



DEPARTMENTAL OFFICES

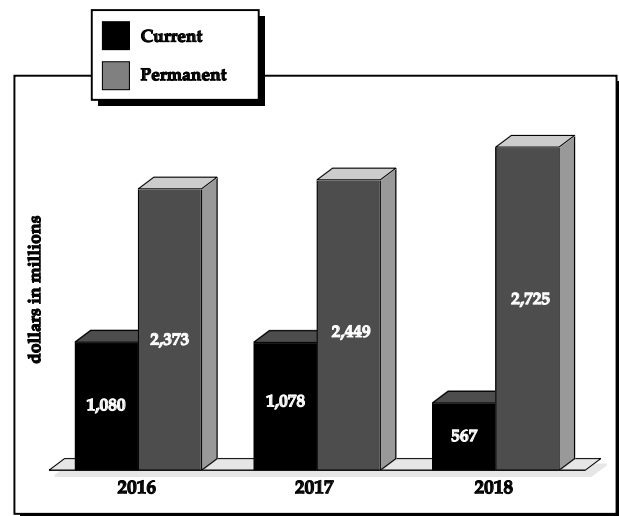
Overview – The Department of the Interior protects and manages the Nation’s cultural heritage and natural resources; provides scientific and other information about those resources; and honors trust responsibilities and commitments to American Indians, Alaska Natives, and affiliated insular communities.

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 through the Office of Hearings and Appeals, and appraises the value of lands and minerals through the Office of Valuation Services.

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. In 2017, the program achieved a major milestone, completing the transfer of \$60.0 million to the Indian Education Scholarship Fund, the maximum amount available under the terms of the settlement.

Several programs within Departmental Offices are funded in separate appropriations. The Office of Insular Affairs provides assistance to insular areas. The Office of the Special Trustee for American Indians manages and carries out the Secretary of the Interior’s responsibility for 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

Departmental Offices Funding



General reviews Interior activities and conducts audits and investigations.

The Office of the Secretary also manages five Department-wide programs. The Office of Natural Resources Revenue collects, disburses, and verifies Federal and Indian energy and other natural resource revenues on behalf of all Americans. 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 resources injured as a result of oil spills or hazardous substance releases into the environment. 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. 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 2018 budget request for Departmental Operations is \$123.9 million in current appropriations, which is \$596.5 million below the 2017 CR baseline level. The budget request reflects a reduction of \$451.1 million and two full time equivalents associated with the shift of the Payments in Lieu of Taxes program appropriated within Departmental Operations in 2017. In 2018, the budget proposes to fund PILT as discretionary authority under the separate PILT appropriation located within the Department-wide Programs. The budget request also reflects the proposed transfer of \$140.3 million and 622 FTE associated with the Office of Natural Resources Revenue to a new appropriation described in the Department-wide Programs chapter. The proposed transfer of ONRR funding will increase transparency in the budget for the Department’s energy revenue programs. The 2018 request reflects a reduction of \$4.0 million and 22 FTE from centralized program management activities across the Office of the Secretary organization to make resources available to support Administration priorities. Of this, \$2.6 million and ten FTE are associated with the Office of Valuation Services and a Department-wide decrease to new land acquisition project work. The proposed funding level will maintain capacity to support on-going bureau projects.

Fixed Costs – A reduction of \$1.0 million for fixed costs is reflected in the budget.

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 2018 OIA budget request is \$84.3 million in current appropriations, a decrease of \$19.0 million below the 2017 CR baseline level. Instead of continuing the temporary extension for Palau Compact, the budget proposes \$123.9 million in discretionary

Department of Defense appropriations as a transfer to the Department of the Interior to support enactment of the 2010 Compact Review Agreement with Palau. The Compact is an important element of the Pacific national security strategy. The OIA estimates staffing will equal 36 full time equivalents in 2018.

