

CRS Report for Congress

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Appropriations for FY2002: Interior and Related Agencies

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, consolidated, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Interior Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

NOTE: A Web version of this document with active links is available to congressional staff at: [http://www.crs.gov/products/appropriations/apppage.shtml].

Appropriations for FY2002: Interior and Related Agencies

Summary

The Interior and Related Agencies Appropriations bill includes funds for the Department of the Interior (DOI), except the Bureau of Reclamation, and funds for some agencies or programs within three other departments—Agriculture, Energy, and Health and Human Services. It also funds numerous smaller agencies.

On April, 9, 2001, President Bush submitted his FY2002 budget for Interior and Related Agencies, totaling \$18.19 billion compared to the \$19.07 billion enacted for FY2001 (P.L. 106-291). These figures reflect scorekeeping adjustments. (See **Table 10** and **Table 11**). Title VIII of the FY2001 law created a new discretionary “conservation spending category.” See **Table 12**.

On June 19, 2001, the House Appropriations Committee reported the FY2002 Interior and Related Agencies Appropriations bill (H.R.2217, H. Rept. 107-103). The House debated and passed H.R. 2217 (376-32) on June 21, 2001, with a total of \$19.00 billion. On June 29, 2001, the Senate Appropriations Committee reported H.R.2217 (S. Rept. 107-36) with amendments. The Senate debated the bill on July 11 and 12, 2001, and passed H.R.2217 by voice vote on July 12, 2001, with a total of \$18.53 billion, a lower level than the House.

House and Senate conferees met on October 10, 2001, and filed a report containing their agreement (H. Rept. 107-234) on October 11, 2001. On October 17, 2001, the conference report passed the House (380-28) and the Senate (95-3). The bill was signed into law on November 5, 2001 (P.L. 107-63).

The FY2002 law contains a total of \$19.18 billion, higher than the House and Senate levels. For agencies within DOI, it contains \$9.44 billion, while the Forest Service is funded at \$4.13 billion. There is \$1.77 billion for energy programs, and \$2.76 billion for the Indian Health Service. The Smithsonian Institution receives \$497.2 million; the National Endowment for the Arts \$98.2 million; and the National Endowment for the Humanities \$124.5 million.

The conferees addressed a number of significant energy and mineral issues. The FY2002 law drops provisions that barred funds from being used to: suspend or revise existing hardrock mining regulations, implement the Kyoto Protocol, or execute a final lease agreement for oil and gas drilling in the “Lease Sale 181” area of the Gulf of Mexico. It includes provisions to bar the use of funds for offshore energy leasing activities in several areas, and for energy leasing activities within presidentially-proclaimed national monuments as they were on January 20, 2001. The law also extends the Recreational Fee Demonstration Program for two years, and modifies the Steel Loan Guarantee Program.

In response to the terrorist attacks on the United States on September 11, 2001, a \$40 billion emergency supplemental appropriation was enacted (P.L. 107-38). The National Park Service has received \$3.1 million of the initial fund allocation for emergency response costs in New York City and Washington D.C.

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^a Division abbreviations: DSP = Domestic Social Policy; G&F = Government and Finance;
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Appropriations for FY2002: Interior and Related Agencies

Most Recent Developments

On November 5, 2001, the FY2002 Interior and Related Agencies Appropriations bill was enacted (P.L. 107-63). The conference report had passed the House (380-28) and the Senate (95-3) on October 17, 2001. House and Senate conferees had met on H.R. 2217 on October 10, 2001, and filed a report containing their agreement (H. Rept. 107-234) on October 11, 2001.

The FY2002 law contains a total of \$19.18 billion. It includes \$9.44 billion for DOI, \$4.13 billion for the Forest Service, \$1.77 billion for energy programs, \$2.76 billion for the Indian Health Service, \$497.2 million for the Smithsonian Institution, and \$98.2 million and \$124.5 million respectively for the National Endowment for the Arts and the National Endowment for the Humanities. It drops provisions that would have barred funds from being used to: suspend or revise existing hardrock mining regulations, implement the Kyoto Protocol, or execute a final lease agreement for oil and gas drilling in the "Lease Sale 181" area of the Gulf of Mexico. However, the law bars the use of funds for offshore energy leasing activities in several areas, and for energy leasing activities within presidentially-proclaimed national monuments as they were on January 20, 2001. It also extends the Recreational Fee Demonstration Program for two years, and modifies the Emergency Steel Loan Guarantee Program.

