

Budget Overview for 2005



Aldo Leopold, a visionary mid-20th century conservationist, imagined a nation of citizen stewards. Environmental progress ultimately resides in the efforts of all of us to apply a caring hand to the landscape.

Secretary Gale A. Norton, September 5, 2003

With broad responsibilities, the Department of the Interior touches the lives of all Americans, contributing to the Nation's environmental quality, economic vitality, and the well-being of communities. The Department:

- Manages one in every five acres of land in the United States.
- Operates over 800 dams and irrigation facilities.
- Oversees water projects that irrigate lands generating 60 percent of our Nation's vegetables.
- Manages lands and waters that generate one-third of the Nation's domestic energy supply.
- Undertakes research and provides scientific information to advance our knowledge of our surroundings.
- Serves American Indians, Alaska Natives, and affiliated island communities.
- Works with States to restore abandoned mine land sites and protect communities.
- Manages 388 national park units and 542 wildlife refuges.

Interior's multi-faceted mission encompasses four themes delineated within our new strategic plan: resource protection, recreation, resource use, and

servicing communities. Within this framework, the Department's 2005 budget supports an array of programs to achieve presidential commitments and other high-priority goals that include:

- Supporting and enhancing cooperative conservation.
- Fully funding the Land and Water Conservation Fund.
- Accelerating Indian trust reform.
- Reforming the Abandoned Mine Lands program.
- Implementing the Healthy Forests Initiative.
- Addressing the National Park Service's maintenance backlog.
- Enhancing the education of American Indian children.
- Advancing the goals of the National Energy Plan.

The Department of the Interior, the Nation's chief guardian of unique natural and cultural resources, fulfills its multiple roles in a complicated and changing world. Populations are moving into once remote areas, resulting in increased recreational activities on public lands. Nature's complexity demands that Interior invest in science to better understand ecosystems and how they coexist with people who live, work, and recreate across a mosaic of public lands. In this context, partnering is

essential. To build these partnerships, Secretary Norton has advanced a vision of Conservation through Cooperation, Communication, and Consultation—what she calls the Four C's.

The President's 2005 budget proposes funding to develop stronger partnerships with States, Tribes, local communities, and citizens for healthy lands, thriving communities, and dynamic economies. The budget will:

- Expand opportunities to work with landowners and others through conservation partnerships, applying conservation solutions that serve as models for ecologically healthy and economically vibrant working landscapes throughout the Nation.
- Meet the President's commitment to fund the Land and Water Conservation Fund at \$900 million.
- Accelerate Indian trust reform, significantly increasing funding to consolidate fractionated interests in trust lands, advancing the reorganization and reform of trust programs, and continuing efforts to account for historical balances in trust accounts.
- Reform the Abandoned Mine Lands program to fund the most critical areas, eliminating significant health and safety problems associated with abandoned coal mines in 25 years.
- Support the President's commitment to restore healthy forests and rangelands, reducing the threat of catastrophic wildfires that have devastated numerous communities, harmed threatened and endangered species, and cost the lives of firefighters and civilians.
- Continue the President's commitments to provide \$4.9 billion over five years for the National Park Service maintenance backlog and to replace outmoded and unsafe Indian schools.
- Minimize future western water crises through our Water 2025 initiative to foster conservation and interagency coordination, enhance water supplies

through improved technologies, and manage water resources in cooperation with States, communities, and Tribes.

MANAGEMENT EXCELLENCE

Meeting the Department's many responsibilities requires a constant search for ways to work effectively and efficiently. Through management improvements, we are achieving greater efficiency and accountability, employing modern technology, eliminating duplication, and enhancing service to citizens. The Department continues to make significant progress on the President's management agenda and other management improvements.

Budget Performance Integration – Budget and performance integration lies at the heart of ensuring both the strategic allocation and efficient use of funds. The Department's approach to this integration extends beyond the cyclic budget formulation process to include building cost and performance information systems that allow on-the-ground managers to better understand unit costs of performing specific activities; the relationship of those activities to achieving measurable goals; and where opportunities might exist for greater efficiency and effectiveness.

The Department is utilizing Program Assessment Rating Tool reviews, along with program evaluations conducted by the Office of Inspector General, General Accounting Office, and National Association of Public Administration, to assist in the identification of measures that can strengthen programs and improve the linkage of budget and performance information.

Activity-Based Cost Management – The Department has a sustained need for cost management information to help employees and the public understand what it takes to deliver quality products and services. Activity-based cost management, ABC/M, allows us to break our work into specific activities so that we can measure and compare unit costs and performance by dollars spent and actions undertaken. This information allows Interior employees to make better decisions in allocating financial and human resources.

In 2004, all Departmental employees began to code their time and purchases to activities that describe the work of the Department. The year 2005 heralds the migration to a uniform ABC/M system and training of bureau personnel to use and rely on the

ABC/M system to meet management information needs. In 2005, Interior will configure the ABC/M system to accommodate bureau activities and will train employees in data extraction and data analysis. Activity-based cost management will help the Department:

- Demonstrate the value we are providing in how we use tax dollars.
- Evaluate cost and performance trends to identify opportunities for improving efficiency and effectiveness.
- Identify best management practices.

