



DEPARTMENTAL OFFICES

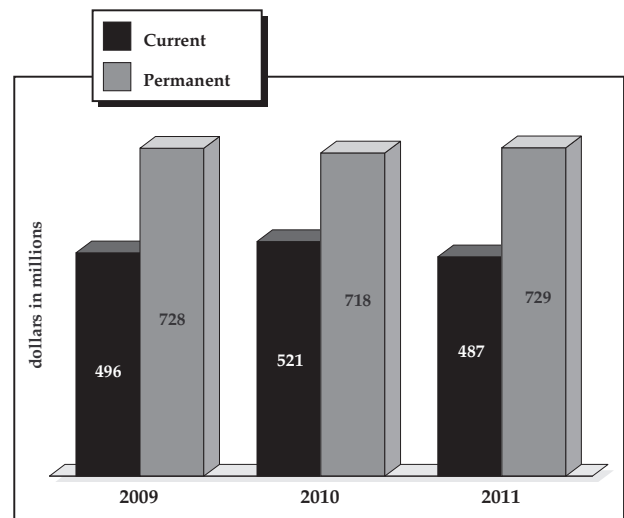
Overview – The Department of the Interior protects and manages the Nation’s cultural heritage and natural resources; provides scientific and other information about those resources; and honors trust responsibilities and commitments to American Indians, Alaska Natives, and affiliated island communities.

Departmental Offices principally 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 direction for the Department through the development of policy, legislation, and the annual budget. The Office of the Secretary also provides central administrative activities such as finance, information resources, acquisition, and human resources. The Office also manages the administrative appeals functions contained in the Office of Hearings and Appeals, protection and promotion of native arts in the Indian Arts and Crafts Board, and valuation of lands and minerals through centralized realty appraisal services.

There are several programs within Departmental Offices that 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 discharges the Secretary of the Interior’s responsibility for over \$3.6 billion in trust assets for American Indians. Departmental Offices also include the Office of the Solicitor, which provides legal services to the bureaus and offices on behalf of the Secretary, and the Office of Inspector General, which 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

Departmental Offices Funding



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 U.S. Forest Service. The Office of the Secretary also manages the Department’s Working Capital Fund and the Interior Franchise Fund. These programs are discussed in a separate chapter.

The 2011 budget reflects the implementation of several management improvements to achieve greater efficiency and accountability, employ modern technology, eliminate duplication, and enhance service to citizens. The Department’s 2011 budget includes three efficiency proposals based on Securing Americans Value and Efficiency, known as SAVE. These award ideas will be managed through the organizations of the Office of the Secretary. The budget assumes efficiency savings of \$62.0 million throughout the Department from these three proposals.

The budget assumes a reduction of \$12.0 million in travel and relocation expenses to be achieved by implementing Department-wide policies, including travel ceilings, to focus funding toward the highest priority mission travel; reform permanent change of station relocations; and reduce the number of conferences through enhanced use of teleconferencing and website systems. A reduction of \$20.0 million in information technology will be achieved by implementing Interior-wide solutions to reduce duplication and parallel investment in information technology infrastructure by eliminating redundant equipment, services, and support. For example, efforts are currently underway to deploy a common e-mail system to eliminate inefficiencies related to incompatibility among multiple systems. A reduction of \$30.0 million in acquisitions will be achieved through an Interior strategic sourcing effort to consolidate acquisition for common services and commodities and leverage savings. The Department has successfully utilized strategic sourcing for the acquisition of information technology software and hardware and plans to expand this approach to enterprise contracts for furniture, copiers and printers, vehicle fleet, wireless communications, and supplies. The Working Capital Fund budget includes an increase of \$5.0 million for acquisition reforms including the expansion of strategic sourcing capabilities.