Introduction

The annual Interior and Related Agencies Appropriations bill includes funding for agencies and programs in four separate federal departments, as well as numerous smaller agencies and bureaus. The bill includes funding for the Interior Department, except for the Bureau of Reclamation, and funds for some agencies or programs in three other departments—Agriculture, Energy, and Health and Human Services. Title I of the bill includes agencies within the Department of the Interior which manage land and other natural resource or regulatory programs, the Bureau of Indian Affairs, and insular areas. Title II of the bill includes the Forest Service of the Department of Agriculture; several activities within the Department of Energy, including research and development programs, the Naval Petroleum and Oil Shale Reserves, and the Strategic Petroleum Reserve; and the Indian Health Service in the Department of Health and Human Services. In addition, Title II includes a variety of related agencies, such as the Smithsonian Institution, National Gallery of Art, John F. Kennedy Center for the Performing Arts, the National Endowment for the Arts, the National Endowment for the Humanities, and the Holocaust Memorial Council.

Status

Table 1. Status of Department of the Interior and Related Agencies Appropriations, FY2002

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
6-7-01	6-28-01	6-19-01 H.Rept. 107-103	6-21-01 (376-32)	6-29-01 S.Rept. 107-36	7-12-01 (voice vote)	10-11-01 H.Rept. 107-234	10-17-01 (380-28)	10-17-01 (95-3)	11-05-01 (P.L. 107-63)

On April 9, 2001, President Bush submitted his FY2002 budget to Congress. The FY2002 request for Interior and Related Agencies totals \$18.19 billion compared to the \$19.07 billion enacted for FY2001 (P.L. 106-291), a decrease of \$877.3 million. These figures reflect scorekeeping adjustments. Without the scorekeeping adjustments, the figures are \$18.07 billion requested for FY2002 and \$18.89 billion enacted for FY2001, a decrease of \$819.7 million.

The total funding enacted for FY2001 included emergency supplemental appropriations in Title IV and funds in Title VIII for land conservation, preservation, and infrastructure improvement. These appropriations are not specifically continued in the budget request for FY2002. Figures in this report for FY2001 for the land management agencies reflect the sum of the monies appropriated in the various titles of the FY2001 appropriations law (P.L. 106-291). Title VIII of that law also created an additional category of discretionary spending for “conservation” and identified the specific activities that would be included within this “conservation spending category” in each of the next 5 years. This spending will be subject to annual appropriations each year. This category essentially includes those conservation activities identified by Congress in particular budget accounts (or portions thereof) providing appropriations to preserve and protect lands, habitat, wildlife, and other natural resources; to provide recreational opportunities; and for other purposes. **Table 12** is a distribution of these conservation funds for FY2001 and funding levels that Congress is considering for FY2002.

In this report, the term “appropriations” represents total funds available, including regular annual and supplemental appropriations, as well as rescissions, transfers, and deferrals. Increases and decreases are calculated on comparisons between the funding levels appropriated for FY2001 and requested by the President or recommended by Congress for FY2002. The FY2002 requests contained some substantial changes in agencies’ budgets from the FY2001 levels. *Increases* were proposed for some agencies, including the National Park Service (\$382.47 million), Indian Health Service (\$78.04 million), Department of Energy (\$49.04 million), Smithsonian Institution (\$40.25 million), Minerals Management Service (\$16.25 million), Bureau of Indian Affairs (\$15.94 million), National Endowment for the Humanities (\$0.51 million), and National Endowment for the Arts (\$0.45 million). *Decreases* were proposed for other agencies, such as for the Office of Surface Mining Reclamation and Enforcement (\$-33.89 million), Geological Survey (\$-69.42 million),

Fish and Wildlife Service (\$-135.75 million), Bureau of Land Management (\$-375.64 million), and Forest Service (\$-703.27 million).