Financial System Migration – In early 2003, Interior launched a comprehensive plan to transform its financial management functions and create a world-class financial management structure that links planning and budgeting with performance results; performs efficient and reliable transaction processing; recruits, trains, and rewards top financial management talent; and focuses on analysis to improve the business information available to program managers. The cornerstone of the Department’s plan to transform financial management is the Financial and Business Management System, which will replace a variety of outdated, stand-alone, mainframe-based systems that are costly to operate, difficult to secure, unable to provide timely financial and performance information, and do not comply with financial system standards.

Department-wide Strategic Plan – Replacing eight distinct bureau plans with a single, cohesive framework for the first-time, Interior’s new strategic plan—finalized in September 2003—organizes our goals and performance measures into four mission areas, with bureau resources and activities linked to these measures.

Law Enforcement Reforms – Responding to the Inspector General’s observation that Interior’s law enforcement activities were in a “disquieting state of disarray,” the Office of Law Enforcement and Security and the bureaus are implementing 25 Secretarial directives to improve law enforcement.

Bureau law enforcement offices are establishing bureau policies and oversight consistent with these directives. The Bureau of Land Management has hired its chief for law enforcement, and the National Park Service has hired a chief ranger and special agent in charge for internal affairs.

E-Government – The new strategic plan also provides a common framework to identify and adopt common technology solutions to support shared business needs across the bureaus. With a Departmental e-government strategy, Interior is moving towards standardization, consistency, and greater efficiency.

Strategic Human Capital Management Plan – The Department’s *Strategic Human Capital Management Plan – FY 2003-2007* links our human resources and missions as identified in the strategic plan and identifies common challenges that are shaping the skills, training, and professions needed throughout the Department. Key challenges include increased urbanization; rising security demands; an aging infrastructure; and expectations by citizens for greater transparency, accountability, and efficiency in government.

Competitive Sourcing – Competitive sourcing is an important component of the Department’s management toolbox, providing a means to periodically evaluate how business is conducted and develop effective organizations for service delivery. Competitive sourcing has produced more efficient ways to deliver services thereby allowing savings to be reinvested in programs.

Senior Executive Service – We have revised our SES performance management and appraisal program to emphasize strategic plan goals through the performance of each executive. Individual performance plans now clearly link executive performance to mission outcomes. The Department is using performance results as a basis for pay, awards, development, retention, removal, and other personnel decisions. Performance elements for all SES members directly support the President’s management agenda and the Secretary’s strategic vision of achieving Departmental goals through partnerships and cooperation.

**BUDGET AUTHORITY AND RECEIPTS
FOR 2003, 2004, AND 2005**
(in millions of dollars)

	<u>2003 Actual</u>	<u>2004 Enacted</u>	<u>2005 Request</u>	<u>Change from 2004</u>
BUDGET AUTHORITY				
Total Current Appropriations	10,675	10,729	10,979	+250
Permanent Appropriations.....	3,207	3,596	4,355	+759
Total.....	13,881	14,325	15,334	+1,009
<i>[Net discretionary BA in above].....</i>	<i>[10,572]</i>	<i>[10,646]</i>	<i>[10,850]</i>	<i>[+205]</i>
RECEIPTS				
Outer Continental Shelf	5,029	4,587	4,755	+168
Offsetting Receipts.....	1,575	1,791	2,512	+721
Onshore Mineral Leasing	2,014	2,237	2,323	+86
Other Receipts	579	565	536	-28
Total.....	9,197	9,180	10,126	+947

Note: Numbers may not add due to rounding.

THE NUMBERS

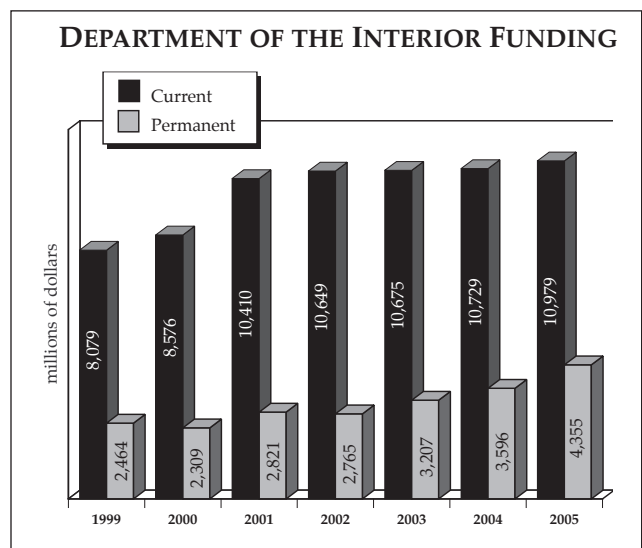
The 2005 budget request for current appropriations is \$11.0 billion, the largest presidential request in the Department's history. Permanent funding that becomes available as a result of existing legislation without further action by Congress will provide an additional \$4.4 billion for a total 2005 Interior budget of \$15.3 billion.

The 2005 current appropriations request is an increase of \$250.2 million or 2.3 percent over the 2004 funding level, adjusted for the 0.59 percent across-the-board reduction contained in the 2004 Consolidated Appropriations Act.

The 2005 budget request includes \$10.0 billion for programs funded in the Interior and Related Agencies Appropriations Act, an increase of \$228.4 million or 2.3 percent over the 2004 level.

