



DEPARTMENT-WIDE PROGRAMS

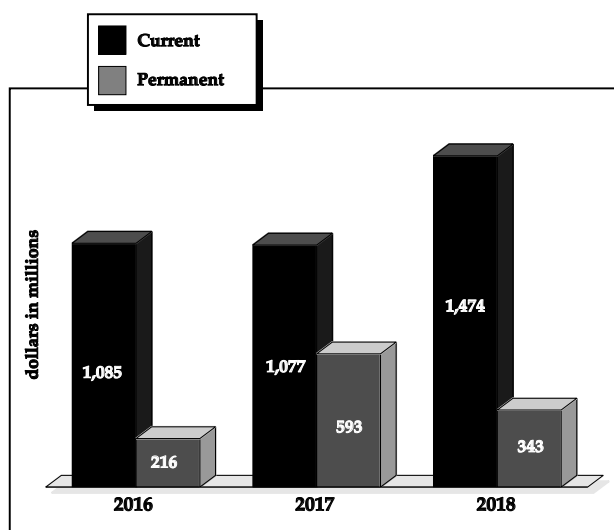
Overview—Department-wide programs support bureaus and offices through the execution of activities that are broad in scope and impact. These programs complement the many diverse activities of the Department of the Interior and help to achieve key strategic goals.

The 2018 budget request proposes to establish a separate appropriation for the Office of Natural Resources Revenue within Department-wide Programs. For the benefit of all Americans, ONRR collects, accounts for, and verifies natural resource and energy revenues due to States, American Indians, and the U.S. Treasury. The Office effectively and accurately collects and disburses revenue to recipients, including 37 States, 34 Tribes, some 30,000 individual Indian mineral owners, and U.S. Treasury accounts. The ONRR strives to improve the management and oversight of royalty and other revenue collection and disbursement activities.

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

The Department of the Interior's Working Capital Fund is a revolving fund that finances centralized administrative and business services in lieu of operating duplicative systems and processes in each bureau and office. The

Department-wide Programs Funding



Working Capital Fund also provides the mechanism to collect funds for services provided to Interior and other Federal agencies in business areas such as payroll, acquisition, and accounting. The Department's budget request includes appropriated funding for a separate Working Capital Fund account which supports Department-wide activities. The Department's Franchise Fund is financed by acquisition and financial management services provided to Interior customers and other Federal agencies.

Payments in Lieu of Taxes

Mission—The Payments in Lieu of Taxes program makes payments to nearly 1,900 local government units in 49 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands to help offset the costs of services and infrastructure incurred by local jurisdictions where certain Federal lands are located. The PILT payments help local governments carry out such vital services as firefighting and police protection, construction of public schools and roads, and search and rescue operations. In recent years, PILT monies have been used to fund projects to construct county buildings, purchase new police cruisers, and upgrade 911 emergency services.

Budget Overview – The 2018 budget proposes \$396.9 million in current funding for PILT, a decrease of \$54.3 million from the comparable 2017 CR baseline level of \$451.1 million displayed in the Departmental Operations appropriation. This reduction of 12 percent is commensurate with the Department of the Interior’s overall reduction from 2017 current budget levels.

Office of Natural Resources Revenue

Mission – The Office of Natural Resources Revenue is responsible for ensuring revenue from Federal and Indian mineral leases is effectively, efficiently, and accurately collected, accounted for, analyzed, audited, and disbursed to recipients. Revenue distributions, which totaled \$6.2 billion in 2016, benefit States, Tribes, individual Indian mineral royalty owners, and U.S. Treasury accounts.

Budget Overview – The 2018 budget request includes \$137.8 million for ONRR’s receipts management programs, a net decrease of \$2.5 million below the comparable 2017 CR baseline level of \$140.3 million and 622 full time equivalents transferred from Departmental Operations. The 2018 budget request proposes to transfer ONRR’s receipts management program from the Office of the Secretary’s Departmental Operations account to a separate appropriation within Department-wide Programs to increase transparency. The request includes \$3.5 million for the anticipated increase in the base contract cost of ONRR’s Minerals Revenue Management Support System. The budget reflects a decrease of \$3.0 million to ONRR’s offshore production verification and inspection program and a decrease of \$1.7 million to ONRR’s lower priority compliance activities. The budget also includes savings of \$1.4 million resulting from the completion of ONRR’s Denver office consolidation initiative and \$1.3 million associated with the elimination of the independent administrator contract no longer required following the implementation of the U.S. Extractive Industries Transparency Initiative.

