, use of payment plans, referral to the Department of the Treasury for payment offset, and litigation through the Department of Justice. In accordance with the Digital Accountability and Transparency Act of 2014, OSM refers civil penalty debt that is more than 120 days delinquent to the Department of the Treasury for collection.

Levying penalties and fees helps to ensure operators comply with coal mining regulations and ensure the land is restored to beneficial use at the conclusion of mining operations. The bonds and penalties assessed motivate responsible coal resource extraction management practice to protect the public, property and the environment.

Grants Accounting/Financial Management

Grant accounting/financial management under R&T activities supports field offices in the disbursement of regulatory grants to States and Tribes under the Environmental Protection program. The activity includes the disbursement, accounting, reporting, and recovery of grant funds. Funding provides training to program financial staff and supports financial systems to maintain quality program resources and conduct accurate revenue collections.

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REGULATION AND TECHNOLOGY ACCOUNT

Executive Direction and Administration

REGULATION AND TECHNOLOGY ACCOUNT

Executive Direction and Administration Budget Activity Request

Activity: Executive Direction and Administration ¹											
<i>(Dollars in Thousands)</i>											
	2025 Actual		2026 Enacted		2027 Request						
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Executive Direction and Administration											
Executive Direction	2,301	11	2,391	11	-1	-	-622	-	1,768	11	-623
Administrative Support	3,700	13	3,700	25	-3	-	-513	-	3,184	25	-516
General Services	8,300	-	8,818	-	-96	-	+1,734	-	10,456	-	+1,638
Total, Executive Direction and Administration	14,301	24	14,909	36	-100	-	+599	-	15,408	36	+499

¹ Table does not include supplemental funding.

Summary of 2027 Program Changes for R&T/Executive Direction

Dollars in Thousands (\$000)

Program Changes	Change	FTE Change
Executive Direction	-622	+0
Administrative Support	-513	+0
General Services	+1,734	+0
TOTAL Program Changes	+599	+0

Activity: Executive Direction and Administration — Program Description

The Executive Direction and Administration activity provides bureau-wide leadership, policy coordination, and administrative support necessary to carry out OSM’s regulatory responsibilities under SMCRA. This activity supports executive management, administrative operations, and shared services necessary to carry out R&T program oversight and delivery.

The FY 2027 President’s Budget requests \$15.4M and 36 FTEs for Executive Direction and Administration, reflecting a net program increase of \$599,000 and no change in FTEs from FY 2026 Enacted.

Program Changes:

Executive Direction (-\$622,000, -0 FTE): The FY 2027 Executive Direction is \$1.8M, with a decrease of -\$622,000. The reduction aligns resources towards General Services and targeted investments in mission-critical legacy systems. The adjustment ensures that funding is prioritized for operational needs and modernization efforts while maintaining essential executive oversight functions.

Administrative Support (-\$513,000, -0 FTE): The FY 2027 budget request for Administrative Support is \$3.2M with a program decrease of -\$513,000. This reduction aligns resources and cost savings with the Department of the Interior's transition to unified shared services, streamlining administrative functions and improving efficiency.

General Services (+ \$1.7M, +0 FTE): The FY 2027 budget request for General Services is \$10.5M, with a program change of +\$1.7M. The FY 2027 President's Budget includes an increase for General Services to support enterprise-wide operational services and targeted sustainment and enhancement of mission-critical legacy systems that underpin OSM's regulatory mission. The increase prioritizes investments in core regulatory infrastructure, including the AVS and the Inspections and Enforcement System, and ePermitting, which are essential for enforcement actions, compliance tracking, and oversight of surface coal mining operations under SMCRA.

This increase is supported in part through realignments from Executive Direction and Administrative Support and reflects a shift toward strengthening shared services and system reliability while maintaining effective program management and oversight.

PROGRAM DETAILS

Executive Direction

The FY 2027 request provides \$1.8M and 11 FTEs for Executive Direction. This activity provides executive direction, leadership, and policy and program management guidance for all areas of responsibility for OSM. The funds for Executive Direction are for salaries and operating expenses for the Office of the Director, operational offices and the consolidation of administrative support through DOI unified services.

Office of the Director

The Director of the Office of Surface Mining Reclamation and Enforcement, a Senate-confirmed position, serves as the agency's Chief Executive, providing leadership and strategic direction in accordance with the Surface Mining Control and Reclamation Act. The Director oversees both the Abandoned Mine Land and the Regulatory and Technology programs, ensuring the effective reclamation of legacy mine sites and the prevention of environmental impacts associated with active mining operations.

In fulfilling this mission, the Director prioritizes the reclamation of AML sites and the prevention of environmental degradation in active coalfields by fostering close collaboration with State regulatory authorities, Tribal governments, and other Federal and local partners. OSM is committed to ensuring meaningful public participation in the development and implementation of its regulatory responsibilities. Through cooperative partnerships, innovation, and transparent engagement, the Director advances OSM's mission and strengthens the nationwide implementation of SMCRA.

The Deputy Director is OSM's Chief Operating Executive. The Deputy Director provides direct supervision for the business operations of the Bureau, as well as executive leadership to all other programs and offices.

In FY 2027, OSM will continue outreach efforts such as public meetings on proposed rulemakings, which promote public participation in policy making and facilitate discussion and information exchange on the current state of the coal industry. OSM will continue to take constructive steps to engage and collaborate with States, Tribes, citizens, other stakeholders, and industry.

Operational Services

Office of Planning, Analysis and Budget

The Office of Planning, Analysis, and Budget (OPAB) performs nationwide planning, program analysis, and budget administration for OSM. OPAB coordinates efforts to ensure compliance with major management legislation, including the Government Performance and Results Act of 1993, the Government Performance and Results Modernization Act of 2010, the Foundations for Evidence-Based Policymaking Act of 2018, the Federal Managers' Financial Integrity Act of 1982, the Anti-deficiency Act, and the Congressional Budget and Impoundment Control Act of 1974, as well as supporting guidance such as OMB Circulars A-11 and A-123. OPAB also serves as the liaison with the Department of the Interior (DOI), the Office of Inspector General (DOI OIG), the Government Accountability Office (GAO), and the Department in response to audit reports.

OPAB is responsible for formulating, presenting, and executing the bureau's budget, and for controlling, monitoring, and reporting the use of OSM funds. It ensures that bureau funds are used legally, responsibly, and efficiently, and in line with approved budgets to avoid Anti-deficiency Act violations. OPAB serves as the primary link to the Department of the Interior, the Office of Management and Budget (OMB), and Congress on budget and appropriations matters.

The office develops the annual budget request, manages the flow of funds to OSM programs and offices, and tracks daily financial activity in the Financial and Business Management System. OPAB helps align financial decisions with OSM's mission, priorities, and performance goals. It also assists program offices in planning and using their budgets effectively, ensuring that financial resources support OSM's mission and strategic objectives.

Office of Administration

The Office of Administration (OA) develops and administers OSM's administrative policies and procedures and implements the Bureau's administrative support activities. These responsibilities include bureau-wide space and property management, occupational safety and health, physical security, emergency management, directives management, and transit programs. In addition, OA provides administrative support to Headquarters offices, ensuring efficient operations and compliance with Departmental standards.