The 2011 budget request continues support for deployment of an integrated business management system, the Financial and Business Management System. This system has been deployed at three bureaus including the Minerals Management Service, Office of Surface Mining, and Bureau of Land Management, with the U.S. Geological Survey scheduled for deployment in late 2010. To strengthen accountability and financial management, FBMS will replace a variety of outdated, stand-alone systems that are costly to operate, difficult to secure, and unable to provide integrated financial and performance information.

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.

Program Overview – The Interior Department is comprised of nine bureaus and numerous offices, each with a unique mission. The Department of the Interior’s 2011 budget request includes \$12.2 billion in current appropriations and anticipates the collection of \$14.0 billion in receipts. To deliver Interior’s broad mission, the Department employs approximately 70,000 employees including physical and social scientists, historians,

architects, engineers, attorneys, trust officers, rangers, law enforcement officers, teachers, and construction and maintenance workers, who are geographically dispersed at 2,400 locations across the United States. In 2011, Interior will manage more than 500 million acres onshore and 1.7 billion acres offshore to promote renewable energy and continue conventional energy activities; develop adaptive management solutions to address the impacts of climate change; engage thousands of children and young adults in conservation; help Indian, Alaska Native, and insular communities to prosper; and improve water conservation with a sustainable water strategy. The direction and coordination activities conducted in the Office of the Secretary have large impacts, guiding the efforts to deliver water to 31 million people; maintain and operate parks, wildlife refuges, and recreation areas that will host over 477 million visits; and educate approximately 42,000 Indian children.

Although a sizable task, the Office of the Secretary leads this dynamic agency with less than one percent of Interior’s total budget. The majority of management activities associated with the Office of the Secretary are funded from the Salaries and Expenses appropriation. Most of the offices funded within this appropriation are located in Washington, D.C. while field offices across the country provide support for environmental protection, Indian probate, hearings and appeals, indirect cost negotiations, appraisal services, and aircraft services.

The National Business Center, which is the Office of the Secretary’s business component, is funded primarily through the Working Capital Fund and the Franchise Fund. The National Business Center provides business and administrative services to Interior bureaus and offices and to other Federal agencies. The business lines that NBC manages include financial management, payroll and personnel, aircraft services, acquisition, information technology, and appraisal services.

Budget Overview – The 2011 budget request for Salaries and Expenses is \$122.0 million, which is a \$3.2 million increase above the 2010 enacted level. This includes increases of \$2.0 million for consolidated appraisal services, \$250,000 for a Program Evaluation initiative, and \$225,000 to support the Assistant Secretary for Insular Areas.

Treasured Landscapes Initiative – The 2011 budget for the Office of the Secretary includes an increase of \$2.0 million for consolidated appraisal services to support the Administration’s robust Land and Water Conservation Fund proposal. Increased valuation support will be needed to ensure timely completion of appraisals associated with a requested \$96.0 million increase in Federal land acquisition.

Salaries and Expenses – The 2011 budget includes two other program changes. First, an increase of \$225,000 is required to fund the Assistant Secretary for Insular Areas and associated support costs. This position was created in 2009 to promote the economic, social and political development of the U.S. affiliated insular areas.

Second, an increase of \$250,000 is requested for a new Program Evaluation initiative that will build the foundation for the Department to conduct strong independent evaluations of program activities. This funding supports a government-wide effort to incorporate rigorous evaluation analysis into budget formulation and policy decisions. Funding in 2011 will be used to build capacity through intra-Departmental coordination and data preparation, and begin several program evaluations.

Fixed Costs and Related Changes – Fixed cost increases total \$1.1 million, of which \$1.0 million are funded, and \$126,000 are absorbed.

Management Efficiencies – The request includes reductions that are proposed Interior-wide based on SAVE Award nominations reflecting anticipated efficiency savings of \$22,000 from travel and relocation, \$198,000 from information technology, and \$107,000 from strategic sourcing. The increased cost of a centralized service agreement for personnel, acquisition, and financial services will be offset by a \$100,000 reduction reflecting the elimination of the competitive sourcing program; a \$70,000 savings from data circuit consolidation; and a \$40,000 savings due to cancellation of an annual conference.

