



# DEPARTMENTAL OFFICES

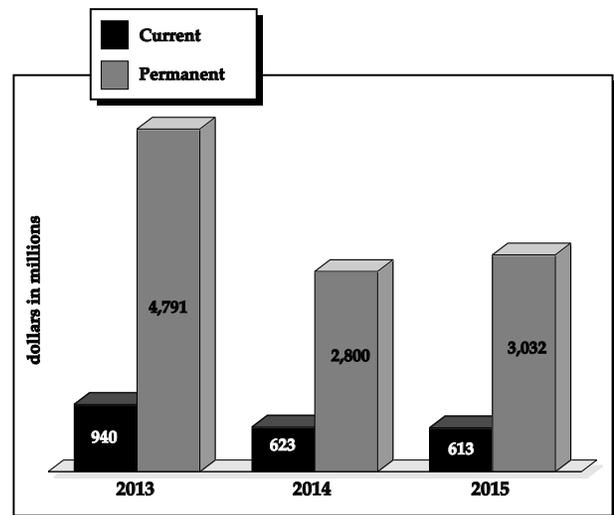
**Overview** – The Department of the Interior protects and manages the Nation’s cultural heritage and natural resources; provides scientific and other information about those resources; and honors trust responsibilities to American Indians and Alaska Natives, and commitments to affiliated Insular communities.

Departmental Offices provide leadership, management, and coordination activities; deliver services to Interior’s bureaus and offices; and operate unique cross-cutting functions that do not logically fit elsewhere. The Office of the Secretary provides executive leadership for the Department through the development of policy, legislation, and the annual budget. The Office of the Secretary also provides administrative services such as finance, information resources, acquisition, and human resources. The Office manages the administrative appeals functions contained in the Office of Hearings and Appeals, appraises the value of lands and minerals through the Office of Valuation Services, and collects and disburses revenues from energy production on Federal and Indian lands and on the Outer Continental Shelf through the Office of Natural Resources Revenue. The ONRR strives to improve the management and oversight of royalty and revenue collection and disbursement activities for Interior. The Office is responsible for ensuring revenue from Federal and Indian mineral leases is effectively and accurately collected and disbursed to recipients in approximately 35 States, 34 Tribes, more than 30,000 Indian mineral royalty owners, and U.S. Treasury accounts.

The Office of the Secretary manages financial execution for the \$1.9 billion Land Buy-Back Program for Tribal Nations authorized by the Claims Resolution Act of 2010 and approved on November 24, 2012. The program implements the land consolidation aspects of the Individual Indian Money Account Litigation Settlement. The program provides individual Indians the opportunity to obtain payment for divided land interests and release the lands for the benefit of tribal communities.

Several programs within Departmental Offices are funded in separate appropriations. The Office of Insular Affairs provides assistance to Insular areas. The Office of

## Departmental Offices Funding



the Special Trustee for American Indians manages and discharges the Secretary of the Interior’s responsibility for over \$4.6 billion in trust funds for American Indians. The Office of the Solicitor provides legal services to the bureaus and offices on behalf of the Secretary. The Office of Inspector General reviews Interior activities and conducts audits and investigations.

The Office of the Secretary also manages four Department-wide programs. The Payments in Lieu of Taxes program provides payments to local governments in jurisdictions where Federal lands are located; the Central Hazardous Materials Fund provides a coordinated, consistent approach to remediate Interior sites impacted by hazardous substances; the Natural Resource Damage Assessment and Restoration program coordinates all of the Department’s restoration efforts for affected resources injured as a result of oil spills or hazardous substance releases into the environment; and the Wildland Fire Management program addresses wildfire on public lands. Working collaboratively with the participating bureaus, the Department coordinates wildland fire activities within Interior and with the Department of Agriculture’s U.S.

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Forest Service. The Office of the Secretary also manages the Department's Working Capital Fund, the Interior Franchise Fund, and the agency-wide Financial and Business Management System. These Department-wide programs are discussed as a separate chapter in the Bureau Highlights.

