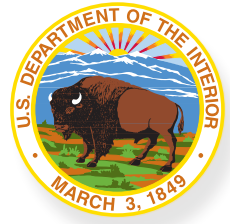


UNITED STATES DEPARTMENT OF THE INTERIOR

CITIZENS REPORT

SUMMARY OF PERFORMANCE & FINANCES FOR FY 2011



MISSION

The Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities.



TABLE OF CONTENTS

About Interior	1
Performance	2
Finances	4
What's Next	6

About Interior

Measured in economic terms the Interior Department supports over \$363 billion in economic activity each year. Interior's work is performed by multiple bureaus and departmental offices at over 2,400 locations throughout the Nation.

Economic Contributions

Parks, refuges, monuments and other Interior managed lands supported some 439 million visits, that produced over 388,000 jobs and contributed over \$47 billion in economic activity.

Conventional and renewable energy produced on Federal lands supported 1.3 million jobs and \$246 billion in economic activity.

The use of water, timber, and other resources produced from Federal lands supported about 370,000 jobs and \$48 billion in economic activity.

Grants and payments for projects ranging from the reclaiming of abandoned mines to building recreational development supported over 114,000 jobs and \$10.2 billion worth of economic contributions.

Indian Affairs programs that assisted Tribes to manage resources generate over \$14 billion in economic impact and over 136,000 jobs.



Performance

The Department of the Interior's 2011-2016 Strategic Plan provides the framework for the programs and activities that are performed by ten bureaus and multiple offices, about 70,000 employees and over 300,000 volunteers. The Department's stewardship responsibilities are captured in five mission areas that define our long term areas of focus. Priority goals capture short-term goals for areas of special emphasis. The Strategic Plan is available at http://www.doi.gov/bpp/data/PPP/DOI_StrategicPlan.pdf.

The measures highlighted below are reflective of the progress that is being made in each of the five programmatic mission areas. A more extensive set of key performance indicators and supporting performance measures, including discussions of trends in progress challenges, and corresponding plans for 2012 and 2013 are included in the Department's Annual Performance Plan and Report, which is posted at www.doi.gov/bpp.

Mission Area & Supporting Measures	2008 Actual	2009 Actual	2010 Actual	2011 Target	2011 Actual
Mission Area One, Provide Natural and Cultural Resource Protection and Experiences					
Percent of DOI acres that have achieved desired conditions where condition is known and is specified in management plans.	68%	69%	73%	70%	84%
Percent of migratory bird species that are at healthy and sustainable levels.	62%	62%	72%	72%	72%
Percent of historic structures in DOI inventory in good condition.	51%	53%	52%	52%	54%
Percent of visitors satisfied with the quality of their experience.	91%	92%	92%	91%	91%
Percent of acres treated which achieve fire management objectives as identified in applicable management plans.	98%	99%	94%	94%	99%
Mission Area Two, Sustainably Manage Energy, Water, and Natural Resources					
Number of megawatts (MW) of approved capacity for renewable energy development while ensuring full environmental review.	1,398	1,526	1,610	10,526	7,551
Percent of water infrastructure in good condition as measured by the Facility Reliability Rating.	99%	98%	98%	64%	72%
Percent of allowable sale quantity timber offered for sale consistent with applicable resource management plans.	86%	31%	86%	70%	70%
Mission Area Three, Advance Government-to-Government Relationships with Indian Nations and Honor Commitments to Insular Areas					
Percent of Bureau of Indian Education schools achieving Adequate Yearly Progress or comparable measure.	32%	24%	32%	38%	29%
Violent (Part 1) crime incidents per 100,000 Indian Country inhabitants receiving law enforcement services.	463	479	413	432	454
Percent of community water systems that receive health-based violation notices.	NA	NA	NA	11%	18%
Mission Area Four, Provide a Scientific Foundation for Decision Making					
Percent of partners or customers satisfied with scientific, technical, and data products.	93%	93%	93%	≥ 90%	92%
Percent of targeted ecosystems with information products forecasting ecosystem change.	11%	11%	22%	22%	22%
Percent completion of earthquake and volcano hazard assessments for moderate to high hazard areas.	27%	29%	31%	33%	34%
Percent of the U.S. that is covered by at least one geologic map and is available to the public through the National Geologic Map Database.	48%	49%	49%	50%	50%
Mission Area Five, Building a 21st Century Department of Interior					
Percentage of acquisitions that are contracted with small businesses.	55%	56%	50%	57%	54%

Note: Performance data updated from 2011 AFR to reflect actual

Performance (continued)

While many of the Department's efforts reflect on-going responsibilities in natural and cultural resources management, science, and honoring commitments with native communities, the Department is increasing its emphasis on new activities that will provide improved benefits for the public. These efforts are captured in six priority goals outlined in the table below.