Office of Insular Affairs

Mission – The Office of Insular Affairs assists U.S. affiliated islands to develop more efficient and effective governments by providing financial and technical assistance, and helps manage Federal-island relations by promoting appropriate Federal policies.

Program Overview – The OIA carries out the Secretary’s responsibilities for U.S. affiliated insular areas. These include the Territories of Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, as well as the three Freely Associated States: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The OIA achieves its mission by improving the financial management practices of insular governments, increasing economic development opportunities, and increasing Federal responsiveness to the unique needs of island communities.

The insular areas are strategic for the U.S. from a national security perspective. The Department of Defense is

planning to move some 17,000 military personnel and their dependents from Okinawa, Japan, to Guam. This move is expected to generate an influx of approximately 20,000 civilian workers and residents to take advantage of new jobs opening on Guam. An influx of this magnitude will significantly strain the government of Guam’s ability to provide housing and services to these new residents, particularly as the island’s current systems and infrastructure are inadequate in many areas. As plans for the realignment are settled, Interior will work with the Departments of Agriculture and Defense to promote the development of high priority infrastructure projects related to the military realignment.

Budget Overview – The 2011 OIA budget request is \$457.7 million, of which \$87.0 million is in current appropriations. The current appropriation request is \$15.5 million below 2010 enacted, reflecting a decrease of \$1.5 million in Assistance to Territories and a reduction of \$14.0 million in the Compact of Free Association current funds. The Assistance to Territories decrease includes a \$250,000 program reduction to the Office of Insular Affairs operations account.

In addition to this request is permanent funding for insular areas, which reflects long-term commitments that are guaranteed in law. Permanent appropriations for OIA in 2011 total \$370.8 million. This funding includes \$224.8 million in Compact of Free Association payments to the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Also included is \$146.0 million in payments to Territories that reimburse both the Virgin Islands for Federal excise taxes collected on rum sales and Guam for the income taxes collected from Federal employees and military personnel residing in Guam.

Assistance to Territories – The 2011 budget for Assistance to Territories includes an increase of \$5.0 million for the Empowering Insular Communities program. The program is designed to strengthen the foundations for economic development in the islands by addressing challenges that prevent reliable delivery of critical services needed to attract investment and to pursue economic development initiatives that encourage private sector investment in the insular areas.

Compact of Free Association – The 2011 budget includes a \$14.0 million reduction to discontinue the one-year extension of the Palau Compact from 2010. The 2011 budget presumes the enactment of legislation to extend the Compact of Free Association to Palau through 2024. This legislative proposal for Palau would provide a total of \$250.0 million in financial assistance over a period of 15 years, including \$20.8 million in 2011. The proposal also includes funds for reimbursement to the United

States Postal Service for services they provide to Palau and the Freely Associated States.

Fixed Costs and Related Changes – Fixed cost increases total \$129,000, of which \$96,000 are funded and \$33,000 are absorbed.

Management Efficiencies – The 2011 budget request includes reductions that are proposed Interior-wide based on SAVE Award nominations reflecting anticipated efficiency savings of \$136,000 from travel and relocation, \$10,000 from information technology, and \$107,000 from strategic sourcing.

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 Ethics program, help resolve legal issues among bureaus and offices as they fulfill their duties, and manage Interior’s Freedom of Information Act appeals.

Program Overview – The Solicitor’s Office attorneys provide legal advice and counsel to all areas of the Department to ensure that Interior’s programs are carried out in a manner consistent with applicable laws, regulations, and Administration policy. They prepare formal legal opinions; review draft legislation, regulations, contracts, and other documents; and provide informal legal advice in a wide variety of circumstances. In addition, the attorneys represent Interior in administrative litigation and assist the Department of Justice with judicial litigation.