The request for the Bureau of Reclamation and the Central Utah Project, funded in the Energy and Water Development Appropriations Act, is \$1.0 billion, \$21.8 million or 2.2 percent above the 2004 funding level.

Receipts collected by the Department in 2005 are projected to be \$10.1 billion, equivalent to 92 percent of Interior's current appropriations request.



SUPPORTING THE DEPARTMENT'S MISSION

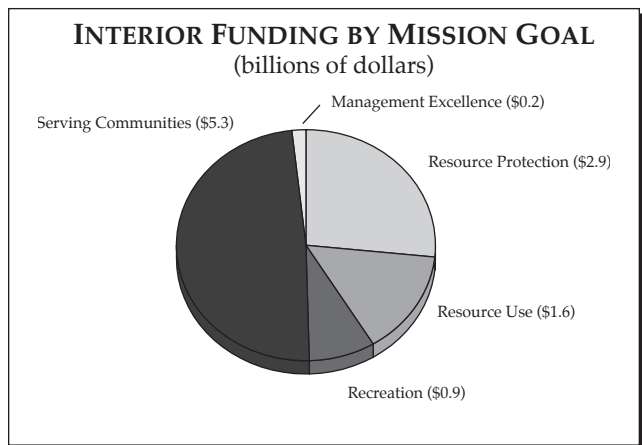
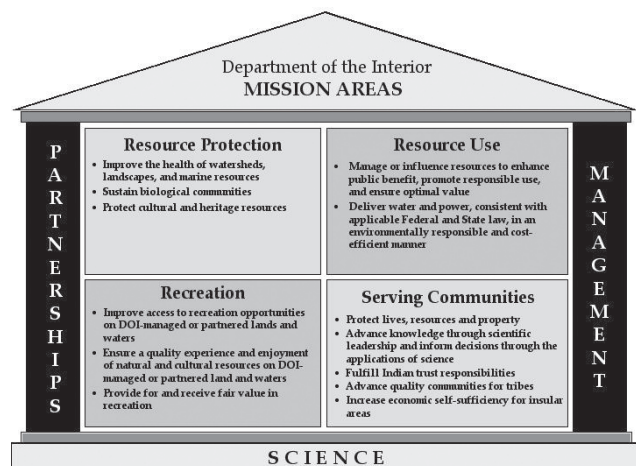
The Department's 2005 budget request of \$11.0 billion aligns with the four strategic mission components as follows:

Resource Protection – The 2005 budget includes \$2.9 billion for resource protection for programs that improve the health of landscapes and watersheds, sustain biological communities, and protect cultural and natural heritage resources, including advancing the President's commitment to address the \$4.9 billion maintenance backlog in national parks.

Resource Use – The 2005 budget proposes \$1.6 billion to better meet increasing demands for water resources and to implement important components of the National Energy Policy.

Recreation – The 2005 budget proposes \$900.0 million in recreation investments that improve access to recreational opportunities.

Serving Communities – The 2005 budget includes \$5.3 billion for serving communities, increasing efforts to fulfill responsibilities for trust management; improving services to Tribes and individual Indians; addressing the Indian school maintenance backlog; and improving Indian education. Funding to serve communities also supports the President's Healthy Forests Initiative and strengthens the wildland fire program; law enforcement activities; and the quality of information on which policy decisions are based.



MAJOR INITIATIVES IN THE 2005 BUDGET

Cooperative Conservation – Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation and benefit America's national parks, wildlife refuges, and other public lands. The 2005 budget includes \$507.3 million for the Department's cooperative conservation programs, an increase of over \$84.2 million or 20 percent above the 2004 enacted appropriations. A vital part of our cooperative conservation vision—the Cooperative Conservation Initiative—awards grants for land restoration and conservation projects that leverage federal dollars through partnerships. This initiative is an important component of our Land and Water Conservation Fund budget request.

Full Funding of the Land and Water Conservation Fund – The Department's 2005 budget request realizes the President's commitment to fully fund the Land and Water Conservation fund. The \$660.6 million LWCF proposal is an increase of \$139.3 million above the 2004 enacted budget. The Interior budget request, combined with the request for the U.S. Forest Service, brings the total government-wide LWCF request to \$900.2 million. This request will continue to enhance the Department's partnership approach with States, Tribes, local communities, and private citizens.

Trust Programs – The budget provides \$157.8 million in new funding to strengthen the Department's ongoing efforts to reform management of its fiduciary obligations to Tribes and individual Indians, to continue historical accounting efforts for trust funds, and to reduce the exponentially

growing costs of maintaining fractionated interests in Indian lands.

Increases to support ongoing reform and reorganization of Indian trust programs include \$4.0 million to quicken the pace at which current probate cases are resolved and \$7.2 million for additional trust management and oversight positions at the local level. An increase of \$29.1 million is proposed to continue efforts to build the Bureau of Indian Affairs' information technology infrastructure to support trust, as well as non-trust, programs.

Funding for historical accounting by the Office of Historical Trust Accounting is increased by \$65.0 million, to a total of \$109.4 million. This amount may be revised as legal issues pending before the courts are resolved. In 2005 OHTA will spend \$80.0 million to carry out accounting for individual Indian money accounts and \$29.4 million to account for funds in tribal accounts.