In 2017, Secretary Ryan Zinke established the Royalty Policy Committee, a discretionary committee under the authority of the Secretary and regulated by the Federal Advisory Committee Act. The Committee will provide advice to the Secretary through the Assistant Secretary - Land and Minerals Management, Assistant Secretary - Indian Affairs, and the Director of ONRR, on the fair market value of, and the collection of revenues derived from, the development of energy and mineral resources on Federal and Indian lands. The Committee also will advise the Secretary on the potential impacts of proposed policies and regulations related to revenue collection from such development, including whether a need exists for regulatory reform.

Fixed Costs – Fixed costs of \$1.4 million are fully funded in the request.

Central Hazardous Materials Fund

Mission – The mission of the Central Hazardous Materials Fund is to protect the public health and the environment by addressing the most highly contaminated sites within national parks, national wildlife refuges, and on other Department-managed lands. The CHF funds remediation projects using the cleanup process under the Comprehensive Environmental Response, Compensation, and Liability Act known as the Superfund statute. The program provides Interior bureaus with legal, technical, and project management expertise to address their highest priority cleanup problems. The program is funded through two revenue sources: annual appropriations and recoveries from Potentially Responsible Parties. The program is authorized to receive, retain, and use recoveries from PRPs to fund cleanup projects. Since the CHF was established in 1995, the program has received over \$109 million in recoveries from PRPs and has avoided more than \$477 million in bureau spending through in-kind remediation work performed by PRPs and other parties.

Budget Overview – The 2018 budget request is \$2.0 million, \$8.0 million and one FTE below the 2017 CR baseline. The budget request funds CHF program management and legal staff. The CHF will fund the highest priority remediation projects based on the availability of recoveries and focus resources on remediation projects with viable PRPs. The reduction in appropriated funding will impact the number of projects without PRPs that can be addressed.

Fixed Costs – Fixed costs of \$12,000 are fully funded.

Wildland Fire Management

Mission – The goal of the Wildland Fire Management program is to achieve both a cost-efficient and a technically effective fire management program that meets resource and safety objectives. The guiding program principles and priorities, as outlined in the *National Cohesive Wildland Fire Management Strategy*, are to safely and effectively respond to wildfires, promote fire-adapted communities, and create fire-resilient landscapes through direct program activities and strong Federal, State, and local collaboration.

Budget Overview – The 2018 budget request for the Wildland Fire Management Program is \$873.5 million. The total request represents a decrease of \$118.3 million from the 2017 CR baseline level comprised of both the

Wildland Fire Management account and the FLAME Wildfire Suppression Reserve Fund. The President's request provides \$389.4 million for Suppression Operations, which fully funds the 10-year average. Much of the program's overall funding reduction is due to reduced funding for suppression, consistent with the inflation-adjusted 10-year average of suppression obligations. The 2016 Interior Appropriations Act provided a one-time increase for suppression, funding it at \$85.0 million more than the prevailing 10-year average which is reflected in 2017. To streamline financial management processes and improve the efficiency in allocating suppression funding, the Department proposes to fund all suppression activities in the Wildland Fire Management account and eliminate the separate FLAME Wildfire Suppression Reserve Fund account once all current balances in the FLAME account are drawn down.

To help achieve a balanced budget by 2027, the 2018 budget proposes various necessary reductions across the Federal government. Within Wildland Fire Management, this includes a program reduction of \$22.1 million in the Fuels Management program. At the lower funding level, the Department will eliminate the Resilient Landscapes program, which is funded at \$10.0 million in 2017. The \$12.1 million reduction for base fuels treatments will result in roughly 143,000 fewer acres being treated. The 2018 budget also includes a \$5.9 million program reduction in Preparedness with core program capabilities being preserved.