Assistance to Territories – The 2018 budget provides \$81.0 million for Assistance to Territories, a decrease of \$5.9 million below 2017. American Samoa Operations funding decreases by \$1.2 million from 2017 to \$21.5 million. The budget provides \$31.7 million for Territorial Assistance, a decrease of \$4.7 million from 2017. The decrease largely reflects the proposed elimination of the Compact Impact Discretionary program. Permanently appropriated Compact Impact funding remains to defray costs of qualified non-immigrants incurred by affected jurisdictions. The request for Territorial Assistance includes \$9.4 million for Office of Insular Affairs operations including financial oversight efforts, \$14.7 million for General Technical Assistance, \$2.8 million for Empowering Insular Communities, and \$2.8 million for Brown Tree Snake Control.

Compact of Free Association – The 2018 budget provides \$3.3 million for Compact of Free Association, a decrease of \$13.1 million from 2017 reflecting a new proposal to provide full funding for an enacted Palau Compact as a transfer from the Department of Defense. The Department of Defense budget request provides current funds for enactment of the Palau Compact, therefore, the recurring annual payments of \$13.1 million for the Palau Compact Extension are unnecessary. The Department of Defense will also propose authorizing language for 2018 for the Palau Compact extension. The OIA provides funding for the U.S. Postal Service activities in recognition of the Palau Compact Section 432 Review Agreement.

Fixed Costs – Fixed costs decrease by \$204,000.

Office of the Solicitor

Mission – The Office of the Solicitor’s mission is to provide high quality legal counsel 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 2018 budget request is \$65.7 million, the same as the 2017 CR baseline level. The Solicitor estimates staffing will be 419 full time equivalents in 2018, an increase of three FTE from 2017.

Salaries and Expenses – The 2018 budget request maintains the 2017 funding level. The Solicitor will provide the Secretary and the Department the necessary legal services to fulfill the Department’s wide-ranging mission.

Fixed Costs – Fixed costs of \$271,000 are fully funded.

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 2018 budget request is \$50.0 million, the same as the 2017 CR baseline level. The Inspector General estimates staffing will equal 256 full time equivalents in 2018, a reduction of four FTE.

Salaries and Expenses – The 2018 budget request reflects an internal transfer of \$799,000 from Audits, Inspections, and Evaluations to Investigations. There is no change to Mission Support from 2017.

Fixed Costs – Fixed costs of \$650,000 are fully funded.

Office of the Special Trustee for American Indians

Mission – The mission of the Office of the Special Trustee for American Indians is 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 efforts to establish consistent policies, procedures, systems, and practices throughout the Department of the Interior for the Indian Trust Administration System.

Budget Overview – The 2018 budget requests \$119.4 million in current appropriations, \$19.4 million below the 2017 CR baseline level. The OST estimates staffing will equal 551 full time equivalents in 2018, 22 below 2017 staffing levels. The OST has operational responsibility for financial trust fund management, including receipt, investment, disbursement, and reporting of Indian trust funds on behalf of individuals and Tribes, and real estate appraisals on Indian trust and restricted real property. The OST manages nearly \$5 billion held in nearly 3,400 trust accounts for about 250 Indian Tribes and nearly 401,000 open IIM accounts. In addition, OST provides litigation and document production support for lawsuits related to those accounts.

The balances that have accumulated in the trust funds have resulted 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 has responsibility to plan, organize, direct, and execute the historical accounting of Tribal Trust accounts and IIM accounts. This work is accomplished by the Office of Historical Trust Accounting, which also works to resolve the ownership of residual balances in Youpee Escheat accounts, as well as 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, 40 pending cases are filed in various Federal courts by Indian Tribes or individual Indians that allege breaches of fiduciary trust duties. The OST oversees additional trust functions of Interior carried out by the Bureau of Land Management, Bureau of Indian Affairs, and the Secretary’s Offices of Hearings and Appeals and Natural Resources Revenue.