An increase of \$53.3 million is proposed for Indian land consolidation, bringing to \$75.0 million the 2005 investment to reduce the fractionation of individual Indian ownership interests. This increase is part of a multi-year effort that, along with proposed new legislative initiatives to reform probate and slow the fractionation of individually owned lands, will help bring these lands to more economically productive status for Tribes and curb the growth in the costs of managing and probating fractionated interests.

Abandoned Mine Lands – More than 3.5 million Americans live less than one mile from dangerous abandoned coal mines. Under the current Abandoned Mine Lands program grant allocation structure, it would take an average of 47 years and in some cases well over 100 years to reclaim all of the most dangerous abandoned coal mines as the majority of funds flow to States with few or no priority areas. In 2005, the Administration proposes to correct this problem by directing funds to the most critical and vulnerable areas, thus providing sufficient funding to eliminate all significant health and safety problems associated with abandoned coal mines within 25 years. To support this plan, the 2005 budget proposes a \$53.3 million increase over 2004. The proposed AML reforms will yield a savings of \$3.2 billion over the life of the program.

Healthy Forests Initiative – On December 3, 2003, after months of working with a bipartisan

SUMMARY OF MAJOR CHANGES
(current budget authority in millions of dollars)

INTERIOR AND RELATED AGENCIES

2004 Enacted Level.....	9,747.9
Abandoned Mine Reclamation	+53.3
Fire	
Suppression.....	+28.6
Fuels reduction (Healthy Forests).....	+25.0
Preparedness.....	+6.5
Rural fire assistance	-4.9
Indian Trust	
Historical accounting.....	+65.0
Indian land consolidation	+53.3
BIA Information technology	+29.1
Other	+13.7
Cooperative Conservation	
North American wetlands conservation.....	+16.5
Challenge cost share	+13.3
State and tribal wildlife grants.....	+10.9
Coop. endangered species conservation.....	+8.4
Other CCI	+35.2
Taking Care of Parks	
Priority park operating increases.....	+22.0
Repair and rehabilitation	+13.2
Law enforcement.....	+8.0
Natural resource challenge	+4.4
Preserve America	+10.0
Federal Land Acquisition.....	+55.1
Other	
Wild horse and burro program	+10.5
BLM Timber Management.....	+8.8
Enterprise services network	+8.0
Financial & Business Management System.	+7.0
Payment in Lieu of Taxes	+1.3
BLM construction.....	-7.3
Endangered species	-7.6
National recreation and preservation	-24.0
FWS construction	-37.7
BIA schools replacement and rehab.	-65.9
One-time 2004 fire repayments	-98.4
Net, all other program changes.....	-23.7
2005 Budget Request.....	9,976.3

Uncontrollable cost changes (non-add)[+70.8]

ENERGY AND WATER DEVELOPMENT

2004 Enacted Level.....	980.8
Bureau of Reclamation and Central Utah Project	
Central Valley Project	+29.4
Water management & endangered species .	+15.7
Site security	+15.4
Water 2025	+12.5
Animas La Plata	+5.3
Rural water.....	-6.8
Net, all other program changes.....	-49.7
2005 Budget Request.....	1,002.6

Total 2005 Budget Request10,978.9

coalition of members of Congress, President Bush signed into law the Healthy Forests Restoration Act of 2003 to reduce the threat of catastrophic wildfires, improve forest and rangeland health, and encourage public participation in project selection and implementation. This law builds upon the President's Healthy Forests Initiative, announced on August 22, 2002. The 2005 budget supports the President's commitment, proposing \$209.3 million for hazardous fuels funding in the wildland fire program, an increase of \$25.0 million or 14 percent. This hazardous fuels funding, together with funds for forest and range improvement in the land management agencies and Bureau of Indian Affairs, will provide approximately \$300 million in 2005 to reduce the build-up of hazardous fuels in the Nation's forests and rangelands, reduce the risk of catastrophic fire to communities, protect threatened and endangered species, and support other activities under the Healthy Forests Act.

Wildland Fire

– In addition to funding increases for hazardous fuels reduction, the 2005 budget provides an increase of \$28.6 million to fund suppression activities at the 10-year average and \$6.5 million more in preparedness activities to help implement the recommendations of a blue ribbon aviation safety panel and fund the fire program analysis system. In total, the 2005 budget for wildland fire management is \$743.1 million, a \$57.9 million increase over the 2004 enacted level.

National Parks Stewardship – The 2005 budget request of \$724.7 million for park facilities continues the President's commitment to address the deferred maintenance backlog in national parks. Increases include \$10.0 million for the park base operations to address facility maintenance and \$13.2 million for repair and rehabilitation priorities identified through the facility condition index performance measure. In addition, the President's budget assumes \$310.0 million for park roads funding in

the surface transportation reauthorization proposal, and \$77.5 million in recreation fee receipts obligated for maintenance. The 2005 budget will bring total investment in park facilities during this Administration to \$3.9 billion over four years, staying on track to meet the funding commitment of \$4.9 billion over five years.