Background	Progress	Goal for 2012 - 2013
Priority Goal - Renewable Energy Development		
Through responsible development of federally managed renewable energy resources, from wind, solar, and geothermal sources, the Department is helping to move the Nation toward a clean energy economy while reducing dependence on foreign oil.	Largely a result of economic and environmental factors, Interior did not meet its 2010/2011 goal of authorizing 9,000 MW of increased capacity. However, projects adding over 6,000 MW of capacity were approved – enough to power over one million homes. This compares to 1,500 MW approved before 2010.	By September 30, 2013, increase approved capacity authorized for renewable (solar, wind, and geothermal) energy resources affecting Department of the Interior managed lands, while ensuring full environmental review, by at least 11,000 MW.
Priority Goal - Water Conservation		
As America faces serious water challenges, Interior is striving to stretch available water supplies in the western states through conservation related programs that will ensure adequate and safe water supplies.	The 2010/2011 water conservation goal of 350,000 acre-feet was met –it includes the Bureau of Reclamation's full collection of water conservation programs.	By September 30, 2013, the Department of the Interior will further enable the capability to increase the available water supply for agriculture, municipal, and environmental uses in the western U.S. through Reclamation water conservation programs to 730,000 acre-feet (cumulatively since 2009).
Priority Goal - Safe Indian Communities		
The rate of violent crime for American Indians is well above the national average and substance abuse is a major contributor, including methamphetamines - considered by Tribes as a leading public safety threat.	Interior implemented community based policing programs at four reservations in 2010/2011 and as a result, violent crime within targeted communities has shown an overall decrease of 35 percent. This exceeded the goal to reduce violent crime by 5%.	By September 30, 2013, in addition to continued efforts at 4 previously targeted tribal reservations reduce violent criminal offenses at two additional tribal reservations by a minimum of 5%.
Priority Goal - Climate Change Adaptation		
Interior is addressing the impacts that climate change is having on natural and cultural resources and has created Climate Science Centers and Landscape Conservation Cooperatives to integrate and leverage efforts to optimize the use of scientific information and adaptively manage lands and resources.	In 2010/2011, Interior developed an inventory of planned vulnerability assessments that encompasses greater than 50 percent of the Nation. Some activities were delayed due to delayed appropriations.	By September 30, 2013, for 50 percent of the Nation, Interior will identify resources that are particularly vulnerable to climate change, and implement coordinated adaptation response actions.
Priority Goal - Youth Stewardship		
Youth employment and involvement in Interior's programs infuses energy and new thinking, educates a generation that has at times lost touch with nature, and provides the potential to improve the health of younger generations. Interior is supporting increased employment of youth between the ages of 15-25.	As a result of Interior's efforts, hires of individuals between the ages of 15-25 was increased by 50%, which equated to the engagement of more than 20,000 youth in natural and cultural resource programs in 2010/2011, a 35 percent increase over 2009 levels.	By September 30, 2013, the Department of the Interior will maintain the increased level of employment of individuals between the ages of 15 to 25 that was achieved in FY 2010 (35 percent increase in total youth employment over FY 2009) to support the Department's mission of natural and cultural resource management.
Priority Goal - Oil and Gas Resource Management		
Interior manages over 500 million acres of land and 700 million acres of subsurface minerals. Ensuring production accuracy, safety and environmental protection is a key component of managing hydrocarbon production on federally managed lands. In 2012, the Bureau of Land Management is implementing a new strategy to reduce risks associated with oil and gas production on federal lands.	This is a new goal for FY2012 - FY2013	By September 30, 2013 BLM will increase the completion of inspections of Federal and Indian high risk oil and gas cases by 9 percent over 2011 levels, equivalent to covering as much as 95 percent of the potential high risk cases.