Functional Management Liaison Office- Unified Services

The Functional management liaison office is essential to strengthen the connection between OSM’s mission and its Unified Services functions—consolidated services provided by DOI. By providing unified leadership, this role ensures that critical functions—civil rights, communications, finance, grants, acquisitions, information technology, and human resources—operate in harmony with bureau priorities. Centralized coordination reduces duplication, streamlines processes, and promotes consistent policy implementation across all offices. This alignment enhances efficiency, improves resource utilization, and supports timely decision-making, enabling OSM to deliver high-quality administrative and operational support that directly advances program objectives and overall mission success.

General Services

This funding activity includes essential costs to support OSM’s program missions. No personnel or operational activities are funded by this component. The cost estimates for FY 2027 reflect estimated Departmental fixed cost changes from FY 2026 levels and known plans, including co-location, space reduction, anticipated contracting efficiencies, and investment in technologies and systems to yield additional efficiencies in the future.

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Account:

**ABANDONED MINE
RECLAMATION (AMR) FUND**

Office of Surface Mining Reclamation and Enforcement

Appropriation: Abandoned Mine Reclamation Fund

(Dollars in Thousands)

Treasury Account/Activity	2025 Actual		2026 Enacted		2027 Request						
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Abandoned Mine Reclamation Fund											
Environmental Restoration	146,772	44	150,903	40	-6	-	-	-	150,897	40	-6
Technology, Development and Transfer	4,129	20	4,095	19	-2	-	-500	-	3,593	19	-502
Financial Management	5,504	17	5,836	29	-4	-	-	-	5,832	29	-4
Executive Direction and Administration	6,141	9	6,141	17	+338	-	+1,861	-	8,340	17	+2,199
Subtotal, Current Appropriation, Abandoned Mine Reclamation Fund w/o Supplementals	162,546	90	166,975	105	+326	-	+1,361	-	168,662	105	+1,687
Payments to United Mine Workers of America Health Benefit Plans - AML	400,543	-	382,990	-	-	-	+61,066	-	444,056	-	+61,066
Fund Interest											
State Grants	94,044	-	93,475	-	-	-	-6,565	-	86,910	-	-6,565
Subtotal, Permanent Appropriation, Abandoned Mine Reclamation Fund w/o Supplementals	494,587	-	476,465	-	-	-	+54,501	-	530,966	-	+54,501
<i>Supplemental - Infrastructure Investment and Jobs Act (P.L. 117-58)</i>	-	75	-	-	-	-	-	-	-	-	-
<i>Sequestration</i>	-5,361	-	-5,328	-	-	-	+50	-	-5,278	-	+50
Total, Abandoned Mine Reclamation Fund w/ Supplementals¹	651,772	165	638,112	105	+326	-	+55,912	-	694,350	105	+56,238

¹ Supplemental funding reflects amounts made available in the fiscal year, not estimated allocations or obligations.

Summary of 2027 Discretionary Program Changes for AML

Dollars in Thousands (\$000)

	2027 Request Change	FTE Change
Program Changes		
Technology, Development and Transfer	-500	+0
Executive Direction and Administration	+1,861	+0
TOTAL Program Changes	+1,361	+0

Abandoned Mine Land Reclamation (AML) - Account Summary

The FY 2027 President’s Budget for the Abandoned Mine Land Reclamation (AML) programs includes both discretionary and mandatory funding provided under Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) to support abandoned mine land reclamation activities and related statutory obligations.

Discretionary funding supports core AML program activities, including Environmental Restoration, Technology Development and Transfer, Financial Management, and Executive Direction and Administration. As shown in the Summary of Requirements table above, the FY 2027 request includes a net discretionary increase of \$1.4M and no change in FTEs from the FY 2026 Enacted.

Mandatory funding within the AMR Fund consists of payments to the United Mine Workers of America (UMWA) health benefit plans and State and Tribal grant payments authorized under SMCRA. Mandatory funding levels are determined by statutory formulas and beneficiary requirements that do not reflect discretionary program decisions.

Fixed Costs and Internal Realignments Table
Office of Surface Mining Reclamation and Enforcement
Abandoned Mine Reclamation Fund
Justification of Fixed Costs Changes

(Dollars In Thousands)

Fixed Cost Element	2026 Enacted Change	2026 Enacted to 2027 Request Change	Description
Change in Number of Paid Days	0	0	Total paid days for FY 2027 is 261 (2088 hours) which is the same number of days as FY 2026. This information is consistent with the published OMB Circular A-11.
Pay Raise	+247	+49	The President's Budget for 2027 includes one quarter (October-December 2026) of the 1.0% pay raise for 2026 and 0.0% pay raise for 2027. Pay raises are consistent with the published OMB Circular A-11.
FERS Employer Contribution Increase	0	-62	The estimates reflect adjustments to the employer contribution for FERS and Law Enforcement FERS for FY 2027. This information is consistent with the published OMB Circular A-11.
Departmental Working Capital Fund (WCF)	-72	+175	The estimates reflect Department decisions on the FY 2027 Working Capital Fund Central Bill.
Workers' Compensation Payments	+1	-11	The amount reflects final chargeback costs of compensating injured employees and dependents of employees who suffer accidental death while on duty. This amount reflects the final Workers Compensation bill for FY 2027 payable to the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.
Unemployment Compensation Payments	0	0	The amount reflects 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. This estimate reflects an applied annual inflation factor of 3.0% to the 5-year average of actuals between 2020-2024.
GSA and Non-GSA Rents	+261	+175	This estimate reflects the FY 2027 President's Budget Exhibit 54s as submitted. 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 estimates reflect Udall Building rent, Security, Federal Reserve Parking, and Operations and Maintenance, distributed by bureau and office, based upon OFAS provided Udall Building occupancy levels. 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.
Baseline Adjustments for O&M Increases	0	0	This adjustment captures the associated increase to baseline operations and maintenance requirements resulting from movement out of GSA or direct-leased (commercial) space into Bureau-owned space. During these transitions, bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.
Total, Account 2027 Fixed Costs	+437	+326	

Appropriation Language

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended (30 U.S.C. 1231–1245), \$34,662,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: Provided, That pursuant to sections 3701 and 3717 of title 31, United States Code, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That funds made available under title IV of Public Law 95–87, as amended, may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: Provided further, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: Provided further, That amounts provided under this heading may be used for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training: Provided further, That of the amounts provided under this heading, not to exceed \$5,000 shall be available for official reception and representation expenses.