Indian Education – The budget request includes \$229.1 million for school construction to fund the remaining five replacement schools on the current priority list, as well as several major improvement and repair projects. The BIA is making significant progress in addressing the Indian school maintenance backlog. Together with previous appropriations, the funds sought for 2005 will reduce the facility condition index for BIA schools from its September 2001 level of 0.266 to 0.113. Approximately sixty percent of schools will be in fair or good condition, as compared with 35 percent in 2001. The budget request also includes \$522.4 million



for elementary and secondary school operations and continues the President's commitment to "Leave No Child Behind." Included in the school operations request is expanded funding for FOCUS, a school achievement program with demonstrable results.

Water 2025 –

Chronic water supply problems in the West will continue to challenge the Nation in the coming decades. Crisis management is not an effective way to address long-term water-supply challenges. Recent crises in the Klamath and Middle Rio Grande basins—where water shortages have affected Native Americans, farmers, urban residents, and fish and wildlife—vividly demonstrate the consequences of failing to address strategically the problem of competing demands for constrained water supplies.

Water 2025 will foster conservation and interagency coordination, enhance water supplies through improved technologies, and manage water resources

in cooperation with States, communities, and Tribes. In some cases, collaborative approaches and market-based transfers can help communities meet emerging water needs. Federal investments in research and development will provide more affordable water treatment technologies to increase water supplies in critical areas. The 2005 budget includes \$20.0 million for Water 2025 in the Bureau of Reclamation and \$1.0 million in the U.S. Geological Survey. The Water 2025 initiative will help diminish the likelihood of future water crises by improving water management for the next century.

Klamath River Basin – The Department of the Interior is committed to finding a long-term resolution to the conflict in the Klamath River basin that will provide water to farmers and Tribes while protecting and enhancing the health of fish populations. The 2005 request includes \$67.2 million spread across several bureaus for the Klamath basin, an increase of \$17.5 million from 2004. Together with funds available in 2004, this increase will fund habitat restoration, removal of fish migration barriers, land acquisition, and the use of water banking.

Preserve America – On March 3, 2003, the First Lady announced Preserve America, an initiative to encourage and support community efforts for the preservation and enjoyment of our cultural and natural heritage. Preserve America advances greater shared knowledge about the Nation's past, increased local participation in historic preservation, and stimulation of local economies through heritage tourism. In 2005, the Department's budget includes \$10.0 million in the Historic Preservation Fund for Preserve America matching grants to support community efforts to enhance historic preservation and heritage tourism.

Natural Resource Challenge – Through the Natural Resource Challenge, the National Park Service measures the health of park ecosystems and specific flora and fauna within park boundaries. The 2005 budget proposes increases of \$4.1 million to fund another six vital signs monitoring networks, for a total 28 out of 32 planned. It also includes an increase of \$528,000 to fund all of the remaining water quality monitoring networks. With this funding, cumulative increases in the Natural Resource Challenge over the 2001 level will be \$149.4 million, fulfilling a presidential commitment to improve park management of natural resources.

BLM Resource Monitoring – The 2005 budget request includes a \$4.0 million increase to strengthen and enhance BLM's resource monitoring capabilities. Better baseline data on the condition of natural and cultural resources will improve BLM's ability to manage and protect these resources and ensure that land use plans and management decisions achieve their desired results.

BLM Timber Management – The 2005 budget request seeks \$8.8 million in new funding for timber planning and management in BLM. Additionally, \$4.2 million in Jobs-in-the-Woods will be focused on increased forest health treatments in 2005. These increases will enable BLM to satisfy the settlement terms pursuant to *American Forest Resource Council v. Clarke*.

Invasive Species – Aware of the enormous threat posed by invasive species, Interior, in coordination with the National Invasive Species Council, proposes for 2005 a \$58.3 million budget for programs to assist in the research, early detection, rapid response, and control of invasive species. With this requested amount, Interior will focus on:

- Controlling of brown tree snake infestations through research and detection.
- Developing and implementing strategies to control Asian carp species and other fresh water habitat invaders.
- Developing strike teams to respond quickly to infestations of brown tree snakes, tamarisk, leafy spurge, and yellow star thistle.
- Working with State and local governments, private landowners, and private nonprofits in the eight southwestern States to pursue an integrated strategic approach to managing tamarisk.

Payments in Lieu of Taxes – The 2005 budget seeks \$226.0 million for PILT, the highest amount ever requested for PILT and a \$1.3 million increase over the enacted level. Cooperating with States and localities is a Departmental priority. Recognizing that the financial stability of localities enhances their ability to partner with the Federal government, Interior is committed to improving PILT payment distributions, including an equitable distribution of payments to eligible local governments.

OTHER MAJOR CHANGES BY BUREAU

BUREAU OF LAND MANAGEMENT

The budget proposes \$953.5 million for BLM's two operating accounts, an increase of \$8.3 million over the 2004 enacted level.

Major changes not discussed above include increases of \$4.8 million for the challenge cost share program and \$3.2 million for sage grouse habitat conservation and restoration efforts.

The budget includes an increase of \$12.8 million for the wild horse and burro program to enable BLM to implement a long-term strategy to bring the number of horses on the range to appropriate management levels. Of this increase, \$10.5 million will be offset with decreases to programs that will benefit from achievement of appropriate management levels and with reductions to lower-priority activities. An estimated \$2.3 million will be provided by a proposed amendment to the Southern Nevada Public Land Management Act to allow use of land sales receipts for wild horse and burro management throughout Nevada.