### Office of the Secretary

**Mission** – The Office of the Secretary provides the executive level leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs that are the Department of the Interior's responsibilities.

**Budget Overview** – The 2015 budget request for Departmental Operations is \$265.3 million in current appropriations, which is \$1.3 million above the 2014 enacted level. The Office of the Secretary estimates direct staffing will equal 1,135 full time equivalents in 2015 a reduction of 13 FTE from 2014. The budget request reflects expansion of ONRR's mineral receipts management and reforms. The budget proposes to transfer the Indian Arts and Crafts Board, \$1.3 million and 12 FTE, from the Office of the Secretary, Management Services to the Bureau of Indian Affairs. The transfer aligns the administrative and operational support of the Indian Arts and Crafts Board and the three Indian Museums it manages within Indian Affairs. The budget proposes to shift indirect cost negotiation services from a direct appropriation to a fee-for-service model. The budget reflects a transfer of \$865,000 to Interior bureaus to transition the program to direct charges through the Working Capital Fund.

**Celebrating and Enhancing America's Great Outdoors** – The 2015 request includes \$12.0 million for the Office of Valuation Services from the Land and Water Conservation Fund, a vital component of the America's Great Outdoors initiative. Valuation Services provides appraisal services to land management bureau land acquisition programs. The Administration proposes \$900.0 million in current and permanent funding in 2015, and proposes to permanently authorize \$900.0 million in annual permanent funding for the Land and Water Conservation Fund programs beginning in 2016. The proposal includes an additional \$6.0 million in 2015 permanent funding for Valuation Services to support land acquisition programs in Interior's land management bureaus.

**Improving Minerals Revenue Management and Accountability** – The 2015 budget includes \$122.9 million for ONRR's receipts management programs, an increase of \$3.5 million above the 2014 enacted level. The ONRR is responsible for ensuring revenue from Federal and Indian mineral leases is effectively, efficiently, and accurately col-

lected, accounted for, analyzed, audited, and disbursed to recipients. Revenue distributions, which totaled \$14.2 billion in 2013, benefit States, Tribes, individual Indian mineral royalty owners, and U.S. Treasury accounts.

The Department continues to enhance capabilities to perform production verification and meter inspections on offshore rigs' platforms and production facilities. The ONRR's Offshore Production Meter Verification efforts enhance the Department's production measurement oversight, to ensure Interior accounts for all production from Federal offshore leases, provides greater assurance of data accuracy, reduces the potential for data manipulation and fraud, and contributes to further reduction in production reporting errors. To realize the benefits of the offshore verification program, the 2015 budget request includes program increases of \$1.5 million for an Onshore Production Meter Verification Pilot with Bureau of Land Management and \$1.5 million for Production Meter Verification Data Integration. These increases are partially offset by a program reduction of \$222,000 in Audit and Oversight.

### Powering Our Future and Responsible Use of Our Resources

– In September 2011, President Obama announced the United States' intention to implement the Extractive Industries Transparency Initiative and in October 2011, named the Secretary of the Interior as the U.S. Senior Official responsible for implementing EITI. The EITI offers a voluntary framework for governments to disclose revenues received from their oil, gas, and mining assets, with parallel disclosure by companies of what they have paid the government in royalties, rents, bonuses, taxes, and other payments. The design of each EITI framework is country-specific, developed through a collaborative process by a multi-stakeholder group comprised of government, industry, and civil society representatives. The EITI principals align with the Obama Administration's Open Government Initiative and its pledge of a more transparent, participatory, and collaborative government.

The ONRR provides expertise to support the implementation of EITI in the U.S. States. As a member of the Interior Implementation Team, ONRR led efforts to establish the multi-stakeholder group that was convened as a Federal Advisory Committee. The Committee consists of 21 members and 20 alternates representing government, industry, and civil society. On December 11, 2013, the Committee approved the U.S. Candidacy Application, and on December 19, 2013, the Application was submitted to the EITI International Board. The U.S. Committee will continue to meet regularly as EITI processes the application and begins the process of achieving EITI compliance.