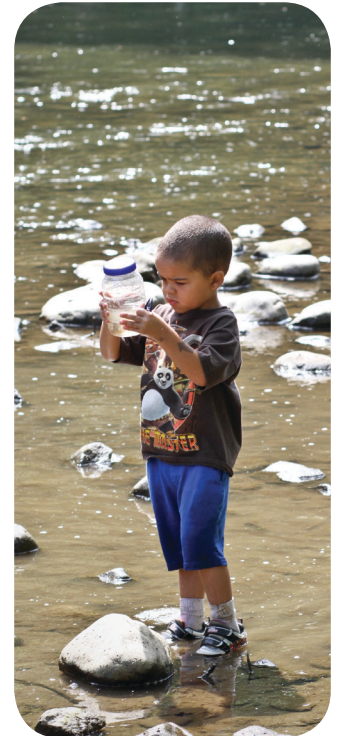
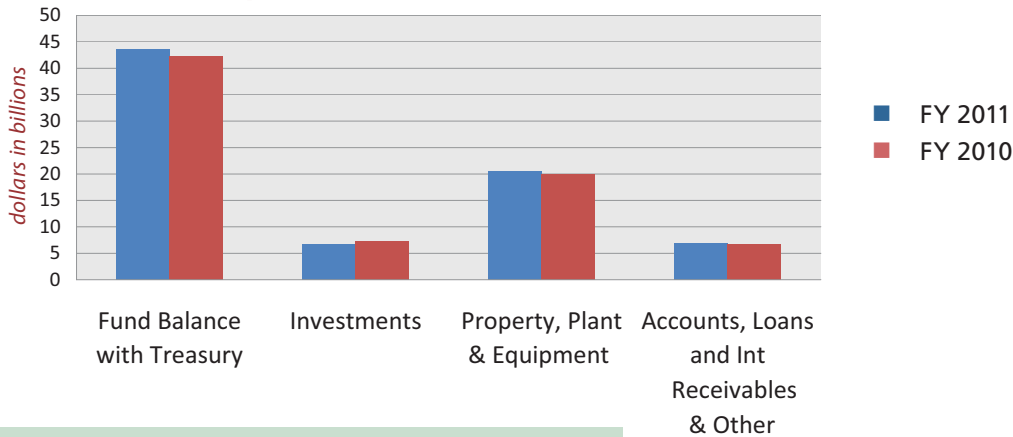
Finances

This Summary of Performance and Financial Information provides a concise snapshot of Interior's most critical financial elements. Interior's mission is vast in both economic and physical terms, and we embrace the fact that sound financial management is a cornerstone of effective and efficient stewardship over the resources for which we are responsible. Only with effective financial management can Interior ensure it accomplishes its mission and goals, and ensure the American public that we are effectively utilizing the resources we are provided.

Assets

Interior is steward of greater than \$78 billion in assets. The following graph depicts the major categories of assets that we report:

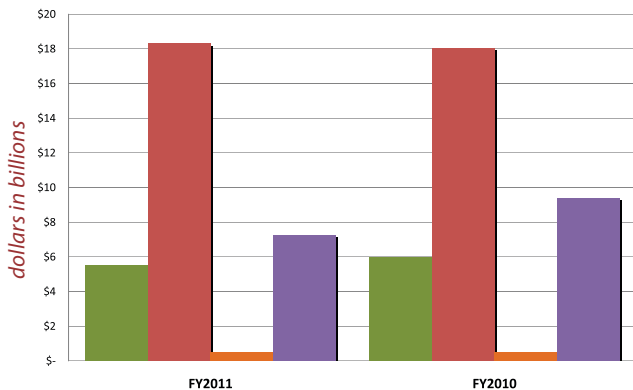
Department of the Interior Assets



Budget by Source

Most of Interior's funding comes from general government funds administered by the U.S. Treasury and appropriated by Congress. Interior budgets emphasize constraint and as a result there is a focus on identifying efficiencies and cutting costs. Interior's 2011 budget included \$11,632,140 thousand in discretionary appropriations and \$6,262,669 thousand in permanent appropriations. Additional spending authority is provided through offsetting collections, cost recovery, fees and borrowing activity.

Budget by Source

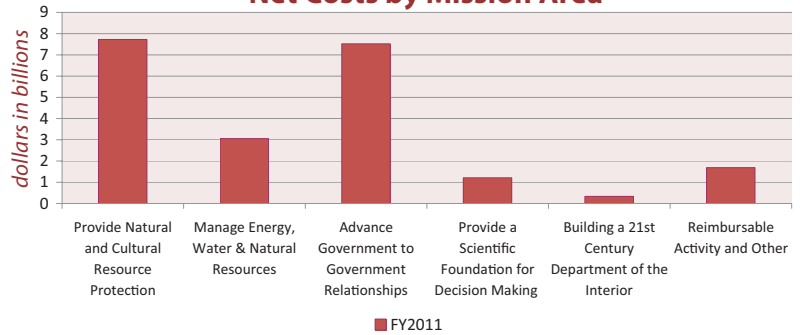


- Offsetting Collection & Borrowing Authority
- Appropriations Enacted
- Recoveries
- Authority, transfers & not available

Net Costs

Most of Interior's costs are directly related to providing services to the public. Interior's net cost of operations for 2011 was \$21,549,896 thousand. Interior's net cost by mission area is depicted in the chart below.