Program Operations and Support – The 2018 OST budget includes \$117.7 million for Program Operations and Support. Field Operations is funded at \$21.4 million which includes a \$3.7 million program reduction below 2017. Field Operations functions as the primary point of contact for trust beneficiaries – Tribes, individual Indians, and Alaska Natives – seeking information and services in conjunction with their trust assets. Field Operations will leverage resources to prioritize and maintain a level of service at the beneficiary call center and preserve outreach and beneficiary education efforts. Appraisal Services is funded at \$9.4 million which is a \$1.4 million program reduction from 2017.

Appraisal Services is responsible for the Indian lands valuation program which was established to provide impartial estimates of opinions of value for specific types of real property interests held or owned in trust or restricted status for Indian Tribes, individual Indians, and Alaska Natives. The budget provides \$25.0 million for the Office of Trust Services, a program reduction of \$4.1 million from 2017. Trust Services conducts all fiduciary accounting activities, liquidity investments, reconciliation, and financial reporting related to the individual Indian, Alaska Native, and tribal trust funds under management by the Department. The decrease will be attained through contract cost reductions, restructuring, and automation of current processes.

To manage the expected workload for historical accounting of Tribal Trust and IIM accounts, the budget

includes \$19.0 million for OHTA which reflects a program reduction of \$3.1 million from 2017. The budget provides \$13.4 million for the Office of Program Management, a \$2.3 million program reduction from 2017, which oversees and evaluates the Indian fiduciary trust programs and manages a comprehensive program to help ensure OST has an effective system of internal controls. The Office

of Program Management also manages and operates the American Indian Records Repository, develops records management policies, and provides records management training and support services to OST and BIA.

Fixed Costs – Fixed costs of \$503,000 are fully funded in the request.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2018 Request with 2017 CR Baseline

	2017 CR		2018 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Office of the Secretary - Departmental Operations	1,072	720,397	426	123,940	-646	-596,457
Office of Natural Resources Revenue ^{1/}	[622]	[125,280]	[0]	[0]	[-622]	[-125,280]
ONRR Central Services (within Leadership and Administration) ^{1/}	[0]	[14,977]	[0]	[0]	[0]	[-14,977]
Payments in Lieu of Taxes ^{2/}	[2]	[451,141]	[0]	[0]	[-2]	[-451,141]
Assistance to Territories	36	86,863	36	80,967	0	-5,896
Compact of Free Association	0	16,434	0	3,286	0	-13,148
Office of the Solicitor	307	65,675	305	65,675	-2	0
Office of Inspector General	245	49,952	241	49,952	-4	0
Office of the Special Trustee for American Indians	537	138,765	515	119,400	-22	-19,365
Subtotal, Current (w/o transfer)	2,197	1,078,086	1,523	443,220	-674	-634,866
Transfer from DOD for Palau Compact	0	0	0	+123,900	0	+123,900
Total, Current (w/ transfer)	2,197	1,078,086	1,523	567,120	-674	-510,966
Permanent and Other						
Take Pride in America	0	5	0	5	0	0
Indian Arts and Crafts Board	0	40	0	40	0	0
Geothermal Revenues, Payments to Counties	0	3,258	0	0	0	-3,258
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes	0	36,167	0	43,121	0	+6,954
Mineral Leasing and Associated Payments	0	1,331,861	0	1,582,258	0	+250,397
Payments to Alaska from Oil and Gas Leases, NPRA	0	4,283	0	4,500	0	+217
National Forests Fund, Payment to States	0	6,976	0	8,080	0	+1,104
State Share from Certain Gulf of Mexico Leases	0	957	0	0	0	-957
Trust Land Consolidation Fund	16	0	16	0	0	0
Payments to U.S. Territories, Fiscal Assistance	0	288,000	0	288,000	0	0
Compact of Free Association	0	216,570	0	219,620	0	+3,050
Tribal Special Funds	0	431,000	0	445,000	0	+14,000
Tribal Trust Fund	0	130,000	0	134,000	0	+4,000
Allocation Account - Office of the Secretary	55	0	53	0	-2	0
Allocation Account - Office of the Solicitor	23	0	28	0	+5	0
Allocation Account - Inspector General	2	0	2	0	0	0
Reimbursements - Office of the Secretary	255	0	244	0	-11	0
Reimbursements - Office of the Solicitor	86	0	86	0	0	0
Reimbursements - Inspector General	13	0	13	0	0	0
Reimbursements - Office of the Special Trustee for American Indians	36	0	36	0	0	0
Subtotal, Permanent and Other	486	2,449,117	478	2,724,624	-8	+275,507
TOTAL, DEPARTMENTAL OFFICES (w/o transfer)	2,683	3,527,203	2,001	3,167,844	-682	-359,359
TOTAL, DEPARTMENTAL OFFICES (w/ transfer)	2,683	3,527,203	2,001	3,291,744	-682	-235,459
National Indian Gaming Commission	115	17,789	131	20,228	+16	+2,439