In addition, \$134,000,000, to remain available until expended, for grants to States and federally recognized Indian tribes with approved programs for reclamation of abandoned mine lands and other related activities under section 405 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1235): Provided, That such additional amount shall be used by such States for economic and community development in conjunction with new or ongoing abandoned mine land reclamation projects meeting one or more of the priorities described in section 403(a) of such Act (30 U.S.C. 1233(a)), and by such Indian tribes for economic and community development in conjunction with new or ongoing abandoned mine land reclamation projects, meeting one or more of the priorities defined in section 403(a) or section 411(c) and (d) of such Act (30 U.S.C. 1240a(c) and (d)), including reclamation undertaken, in whole or in part, with funding provided to carry out activities authorized under title IV of such Act (30 U.S.C. 1231–1245) or section 40701 of the Infrastructure Investment and Jobs Act (Public Law 117–58): Provided further, That of such additional amount, \$88,500,000 shall be distributed in equal amounts to the three Appalachian States with the greatest amount of unfunded needs to meet the priorities described in paragraphs (1) and (2) of such section, \$33,750,000 shall be distributed in equal amounts to the three Appalachian States with the subsequent greatest amount of unfunded needs to meet such priorities, and \$11,750,000 shall be for grants to federally recognized Indian tribes, without regard to their status as certified or uncertified under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1233(a)): Provided further, That such States and Indian tribes must submit a report not less than annually to the Office of Surface Mining Reclamation and Enforcement, detailing project-specific information on any increased or sustained employment and on any economic, community, or other benefits anticipated or accomplished as a result of such funding.

Justification of Proposed Language Changes.

The proposed revision to the Abandoned Mine Reclamation Fund appropriation language enhances oversight of program funds by clarifying eligibility, improving fiscal controls, and increasing transparency. Specifically, it limits AMLER support to projects that include a direct reclamation component, ensuring that State and Tribal initiatives without active Abandoned Mine Land (AML) reclamation activities are ineligible unless tied to new or ongoing reclamation efforts in authorized jurisdictions. Eligible reclamation work may be funded through AMLER, AML Fee-Based, or IJJA sources, resolving ambiguity in current law and ensuring investments advance site remediation alongside economic and community development outcomes. The revision also reestablishes a traditional grant-based funding process, replacing direct payments to States and Tribes to improve fiscal accountability while preserving local project selection authority, and introduces standardized reporting requirements to promote transparency, effective use of taxpayer resources, and consistent program performance monitoring.

ABANDONED MINE RECLAMATION (AMR) FUND

Environmental Restoration

ABANDONED MINE RECLAMATION FUND ACCOUNT
Environmental Restoration Activity Budget Request

Activity: Environmental Restoration ¹											
<i>(Dollars in Thousands)</i>											
	2025 Actual		2026 Enacted		2027 Request						
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Environmental Restoration											
State and Tribal Funding	500	-	-	-	-	-	-	-	-	-	-
State Program Evaluation	2,726	15	2,726	15	-2	-	-99	-	2,625	15	-101
Federal Reclamation Programs - Projects	6,119	6	6,119	3	-	-	+500	-	6,619	3	+500
Federal Reclamation Programs - Operations	3,210	10	3,210	11	-2	-	+383	-	3,591	11	+381
Program Development and Maintenance	4,217	13	4,848	11	-2	-	-784	-	4,062	11	-786
AML Economic Revitalization Grants	130,000	-	134,000	-	-	-	-	-	134,000	-	-
Total, Environmental Restoration	146,772	44	150,903	40	-6	-	-	-	150,897	40	-6

¹ Table does not include supplemental funding.

Summary of 2027 Program Changes for Environmental Restoration
(Dollars in Thousands)

Program Changes	Change	FTE Change
State Program Evaluation	-99	+0
Federal Reclamation Programs - Projects	+500	+0
Federal Reclamation Programs - Operations	+383	+0
Program Development and Maintenance	-784	+0
TOTAL Program Changes	0	+0

Environmental Restoration — Program Description

The Environmental Restoration activity supports OSM's responsibilities under Title IV of SMCRA to address AML hazards that pose risks to public health, safety, property, and the environment.

Environmental Restoration activities include oversight of State and Tribal AML programs, Federal reclamation projects and operations, program evaluation, and technical and policy support necessary to ensure effective reclamation outcomes on AML.

The FY 2027 President's Budget requests \$150.9M and 40 FTEs for Environmental Restoration. The FY 2027 request maintains stable staffing levels for Environmental Restoration and continues to support effective reclamation of AML across Federal, State, and Tribal programs.

Program Changes:

State Program Evaluation (-\$99,000, -0 FTE): The FY 2027 budget request for State Program Evaluation is \$2.6M, reflecting a program change of -\$99,000. The reduction to State Program Evaluation funding reflects aligning of resources with projected workload and execution requirements more efficiently. At the requested level, OSM will continue to conduct required oversight of State and Tribal AML programs while prioritizing reviews based on risk, program performance, and statutory requirements.

Federal Reclamation Programs - Projects (+\$500,000, +0 FTE): The FY 2027 budget request for Federal Reclamation Programs - Projects is \$6.6M, reflecting a program change of +\$500,000. This increase supports Federal reclamation projects on the Fort Peck Reservation (located within Montana), addressing priority abandoned mine land hazards that pose risks to public health, safety, and the environment.

Federal Reclamation Programs - Operations (+\$383,000, +0 FTE): The FY 2027 budget request for Federal Reclamation Programs - Operations is \$3.6M, reflecting a program change of +\$383,000. This increase supports modernization of the AVS, a nationwide database managed by OSM. AVS is critical for enforcing permit eligibility requirements under SMCRA and determining eligibility for bidders on AML program contracts under Title IV of SMCRA. Modernization will address cybersecurity compliance, improve system reliability, and enhance data integrity, ensuring continued transparency and accountability in coal mining and reclamation activities.

Program Development and Maintenance (-\$784,000, -0 FTE): The FY 2027 budget request for Program Development and Maintenance is \$4.1M, reflecting a program change of -\$784,000. The decrease to Program Development and Maintenance aligns resources with projected workload and execution requirements. At the requested level, OSM will support essential policy development, guidance, and program support activities necessary to carry out AML reclamation responsibilities while prioritizing resources toward direct reclamation delivery.

PROGRAM DETAILS

State Program Evaluation

The FY 2027 request includes \$2.6M for State Program Evaluation including 15 FTEs. SMCRA requires OSM to monitor the progress and quality of each approved State and Tribal AML program to confirm the reclamation programs function effectively. These evaluations of approved State and Tribal reclamation programs help facilitate more efficient and effective use of program dollars.

**Table 8 – States and Tribes with Approved AML Programs
(including Emergency Issues)**

AML Program (including Emergency Issues)	
Alabama	New Mexico
Alaska	North Dakota
Arkansas	Ohio
Colorado	Pennsylvania
Illinois	Tennessee
Indiana	Texas
Iowa	Utah
Kansas	Virginia
Kentucky	West Virginia
Louisiana	Wyoming
Maryland	
Mississippi	Crow Tribe
Missouri	Hopi Tribe
Montana	Navajo Nation

OSM reviews documents submitted by States and Tribes (e.g., grant applications, amendments, and reports), conducts periodic funding drawdown reviews, and completes on-site inspections of selected reclamation projects.

OSM utilizes topic-specific oversight reviews to monitor State and Tribal AML Program operations. Instead of reviewing entire programs each year, OSM field offices work closely with each State or Tribe to develop a Performance Agreement, which identifies the areas to be reviewed and establishes performance measures. OSM reviews any Performance Agreements that last longer than a year to gauge the status of the program.

Federal Reclamation Program

OSM addresses environmental hazards occurring in States or Tribal lands without AML programs on a priority basis. It also administers high priority projects funded by Federal civil penalties collected from operators and projects funded from bonds forfeited by operators of Federally permitted sites.