Other reductions include a \$9.5 million program reduction to the Burned Area Rehabilitation program, which will reduce the number of post-fire rehabilitation and restoration projects. A \$6.4 million reduction eliminates funding for the Facilities Construction and Deferred Maintenance program. Interior fire bureaus will be expected to fund priority fire facility needs through their base construction or deferred maintenance accounts. The budget also proposes a \$3.0 million program reduction to the Joint Fire Science program, allowing funding to be refocused on the highest priority research needs.

Fixed Costs – Fixed costs of \$6.9 million are fully funded in the request.

Natural Resource Damage Assessment and Restoration

Mission – The mission of the Natural Resource Damage Assessment and Restoration program is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. Damage assessments, conducted in partnership with other affected State, tribal, and Federal co-trustees, provide the basis

for determining the restoration needs that address injury to and loss of these resources and the services provided to the public.

Budget Overview – The 2018 request for NRDAR is \$4.6 million, a decrease of \$3.2 million and five FTE below the 2017 CR baseline level. The budget includes funding needed for ongoing damage assessments and restoration activities.

The NRDAR Fund supports natural resource damage assessment, restoration planning, and implementation at hundreds of sites nationwide in partnership with Federal, State, and tribal co-trustees. In 2018, \$343.5 million is anticipated to flow into the Fund from receipts recovered through settled damage assessment cases, advanced cooperative assessment funds, and earned interest. By statute, receipts such as these can only be used by trustees to restore injured lands and resources or to reimburse for past assessment costs.

The budget request includes \$1.5 million for damage assessments, \$1.0 million below 2017. The requested funding will support new damage assessment cases and the program will use funds recovered from previous assessments following the settlement of several cases to defray the costs of ongoing assessments. The request for Restoration Support is \$1.9 million, a reduction of \$171,000 that will be achieved by reducing travel and contracting. The request includes \$200,000 for Inland Oil Spill Preparedness, a reduction of \$798,000. The NRDAR will remain prepared to support the Environmental Protection Agency's leading role for Federal responses to inland oil spills, focusing on local and regional contingency plans. Training activities will be reduced. The budget proposes a reduction of \$1.2 million for Program Management, requesting \$1.0 million for 2018. The program will eliminate funding for technical, economic, and legal support, as well as support for interagency workgroups.

In 2018, receipts and discretionary appropriations will enable the NRDAR program to prioritize restoration of injured lands and resources. This restoration includes work in the Gulf of Mexico, where Interior is working with States and other Federal agencies to develop and implement restoration actions related to the recently-settled Deepwater Horizon oil spill.

Fixed Costs – Fixed costs of \$137,000 are fully funded.

Working Capital Fund

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

Budget Overview – The 2018 budget proposes \$59.5 million for the appropriated portion of the Department’s Working Capital Fund, a decrease of \$7.5 million from the 2017 CR baseline level for the Financial and Business Management System.

Maintaining Financial and Business Operations – The 2018 budget includes \$46.3 million for the operations and maintenance of the Financial and Business Management System, \$7.5 million below 2017. The request reflects funding required for steady-state operations and maintenance of the Department’s integrated financial system of record. In light of the constrained budget environment, the program will reduce system optimization activities and non-critical operational support to achieve savings.

Strengthening Interior’s Cybersecurity Posture – The 2018 budget includes \$10.0 million to continue the Department’s remediation of its cybersecurity systems and processes, equal to 2017. The Department is focused on quickly addressing the agency’s significant cybersecurity requirements. The request continues the remediation activities launched in 2015 and supports Department of Homeland Security Continuous Diagnostics and Mitigation investments to identify, isolate, and quantify cyber threats. In 2018, the Department will sustain activities that identify and manage hardware and software assets and security configuration settings; protect trusted internet connections at gateways; and introduce measures to prevent malware and phishing attacks through e-mail.

Improving Stewardship of the Nation’s Cultural and Scientific Collections – The 2018 budget includes \$1.0 million to continue support of the Department’s Cultural and Scientific Collections Management initiative, equal to 2017. This initiative responds to Inspector General reports regarding the need to improve Interior’s accountability for and preservation of its cultural and scientific collections and museum holdings. The Department will continue to implement its multi-year corrective action plan to improve oversight and technical assistance, identify and assess collections at non-Federal repositories, and correct identified deficiencies in accountability, preservation, and protection of Interior cultural and scientific collections.