^{1/} The budget request proposes to transfer ONRR to a new ONRR Appropriation within Department-wide Programs.

^{2/} The budget request proposes to fund PILT in the separate PILT Appropriation within Department-wide Programs.

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Office of the Secretary - Departmental Operations

	2016 Actual	2017 CR	2018 Request	Change
Leadership and Administration.....	122,885	122,651	105,405	-17,246
Management Services.....	21,365	21,325	18,535	-2,790
Payments in Lieu of Taxes	452,000	451,141	0	-451,141
Office of Natural Resources Revenue.....	125,519	125,280	0	-125,280
TOTAL APPROPRIATION	721,769	720,397	123,940	-596,457

Detail of Budget Changes

	2018 Change from 2017 CR
TOTAL APPROPRIATION	-596,457
Leadership and Administration.....	-17,246
Transfer of ONRR Central Services to New ONRR Appropriation in Department-wide Programs	-14,977
Centralized Program Management Activities.....	-1,094
Fixed Costs	-1,175
Management Services.....	-2,790
Staffing	-345
LWCF Land Acquisition Project Valuations Work.....	-2,594
Fixed Costs	+149
Payments in Lieu of Taxes	-451,141
Transfer of PILT Appropriation to Department-wide Programs	-451,141
Office of Natural Resources Revenue.....	-125,280
Transfer of ONRR to New ONRR Appropriation in Department-wide Programs.....	-125,280
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[-1,026]

APPROPRIATION: Assistance to Territories

	2016 Actual	2017 CR	2018 Request	Change
American Samoa				
Operations Grants.....	22,752	22,709	21,529	-1,180
Northern Marianas				
Covenant Grants (Mandatory).....	27,720	27,720	27,720	0
Territorial Assistance				
Office of Insular Affairs.....	9,448	9,430	9,430	0
Technical Assistance	15,504	15,475	14,671	-804
Maintenance Assistance Fund.....	1,081	1,079	1,023	-56
Brown Tree Snake Control	3,500	3,493	2,837	-656
Coral Reef Initiative and				
Natural Resources	1,000	998	946	-52
Empowering Insular Communities.....	2,971	2,965	2,811	-154
Compact Impact Discretionary	3,000	2,994	0	-2,994
Subtotal, Territorial Assistance.....	36,504	36,434	31,718	-4,716
TOTAL APPROPRIATION	86,976	86,863	80,967	-5,896

Detail of Budget Changes

	2018 Change from 2017 CR		2018 Change from 2017 CR
TOTAL APPROPRIATION	-5,896		
Operations Grants.....	-1,180	Maintenance Assistance Fund.....	-56
American Samoa.....	-1,180	Brown Tree Snake Control	
Territorial Assistance	-4,716	Research and Development	-656
Office of Insular Affairs		Coral Reef Initiative & Natural Resources.....	-52
Grants Administration.....	+204	Empowering Insular Communities	
Fixed Costs	-204	Sustainable Energy Initiatives	-154
Technical Assistance		Compact Impact Discretionary	
Assistance for Emergent Needs in U.S. Territories	-804	Defray Education Costs in Affected Jurisdictions	-2,994