**Federal Responsibility for AML Program Administration
(including Emergency Issues)**

AML Program (including Emergency Issues)	
California	Rhode Island
Georgia	South Dakota
Idaho	Washington
Massachusetts	
Michigan	Cherokee Nation
North Carolina	Choctaw Nation
Oregon	Muscogee (Creek) Nation

Projects

The FY 2027 request include \$6.6M and 3 FTEs for Federal Reclamation Program – Projects, to fund Federal reclamation projects on Tribal lands in Oklahoma and Montana, Federal emergency reclamation projects, and Watershed Cooperative Agreement Program (WCAP). In addition to the requested funds, OSM will also continue to administer Federal reclamation projects in FY 2027 utilizing available civil penalty funds collected as authorized in SMCRA.

Fort Peck Reservation Reclamation Project

The Hollow Ranch on Fort Peck Indian Reservation was undermined, and the voids near the surface are creating sinkholes which are hazardous to people who use the area. The Fort Peck Indian Reservation is home to the Fort Peck Assiniboine and Sioux Tribes. Neither Tribe possesses an approved AML program. The Montana AML Program and the Crow AML Program have no responsibility to mitigate/reclaim AML hazards on the Fort Peck Indian Reservation.

Federal Emergency Projects

Federal emergency projects are conducted to immediately abate emergency abandoned mine hazards in States and on Tribal lands without an approved AML Program. Emergency projects address abandoned coal mine lands that present an immediate danger to public health, safety, or general welfare. Examples of such emergencies include landslides near homes and across roads, land subsidence occurring under houses and public buildings, mine and coal waste fires, and mine openings such as vertical shafts discovered near populated areas.

Watershed Cooperative Agreement Program (WCAP)

WCAP’s funding priority and technical focus is to restore streams affected by Acid Mine Drainage (AMD) to a level that will support a diverse biological community and provide recreational opportunities for the public. The WCAP provides funds to not-for-profit organizations (i.e., watershed organizations) to support their AMD reclamation projects. WCAP awards are designed to be partnered with other funding sources to assist with the completion of local AMD reclamation projects. All WCAP cooperative agreements are awarded with a two-year performance period.

Civil Penalty Projects

SMCRA authorizes Federal civil penalties collected under Section 518 of the Act to be used for reclaiming lands mined and abandoned sites. OSM under regulation is authorized to assess monetary civil penalties

nationwide on active coal mining operations. These monetary assessments are available to fund reclamation of bond forfeiture sites and to fund projects proposed by both State and Federal regulatory authorities.

Operations

The FY 2027 request includes \$3.6M and 11 FTEs for Federal Reclamation Program Operations funding which enables OSM staff to administer and address Federal emergencies, high priority projects, civil penalty projects, and watershed cooperative agreements. The process for Federal high priority projects starts with the determination of whether a condition is related to an abandoned coal mine. If so, OSM determines the priority for reclamation. Once the determination is made, the Federal Reclamation Program staff obtains approval for project funding and develops the abatement plan. This process includes seven elements:

1. Compliance with the National Environmental Policy Act (NEPA), Endangered Species Act (ESA), and the National Historic Preservation Act (NHPA).
2. Obtaining the right of entry for access.
3. Developing engineering plans and specifications needed for abatement.
4. Preparing and mailing bid packages to potential construction contractors.
5. Conducting pre-bid and pre-construction conferences.
6. Awarding contracts.
7. Coordinating, managing, and inspecting all aspects of the ongoing construction, and reviewing, approving, and paying invoices.

Program Development and Maintenance

The FY 2027 request includes \$4.1M and 11 FTEs for Program Development and Maintenance activities. Program Development and Maintenance is an integral part of administering Title IV of SMCRA.

Authorizations to Proceed and Environmental Reviews

An important part of OSM's role in State and Tribal AML Program operations is reviewing and approving the AML projects. In addition to reviewing and approving the projects, OSM assesses and discloses potential environmental impacts of the proposed Federal actions. OSM personnel must evaluate every project to determine the type of environmental assessment (Categorical Exclusion, Environmental Assessment, or Environmental Impact Statement) required under NEPA. In some cases, these reviews require consultations under other Federal laws, including the NHPA, ESA, and the Clean Water Act.

Information Technology Systems

IT systems are integral for operating the Title IV program. To better monitor and track the AML projects, OSM uses e-AMLIS, a mission-critical information system that continues to be refined and improved every year. Additionally, OSM continues to support and participate in grants management via Department of Interior's use of GrantSolutions, which is an electronic grants announcement and application system. OSM also uses the DOI Financial and Business Management System (FBMS), an accounting system of record that contains comprehensive information on AML grant allocations and expenditures.

Reclamation Plan Amendments

OSM assists States and Tribes with development, administration, implementation, and maintenance of their approved AML Programs. States and Tribes making changes to their AML programs must get approval from OSM through reclamation plan amendments. As part of the review and evaluation of any reclamation plan amendment, OSM solicits public comments, holds public meetings, maintains the administrative record, and publishes the decisions as final rules in the Federal Register.

Abandoned Mine Land Economic Revitalization (AMLER) Program

The FY 2027 request includes \$134.0M for the AMLER program with no change from the FY 2026 enacted. In FY 2027, the program will administer grants to six Appalachian States and three Tribal AML programs to return coal mining sites to productive use and support economic development.

FY 2027 PLANNED PROGRAM ACTIVITIES

The Environmental Restoration program will participate in the following activities in FY 2027:

- Provide and monitor AML Fee-based grants to States and Tribes.
- Administer the State and Tribal Evaluation Programs including preparation of Performance Agreements between OSM and each State or Tribe with an approved AML program and conducting oversight inspections on State and Indian lands.
- Administer the WCAP and provide grants to eligible recipients.
- Administer the Federal Reclamation Program including responding to Federal AML emergencies in non-program States and Tribes, and identifying and managing high priority and civil penalty-funded AML project in non-program States and Tribes.
- Evaluate reclamation plan amendment submission for approval, partial approval, or disapproval.
- Improve tracking of authorizations to proceed, which are the formal notification of grant approval for the expenditure of grant funds to begin construction on a specific project.
- Administer the AMLER program including, as applicable, project vetting, authorization to proceed, and performance reporting.

FY 2025 PROGRAM ACCOMPLISHMENTS

The Environmental Restoration program accomplished the following in FY 2025:

- Managed the mandatory AML Fee-based Reclamation grants provided to the 24 coal-producing States and two Tribes with approved AML Programs.
- Made available \$130M in AMLER Program funds through direct payments to the eligible six States and three Tribes on-time.
- Improved land and water health by reclaiming or mitigating the equivalent of 2,569 acres of land from the effects of natural resource degradation from past mining, resulting in an estimated 748,741 people with reduced exposure potential to safety risks from abandoned mine lands.
- Managed AML Emergency projects through the Federal Reclamation Program.