Advancing Efficient Operations – The 2018 budget request includes \$1.0 million for the Department’s Service First initiative, equal to 2017. Interior protects and manages the Nation’s natural resources and cultural heritage through programs that operate in over 2,400 locations across the Country. The goal of Interior’s Service First transformation initiative is to maximize resource sharing

across Interior’s bureaus and offices, and public-private partnerships to improve service delivery and operational effectiveness and efficiency.

Maximizing Space Utilization – The 2018 budget includes \$1.2 million for the Department’s Office Consolidation strategy, equal to 2017. The Department continues its focus on the consolidation of space and co-location of Interior employees across the Nation, establishing goals to demonstrate improvement in space management, with a high priority placed on reducing the Department’s footprint of commercial leased space, and reconfiguring space to significantly increase occupancy rates and maximize space utilization. A March 13, 2017 President’s Executive Order titled *Comprehensive Plan for Reorganizing the Executive Branch* directs agencies to develop a plan to reorganize governmental functions and eliminate unnecessary agencies, components, and programs. The Department will use the consolidation funding to support the planning and implementation of reorganization activities requiring office relocations and consolidations.

Non-Appropriated Working Capital Fund – Estimated collections for 2018 total \$188.2 million for centralized billing and \$323.6 million for direct-billed activities.

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

Interior Franchise Fund

Mission – The Interior Franchise Fund provides business support services to Interior bureaus and offices and other Federal agencies on a competitive basis at customer discretion.

Budget Overview – The Government Management Reform Act of 1994 authorized creation of six executive agency pilot franchise funds. The Director of the Office of Management and Budget approved the Department of the Interior’s application for a pilot program in May 1996 and the Interior Franchise Fund was established in the 1997 Interior and Related Agencies Appropriations Act. The 2008 Consolidated Appropriations Act provides permanent franchise fund authority.

Interior Franchise Fund activities are executed for a variety of Federal agency customers, primarily for acquisition services, on a reimbursable basis. The IFF has been instrumental in assisting the Department with major information technology infrastructure improvements and other Department-wide initiatives since 2004.

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						
Payments in Lieu of Taxes	[2]	[451,141]	2	396,880	+2	+396,880
Office of Natural Resources Revenue.....	[622]	[140,257]	622	137,757	+622	+137,757
Central Hazardous Materials Fund	5	9,991	4	2,000	-1	-7,991
Wildland Fire Management (FTE DWP only)	27	815,192	26	873,518	-1	+58,326
FLAME Wildfire Suppression Reserve Fund	0	176,664	0	0	0	-176,664
Natural Resource Damage Assessment	15	7,752	10	4,600	-5	-3,152
Working Capital Fund	85	66,972	85	59,472	0	-7,500
Subtotal, Current	132	1,076,571	749	1,474,227	+617	+397,656
Permanent and Other						
Office of Natural Resources Revenue.....	0	0	2	0	+2	0
Natural Resource Damage Assessment	0	592,993	0	343,483	0	-249,510
Working Capital Fund	1,319	0	1,319	0	0	0
Interior Franchise Fund	132	0	132	0	0	0
Subtotal, Permanent and Other	1,451	592,993	1,453	343,483	+2	-249,510
TOTAL, DEPARTMENT-WIDE PROGRAMS.....	1,583	1,669,564	2,202	1,817,710	+619	+148,146