Net Costs by Mission Area



Independent Audit

In FY 2011 an audit was conducted, resulting in a clean audit opinion. Complete financial information can be found at <http://www.doi.gov/archive/pfm/par/laf/2011>



Finances – Bureau Highlights

Interior is committed to meeting or exceeding stakeholder expectations as it fulfills its mission responsibilities, including providing good value for the activities we perform, being publicly accountable for the monies spent, and ensuring operations are both efficient and effective. Interior's activities contribute significantly to the nation's current and future well being. The schedule below highlights the net cost for each of the bureaus, along with a few of the most significant contributions made by each.

Indian Affairs

Net Cost \$7,332,182

- Managed 56 million surface acres and 57 million acres of subsurface minerals estates held in trust by the U.S. for individuals and Tribes
- Provided education services to approximately 41,000 Indian students through 183 schools and dormitories
- Worked in partnership with the more than 566 federally recognized Indian tribes to build stronger economies and safer Indian communities

Note: Includes, the Bureau of Indian Affairs and Indian Education

Departmental Offices

Net Cost \$3,489,736

- Provided 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 responsibility
- Coordinated Federal policy, and administered U.S. Federal assistance within the U.S. Insular areas
- Collected and distributed almost \$11 billion in royalties

Office of Surface Mining

Net Cost \$681,049

- Reclaimed 10,836 abandoned mined acres (or equivalents) to eliminate hazards to the public and abate environmental degradation
- Conducted inspections and site visits on 7,675 coal mining sites and found 6,588 free of offsite impacts or 86 percent
- Provided funding to States and Tribes for implementation of regulatory and abandoned mine land programs; and to the United Mine Workers of America retirees for health benefit plans

Bureau of Land Management

Net Cost \$1,673,387

- Managed over 245 million acres of public land, over 11% of the U.S. land mass, supporting multiple use and sustainment.
- Managed 380 recreation sites, 21 national conservation areas, and 16 national monuments hosting 58 million visitors annually
- Managed 818 geothermal leases, generating more than 40% of U.S. geothermal capacity, enough to power 390,000 homes

Bureau of Ocean Energy Management, Regulation and Enforcement

Net Cost \$226,108

- Administered over 6,560 active mineral leases on approximately 35 million leased Outer Continental Shelf acres
- Oversaw 10% of the natural gas and 30% of the oil produced domestically
- Conducted over 22,000 inspections of off-shore facilities to ensure regulatory compliance and safety

U.S. Fish and Wildlife Service

Net Cost \$2,919,376

- Managed 556 fish and wildlife refuges and thousands of small wetlands, comprising over 150 million acres of land and water
- Hosted over 47 million visitors to the Service's various refuges and wetlands
- Managed and maintained ecosystems critical to the sustainability of over 1,000 migratory bird species, 200 fish species, and 1,387 endangered animal and fish species

Bureau of Reclamation

Net Cost \$716,760

- Managed 476 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water
- Delivered water to one in every five western farmers, farming over 10 million acres of land, and supplied water to over 31 million non-farming citizens
- Generated 40 billion kilowatt hours of energy annually, enough to power 3.7 million homes per year

National Park Service

Net Cost \$3,408,783

- Managed 397 Park units including the Grand Canyon and the National Mall, comprising 84 million acres of land in 49 states, U.S. insular areas, and Territories
- Hosted over 281 million visitors throughout the National Park system
- Maintained over 71,000 fragile and irreplaceable archeological sites, preserving links to our cultural and historical past

U.S. Geological Survey

Net Cost \$1,181,965

- Provided scientific information in ecosystems, climate change, land use change and energy and mineral assessments
- Produced information to increase understanding of natural hazards such as earthquakes, volcanoes, and landslides
- Conducted research on oil, gas and alternative energy potential, production, consumption and environmental effects

Note: Net Cost in thousands

What's Ahead?