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**ABANDONED MINE
RECLAMATION (AMR) FUND
Technology Development and Transfer**

ABANDONED MINE RECLAMATION FUND ACCOUNT

Technology Development and Transfer Budget Request

Activity: Technology, Development and Transfer¹											
<i>(Dollars in Thousands)</i>											
	2025 Actual		2026 Enacted		2027 Request						
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Technology, Development and Transfer											
Technical Assistance	2,121	14	2,087	11	-1	-	+17	-	2,103	11	+16
Training	830	4	830	7	-1	-	-7	-	822	7	-8
Technology Transfer	1,178	2	1,178	1	-	-	-510	-	668	1	-510
Total, Technology, Development and Transfer	4,129	20	4,095	19	-2	-	-500	-	3,593	19	-502

¹ Table does not include supplemental funding.

Summary of 2027 Program Changes for Technology, Development and Transfer		
<i>(Dollars in Thousands)</i>		
Program Changes	2027 Request Change	FTE Change
Technical Assistance	+17	+0
Technical Training	-7	+0
Technology Transfer	-510	+0
TOTAL Program Changes	-500	+0

Activity: Technology, Development and Transfer — Program Description

The AML Technology Development and Transfer (TDT) activity supports the technical capabilities States and Tribes need to carry out abandoned mine land reclamation programs under SMCRA. The FY 2027 President’s Budget requests \$3.6M and 19 FTEs to provide reclamation-focused technical assistance, technical training, and technology development and transfer services that support effective AML project planning and implementation.

Technology Development and Transfer resources are coordinated across the Regulation and Technology and Abandoned Mine Reclamation accounts to ensure consistent technical support for both regulatory and reclamation responsibilities.

Program Changes

Technical Assistance Program (+\$17,000, -0 FTE): The FY 2027 budget request for Technical Assistance Program is \$2.1M, reflecting a program change of +\$17,000. The small increase aligns resources with projected workload and execution requirements. At the requested level, OSM will continue to provide essential reclamation-focused technical assistance to States and Tribes while prioritizing support for the highest-impact AML reclamation activities.

Technical Training Program (-\$7,000, -0 FTE): The FY 2027 budget request for the Technical Training Program is \$822,000, reflecting a program change of -\$7,000. This reduction aligns resources with projected technical training needs and execution requirements. At the requested level, OSM will provide essential, unique, technical training to support State and Tribal AML reclamation activities while prioritizing the most critical technical training requirements.

Technology Transfer Program Change Description (-\$510,000, -0 FTE): The FY 2027 budget request for Technology Transfer Program is \$668,000, reflecting a program change of -\$510,000. The reduction in funding for Technology Transfer is to realign resources toward higher-priority reclamation activities and direct technical assistance. At the requested level, OSM will continue to support essential technology transfer functions by focusing on proven tools and practices that directly support State and Tribal AML reclamation efforts.

PROGRAM DETAILS

The following program activities support OSM's goal to strengthen the skills, knowledge, and capabilities of the States, Tribes, and OSM staff to implement SMCRA effectively. This goal, achieved by providing quality technical and scientific information, expertise, and technical training, is critical for the reclamation program's success. OSM also provides opportunities for students and recent graduates, either directly or through cooperative agreements, to engage in technical and natural resources activities. OSM's TDT activities include technical assistance, technical policy and-site specific assistance, technical training, technical systems resources, and technology transfer.

OSM's stakeholders (States, Tribes, the public, and industry) continue to express support for TDT efforts and encourage OSM to provide the types of technical support needed to comply with SMCRA effectively and efficiently, National Environmental Policy Act (NEPA), and other environmental and safety laws. Helping the States, Tribes, and industry achieve up-front compliance reduces the need for additional regulatory resources.

Technical Assistance

The FY 2027 request includes \$2.1M and 11 FTEs for Technical Assistance. OSM provides technical assistance to State and Tribal reclamation staff, and to OSM staff, that review and oversee State programs, develop rules or policy, litigate SMCRA challenges or enforcement actions, or maintain other technical support infrastructure, and technical training programs.¹

OSM uses customer surveys to record technical assistance responsiveness to its customers. By meeting technical assistance needs, OSM can better achieve its Environmental Restoration mission goals. OSM delivers technical assistance and site-specific technology support to assist States and Tribes with science and engineering expertise in restoring AML sites. As part of technical assistance, OSM specialists work on site-specific technical aspects of reclamation cost estimates, calculation surveying, revegetation, geologic sampling, AML designs, subsidence and AMD abatement. The areas of assistance are wide-ranging and include:

- Guideline development
- State program amendments
- AML problem evaluation
- Unmanned aircraft systems
- Soil substitution
- Placement of coal combustion residue
- Reforestation on mine lands
- Restoration of mined land with native vegetation
- Evaluation of rare earth elements and critical minerals on AML sites
- Participation as technical experts on interagency committees
- AMDTreat software enhancement and training

The following paragraphs highlight a few of the specific areas of technical assistance offered by OSM.

AMDTreat

One of OSM's primary tools used to help customers with assessing water-quality issues is the AMDTreat software program. AMDTreat was developed cooperatively by OSM, the Pennsylvania Department of Environmental Protection (PADEP), the U.S. Geological Survey (USGS), and the West Virginia Department of Environmental Protection. The AMDTreat software treatment modules are continuously undergoing improvements and enhancements by OSM staff to keep the program relevant with the issues that regulators and the public are concerned with regarding AMD.

Rare Earth Elements and Critical Minerals Evaluations on AML Sites

Coal mine waste and coal mine AMD and associated metal precipitates are being evaluated nationwide as a potential source of rare earth elements (REEs) and critical minerals (CMs), which are essential for many high-tech devices and the clean energy transition. The recovery of REEs and CMs from coal waste and

¹ OSM also utilizes appropriations to the Environmental Restoration business lines to deliver customized technical assistance for abandoned mine land projects.

AMD creates a potential economic opportunity for coal communities and establishes a potential domestic supply chain for these materials as envisioned by Executive Order 14241 and Secretary Order 3436.

Reforestation

OSM continues its effort to encourage good reforestation practices to transform reclaimed mined land to healthy, productive forests using the Forestry Reclamation Approach (FRA). OSM has held technical and policy symposia and introduced a reforestation website to explain the FRA and benefits. In addition, through the Appalachian Regional Reforestation Initiative (ARRI), OSM provides technical assistance to a 28-member science team made up of university researchers from across the country and members of the American Bird Conservancy, the American Chestnut Foundation, the USGS, and the U.S. Forest Service, and publishes bulletins on state-of-the-art reforestation practices.

Technical Training

The FY 2027 request includes \$822,000 and 7 FTEs for Technical training. Technical Training provides OSM, State, and Tribal staff the necessary specialized information and skills to implement the surface mining reclamation and enforcement program.

Technology Transfer

The FY 2027 request includes \$668,000 and 1 FTE for Technology Transfer. Technology Transfer is an integral component of OSM's Environmental Restoration activity, providing essential support to State and Tribal programs. State technical representatives communicate frequently with OSM regional staff to share resources whenever practicable to resolve regional technical issues. OSM partners with other Federal agencies, States, Tribes, and industry to develop technology transfer priorities in coordination with Technology Development and Transfer resources. The following paragraphs highlight a few of the technology transfer programs offered by OSM. See the Regulatory TDT section for more technology transfer details.