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The implementation of U.S. EITI provides additional oversight to the collection and disbursement of the Nation's mineral resources revenues and helps ensure the full and fair return to the American people for the utilization of these public resources. Supporting U.S. EITI advances the revenue reform efforts underway in ONRR and benefits the American public, whose interests will be better protected by a strong commitment to oversight and transparency.

**Centennial Multi-Agency Fund** – In addition to this request, the Administration proposes to authorize \$100.0 million in permanent funding each year for three years for the Centennial Land Management Investment Fund. Funding will be awarded through the Office of the Secretary on a competitive basis open to BLM, FWS, NPS, and the U.S. Forest Service to address deferred maintenance and conservation projects. Additionally, the Administration's Opportunity, Growth, and Security Initiative includes \$100.0 million for this Fund.

**Fixed Costs** – Fixed costs of \$761,000 are fully funded in the request.

#### Office of Insular Affairs

**Mission** – The Office of Insular Affairs empowers insular communities by improving quality of life, creating economic opportunity, and promoting efficient and effective governance.

**Budget Overview** – The 2015 OIA budget request is \$92.2 million in current appropriations, a decrease of \$10.2 million from the 2014 enacted level. The budget assumes there will not be a need to continue the \$13.1 million temporary extension provided in 2014 due to enactment of a new Compact with Palau. This reduction accounts for the majority of the decrease from 2014. The OIA estimates staffing will equal 40 full time equivalents in 2015.

**Assistance to Territories** – The 2015 budget provides \$88.9 million for Assistance to Territories, an increase of \$3.0 million from 2014. Within this amount, General Technical Assistance is increased by \$3.0 million for urgent, immediate needs in the insular areas and the Maintenance Assistance Fund is increased by \$1.8 million to improve safety conditions in insular school facilities. A decrease of \$500,000 in Brown Treesnake Control reflects completion of an aerial bait system in 2014. Compact Impact is funded at \$1.3 million, a decrease of \$1.7 million from 2014. This funding is supplemented by \$30.0 million annually in permanent Compact Impact funding. The budget also includes \$3.0 million in Empowering Insular Communities to implement energy projects identified by the Territories in their comprehensive sustainable energy

strategies and \$1.0 million for the Coral Reef Initiative, both level with 2014.

**Compact of Free Association** – The 2015 budget provides \$3.3 million for Compact of Free Association, level with 2014, excluding the Palau Compact Extension funding.

**Fixed Costs** – Fixed costs of \$18,000 are fully funded.

#### Office of the Solicitor

**Mission** – The Office of the Solicitor's mission is to provide high quality legal and counseling services to the Secretary and Interior's offices and bureaus, administer the Department's ethics program, help resolve legal issues among bureaus and offices as they fulfill their duties, and manage Interior's Freedom of Information Act appeals.

**Budget Overview** – The Solicitor's 2015 budget request is \$65.8 million, level with the 2014 enacted budget. The Solicitor estimates staffing will be 417 full time equivalents in 2015, a decrease of five FTE from the 2014 level.

**Salaries and Expenses** – The 2015 budget request reflects a \$717,000 program decrease in Legal Services personnel.

**Fixed Costs** – Fixed costs of \$717,000 are fully funded in the request.

#### Office of Inspector General

**Mission** – The Office of Inspector General's mission is to provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of the Department of the Interior and its resources.

**Budget Overview** – The Inspector General's 2015 budget request is \$50.0 million, a decrease of \$784,000, excluding transfers from other agencies, compared to the 2014 enacted level. The 2015 budget request includes \$423,000 in funding to support the Council of the Inspectors General on Integrity and Efficiency. The Inspector General estimates staffing will equal 275 full time equivalents in 2015, which is an increase of two FTE over 2014.

**Salaries and Expenses** – The budget request reflects a program increase of \$355,000 for the Audits, Inspections and Evaluations subactivity to provide additional FTE to perform information security audits. The budget also includes a decrease of \$2.0 million from Mission Support to reflect proposed reductions to one-time funding for decreasing OIG's physical footprint.