Along with the legal and counseling responsibilities of the Interior Department, the Solicitor’s Office also administers the Ethics and FOIA appeals programs. The Ethics staff oversees Interior’s statutorily mandated ethics program by implementing the laws, executive orders, regulations, and Departmental policies concerning conflicts of interest and employee responsibilities and conduct. The FOIA appeals staff manages the extensive FOIA appeals processing function by reviewing appeals to determine the issues and develop the Department’s response or decision.

Budget Overview – The Solicitor’s 2011 budget request is \$67.9 million, an increase of \$2.8 million above the 2010 enacted level.

Salaries and Expenses – The Office of the Solicitor’s 2011 budget request includes an increase of \$1.4 million to restructure and expand the current capacity of the Ethics Office and provide additional staff working on ethics within the Department; \$400,000 to reestablish the

Solicitor’s Honors Program; and \$250,000 for workforce planning to allow for retention and promotion of high performing attorneys within the Solicitor’s Office. The Office will also redirect \$50,000 in efficiency savings from publication subscriptions to support the Office’s training program.

Fixed Costs and Related Changes – Fixed costs are fully funded at \$1.0 million.

Management Efficiencies – The 2011 budget request includes reductions that are proposed Interior-wide based on SAVE Award nominations reflecting anticipated efficiency savings of \$6,000 from travel and relocation, \$118,000 from information technology, and \$107,000 from strategic sourcing.

Office of Inspector General

Mission – The mission of the Office of Inspector General is to promote excellence, accountability, and integrity in the programs, operations, and management of the Department of the Interior.

Program Overview – The OIG assists the Secretary and the Congress by targeting resources toward oversight of the Department’s most serious management and program challenges, and high risk areas vulnerable to fraud, waste, and mismanagement. The OIG is responsible for independently and objectively identifying risks and vulnerabilities that directly impact or could impact Interior’s ability to accomplish its mission. The OIG is required to keep the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of Interior programs and operations. Effective implementation of this mandate addresses the public’s demand for greater accountability and integrity in the administration of government programs and operations and the demand for programs that work better, cost less, and achieve the results about which Americans care most. The OIG headquarters is located in Washington, D.C., with field offices and staff in locations across the continental United States, the U.S. Virgin Islands, and Hawaii.

Budget Overview – The 2011 budget request for the OIG is \$49.6 million, an increase of \$970,000 above the 2010 enacted level.

Salaries and Expenses – The 2011 budget request includes an increase of \$394,000 for the Council of the Inspectors General on Integrity and Efficiency.

Fixed Costs and Related Changes – Fixed costs are funded at \$777,000.

Management Efficiencies – The 2011 budget request includes reductions that are proposed Interior-wide based on SAVE Award nominations reflecting anticipated efficiency savings of \$13,000 from travel and relocation, \$81,000 from information technology, and \$107,000 from strategic sourcing.

Office of the Special Trustee for American Indians

Mission – The Office of the Special Trustee for American Indians provides fiduciary guidance, management, and leadership for both Tribal Trust accounts and Individual Indian Money accounts. The OST oversees and coordinates the Department’s efforts to establish consistent policies, procedures, systems, and practices throughout Interior for the Indian fiduciary trust. 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’s Office of Historical Trust Accounting has responsibility to plan, organize, direct, and execute the historical accounting of Tribal Trust accounts and IIM accounts. The Bureau of Land Management, Minerals Management Service, Bureau of Indian Affairs, and the Secretary’s Office of Hearings and Appeals carry out additional trust functions of the Department with oversight by the Special Trustee.

Program Overview – The OST manages over \$3.6 billion of funds held in over 2,700 trust accounts for more than 250 Indian Tribes, and over 380,000 open IIM 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 Department has developed a comprehensive and systematic plan to reform the management of its trust responsibilities, the Fiduciary Trust Model. The status of the implementation of FTM has been described in the reports provided to the U.S. District Court in *Cobell v. Salazar*. The FTM includes a guide to improve delivery of fiduciary trust services, effectiveness, and accountability of trust operations; and the re-engineering of Interior’s fiduciary trust business processes and systems to ensure that the Interior Department meets its fiduciary trust goals and objectives.