In January 2011, Interior published its 2011- 2016 Strategic Plan in accordance with the Government Performance and Results Act (GPRA) of 1993 and the GPRA Modernization Act of 2010. The plan, which can be found at www.doi.gov/bpp/.../DOI_StrategicPlan.pdf, presents a new vision for the Department. It incorporates input from citizens, Congress, Federal employees, Indian Tribes, and other organizations. The plan also establishes a set of Priority Goals that focus efforts on near term achievements in renewable energy, sustainable water management and conservation, climate change adaption, youth in natural resources, and improved safety of Indian communities. Both the longer term strategic goals and the shorter term priority goals are being used to focus the efforts of our employees and programs over the next five years. In conjunction with the GPRA Modernization Act of 2010, the Department has designated a Chief Operating Officer, a Performance Improvement Officer, and is conducting quarterly data-intensive reviews of its goals. These actions reflect our commitment to advance the Department's strategic and priority performance goals.

Success in the face of challenge does not come easily. Interior management has worked closely with the Office of Inspector General to gain key perspective, and together have agreed on the most significant management and performance challenges. As outlined in the Inspector General's report included as part of the 2011 *Agency Financial Report*, in order to continue to promote economy, efficiency, and effectiveness, the Department will need to address challenges in energy management, climate change, water programs, responsibility to Indians and Insular Areas, *Cobell* and Indian land consolidation, and operational efficiencies. Interior is focused on meeting and overcoming these challenges and is continually seeking improvement in these vital areas.

Energy Management - Interior continues to play a key role in the development of America's energy supplies. Oil, gas, coal, hydro, wind, and geothermal power, and other mineral activities on Federal lands support approximately 1.3 million jobs and \$246 billion in economic activity annually. Interior plays a pivotal role in the President's *Blueprint for a Secure Energy Future* and its goal of cutting Americas oil imports by a third from the level at the start of the Administration. The Department understands that the Nation will continue to rely on oil and gas development and works diligently to promote safe, responsible, and efficient production. In the wake of the *Deepwater Horizon* incident, we reformed safety and environmental standards for oil and gas exploration, and have made organization reforms within the Department to better align and focus our development, regulatory, and safety responsibilities. Finally, the Department has also proposed a new high priority performance goal that will gauge progress in improving safety and the efficiency and integrity of oversight.

Operational Efficiencies - Echoing the President's words that "We can't win the future with a government of the past" Interior takes seriously its responsibility to provide good government. The President has challenged Federal agencies to make the Nation's government more effective, and to deliver more to the taxpayers. Interior is working aggressively to meet the

Administration's challenge. We have defined our core mission priorities, and outlined strategies and performance measures. We have performed a comprehensive review of programmatic priorities to ensure alignment with the Departments' overall goals. We have implemented the campaign to cut waste with \$207 million in targeted administrative cost savings in areas such as supplies, travel, and advisory services. We are updating contracting and acquisition policies and procedures to ensure taxpayers get the greatest value for every dollar spent by Interior. We have ongoing efforts to improve asset management, reduce real property costs, and reduce and recapture improper payments. Finally, we have taken steps to transform the delivery of information technology services to a more consolidated and customer-oriented model. We believe these plans and accomplishments are significant, but we look forward developing additional innovative approaches to cost savings and better management.

Cobell and Indian land consolidation – In planning for Indian land consolidation, Interior conducted tribal consultation meetings throughout the Nation. The meetings were an important step in the Departments efforts to develop a comprehensive plan to reduce land ownership fractionation. The plan is undergoing public review and comment. The many Interior offices that will be involved in land consolidation efforts have done significant

work to prepare for the planning and implementation of the eventual Indian land consolidation project.

Water programs – Interior's water sustainability goal, established in 2010, commits the Department to annual targets that increase the available water supply for agricultural, municipal, industrial, and environmental uses in the western United States through the Bureau of Reclamation's conservation related programs, such as water reuse and recycling, and water-related grants. Reclamation has budgeted and implemented programs, including WaterSMART grants and basin studies, to increase conservation and increase the reliability of water supplies for people while balancing water needs to advance species and habitat conservation.

Climate change – Interior has created Climate Science Centers and Landscape Conservation Cooperatives in an effort to gain effective and broad collaboration to determine causes, formulate solutions, and implement changes to reduce or reverse climate impacts to land water, natural, and cultural resources. Those support the development of scientific information and tools needed by land and resource managers as they make decisions and share information across the Department and with external partners. The Department's goal is to identify the areas and species ranges in the United States that are most vulnerable to climate change and implement comprehensive response strategies.

We would like to hear from you!

Do you like this report? Do you believe it should include different or additional information? Please contact Interior's Deputy Director, Office of Financial Management, Scott Mabry, at PFM@ios.doi.gov or 202-208-4701.

More information is available on Interior's website, www.doi.gov.



Note: All Years are Fiscal Years