On June 7, 2001, the House Appropriations Interior Subcommittee marked up the FY2002 Interior and Related Agencies Appropriations bill, and recommended funding of approximately \$18.9 billion. The bill was reported unanimously to the full House Appropriations Committee. On June 13, 2001, the full House Appropriations Committee approved the Subcommittee's recommended funding levels, including \$1.32 billion for the conservation spending category, \$64 million above the President's request. Other increases recommended above the President's request included \$87 million for the U.S. Geological Survey (\$900.5 million total), \$50 million for the Payments in Lieu of Taxes (PILT) program (\$200 million total), \$37 million for the Abandoned Mine Reclamation Fund (\$203.5 million total), and \$185 million for Energy Conservation (\$940.8 million total). The House Appropriations Committee reported the bill (H.R. 2217, H.Rept. 107-103) to the House on June 19, 2001.

During the markup of the House Committee on Appropriations, several amendments to increase funding for agency programs were rejected. They included (1) an amendment to increase funding for the National Endowment for the Arts (\$18 million), National Endowment for the Humanities (\$5 million), and Institute of Museum and Library Services (\$2 million), and (2) an amendment to increase funding for energy conservation and fossil energy research and development by \$200 million. Another amendment sought to explicitly bar funds in the bill from being used for any activity intended to permit oil and gas exploration in the Arctic National Wildlife Refuge (ANWR) or preliminary studies on permitting such exploration, and to insert related language into the Committee's report.

The House debated and passed H.R. 2217 (376-32) on June 21, 2001, with a total of \$19.0 billion. The House accepted amendments, among others, seeking to increase funds for the arts; assure that the value of oil received as royalty-in-kind is equal to, or greater than, the proceeds that would be received under the royalty-in-value program; bar funds in the bill from being used for energy leasing within presidentially-proclaimed national monuments (with exceptions) and for suspending or revising existing hard rock mining regulations; and maintain the prohibition on oil and gas drilling in the Lease Sale 181 area of the Gulf of Mexico until April 1, 2002.

The House rejected amendments seeking to (1) increase funding for the Payments in Lieu of Taxes program and weatherization assistance programs, with offsets from the fossil energy research and development program, (2) reduce funds for the Challenge America Arts Fund while increasing funds for energy conservation programs, (3) terminate or amend the Recreational Fee Demonstration Program, and (4) prohibit the extension of campsite leases in the Biscayne National Park in Florida.

On June 28, 2001, both the Senate Appropriations Interior Subcommittee and the Senate Appropriations Committee marked up H.R. 2217. As reported with amendments (S.Rept. 107-36) on June 29, 2001, the bill provided a total of \$18.66 billion, below the House-passed level but above the FY2002 budget. The Senate Appropriations Committee concurred with the House in the total conservation spending category of \$1.32 billion. However, the distribution of funds was slightly

different, giving a larger amount, for example, to National Park Service federal land acquisition.

The Senate Appropriations Committee recommended increases above the President's request for FY2002 for almost all agencies and bureaus of the Department of the Interior, and increases above the House allowance for National Park Service, Minerals Management Service, and Bureau of Indian Affairs. However, the Senate Committee's recommended funding was below the House allowance for the Bureau of Land Management (-\$13 million), the U.S. Fish and Wildlife Service (-\$64 million), the U.S. Geological Survey (-\$8 million), and the Office of Surface Mining Reclamation and Enforcement (-\$1 million). In terms of Related Agencies, the Senate Committee recommended increases over the House allowance for the Elk Hills School Lands Fund (+\$36 million) under the Department of Energy and additional funds for the National Endowment for the Humanities (+\$2 million).

The Senate debated the Interior and Related Agencies Appropriations bill on July 11 and 12, 2001, and passed the bill by voice vote with a total of \$18.53 billion on July 12. Among the changes was an amendment to bar funds in the bill from being used for energy leasing within presidentially-proclaimed national monuments, as they were on January 20, 2001 (with exceptions). A similar national monument amendment was agreed to by the House. The Senate rejected an amendment to maintain the prohibition on oil and gas drilling in the Lease Sale 181 area of the Gulf of Mexico until April 1, 2002; a similar amendment was accepted by the House.