The primary concept of the FTM, working in partnership with the beneficiaries, is to improve the business processes for the delivery of services to tribal and individual Indian beneficiaries by standardizing, streamlining, and automating these processes and services. Recent progress includes the following accomplishments, the FTM:

- Operated a state-of-the-market Trust Beneficiary Call Center where beneficiaries can call toll-free with issues and questions regarding their accounts or lands. In 2009, the TBCC handled over 243,000 calls with a first line resolution rate of 95 percent.
- Recovered addresses on 31 percent of the Whereabouts Unknown accounts. This represented 26,225 accounts totaling \$27.5 million.
- Collected and moved 13,647 boxes of records to the American Indian Records Repository and also indexed 12,960 boxes. The AIRR now contains approximately 500 million pages of records.
- Distributed funds for 8,502 completed probates which closed 9,447 estate accounts.
- Provided records management training to 711 BIA and OST records contacts and 272 tribal employees.
- Processed a total of \$520.8 million through the centralized commercial lockbox and posted 77 percent to beneficiaries’ accounts within two days of receipt.
- Made tribal and individual trust beneficiary services available directly from highly-skilled Regional Trust Administrators and Fiduciary Trust Officers experienced in fiduciary trust matters. The RTAs and FTOs are the primary points of contact for tribal and individual beneficiary inquiries and provide proactive outreach education and training on a variety of trust and financial issues.
- Assisted BIA with the distribution of \$232,708 in appealed range rate receipts from 168 aged special deposit accounts through the Trust Asset and Accounting Management System invoicing and distribution module.
- Continued to emphasize debit card and direct deposit options in lieu of paper checks, increasing the total number to over 26,500. In 2008, surveyed cardholders reported a 77 percent extremely or very satisfied experience using the debit cards.
- Provided remote and on-site support to the Fort Berthold Agency by researching oil and gas development activities, producing maps identifying new well site locations, and monitoring production data to track and design a field monitoring process for wells on leased land.

Budget Overview – The 2011 OST budget requests \$160.2 million in current appropriations, which is \$25.8 million below the 2010 enacted level.

The 2011 OST budget includes decreases of \$25.0 million for the Office of Historical Trust Accounting, and \$2.6 million due to the completion of certain trust reform tasks. The budget request includes increases of \$740,000 for trust services, and \$72,000 for implementation of Electronic Official Personnel Folders.

Historical Accounting – The OST request includes \$31.5 million for the OHTA, a decrease of \$25.0 million from the 2010 level. The request provides \$27.5 million for tribal accounting and \$4.0 million for special deposit accounts.

The 2011 budget assumes enactment and Court approval in 2010 of a settlement of the *Cobell v. Salazar* lawsuit, including \$1.4 billion to compensate for historical accounting claims and to resolve potential mismanagement claims of individual Indian trust accounts. The potential settlement also includes \$2.0 billion for a Trust Land Consolidation Fund. The settlement does not address pending tribal cases.

The budget reduces \$25.0 million for historical accounting of IIM accounts resulting from the proposed settlement of the *Cobell v. Salazar* class action lawsuit. The settlement addresses all existing and potential trust-related claims that the plaintiffs may have against the U. S. to date.

A total of \$27.5 million will support analysis of tribal claims in coordination with the U.S. Department of Justice. There are currently 95 tribal cases pending involving 116 Tribes. The OHTA intends to continue its strategy

in 2011 of satisfying the critical information needs of Tribes through briefings, settlement negotiations, targeted document production, and analysis of tribal accounts. The OHTA will also support active litigation in coordination with the U.S. Department of Justice. The provision of tribal historical accountings and continued analysis of tribal claims are essential to resolving the 95 tribal cases, whether through settlement or active litigation.