Other operating program decreases in the BLM budget below the 2004 level total \$22.4 million, including \$9.0 million for the Alaska conveyance program, returning the program to the pace envisioned in the 2004 President's budget, and \$2.9 million for the cadastral survey program.

The BLM request also includes an increase of \$5.6 million for BLM land acquisition and a \$7.3 million reduction in BLM's construction program.

MINERALS MANAGEMENT SERVICE

The request for direct appropriations for MMS is \$178.7 million, a net increase of \$8.4 million. Collections from Outer Continental Shelf rents and other fee sources will provide an additional \$103.7 million, for a total of \$282.4 million for MMS operations. Receipts to the Treasury from MMS operations in 2005 will be \$5.9 billion.

The MMS 2005 budget supports the National Energy Policy, which focuses on increasing and diversifying the Nation's sources of traditional and alternative fuels. The 2005 budget proposes \$16.0 million for the third year of the OCS Connect

e-government project, a six-year project to reform and streamline offshore business operations. This is an increase of \$4.0 million. The budget also proposes \$1.9 million to acquire new interpretive tools to support Gulf of Mexico oil and gas evaluations and estimates. An increase of \$600,000 will expand MMS's efforts to evaluate gas hydrates, a potentially significant new offshore source of natural gas.

The 2005 MMS request also includes a \$941,000 Indian trust initiative. This initiative will expand outreach to Tribes, safeguard Indian records, and fund cost of living increases for the tribal cooperative audit partners. The budget also requests an increase of \$305,000 to fund cost of living increases for the State 205 cooperative audit program.

OFFICE OF SURFACE MINING

The OSM 2005 budget requests \$352.8 million, including the \$53.3 million increase in the Abandoned Mine Reclamation program discussed above. The 2005 AML budget will result in the reclamation of 8,200 acres of disturbed land and other hazards that threaten human health and welfare and environmental quality, removing an estimated 142,000 people from risk.

The 2005 request for Regulatory and Technology account is \$108.9 million, a \$3.5 million increase over the 2004 enacted level. The increase will allow States and Tribes to ensure that 93 percent of mine sites are free from offsite impacts.

BUREAU OF RECLAMATION

The 2005 BOR budget requests \$956.3 million, including the \$20.0 million for Water 2025 discussed above. This is a \$13.5 million increase above the 2004 enacted level.

The budget continues to emphasize BOR's core mission of delivering water and power, with a focus on ensuring site security and on maximizing efficient ways to conserve water for multiple uses, including endangered species protection. Increases of \$15.7 million above 2004 are proposed for the Klamath, Savage Rapids dam removal and Columbia basin projects; and the Columbia/Snake River salmon recovery and Endangered Species Act recovery implementation programs. In total, the request for these programs and projects is \$72.2 million.

A total of \$43.2 million is requested for site security

to assure the safety and security of facilities, an increase of \$15.4 million. Beginning in 2005, the operation and maintenance-related security costs for BOR facilities will be reimbursable from project beneficiaries, consistent with the practice for other operation and maintenance expenses.

The budget includes \$52.0 million for the Animas La Plata project to continue implementation of the Colorado Ute Settlement Act. This funding equates to the 2004 enacted level prior to application of underfinancing and will provide for construction of several facilities and implementation of mitigation projects for fish, wildlife, wetlands, and cultural resources.

The request for rural water supply projects is \$67.5 million. Although this is a reduction of \$6.8 million from 2004 enacted, the 2005 budget supports Interior's strategy of completing the construction of projects to increase water-delivery infrastructure and water availability. Consistent with the recommendations from a Program Assessment Rating Tool evaluation, legislation will be proposed to establish formally a BOR rural water program. This is an interim solution while the Administration considers restructuring all 11 Federal programs that provide drinking water to rural communities. In the long term, the water needs of rural communities may benefit from Water 2025 by helping communities look at new technologies and new management strategies for their water resources.

The \$162.9 million request for the Central Valley Project includes a \$9.6 million increase for the CVP replacements, additions, and extraordinary maintenance program. The budget funds the Middle Rio Grande project at \$18.0 million, \$14.3 million below 2004. This funding level is consistent with the President's budget request in recent years and addresses key issues.

U.S. GEOLOGICAL SURVEY

The USGS budget request is \$919.8 million. The request will maintain a robust science program, providing \$16.1 million in new and expanded programs within an overall net decrease of \$18.2 million from 2004.

The budget focuses on providing reliable data to the Interior bureaus to support sound policy and management, proposing a \$1.2 million increase for science on the Interior landscape. Science projects

funded within this initiative are determined by the priorities set by the other Interior bureaus, working in conjunction with the USGS.

Other increases include \$2.0 million for Klamath research into lake conditions and the Lost River and shortnose suckers, \$1.0 million for Water 2025, and \$1.0 million in invasive species research. Additionally, \$4.5 million is requested to build excellence in business and technology within the USGS to improve overall financial management performance and to improve information technology services provided to both USGS scientists and customers.

Overall, the 2005 budget requests \$118.9 million for geography, \$220.8 million for geology, \$202.7 million for water resources, \$167.6 million for biological research, and \$209.8 million for science support, enterprise information, and facilities.