APPROPRIATION: Compact of Free Association

	2016 Actual	2017 CR	2018 Request	Change
Federal Services.....	2,818	2,813	2,813	0
Enewetak.....	500	499	473	-26
Palau Compact.....	13,147	13,122	0	-13,122
TOTAL APPROPRIATION	16,465	16,434	3,286	-13,148
Transfer from DOD for Palau	0	0	+123,900	+123,900
TOTAL APPROPRIATION (w/ transfers).....	16,465	16,434	127,186	+110,752

Detail of Budget Changes

	2018 Change from 2017 CR
TOTAL APPROPRIATION	-13,148
Enewetak.....	-26
Palau Compact	
Permanent Authorization and	
Funding Proposed in DOD	-13,122

APPROPRIATION: Office of the Solicitor

	2016 Actual	2017 CR	2018 Request	Change
Legal Services	59,091	58,979	58,951	-28
General Administration	4,971	4,961	4,982	+21
Ethics Office	1,738	1,735	1,742	+7
TOTAL APPROPRIATION	65,800	65,675	65,675	0

Detail of Budget Changes

	2018 Change from 2017 CR		2018 Change from 2017 CR
TOTAL APPROPRIATION	0		
Legal Services	-28	Ethics Office	+7
Workforce Planning	-271	Fixed Costs	+7
Fixed Costs	+243		
		Subtotals for Changes Across Multiple Subactivities	
General Administration	+21	Fixed Costs	[+271]
Fixed Costs	+21		

APPROPRIATION: Office of Inspector General

	2016 Actual	2017 CR	2018 Request	Change
Audits, Inspections, and Evaluations.....	18,640	18,605	17,806	-799
Investigations.....	18,898	18,862	19,661	+799
Mission Support	12,509	12,485	12,485	0
TOTAL APPROPRIATION (w/o transfers)	50,047	49,952	49,952	0
Other Net Transfers				
Office of Navajo and Hopi Indian				
Relocation.....	+200	0	0	0
Morris K. Udall and				
Stewart L. Udall Foundation	+200	0	0	0
TOTAL APPROPRIATION (w/ transfers).....	50,447	49,952	49,952	0

Detail of Budget Changes

	2018 Change from 2017 CR		2018 Change from 2017 CR
TOTAL APPROPRIATION	0		
Office of Audits, Inspections, and Evaluations.....	-799	Mission Support	0
Audits, Inspections, and Evaluations.....	-145	Mission Support	-299
Internal Transfer	-799	Fixed Costs	+299
Fixed Costs	+145		
		Subtotals for Changes Across Multiple Subactivities	
Office of Investigations.....	+799	Fixed Costs	[+650]
Investigations.....	-206		
Internal Transfer	+799		
Fixed Costs	+206		

APPROPRIATION: Office of the Special Trustee for American Indians

	2016 Actual	2017 CR	2018 Request	Change
Federal Trust Programs				
Executive Direction.....	2,031	2,027	1,688	-339
Program Operations and Support	136,998	136,738	117,712	-19,026
TOTAL APPROPRIATION	139,029	138,765	119,400	-19,365

Detail of Budget Changes

**2018 Change
from 2017 CR**

TOTAL APPROPRIATION	-19,365
Executive Direction.....	-339
Executive Direction.....	-299
Fixed Costs	-40
Program Operations and Support	-19,026
Field Operations	-3,699
Appraisal Services.....	-1,439
Trust Services	-4,098
Office of Historical Trust Accounting.....	-3,103
Deputy Special Trustee-Business Management..	-480
Budget, Finance and Administration	-3,257
Information Resources.....	-984
Office of External Affairs	-229
Trust Records.....	-1,455
Trust Review and Audit	-727
Risk Management.....	-98
Fixed Costs	+543
Subtotals for Changes Across Multiple Subactivities	
Fixed Costs	[+503]