**Fixed Costs** – Fixed costs of \$861,000 are fully funded.

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## Office of the Special Trustee for American Indians

**Mission** – It is the mission of the Office of the Special Trustee for American Indians to honor America’s trust responsibilities by incorporating a beneficiary focus and participation while providing superior stewardship of trust assets. The OST provides fiduciary guidance, management, and leadership for Tribal Trust and Individual Indian Money accounts and oversees and coordinates the Department’s efforts to establish consistent policies, procedures, systems, and practices throughout the Department of the Interior for the Indian Trust Administration System.

**Budget Overview** – The 2015 budget requests \$139.0 million in current appropriations, \$648,000 below the 2014 enacted level. The OST estimates staffing will equal 638 full time equivalents in 2015 and includes \$1.6 million in programmatic reductions.

The OST has operational responsibility for financial trust fund management, including receipt, investment, and disbursement of Indian trust funds and for real estate appraisals on Indian trust lands. The OST manages nearly \$4.6 billion held in approximately 3,000 trust accounts for more than 250 Indian Tribes and over 393,000 open Individual Indian Money accounts. The balances that have accumulated in the trust funds have resulted generally from judgment awards, settlement of claims, land-use agreements, royalties on natural resource use,

other proceeds derived directly from trust resources, and financial investment income. The OST also has responsibility to plan, organize, direct, and execute the historical accounting of Tribal Trust accounts and IIM accounts. This work is accomplished by OST’s Office of Historical Trust Accounting, which also works to resolve the ownership of residual balances in special deposit accounts and distribute account balances to Tribes, individual Indians, and non-trust entities. The OHTA provides litigation support resulting from the settlement of *Cobell v. Salazar* and other tribal lawsuits in coordination with the U.S. Department of Justice. Currently 57 tribal trust cases are pending. The OST oversees additional trust functions of the Department carried out by BLM, BIA, and the Secretary’s Offices of Hearings and Appeals and Natural Resources Revenue.

**Program Operations and Support** – The 2015 OST budget includes a program decrease totaling \$1.6 million in Business Management. The budget proposes a \$922,000 reduction in funding for budget, finance, and administration offices due to the transfer of some mailing and printing services to the U.S. Department of the Treasury. The budget also includes a \$200,000 decrease in funding for the Office of Hearings and Appeals and a \$500,000 decrease in litigation support to reflect OST estimated needs in 2015.

**Fixed Costs** – Fixed costs of \$974,000 are fully funded in the request.

## SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

### *Comparison of 2015 Request with 2014 Enacted*

	2014 Enacted		2015 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>Current</b>						
Office of the Secretary - Departmental Operations	1,148	264,000	1,135	265,272	-13	+1,272
Office of Natural Resources Revenue.....	[645]	[119,383]	[651]	[122,919]	[+6]	[+3,536]
Assistance to Territories <sup>1/</sup> .....	40	85,976	40	88,927	0	+2,951
Compact of Free Association.....	0	16,465	0	3,318	0	-13,147
Office of the Solicitor .....	333	65,800	328	65,800	-5	0
Office of Inspector General .....	273	51,231	275	50,247	+2	-984
Office of Special Trustee for American Indians .....	638	139,677	638	139,029	0	-648
Subtotal, Current.....	2,432	623,149	2,416	612,593	-16	-10,556
<b>Permanent and Other</b>						
Take Pride in America .....	0	5	0	5	0	0
Indian Arts and Crafts Board .....	0	45	0	0	0	-45
Geothermal Revenues, Payments to Counties.....	0	3,506	0	0	0	-3,506
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes.....	0	40,561	0	43,907	0	+3,346
Mineral Leasing and Associated Payments.....	0	1,819,531	0	1,886,305	0	+66,774
Payments to Alaska from Oil and Gas Leases, NPRA.....	0	3,202	0	3,850	0	+648
National Forests Fund, Payment to States.....	0	8,063	0	8,704	0	+641
State Share from Certain Gulf of Mexico Leases ...	0	2,631	0	251	0	-2,380
Trust Land Consolidation Fund .....	12	0	15	0	+3	0
Payments to U.S. Territories, Fiscal Assistance.....	0	328,417	0	328,417	0	0
Compact of Free Association.....	0	209,825	0	257,465	0	+47,640
Tribal Special Funds.....	0	308,480	0	318,409	0	+9,929
Tribal Trust Fund.....	0	76,352	0	78,810	0	+2,458
Departmental Operations .....	0	0	10	106,000	+10	+106,000
Allocation Account - Office of the Secretary .....	60	0	60	0	0	0
Allocation Account - Office of the Solicitor .....	20	0	20	0	0	0
Reimbursements - Office of the Secretary .....	289	0	289	0	0	0
Reimbursements - Office of the Solicitor .....	69	0	69	0	0	0
Subtotal, Permanent and Other .....	450	2,800,618	463	3,032,123	+13	+231,505
<b>TOTAL, DEPARTMENTAL OFFICES.....</b>	<b>2,882</b>	<b>3,423,767</b>	<b>2,879</b>	<b>3,644,716</b>	<b>-3</b>	<b>+220,949</b>
National Indian Gaming Commission.....	105	17,606	105	19,000	0	+1,394