FISH AND WILDLIFE SERVICE

The 2005 FWS budget proposes \$1.3 billion, an increase of \$22.6 million over the 2004 level.

The request for Resource Management, the principal operating account, is \$951.0 million. Included within this request is a programmatic increase of \$5.0 million for the endangered species listing program to meet litigation-driven workloads. The Resource Management request also proposes programmatic increases of \$7.5 million for the Partners for Fish and Wildlife program and \$4.4 million for the migratory bird program. The Partners program increase will provide additional funding to combat invasive species that threaten declining and at-risk species in the High Plains region and to restore the Klamath basin ecosystem. The increase for the migratory bird program will expand joint ventures, support status and trend surveys, and address migratory bird management issues, including the management of problems associated with overabundant populations of resident Canada geese, double-crested cormorants, and Caspian terns.

The budget proposes significant increases for FWS cooperative grant programs, including a \$20.4 million increase for the Landowner Incentive Program, a \$2.6 million increase for the Private Stewardship Grants program, and an \$8.4 million increase for the Cooperative Endangered Species Conservation Fund. These increases will provide States, Tribes, and private entities significant additional support

to protect and conserve threatened, endangered and at-risk species.

The budget also proposes an increase of \$16.5 million for the migratory waterfowl projects funded by the North American Wetlands Conservation Fund. Together with permanent funding sources, this will provide \$79.9 million for these important and well-targeted wetland conservation activities.

The budget includes a \$10.9 million increase for the State and Tribal Wildlife grants program, which has generated a great deal of interest from States and Tribes. This increase enhances the ability of State and tribal fish and game agencies to address on-the-ground wildlife needs in a manner that best fits local conditions.

The FWS budget request of land acquisition is \$45.0 million, a \$6.9 million increase over the 2004 level. This includes funding for acquisition of property in the Upper Klamath basin. This project will enhance water quality and restore habitat for the endangered Lost River and shortnose suckers as well as anadromous fish populations downstream of Upper Klamath Lake.

NATIONAL PARK SERVICE

The NPS budget request is \$2.4 billion, an increase of \$102.0 million over the 2004 enacted level.

For the Operation of the National Park System account, the budget seeks \$1.7 billion, a net increase of \$76.5 million. In addition to the increases for maintenance and the Natural Resource Challenge discussed above, the ONPS budget proposes a \$22.0 million increase for specific park needs, including a total of \$8.3 million for new park responsibilities.

The Historic Preservation Fund request is \$77.5 million, including \$10.0 million for the Preserve America initiative discussed earlier and \$30.0 million for Save America's Treasures.

The National Recreation and Preservation appropriation is reduced by \$24.0 million. The budget does not continue funding for Statutory and Contractual Aid activities that are secondary to the primary mission of the National Park Service and reduces funding for Heritage Partnership programs by \$11.8 million.

The request for Federal land acquisition is \$84.3

million, a net increase of \$42.5 million. The request includes \$40.0 million for the purchase of the Collier mineral rights at Big Cypress National Preserve.

BUREAU OF INDIAN AFFAIRS

The BIA budget proposal is \$2.3 billion, a net decrease of \$52.0 million below the 2004 enacted level. The 2005 budget request includes a program increase of \$42.0 million for trust programs, of which \$38.6 million is detailed earlier in this chapter. Other increases for trust include \$2.0 million for workforce training, \$1.1 million to establish a consultation office, and \$1.0 million for the forestry management program.

The 2005 budget includes \$7.8 million to operate new detention centers, \$1.4 million for border security on the Tohono O'odham Nation in Arizona, and \$2.2 million for the Chiloquin dam removal plan and environmental impact study on the Klamath River.

Other increases in the 2005 BIA budget include \$1.0 million for new or expanded contracts in the Indian self-determination fund, \$1.0 million for economic development, \$250,000 for higher education scholarships, \$500,000 to expand the FOCUS program, and \$560,000 to provide base funding for new Tribes. The budget proposes to fund tribal colleges and universities at the 2003 enacted level, with a \$500,000 increase for two tribal colleges newly qualifying for BIA funding.

The budget proposes a one-time reduction of \$5.4 million in the operations account due to the availability of carryover balances that will sustain the current level of program delivery in 2005.

The budget proposes to not fund the administrative costs grant fund until further interest can be assured from Tribes in contracting for BIA schools. Funding for employee displacement costs is reduced because these funds have not been used in recent years.

The 2005 budget for the school construction program is \$229.1 million and includes funding to complete the remaining five schools on the current school replacement priority list. The request is reduced by \$65.8 million from 2004 enacted to allow the program to focus on building the schools already funded for construction and to develop a new priority list for replacement schools. The school construction budget includes an increase

of \$4.0 million for the tribal school construction demonstration program, bringing the total to \$9.9 million, and increases annual maintenance by \$21.0 million to avoid future backlogs.

The 2005 budget for land and water settlements reflects a \$25.1 million net decrease because the Ute and Santo Domingo settlements will be completed in 2004. The budget proposes increases to fund two new settlements—the Zuni Pueblo water claims settlement in New Mexico and the Cuba Lake land claims settlement with the Seneca Nation in New York.

