



Office of Insular Affairs

Mission

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

Budget Overview

The 2024 budget includes \$122.3 million in current appropriations. OIA estimates the budget will support staffing equal to 36 full-time equivalents (FTEs) in 2024.

The 2024 budget supports climate resilience and conservation through programs that provide targeted assistance to the Insular Areas—places disproportionately affected by the impacts of climate change. In 2024, the Brown Tree Snake Control and the Coral Reef and Natural Resources Initiative programs will provide funding for these underserved areas to address the effects of climate change on their communities and protect the native ecosystems from further damage.

The 2024 budget supports the Administration's priority to increase clean energy and energy efficiency with a requested \$15.5 million in the Energizing Insular Communities program to promote renewable energy and grid infrastructure in the Insular Areas. Funding will help the islands reduce their dependence on energy imports to support energy independence and increase energy conservation and efficiency through reliable and affordable energy strategies.

OIA Funding



Program Overview

The Assistant Secretary for Insular and International Affairs and OIA carry out the Secretary's responsibilities for the U.S. territories of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands. OIA also administers and oversees Federal assistance under the COFA agreements to the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau.

The economies in the Insular Areas are small, isolated, and dependent on one or two main sources of income. In most areas, Federal programs and grants represent a major contribution to the economy. OIA strengthens insular economies through strategic investments in infrastructure, public services, and technical assistance, which attracts private sector investment.

In 2022, OIA assisted in the management and oversight of approximately \$1.5 billion in the Compact Trust Funds for the



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

FSM and the RMI and supported a \$5.0 million tax and trade payment to the RMI. OIA also provided \$657.8 million in grant funding and fiscal payments to the Insular Areas, including \$68.4 million in health-related funding and \$93.8 million in education-related funding.

The 2024 budget request achieves the Department's mission to promote well-being, equity, and justice for insular communities through balanced efforts to strengthen economic and health capacities in the territories; fulfill COFA obligations; and address climate resilience, conservation, and clean energy deployment in the Insular Areas.

Assistance to Territories

The 2024 budget includes \$120.8 million for the main account, Assistance to Territories. Within this account, the budget contains \$61.0 million for Territorial Assistance programs, which consists of \$10.8 million for OIA operations, including financial oversight efforts; \$23.3 million for Technical Assistance, an increase of \$1.0 million for Climate Resiliency grants; \$4.4 million for Maintenance Assistance; \$3.5 million for the Coral Reef and Natural Resources Initiative, an increase of \$900,000; \$15.5 million for Energizing Insular Communities; and \$3.5 million for Brown Tree Snake Control. The budget includes \$28.1 million for American Samoa Operations support, and the request for the Capital Improvement Project grant program is \$31.7 million, of which \$27.7 million is current mandatory funding and \$4.0 million is discretionary funding. This is the first time the

budget has included discretionary funding for Capital Improvement Projects, which will further support critical infrastructure projects in the territories.

The Department of the Interior looks forward to working with Congress on a Compact Impact Fairness Act. The Administration supports allowing Compact migrants to become eligible for key Federal social safety net programs while residing in the United States as a long-term solution to the financial impacts of Compact citizens on State and territorial governments. With mandatory



Caneel Bay, Virgin Islands National Park, U.S. Virgin Islands.

OIA Photo.



View of Wedding Cake Mountain on the island of Rota, Commonwealth of the Northern Mariana Islands.

OIA Photo.

appropriations for Compact Impact authorized under the 2003 Compacts of Free Association Act expiring after 2023, the 2024 budget for Assistance to Territories also discontinues the smaller discretionary supplement to the mandatory funds for Compact Impact.

Compact of Free Association

The 2024 budget includes \$1.5 million for the COFA account, a reduction of \$7.0 million from the 2023 enacted level, reflecting the completion of payments to the Marshall Islands for Tax and Trade Compensation and payments for certain Federal services to be included in the COFA mandatory proposal. The request includes \$813,000 for Federal Services activities and \$650,000 for Enewetak.

Most of OIA’s annual budget consists of mandatory funding, including \$239.2 million in 2023 to fulfill U.S. obligations under the COFA. Financial assistance under the COFAs is scheduled to end after 2023 for the FSM and the RMI and in 2024 for Palau. Financial assistance to the RMI under the Military Use and Operating Rights Agreement, which is permanently authorized and appropriated, will continue and is estimated to be \$34.3 million in 2024.



Traditional Men's House, Ngarachamayong Cultural Center, Koror, Palau.

OIA Photo.

The Administration supports funding the renewal of our COFA relationships with the FSM, the RMI, and Palau. Continuing decisions established in the 2023 budget, the 2024 budget will seek \$6.5 billion in economic assistance over 20 years to be provided through a mandatory appropriation at the Department of State and language calling for continued implementation of the COFAs at the Department of the Interior. The total amount requested as part of a COFA mandatory proposal will also include \$634 million for continued U.S. Postal Service services to the FAS. Funding for postal services will be requested as a direct payment to the Postal Service Fund. The United States remains committed to its long-standing partnerships with the governments and the people of the FAS as we work together to promote a free and open Indo-Pacific.

Fixed Costs

Fixed costs of \$539,000 are fully funded.

SUMMARY OF BUREAU APPROPRIATIONS

(dollar amounts in thousands)

Comparison of 2024 Request with 2023 Enacted

	2023 Enacted		2024 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Assistance to Territories	36	120,357	36	120,796	0	+439
Compact of Free Association	0	8,463	0	1,463	0	-7,000
Subtotal, Current	36	128,820	36	122,259	0	-6,561
Permanent						
Compact of Free Association ^{1/}	0	239,197	0	208,797	0	-30,400
Payments to the United States Territories, Fiscal Assistance	0	380,000	0	380,000	0	0
Subtotal, Permanent	0	619,197	0	588,797	0	-30,400
TOTAL, OFFICE OF INSULAR AFFAIRS	36	748,017	36	711,056	0	-36,961

^{1/}Permanent amounts in 2024 reflect baseline construction rules under 2 CFR 937. Compact of Free Association amounts do not reflect ongoing negotiations or amounts due under the 2003 Amended Compacts (P.L. 108-188).

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Assistance to Territories

	2022 Actual	2023 Enacted	2024 Request	Change
American Samoa Operations	27,120	28,120	28,120	0
Capital Improvement Project Grants				
CIP Grants—Mandatory	27,720	27,720	27,720	0
CIP Grants—Discretionary	0	0	4,000	+4,000
Subtotal, CIP Grants	27,720	27,720	31,720	+4,000
Territorial Assistance				
Office of Insular Affairs	9,837	10,217	10,756	+539
Technical Assistance	22,300	22,300	23,300	+1,000
Maintenance Assistance Fund	4,375	4,375	4,375	0
Brown Tree Snake Control	3,500	3,500	3,500	0
Coral Reef & Natural Resources Initiative	2,625	2,625	3,525	+900
Energizing Insular Communities	11,000	15,500	15,500	0
Compact Impact—Discretionary	5,000	6,000	0	-6,000
Subtotal, Territorial Assistance	58,637	64,517	60,956	-3,561
TOTAL APPROPRIATION	113,477	120,357	120,796	+439

APPROPRIATION: Compact of Free Association

	2022 Actual	2023 Enacted	2024 Request	Change
Federal Services	7,813	7,813	813	-7,000
Enewetak	650	650	650	0
TOTAL APPROPRIATION	8,463	8,463	1,463	-7,000