A total of \$4.0 million will be used to resolve the proper ownership of residual balances in special deposit accounts and distribute account balances to Tribes, individual Indians, and non-trust entities.

Fixed Costs and Related Changes – Fixed cost increases total \$1.5 million, of which \$1.4 million are funded and \$125,000 are absorbed.

Management Efficiencies – The 2011 budget request includes reductions that are proposed Interior-wide based on SAVE Award nominations reflecting anticipated efficiency savings of \$35,000 from travel and relocation, \$190,000 from information technology, and \$107,000 from strategic sourcing.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2011 Request with 2010 Enacted:

	2010 Enacted		2011 Request		Change from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Office of the Secretary.....	371	118,836	374	121,987	+3	+3,151
Assistance to Territories	41	85,195	41	83,670	0	-1,525
Compact of Free Association.....	0	17,318	0	3,318	0	-14,000
Office of the Solicitor	354	65,076	365	67,894	+11	+2,818
Office of Inspector General.....	277	48,590	277	49,560	0	+970
Office of Special Trustee for American Indians	689	185,984	710	160,215	+21	-25,769
Subtotal, Appropriations (w/o ARRA)	1,732	520,999	1,767	486,644	+35	-34,355
American Recovery and Reinvestment Act	10	0	10	0	0	0
Subtotal, Appropriations (w/ ARRA).....	1,742	520,999	1,777	486,644	+35	-34,355
Permanents and Other						
Take Pride in America	0	5	0	5	0	0
Indian Arts and Crafts Board	0	50	0	50	0	0
Payments to U.S. Territories, Fiscal Assistance.....	0	177,000	0	146,000	0	-31,000
Compact of Free Association.....	0	200,971	0	224,750	0	+23,779
Tribal Special Funds.....	0	265,967	0	280,170	0	+14,203
Tribal Trust Fund.....	0	73,988	0	77,939	0	+3,951
Allocation Account - Office of the Secretary	81	0	81	0	0	0
Reimbursements - Office of the Secretary	243	0	243	0	0	0
Reimbursements - Office of the Solicitor	51	0	48	0	-3	0
Subtotal, Other Accounts	375	717,981	372	728,914	-3	+10,933
TOTAL, DEPARTMENTAL OFFICES (w/o ARRA)	2,107	1,238,980	2,139	1,215,558	+32	-23,422
TOTAL, DEPARTMENTAL OFFICES (w/ ARRA).....	2,117	1,238,980	2,149	1,215,558	+32	-23,422
National Indian Gaming Commission.....	112	17,000	119	18,000	+7	+1,000

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Office of the Secretary - Salaries and Expenses

	2009 Actual	2010 Enacted	2011 Request	Change from 2010
Executive Direction.....	14,190	15,212	15,687	+475
Policy, Management, and Budget	32,628	33,419	34,211	+792
Hearings and Appeals.....	7,658	7,868	8,001	+133
Consolidated Appraisal Services	8,012	12,136	14,136	+2,000
Indian Arts and Crafts Board	1,177	1,201	1,221	+20
Central Administrative Services	41,976	47,401	47,168	-233
USBM Workers Compensation	623	599	563	-36
Nat'l Museum of Am. Latino Comm.....	1,000	1,000	1,000	0
TOTAL APPROPRIATION <i>(w/o cancellation)</i>	107,264	118,836	121,987	+3,151
Federal Subsistence Balances Cancelled.....	-108	0	0	0
TOTAL APPROPRIATION <i>(w/ cancellation)</i>	107,156	118,836	121,987	+3,151

Highlights of Budget Changes

Fixed Costs

Fixed cost increases total \$1,129, of which \$1,003 are funded and \$126 are absorbed.