OFFICE OF THE SPECIAL TRUSTEE

The OST 2005 budget proposal is \$322.7 million, an increase of \$113.6 million, 54.4 percent above the 2004 enacted level. In addition to major funding increases for trust-related activities discussed earlier, the 2005 budget includes increases of \$1.8 million to expand trust financial audit capabilities and \$1.6 million for required court fees, attorney costs, and continued significant document production and costs related to individual and tribal trust cases. The budget also includes a \$8.2 million net reduction reflecting completion of project task efforts and elimination of one-time costs.

OFFICE OF INSULAR AFFAIRS

The OIA 2005 budget requests \$78.9 million in current funding, a \$3.2 million decrease from 2004 that reflects a reduction of congressional earmarks. Included in the 2005 budget proposal is a \$1.0 million increase to strengthen core performance measurement and assessment activities such as statistical data collection, benchmarking, and surveying required for performance management planning. Additionally, \$379,000 is being requested to expand brown tree snake research, control, and

rapid-response team coverage. Permanent appropriations for OIA in 2005 will total \$303.0 million, including \$195.0 million for payments to the freely associated states under the recently revised and ratified Compact of Free Association.

DEPARTMENTAL MANAGEMENT

The 2005 budget requests \$325.1 million in current funding for Departmental Management, including \$226.0 million for the Payments in Lieu of Taxes program, as discussed above.

A critical component of the DM budget is \$18.6 million for the Financial and Business Management System, an increase of \$7.0 million. A contract for implementation of FBMS was awarded on January 7, 2004. This system will dramatically improve business processes throughout the Department through modernization and integration of financial management, procurement, property management, and other subsidiary systems.

The DM budget also includes \$1.0 million for the Take Pride in America program, \$503,200 over the 2004 level, and an increase of \$550,000 for the Office of Law Enforcement and Security to implement the Secretary's law enforcement reforms, improve border law enforcement coordination, and strengthen intelligence and information sharing.

RECEIPTS

The Department projects that it will collect \$10.1 billion in receipts in 2005. This is an increase of 10.3 percent from estimated 2004 receipts, primarily due to Southern Nevada land sales and higher oil and gas price assumptions.

The largest share of receipts collected by Interior, \$3.7 billion, goes to the general fund of the Treasury.

Step by step, slowly but surely, Aldo Leopold's dream of a nation of citizen stewards began to emerge. Individuals, alone and together, on farms and in factories, in backyards and in neighborhoods, began to restore riverbank habitat, replant native grasses, or innovate to prevent pollution. These citizen stewards embody President Bush's vision of a new environmentalism—one built upon principles of entrepreneurship, local action, and respect for private property.

Secretary Gale A. Norton, July 15, 2003

Our partnerships are ... about on-the-ground results that take into account environmental goals, thriving communities, and dynamic economies. We want healthy lands and waters, while also ensuring that we have energy to warm our homes and minerals to produce goods that make our lives comfortable and convenient.

Assistant Secretary P. Lynn Scarlett, November 16, 2003

DEPARTMENT OF THE INTERIOR FACTS

- **Land** – Interior manages 507 million acres or about one-fifth of the land area of the United States and 700 million acres of subsurface minerals. The Department has jurisdiction over an additional 1.76 billion acres of the Outer Continental Shelf.
- **Parks, Refuges, Public Lands** – Interior manages 388 units of the national park system, 542 national wildlife refuges, 70 national fish hatcheries, and 13 national conservation areas and 15 national monuments in the national landscape conservation system.
- **People** – Interior has over 70,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and freely associated states.
- **Volunteers** – Interior benefits from over 200,000 volunteers who provide in excess of eight million hours of service, valued at over \$142 million per year.
- **Conservation** – Over 225,000 acres of abandoned coal mine sites have been reclaimed through the OSM's Abandoned Mine Lands program. The FWS acts to protect 1,821 endangered and threatened species; 1,263 are in the United States.
- **Revenues** – Revenues collected annually vary from \$6 to \$11 billion, including revenues from energy, minerals, grazing, timber, lands sales, and other revenue producing activities.
- **Water** – The Department is the largest supplier and manager of water in the 17 western States. The BOR manages 457 dams and 348 reservoirs that deliver irrigation water to 31 million people and one out of every five western farmers irrigating 10 million acres of farmland.
- **Energy** – Interior manages lands, subsurface rights, and offshore areas that produce approximately 28 percent of the Nation's energy, including 35 percent of natural gas, 32 percent of oil, 35 percent of coal, 17 percent of hydropower, and 48 percent of geothermal.
- **Visitation** – Annually, 68 million visits are made to BLM public lands, nearly 260 million visits to national park units, and 39 million visits to national wildlife refuges. In addition, there are 90 million visitor days of use at 308 BOR recreation sites.
- **American Indians** – The Department maintains relationships with 562 federally-recognized Tribes in the lower 48 States and Alaska, and provides support to a service population of 1.5 million people. The BIA provides education services to nearly 48,000 students in 23 States attending 183 elementary and secondary schools and dormitories and supports 29 tribally controlled community colleges, universities, and post-secondary schools.

An additional \$900.0 million goes to the Land and Water Conservation Fund, and \$150.0 million goes towards the Historic Preservation Fund. Receipts

shared with the States include \$1.1 billion in mineral revenue payments and \$226 million in aid for wildlife restoration.