Geographical Information Mapping System Programs

ArcGIS Online: ArcGIS Online (AGOL) is a cloud-based interactive web-mapping platform designed to increase productivity, collaboration, and interoperability across the Federal government. The AGOL web mapping system plays a crucial role in facilitating access to OSM and shared geospatial data. For mine inspectors conducting fieldwork, AGOL enables collaboration with SMCRA partners—including inspectors, office staff, and managers—in near-real time. This capability significantly boosts efficiency throughout all workflow stages. For OSM, ArcGIS Online provides a web mapping solution for individual users and allows OSM to collaborate across the government through maps, ArcGIS StoryMaps, and dashboards that tell an interactive story and provide immersive charts or data analytics.

Mobile GIS: OSM's strategy has been to empower each region and field personnel to assist in the enhancement of field mapping software and solutions. Part of that strategy is to ensure OSM personnel have the tools they need to facilitate their field work and to collaboratively improve workflow efficiencies in FY 2027.

Unmanned Aircraft Systems (UAS): OSM delivers vital technical assistance through the deployment of UAS at mining sites. These drones capture hundreds of high-resolution photographs, which are subsequently processed into comprehensive images and elevation models. OSM utilizes these models to accurately calculate the volumes of various mining features, such as spoil piles and pits, thereby facilitating precise assessments of reclamation costs. OSM will revisit the location post-reclamation to conduct a comparative analysis. This systematic approach culminates in a clear before-and-after evaluation of reclamation efforts, highlighting the effectiveness of OSM in providing technical assistance to State partners.

FY 2027 PLANNED PROGRAM ACTIVITIES

FY 2027 planned activities in Technology Development and Transfer include:

- Provide technical assistance to States and Tribes, making use of emerging technologies for field data collection and in-house information processing capabilities.
- Support development of domestic sources of critical minerals.
- Support State and Tribal coal reclamation programs with direct technical support using GIS to support field data collection both internally and with States and Tribes.
- Upgrade data collection applications and methodologies so that data collected in the field is better used and shared.
- Develop course materials and topics that are relevant, useful, and technically sound applications.
- Continue to provide effective unmanned aircraft systems (UAS) services.

FY 2025 PROGRAM ACCOMPLISHMENTS

See Technology Development Transfer accomplishments in the R&T section.

ABANDONED MINE RECLAMATION (AMR) FUND

Financial Management

ABANDONED MINE RECLAMATION FUND ACCOUNT
Financial Management Activity Budget Request

Activity: Financial Management¹											
<i>(Dollars in Thousands)</i>											
	2025 Actual		2026 Enacted		2027 Request						
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Financial Management											
Fee Compliance Grants	4,963	12	5,295	25	-3	-	-43	-	5,249	25	-46
Financial Management	541	5	541	4	-1	-	+43	-	583	4	+42
Total, Financial Management	5,504	17	5,836	29	-4	-	-	-	5,832	29	-4

¹ Table does not include supplemental funding.

Summary of 2027 Program Changes for Financial Management		
<i>(Dollars in Thousands)</i>		
Program Changes	2027 Request Change	FTE Change
Fee Compliance	-43	+0
Grants Financial Management	+43	+0
TOTAL Program Changes	+0	+0

Activity: Financial Management — Program Description

The Financial Management activity supports OSM’s responsibilities under Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) by ensuring effective fee compliance, grant and UMWA accounting/financial management, and stewardship of the Abandoned Mine Reclamation Fund. This activity encompasses the collection and reconciliation of reclamation fees, compliance monitoring and audits, grants, and UMWA accounting, and financial reporting necessary to support abandoned mine land (AML) reclamation programs.

The FY 2027 President’s Budget requests \$5.8M and 29 FTEs for Financial Management.

Program Changes:

Fee Compliance (-\$43,000, +0 FTE): The FY 2027 Fee Compliance Program is \$5.3M, reflecting a program change of -\$43,000. The program supports compliance monitoring, audits, fee collections and targeted sustainment of mission-critical legacy systems used to track fee assessments and operator reporting, ensuring data integrity and timely collections. At the requested level, OSM will improve execution reliability while maintaining effective fee compliance operations without increasing staffing.

Grant Financial Management (+\$43,000, +0 FTE): The FY 2027 President’s Budget includes \$583,000, reflecting a small increase of \$43,000 for Grants Financial Management to align resources with projected workload and execution requirements. The increase supports continued oversight, program management, financial reconciliation, and reporting activities, including sustainment of grants /management and financial reporting, and system maintenance, to ensure timely and accurate administration of AML grants without increasing staffing.

PROGRAM DETAILS

Fee Compliance

Fees collected from active coal operators are used by OSM, States, and Tribes to mitigate the effects of historic mining by pursuing reclamation of abandoned mine lands. OSM collects fees from active coal operators based on tons of coal produced for sale, use, or transfer.

The FY 2027 request funds the OSM Fee Compliance Program to ensure coal operators accurately report coal production and pay appropriate reclamation fees. The program goal is to maximize compliance by applying policy and collection procedures fairly and consistently at a reasonable cost.

The Fee Compliance Program is comprised of two integrated components – collections and audits – that work together to maximize compliance, minimize the burden on industry, and ensure the efficient use of resources. Key initiatives that OSM will pursue in FY 2027 include:

- Migrate and maintain systems vital to maintain collections, fee rates, tonnage, and violations.
- Increase the use of automation in conducting fee compliance audits to further improve efficiency.
- Maintain current auditing systems to efficiently allocate resources and track auditor performance.

Deposits to the AML Fund and AML Production Fees
(Production in Millions of Tons) (Dollars in Millions)

Production*	2025 Actuals	2026 EIA Projections	2026 OSM Projections	2027 EIA Projections	2027 OSM Projections
Underground	198	183	219	171	211
Surface	269	254	246	215	199
Lignite	40	27	25	27	21
Collections	2025 Actuals	2026 Projections		2027 Projections	
AML Fees **	\$82.10	\$70.30		\$60.90	

* The projections are based on calendar year projections made by the Department of Energy’s (DOE) Energy Information Administration Annual Energy Outlook 2025, Reference Case Forecast, Table 65 (Coal Production by Region and Type). OSM tonnage uses the last reported production (Fiscal Year 2025) and then increases or decreases that value based on the percentage increase or decrease in DOE production for each coal type. The OSM projections are usually lower because AML fees are determined by the weight of the coal at the time of initial sale, transfer, or use.

** AML Fees are calculated based on the OSM tonnage estimates multiplied by the applicable current fee rate: \$0.096, \$0.224, and \$0.064 for underground, surface, and lignite, respectively. The calculations are adjusted for moisture content, reduced coal prices and fees, administrative fees, and uncollectible fee estimates.