Executive Direction

An increase of \$475 is proposed for this activity. The request includes a program increase of \$225 for the Assistant Secretary for Insular Affairs' Office. Fixed cost increases total \$283, of which \$250 are funded and \$33 are absorbed.

Policy Management and Budget

An increase of \$792 is proposed for this activity. The request includes a program increase of \$250 for Program Evaluations. Fixed cost increases total \$614, of which \$542 are funded and \$72 are absorbed.

Consolidated Appraisal Services

The request includes a program increase of \$2,000 to support the requested increase for Federal land acquisition.

Central Administrative Services

A decrease of \$233 is proposed for this activity. The request includes a fixed cost increase of \$193 for the GSA space, offset by decreases of \$94 for the Departmental Working Capital Fund bill and \$5 in the cost of workers and unemployment compensation. The request also includes reductions reflecting anticipated efficiency savings of \$22 from travel and relocation expenses, \$198 from information technology, and \$107 from strategic sourcing. The increased cost of a centralized service agreement for personnel, acquisition, and financial services will be offset by a \$100,000 reduction reflecting the elimination of the competitive sourcing program; a \$70,000 savings from data circuit consolidation; and a \$40,000 savings due to cancellation of an annual conference.

APPROPRIATION: Assistance to Territories

	2009 Actual	2010 Enacted	2011 Request	Change from 2010
American Samoa				
Operations Grants.....	22,752	22,752	22,752	0
Northern Marianas				
Covenant Grants (Mandatory).....	27,720	27,720	27,720	0
Territorial Assistance				
Office of Insular Affairs.....	8,850	9,280	9,080	-200
Technical Assistance	11,018	15,302	12,084	-3,218
Maintenance Assistance Fund.....	2,241	2,241	2,241	0
Brown Tree Snake.....	2,631	3,000	3,000	0
Insular Management Controls	1,453	0	0	0
Coral Reef Initiative	1,000	1,000	1,000	0
Water and Wastewater Projects.....	1,000	1,900	793	-1,107
Guam Infrastructure	0	2,000	0	-2,000
Empowering Insular Communities.....	0	0	5,000	+5,000
Subtotal, Territorial Assistance.....	28,193	34,723	33,198	-1,525
TOTAL APPROPRIATION	78,665	85,195	83,670	-1,525

Highlights of Budget Changes**Fixed Costs**

Fixed cost increases total \$129, of which \$96 are funded and \$33 are absorbed.

Office of Insular Affairs

The 2011 budget request for the Office of Insular Affairs is a decrease of \$200 from the 2010 enacted level of \$9,280. This amount includes an increase of \$50 for fixed costs and other related changes and a program decrease of \$250. The program decrease will be accomplished by reducing travel and OIA staffing as necessary.

Technical Assistance

The budget contains a \$3,218 program decrease in the amount available for direct grants to the insular areas for Technical Assistance activities that provide support not otherwise available to the insular areas, to improve the productivity and efficiency of government operations, develop local expertise, and build institutional capacity in critical areas. These critical areas typically include grants awarded directly to the insular areas in support of projects in the following categories: accountability, financial management, tax system modifications, insular management controls, economic development, training and education, energy, public safety, and health.

Water and Wastewater Projects

The \$1,107 decrease in Water and Wastewater Projects is comprised of the removal of a \$900 earmark in 2010 for the U.S. Virgin Islands; and a \$207 general decrease resulting from mandated operational reductions that could not be absorbed by the Office of Insular Affairs account without impacting financial assistance oversight capabilities.

Guam Infrastructure

In 2011, Guam Infrastructure will no longer be an independent subactivity. Instead, the \$2,000 available for activities that assist with civilian infrastructure improvements needed as a result of the U.S. military's increased presence on the island will now be funded as part of the proposed Empowering Insular Communities program.

Empowering Insular Communities

The new Empowering Insular Communities program of \$5,000 is designed to strengthen the foundations for economic development in the islands by addressing challenges preventing reliable delivery of critical services needed to attract investment, and to pursue economic development initiatives that encourage private sector investment in the insular areas.