<sup>1/</sup> The 2015 FTE estimate reflected in this table for the Assistance to Territories account is updated from the estimate included in the Appendix, Budget of the United States Government, Fiscal Year 2015.

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## HIGHLIGHTS OF BUDGET CHANGES

### By Appropriation Activity/Subactivity

#### APPROPRIATION: Office of the Secretary - Departmental Operations

	2013 Actual	2014 Enacted	2015 Request	Change
Leadership and Administration .....	113,904	123,053	122,885	-168
Management Services.....	21,157	21,564	19,468	-2,096
Office of Natural Resources Revenue .....	113,199	119,383	122,919	+3,536
TOTAL APPROPRIATION <i>(w/o supp and trans)</i> ..	248,260	264,000	265,272	+1,272
Supplemental.....	341,938	0	0	0
Other Transfers .....	955	0	0	0
TOTAL APPROPRIATION <i>(w/ supp and trans)</i> ..	591,153	264,000	265,272	+1,272

#### *Detail of Budget Changes*

	2015 Change from <u>2014 Enacted</u>
TOTAL APPROPRIATION .....	+1,272
Leadership and Administration.....	-168
Fixed Costs .....	-168
Management Services.....	-2,096
Indian Arts and Crafts Board.....	-1,279
Office of Valuation Services .....	-266
Office of Hearings and Appeals .....	+152
Program Reductions .....	-9
Indirect Cost Services.....	-865
Fixed Costs .....	+171
Natural Resources Revenue.....	+3,536
EITI Reduction .....	-222
Production Meter Verification - Onshore Pilot.....	+1,500
Production Meter Verification - Data Integration.	+1,500
Fixed Costs .....	+758
Subtotal for Changes Across Multiple Subactivities	
Fixed Costs .....	[+761]

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**APPROPRIATION: Assistance to Territories**

	2013 Actual	2014 Enacted	2015 Request	Change
American Samoa				
Operations Grants.....	22,706	22,752	22,752	0
Northern Marianas				
Covenant Grants (Mandatory) .....	27,720	27,720	27,720	0
Territorial Assistance				
Office of Insular Affairs.....	8,768	9,448	9,779	+331
General Technical Assistance.....	12,475	14,504	17,504	+3,000
Maintenance Assistance Fund.....	740	1,081	2,857	+1,776
Brown Treesnake .....	2,994	3,500	3,000	-500
Coral Reef Initiative .....	998	1,000	1,000	0
Empowering Insular Communities.....	2,965	2,971	2,971	0
Compact Impact .....	4,990	3,000	1,344	-1,656
Subtotal, Territorial Assistance.....	33,930	35,504	38,455	+2,951
TOTAL APPROPRIATION .....	84,356	85,976	88,927	+2,951

*Detail of Budget Changes*

	2015 Change from <u>2014 Enacted</u>
TOTAL APPROPRIATION .....	+2,951
Territorial Assistance .....	+2,951
Office of Insular Affairs .....	+313
Fixed Costs .....	+18
Technical Assistance.....	+3,000
Maintenance Assistance Fund.....	+1,776
Brown Treesnake Control.....	-500
Compact Impact .....	-1,656