The Senate also accepted an amendment to extend and modify the Emergency Steel Loan Guarantee Program, originally established in 1999, although it is not generally funded in the Interior and Related Agencies Appropriations bill. It would prolong by ten years, from the end of 2005 to the end of 2015, the deadline when loans guaranteed under the program must be repaid. The amendment would extend the deadline for loan guarantee authorizations from later this year to the end of 2003. The amendment also provides that the portion of a loan covered by a guarantee may be increased from the present level of 85% to 90% or 95%, provided that no more than \$100 million in total loans may be outstanding at any one time under program guarantees at each of the higher guarantee rates, nor may any single loan at each higher rate be greater than \$50 million. Originally the amendment included provisions regarding iron ore mining and coke-producing companies, but this language was not included in the amendment as modified and agreed to. There was no provision on the Steel Loan Guarantee Program in the House bill.

On July 12, 2001, the Senate appointed the members of the Subcommittee on Interior Appropriations as conferees on the bill. On September 20, 2001, the House appointed conferees including all members of the Subcommittee on Interior Appropriations and the Chair and Ranking Member of the full Appropriations Committee.

House and Senate conferees met on October 10, 2001, and filed a report containing their agreement (H. Rept. 107-234) on October 11, 2001. The conference report contains a total of \$19.18 billion for FY2002, higher than both the House and Senate passed levels. For agencies within the Department of the Interior, the report contains \$9.44 billion, while the Forest Service is funded at \$4.13 billion. The total

fire funds for the Bureau of Land Management and the Forest Service is \$2.24 billion, including \$400 million in emergency supplemental monies. For energy programs there is \$1.77 billion, including \$912.8 million for energy conservation and \$582.8 million (+\$33.7 million by transfer for a total of \$616.5 million) for fossil energy research and development. The Indian Health Service is slated to receive \$2.76 billion. The Smithsonian Institution is funded at \$497.2 million, and the National Endowment for the Arts and the National Endowment for the Humanities are slated respectively for \$98.2 million and \$124.5 million.

The conference report includes \$1.32 billion for the conservation spending category, and another \$120 million for restoration of the Florida Everglades. For the four land management agencies, the conference report contains a total of \$600 million for backlog maintenance needs and \$429 million for land acquisition.

The conferees addressed a number of significant energy and mineral issues. Their agreement dropped provisions that barred funds from being used to: suspend or revise existing hardrock mining regulations, implement the Kyoto Protocol, or execute a final lease agreement for oil and gas drilling in the "Lease Sale 181" area of the Gulf of Mexico. The agreement included provisions to bar the use of funds for offshore preleasing, leasing, and related activities in several areas, and for such energy activities within presidentially-proclaimed national monuments as they were on January 20, 2001 (with exceptions). The agreement also extends the Recreational Fee Demonstration Program for two years, and retains the Senate's provision on the Steel Loan Guarantee Program.

On October 17, 2001, the conference report passed the House (380-28) and the Senate (95-3). The bill was signed into law on November 5, 2001 (P.L. 107-63).

Table 2. Interior and Related Agencies Appropriations, FY1997 to FY2001

(budget authority in billions of current dollars)^a

FY1998	FY1999	FY2000	FY2001	FY2002
\$13.8	\$14.3	\$14.9	\$18.9	\$19.1

^a These figures exclude permanent budget authorities, and reflect rescissions. However, they do not generally reflect scorekeeping adjustments.

Major Funding Trends

During the ten year period from FY1993 to FY2002, Interior and Related Agencies appropriations increased by 56%, from \$12.2 billion to \$19.1 billion. Most of this growth occurred during the latter years. For instance, during the five year period from FY1993 to FY1997, appropriations increased by 8%, from \$12.2 billion to \$13.1 billion. By contrast, during the most recent five years, from FY1998 to FY2002, funding increased by 38%, from \$13.8 billion to \$19.1 billion. The single biggest increase during the decade occurred from FY2000 to FY2001, when the total appropriation rose 27%, from \$14.9 billion to \$18.9 billion. See **Table 10** for a

comparison of FY2001 and FY2002 Interior Appropriations, and **Table 13** for a budgetary history of each agency, bureau, and program from FY1997 to FY2002.