UMWA Fund Transfer Requests Fiscal Year Transfer Amounts
(Dollars in Millions)

Health Benefit Plan/Pension Plan	2025 Actual	2026 Projected	2027 Projected
Combined Fund, including the Reach-back Provision	\$17.5	\$26.2	\$21.2
1992 Plan	\$53.5	\$50.7	\$51.8
1993 Plan	\$334.3	\$312.3	\$376.2
1974 UMWA Fund Pension Plan	\$719.6	\$719.4	\$724.2
Total – All Plans	\$1,124.8	\$1,108.5	\$1,173.4

Funding Sources	2025 Actual	2026 Projected	2027 Projected
AML Fund Interest	\$400.5	\$383.0	\$444.1
Treasury Funds	\$724.3	\$725.6	\$729.3

ABANDONED MINE RECLAMATION (AMR) FUND

Executive Direction and Administration

ABANDONED MINE RECLAMATION FUND ACCOUNT
Executive Direction and Administration Activity Budget Request

Activity: Executive Direction and Administration ¹											
<i>(Dollars in Thousands)</i>											
Activity/Sub Activity/Program Element/Budget Element	2025 Actual		2026 Enacted		2027 Request						Change from 2026 Enacted
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	
Executive Direction and Administration											
Executive Direction	949	3	949	7	-1	-	-561	-	387	7	-562
Administrative Support	1,892	6	1,892	10	-1	-	-558	-	1,333	10	-559
General Services	3,300	-	3,300	-	+340	-	+2,980	-	6,620	-	+3,320
Total, Executive Direction and Administration	6,141	9	6,141	17	+338	-	+1,861	-	8,340	17	+2,199

¹ Table does not include supplemental funding.

Summary of 2027 Program Changes for Executive Direction and Administration		
<i>(Dollars in Thousands)</i>		
Program Changes	2027 Request Change	FTE Change
Executive Direction	-561	+0
Administrative Support	-558	+0
General Services	+2,980	+0
TOTAL Program Changes	+1,861	+0

Activity: Executive Direction and Administration — Program Description

The Executive Direction and Administration activity description under the AMR account is identical to that in the R&T section. Please refer to the R&T section for details.

The FY 2027 President’s Budget requests \$8.3M and 17 FTEs for Executive Direction and Administration, reflecting a net program increase of \$1.9M and no change in FTEs from the FY 2026 Enacted. As reflected in the table above, the increase is driven by additional funding for General Services, supported through reductions to Executive Direction and Administrative Support.

At the requested funding level, Executive Direction and Administration will continue to provide effective leadership, administrative oversight, and support for AML programs while prioritizing resources toward enterprise services that enhance operational efficiency and program execution.

Program Changes

Executive Direction (-\$561,000, -0 FTE): The FY 2027 Executive Direction is \$387,000, reflecting a program change of -\$561,000. The reduction to Executive Direction funding realigns resources, unifies services functions, and sustains mission-critical systems while maintaining effective executive leadership and oversight.

Administrative Support (-\$558,000, -0 FTE): The FY 2027 budget request for Administrative Support funding is \$1.3M, reflecting a program change of -\$558,000. This reduction realigns resources, unifies service functions, and supports mission-critical operational support, while maintaining essential administrative functions that support AML program execution.

General Services (+\$3.0M, +0 FTE): The FY 2027 budget request for General Services is \$6.6M, reflecting a program change of +\$3.0M. The FY 2027 President's Budget includes an increase for General Services to strengthen shared operational services and sustains of mission-critical systems that support AML program execution. The increase prioritizes enterprise services and targeted investments in legacy systems that underpin program oversight, financial management, and compliance, improving operational reliability without increasing staffing.

PROGRAM DETAILS

Executive Direction and Administration program details under the AML account are identical to that in the R&T section. Please refer to the R&T section for details.

General Services

This funding activity supports mission-critical information technology and shared service contracts that enable AML program execution. The FY 2027 cost estimates reflect Departmental fixed cost changes from FY 2026 Enacted levels and known efficiency initiatives, including co-location, space reduction, contracting efficiencies, and targeted investments in technologies and systems designed to improve operational reliability and long-term efficiency. No personnel or direct program operations are funded under this component.

Payments to United Mine Workers of America Health Benefit Plans - AML Fund Interest Activity Budget

Activity: Payments to United Mine Workers of America Health Benefit Plans - AML Fund Interest ¹											
<i>(Dollars in Thousands)</i>											
Activity/Sub Activity/Program Element/Budget Element	2025 Actual		2026 Enacted		2027 Request				2027 Request		Change from 2026 Enacted
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	
Total Payments to United Mine Workers of America Health Benefit Plans - AML Fund Interest	400,543	-	382,990	-	-	-	+61,066	-	444,056	-	+61,066

¹ Table does not include supplemental funding. It reflects changes in mandatory payments that are statutory prescribed by formula rather than discretionary program decisions.

Activity: Payments to United Mine Workers of America Health Benefit Plans - AML Fund Interest — Program Description

Payments to the UMWA health benefit plans are mandatory payments that are statutorily prescribed by formula and financed from AMR Fund interest, and the FY 2027 change reflects updated statutory estimates and economic assumptions rather than discretionary program decisions.

As authorized, OSM will continue to collect reclamation fees from coal operators through September 30, 2034. Reclamation fee collections are allocated and distributed to States and Tribes for AML grants, with required transfers made to the UMWA health benefit plans and the 1974 UMWA Pension Plan, in accordance with Title IV of SMCRA, as amended.

ABANDONED MINE RECLAMATION FUND ACCOUNT
State Grants Activity Budget Request

Activity: State Grants ¹											
(Dollars in Thousands)											
Activity/Sub Activity/Program Element/Budget Element	2025 Actual		2026 Enacted		2027 Request						Change from 2026 Enacted
	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (\$)	FTE Changes (+/-)	Budget Authority	FTE	
State Grants											
Grants to Noncertified States											
State and Tribal Share	15,200	-	14,588	-	-	-	-683	-	13,905	-	-683
Historic Coal Fund	50,244	-	50,933	-	-	-	-4,002	-	46,931	-	-4,002
Minimum Program Make Up	28,600	-	27,954	-	-	-	-1,880	-	26,074	-	-1,880
Subtotal, State Grants	94,044	-	93,475	-	-	-	-6,565	-	86,910	-	-6,565
<i>Sequestration</i>	<i>-5,361</i>	<i>-</i>	<i>-5,328</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>+50</i>	<i>-</i>	<i>-5,278</i>	<i>-</i>	<i>+50</i>
Total, State Grants	88,683	-	88,147	-	-	-	-6,515	-	81,632	-	-6,515

¹ Table does not include supplemental funding. It reflects changes in mandatory payments that are statutory prescribed by formula rather than discretionary program decisions.

Activity: State Grants — Program Description

SMCRA requires all operators of coal mining operations to pay an Abandoned Mine Land reclamation fee. This fee, based on tons of coal produced, is assessed on operators and deposited into the Abandoned Mine Reclamation Fund to hold producers and users of coal responsible for reclaiming lands mined for coal and left abandoned prior to SMCRA’s enactment on August 3, 1977. OSM collects the AML fee and annually distributes the fee receipts to States and Tribes, based on a statutorily prescribed formula for reclamation activities.

State and Tribe Grants are mandatory payments authorized under SMCRA and provide funding to non-certified States and Tribes for abandoned mine land reclamation based on statutory allocation formulas. Non-certified States and Tribes are those that have unreclaimed AML features that pose a threat to public health, safety or the environment. The FY 2027 request reflects updated statutory distributions and sequestration adjustments and does not represent discretionary program changes.