APPROPRIATION: Compact of Free Association

	2009 Actual	2010 Enacted	2011 Request	Change from 2010
Federal Services.....	2,818	2,818	2,818	0
Palau Program Grant Assistance	2,000	2,000	0	-2,000
Enewetak Support.....	500	500	500	0
Palau Compact.....	0	12,000	0	-12,000
TOTAL APPROPRIATION	5,318	17,318	3,318	-14,000

Highlights of Budget Changes**Compact of Free Association**

The 2011 budget includes a \$14.0 million reduction to discontinue the one-year extension of the the Palau Compact from 2010. As a result, no funding is requested in the budget for Palau.

APPROPRIATION: Office of the Solicitor

	2009 Actual	2010 Enacted	2011 Request	Change from 2010
Legal Services	45,938	47,255	48,844	+1,589
General Administration	14,966	16,635	16,493	-142
Ethics	1,146	1,186	2,557	+1,371
TOTAL APPROPRIATION	62,050	65,076	67,894	+2,818

Highlights of Budget Changes**Fixed Costs**

Fixed costs of \$1,049 are fully funded.

Legal Services

The 2011 budget proposes an increase of \$1,589. The request includes program increases to reestablish the Solicitor Honor's program (+\$400) and for retention of high performing attorneys in the Office (+\$250). A reduction in travel (-\$6) is also included. Fixed costs of \$945 are fully funded.

General Administration

The 2011 budget requests a \$142 decrease in General Administration. Reductions in information technology (-\$118) and strategic sourcing (-\$107) are included. In addition, the Office will redirect \$50,000 in efficiency savings from publication subscriptions to support the Office's training program. Fixed costs of \$83 are fully funded.

Ethics

The 2011 budget request proposes an increase of \$1,371 for Ethics. The request includes a program increase to restructure and expand the current capacity of the Ethics office. Fixed costs of \$21 are fully funded.

APPROPRIATION: Office of Inspector General

	2009 Actual	2010 Enacted	2011 Request	Change from 2010
Audit	20,083	21,333	21,597	+264
Investigations.....	16,690	17,533	17,855	+322
Management	9,180	9,724	10,108	+384
TOTAL APPROPRIATION <i>(w/o ARRA)</i>	45,953	48,590	49,560	+970
Am. Recovery and Reinvestment Act ..	+15,000	0	0	0
TOTAL APPROPRIATION <i>(w/ ARRA)</i>	60,953	48,590	49,560	+970

Highlights of Budget Changes**Fixed Costs**

Fixed costs of \$777 are fully funded.

Management

The 2011 budget proposes an increase of \$384. The request includes an increase of \$394 for the Council of the Inspectors General on Integrity and Efficiency. Reductions in travel (-\$13), information technology (-\$81), and strategic sourcing (-\$107) are also included. Fixed costs of \$191 are fully funded.

APPROPRIATION: Office of the Special Trustee for American Indians

	2009 Actual	2010 Enacted	2011 Request	Change from 2010
Federal Trust Programs				
Executive Direction.....	2,163	2,256	2,272	+16
Program Ops. and Support.....	179,485	183,728	157,943	-25,785
TOTAL APPROPRIATION	181,648	185,984	160,215	-25,769

Highlights of Budget Changes**Fixed Costs**

Fixed cost increases total \$1,515, of which \$1,390 are funded and \$125 are absorbed.

Program Operations and Support

The 2011 budget includes decreases of \$25,000 for the Office of Historical Trust Accounting and \$2,639 due to the completion of certain trust reform tasks. The budget also includes increases of \$740 for trust services and \$72 for implementation of Electronic Official Personnel Folders. The request includes reductions reflecting anticipated efficiency savings from travel and relocation expenses (-\$35), information technology (-\$190), and strategic sourcing (-\$107).