**APPROPRIATION: Compact of Free Association**

	2013 Actual	2014 Enacted	2015 Request	Change
Federal Services.....	2,808	2,818	2,818	0
Enewetak.....	498	500	500	0
Palau Compact Extension .....	13,147	13,147	0	-13,147
TOTAL APPROPRIATION .....	16,453	16,465	3,318	-13,147

*Detail of Budget Changes*

	2015 Change from <u>2014 Enacted</u>
TOTAL APPROPRIATION .....	-13,147
Compact of Free Association.....	-13,147
Palau Compact Extension .....	-13,147

**APPROPRIATION: Office of the Solicitor**

	2013 Actual	2014 Enacted	2015 Request	Change
Legal Services .....	45,974	59,658	59,091	-567
General Administration .....	15,259	4,647	4,971	+324
Ethics .....	1,495	1,495	1,738	+243
<b>TOTAL APPROPRIATION .....</b>	<b>62,728</b>	<b>65,800</b>	<b>65,800</b>	<b>0</b>

***Detail of Budget Changes***

	2015 Change from 2014 Enacted
TOTAL APPROPRIATION .....	0
Legal Services .....	-567
Workforce Planning .....	-717
Fixed Costs .....	+150
General Administration .....	+324
Fixed Costs .....	+324
Ethics Office .....	+243
Fixed Costs .....	+243
Subtotal for Changes Across Multiple Subactivities	
Fixed Costs .....	[+717]

**APPROPRIATION: Office of Inspector General**

	2013 Actual	2014 Enacted	2015 Request	Change
Audits, Inspections, and Evaluations.....	17,530	18,129	18,640	+511
Investigations.....	16,815	18,754	18,898	+144
Mission Support ( <i>new name</i> ) .....	12,463	13,948	12,509	-1,439
<b>TOTAL APPROPRIATION (<i>w/o transfers</i>) .....</b>	<b>46,808</b>	<b>50,831</b>	<b>50,047</b>	<b>-784</b>
Other Transfers				
Office of Navajo and Hopi				
Indian Relocation .....	0	+200	0	-200
Morris K. Udall and				
Stewart L. Udall Foundation .....	0	+200	+200	0
<b>TOTAL APPROPRIATION (<i>w/ transfers</i>).....</b>	<b>46,808</b>	<b>51,231</b>	<b>50,247</b>	<b>-984</b>

***Detail of Budget Changes***

	2015 Change from 2014 Enacted		2015 Change from 2014 Enacted
TOTAL APPROPRIATION .....	-984		
Office of Audits, Inspections, and Evaluations.....	+511	Transfers .....	-200
Information Security Audits .....	+355	Other Transfers - Office of Navajo and Hopi	
Fixed Costs .....	+156	Indian Relocation .....	-200
Office of Investigations.....	+144	Subtotal for Changes Across Multiple Subactivities	
Fixed Costs .....	+144	Fixed Costs .....	[+861]
Mission Support .....	-1,439		
Office Consolidation Reduction .....	-2,000		
Fixed Costs .....	+561		

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**APPROPRIATION: Office of the Special Trustee for American Indians**

	2013 Actual	2014 Enacted	2015 Request	Change
Federal Trust Programs				
Executive Direction.....	1,693	2,026	2,031	+5
Program Operations and Support .....	136,365	137,651	136,998	-653
TOTAL APPROPRIATION .....	138,058	139,677	139,029	-648

*Detail of Budget Changes*

	2015 Change from 2014 Enacted
TOTAL APPROPRIATION .....	-648
Executive Direction.....	+5
Fixed Costs .....	+5
Program Operations and Support .....	-653
Transfer of Mailing/Printing Services to U.S. Treasury .....	-922
Office of Hearings and Appeals Services.....	-200
Litigation Support .....	-500
Fixed Costs .....	+969
Subtotal for Changes Across Multiple Subactivities	
Fixed Costs .....	[+974]