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Payments in Lieu of Taxes

	2016 Actual	2017 CR	2018 Request	Change
TOTAL APPROPRIATION	[452,000]	[451,141]	396,880	+396,880

Detail of Budget Changes

2018 Change from 2017 CR

TOTAL APPROPRIATION +396,880

Transfer of PILT from Departmental Operations ... +396,880

APPROPRIATION: Office of Natural Resources Revenue

	2016 Actual	2017 CR	2018 Request	Change
TOTAL APPROPRIATION	[140,525]	[140,257]	137,757	+137,757

Detail of Budget Changes

2018 Change from 2017 CR

2018 Change from 2017 CR

TOTAL APPROPRIATION +137,757

Office of Natural Resources Revenue..... +137,757

Transfer of ONRR from

Departmental Operations..... +140,257

Minerals Revenue

Mgmt Support System Recompete +3,500

Offshore Inspection Program -3,000

Compliance Activities..... -1,726

Extractive Industries Transparency

Initiative Contract Support -1,300

Completion of Denver Office

Consolidation Initiative -1,355

Fixed Costs +1,381

APPROPRIATION: Central Hazardous Materials Fund

	2016 Actual	2017 CR	2018 Request	Change
TOTAL APPROPRIATION	10,010	9,991	2,000	-7,991

Detail of Budget Changes

2018 Change from 2017 CR

TOTAL APPROPRIATION -7,991

Central Hazardous Materials Fund..... -7,991

Transition to Use of Recovered Funds..... -8,003

Fixed Costs +12

APPROPRIATION: Wildland Fire Management

	2016 Actual	2017 CR	2018 Request	Change
Preparedness.....	323,685	323,070	322,179	-891
Suppression Operations.....	291,673	291,118	389,406	+98,288
Fuels Management.....	170,000	169,677	149,466	-20,211
Other Operations				
Burned Area Rehabilitation	18,970	18,934	9,467	-9,467
Fire Facilities	6,427	6,415	0	-6,415
Joint Fire Science	5,990	5,978	3,000	-2,978
Subtotal, Other Operations.....	31,387	31,327	12,467	-18,860
TOTAL APPROPRIATION (w/o transfers) ..	816,745	815,192	873,518	+58,326
FLAME Transfer	+71,000	0	0	0
Other Transfers	+6,183	0	0	0
TOTAL APPROPRIATION (w/ transfers)....	893,928	815,192	873,518	+58,326

Detail of Budget Changes

	2018 Change from 2017 CR		2018 Change from 2017 CR
TOTAL APPROPRIATION	+58,326		
Preparedness.....	-891	Fire Risk Management.....	-20,211
Personnel and Firefighting Equipment.....	-5,942	Resilient Landscapes Program	-10,000
Fixed Costs	+5,051	Acres Treated.....	-12,086
		Fixed Costs	+1,875
Suppression Operations.....	+98,288	Other Operations.....	-18,860
Fund 100 Percent of 10-Year		Burned Area Rehabilitation Projects.....	-9,467
Suppression Average.....	+98,288	Facilities Construction and Maintenance.....	-6,415
		Joint Fire Science Program Research Studies	-2,978

APPROPRIATION: FLAME Wildfire Suppression Reserve Fund

	2016 Actual	2017 CR	2018 Request	Change
TOTAL APPROPRIATION (w/o transfer)....	177,000	176,664	0	-176,664
Transfer to Wildland Fire Mgmt. Acct..	-71,000	0	0	0
TOTAL APPROPRIATION (w/ transfer).....	106,000	176,664	0	-176,664

Detail of Budget Changes

	2018 Change from 2017 CR
TOTAL APPROPRIATION	-176,664
FLAME Wildfire Suppression Reserve Fund.....	-176,664
FLAME Fund	-176,664

APPROPRIATION: Natural Resource Damage Assessment and Restoration Fund

	2016 Actual	2017 CR	2018 Request	Change
Damage Assessments	2,500	2,495	1,500	-995
Restoration Support	2,075	2,071	1,900	-171
Inland Oil Spill Preparedness	1,000	998	200	-798
Program Management	2,192	2,188	1,000	-1,188
TOTAL APPROPRIATION	7,767	7,752	4,600	-3,152

Detail of Budget Changes

	2018 Change from 2017 CR		2018 Change from 2017 CR
TOTAL APPROPRIATION	-3,152		
Damage Assessments	-995	Program Management	-1,188
Assessments Funded by Recoveries	-1,010	Restoration and Preparedness	-1,251
Fixed Costs	+15	Fixed Costs	+63
Restoration Support	-171	Subtotals for Changes Across Multiple Subactivities	
Restoration Capabilities	-230	Fixed Costs	[+137]
Fixed Costs	+59		
Oil Spill Preparedness	-798		
Planning and Training	-798		

APPROPRIATION: Working Capital Fund

	2016 Actual	2017 CR	2018 Request	Change
TOTAL APPROPRIATION	67,100	66,972	59,472	-7,500

Detail of Budget Changes

	2018 Change from 2017 CR
Working Capital Fund	-7,500
Financial and Business Management System Program	-7,500