The Tax Relief and Health Care Act of 2006 (P.L. No.109-432) amended SMCRA to extend the coal reclamation fee authorization through September 30, 2021, convert AML reclamation grants to mandatory funding, and establish new mandatory, unrestricted payments to States and Tribes that certified completion of their coal reclamation obligations. The authority to extend AML fee collection through September 30, 2034, was later enacted as part of the Infrastructure Investment and Jobs Act (P.L. No. 117-58) on November 15, 2021.

PAYMENTS TO STATES IN LIEU OF COAL FEE RECEIPTS ACCOUNT

In Lieu Payments to Certified States and Tribes Budget Request

Activity: In Lieu Payments to Certified States and Tribes¹										
<i>(Dollars in Thousands)</i>										
	2025 Actual		2026 Enacted		2027 Request					
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Program Changes (\$)	Program Changes FTE (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Subtotal, In Lieu Payments to Certified States and Tribes	25,701	-	26,363	-	-	-5,708	-	20,655	-	-5,708
<i>Sequestration</i>	-1,465	-	-1,503	-	-	+326	-	-1,177	-	+326
Total, In Lieu Payments to Certified States and Tribes	24,236	-	24,860	-	-	-5,382	-	19,478	-	-5,382

¹ Table does not include supplemental funding. It reflects changes in mandatory payments that are statutory prescribed by formula rather than discretionary program decisions.

Activity: In Lieu Payments to Certified States and Tribes — Program Description

In Lieu Payments to certified States and Tribes are mandatory payments authorized under SMCRA and reflect statutory payment formulas and sequestration adjustments.

SUPPLEMENTAL PAYMENTS TO UMWA PLANS ACCOUNT

Supplemental Payments to UMWA Plans Budget Request

Activity: Supplemental Payments to UMWA Plans¹										
<i>(Dollars in Thousands)</i>										
	2025 Actual		2026 Enacted		2027 Request					
Activity/Sub Activity/Program Element/Budget Element	Budget Authority	FTE	Budget Authority	FTE	Fixed Costs (+/-)	Program Changes (\$)	Program Changes FTE (+/-)	Budget Authority	FTE	Change from 2026 Enacted
Total, Supplemental Payments to UMWA Plans	724,299	-	725,557	-	-	+3,788	-	729,345	-	+3,788

¹ Table does not include supplemental funding. It reflects changes in mandatory payments that are statutory prescribed by formula rather than discretionary program decisions.

Activity: Supplemental Payments to UMWA Plans — Program Description

Supplemental Payments to UMWA Plans are mandatory payments authorized under SMCRA, as amended, and reflect statutory payment formulas.

OTHER EXHIBITS

Disclosure of Administrative Expenses

Public Law 119-74, Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026, requires disclosure of program assessments used to support Government-wide, Departmental, or agency initiatives or general operations in annual budget justifications to Congress.

SEC. 403. The amount and basis of estimated overhead charges, deductions, reserves, or holdbacks, including working capital fund 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 and subject to approval by the Committees on Appropriations of the House of Representatives and the Senate. Changes to such estimates shall be presented to the Committees on Appropriations for approval.

Working Capital Fund

Dollars in Thousands (\$000)

Activity	2026 Estimates			2027 Estimates		
	Central	Direct	TOTAL	Central	Direct	TOTAL
OS Shared Services	524.4	0.6	525.0	374.3	0.6	374.9
OS Activities	18,677.4	134.0	18,811.4	17,768.7	109.9	17,878.6
IT Shared Services	5,207.7	1,350.7	6,558.4	4,885.8	1,106.7	5,992.5
Interior Business Center	160.4	77.8	238.2	156.4	293.8	450.2
TOTAL, WCF Billing	24,569.9	1,563.1	26,133.0	23,185.2	1,511.0	24,696.2

^{1/} Resource levels included are estimates.

External Administrative Costs

OSM funds external administrative costs, to include amounts paid to the Department of the Interior to support Departmental or government-wide costs, in the General Services activity within the Executive Direction and Administration activity.

Bureau Administrative Costs

OSM does not assess a charge for overhead, deductions, reserves, or holdbacks against the amounts requested in each of its business lines; rather, Bureau level administrative costs are identified in the Executive Direction and Administration business line in the budget justification. The Executive Direction activity provides executive direction in overall leadership and bureau-wide policy and program performance management guidance. The Administrative Support activity includes all the administrative

functions necessary to support program activities including Administration, Human Resources, Administrative Financial Management, and Information Technology. Human Resources, Administrative Financial Management, and Information Technology functions have been consolidated to the Department, however the associated costs continue to be identified in the Executive Direction and Administration business line in the budget justification. In addition to the DOI Working

Capital Fund, the General Services activity includes essential fixed costs to support OSM's program missions such as rent, printing, mail services, Code of Federal Regulations (CFR) publications, telecommunications, and technology contracts. Further information on specific elements of each activity can be found in the Executive Direction and Administration section.

Support functions at the regional and field offices ensure various activities are integrated so the mission is accomplished. Most of these costs are comprised of the salary and benefits for field office directors, regional directors, and their administrative staff. These costs are not identified under Executive Direction and Administration, but rather included in the program funding requested in the respective business lines.

Activity Based Costing allows OSM to internally track the indirect costs associated with its various organizational units and program activities. This is important in determining the full cost of program activities for evaluation purposes. By having employees report and track costs at the lowest work breakdown structure level, managers can assess both the direct and indirect costs of programs and activities.

Good Accounting Obligation in Government Act

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

Infrastructure Investment and Jobs Act

2027 Spend Plan (\$ in 000s)

Account Name	Program Name	2027 Request
Abandoned Mine Reclamation Fund	AML Grants	679,395
Abandoned Mine Reclamation Fund	Financial/Technical Assistance	1,667
Abandoned Mine Reclamation Fund	Administration	22,586
Total		703,648

OSMRE has long administered the AML program to address the environmental and public health hazards posed by abandoned coal mines. Supplemental funding provided under the Infrastructure Investment and Jobs Act (IIJA) allows OSMRE and its partners to significantly increase the rate and extent of reclamation and remediation. This program provides funding to eligible States and Tribes for the reclamation and remediation of these sites, facilitating the elimination of safety risks, restoration of land, and improvement of water quality.

OSMRE is allocating and distributing grant funding on an equal annual basis over a 15-year period (2022-2037) to eligible States and Tribes. The Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026 (P.L. 119-74) repurposed \$500 million of IIJA funding. This reduction will be applied equally to the remaining 11 grant distribution years, reducing the annual distribution from \$724.85M to \$679.4M (\$45.45M/ year).

Employee Count by Grade
Office of Surface Mining Reclamation and Enforcement
Employee Count by Grade
(Total Employment)

	FY 2025 Actual	FY 2026 Enacted	FY 2027 Request Estimate
Executive Level V	1	1	1
SES	6	3	3
Subtotal	7	4	4
GS/GM-15	20	20	20
GS/GM-14	29	33	33
GS/GM-13	86	95	95
GS-12	108	124	124
GS-11	12	23	23
GS-10	0	0	0
GS-9	12	20	20
GS-8	1	1	1
GS-7	6	8	8
GS-6	0	0	0
GS-5	0	0	0
GS-4	0	0	0
GS-3	0	0	0
GS-2	0	0	0
Subtotal	274	320	320
Total employment (actuals & estimate)	281	324	324