Funding to Combat Terrorism

Supplemental FY2001 Appropriations, P.L.107-38

On September 18, 2001, Congress enacted a \$40 billion Emergency Supplemental Appropriation, P.L.107-38,¹ in response to the devastation and great need following the terrorist attacks on the United States on September 11th, 2001. The \$40 billion package was constructed in three phases. First, \$10 billion was to be immediately available and dispersed by the President in consultation with the House and Senate Appropriations Committee leaders. Second, an additional \$10 billion was available to be obligated following a 15-day notification to the Congress. Third, a final \$20 billion could be obligated only after money was allocated in another emergency appropriations act. For more information, see CRS Report RL31173, *Terrorism Funding: Emergency Supplemental Appropriations-Distribution of Funds to Departments and Agencies*. For more general information on terrorism issues, see the CRS Electronic Briefing Book on Terrorism at [<http://www.congress.gov/brbk/html/ebter1.shtml>].

Of the \$20 billion provided by P.L. 107-38 that did not need additional legislation, programs under the jurisdiction of the Department of Interior and Related agencies appropriations received \$3.1 million. Specifically, there was \$1.7 million for the National Park Service (NPS), Operations of the National Park System, and \$1.4 million for the U.S. Park Police (NPS) for emergency response costs in New York City and Washington, D.C.²

Supplemental FY2002 Appropriations, P.L.107-117

Of the \$40 billion appropriated by P.L. 107-38, \$20 billion could not be obligated until allocations were specified in another appropriations Act. In addition, P.L. 107-38 required OMB to submit to the Congress a proposal for the allocation of these funds as well. The OMB submitted its \$20 billion proposal on October 17, 2001.

On January 10, 2002, Congress enacted P.L. 107-117.³ The law contained \$88.1 million in total appropriations for anti-terrorism activities for the programs in the

¹ Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

² The U.S. Park Police are authorized to prevent acts of terrorism at monuments and buildings owned and managed by the NPS, including monuments, memorials, and associated facilities in Washington D.C., New York City, and San Francisco. Among the protected entities are the White House, Lincoln Memorial, Jefferson Memorial, Washington Monument, Statue of liberty, Presidio, and areas around the U.S. Capitol.

³ Department of Defense (Division A) and Emergency Supplemental Appropriations (Division B) for Recovery from and Response to Terrorist Attacks on the U.S. Act.

Department of Interior⁴ and related agencies appropriations bills. These funds were distributed as follows:

- \$10.1 million for operation of the National Park System to increase security at national monuments,
- \$25.3 million for the United States Park Police to enhance preparedness for possible attacks against key national park sites in New York City and Washington, D.C.;
- \$21.6 million for the National Park Service for constructed security improvements at the Washington Monument, the Lincoln Memorial, and the Jefferson Memorial;
- \$2.2 million for Interior Departmental management, salaries and expenses;
- \$798,000 for the National Capital Planning Commission for physical perimeter security and design plans for federal buildings in the monument core,
- \$2.15 million for the National Gallery of Art to improve security operations,
- \$21.7 million for the Smithsonian, salaries and expenses, to clean up the damaged Heye Center of the National Museum on the American Indian in NYC (\$96,000), and for increased security at the Smithsonian; and
- \$4.3 million for the John F. Kennedy Center for the Performing Arts to enhance security equipment and manpower.

Regular Appropriations for FY2002 to Combat Terrorism

Prior to the September 11, 2001 attacks, the Bush Administration's initial FY2002 budget request for the Department of the Interior included an estimated \$7.7 million⁵ (representing .07% of the total amount sought government-wide) to combat terrorism, including defense against weapons of mass destruction (WMD), according to the Office of Management and Budget (OMB).⁶ Additional funding was requested for DOI efforts to protect "critical infrastructure" from terrorist attack, making a total of \$9.6 million requested for DOI for FY2002 for combating "unconventional threats." These figures included only DOI agencies and not the numerous "related agencies" that also are funded by the Department of Interior and related agencies appropriations laws.

Although the FY2001 and FY2002 Supplemental Appropriations Acts (P.L. 107-38 and P.L. 107-117) contained sizeable sums for anti-terrorism activities, it is not clear what additional funding for anti-terrorist activities came from the regular FY2002 Interior appropriations law, P.L. 107-63. The annual appropriations laws, as

⁴ The Bureau of Reclamation (receiving \$30.2 million in the FY2002 supplemental) has not been included here, because although it is part of the Department of Interior, it is not funded by Department of Interior and Related Agencies appropriations bills.

⁵ The figure includes funds for the Bureau of Reclamation which is not funded in the Interior appropriations bill.

⁶ See OMB's *Annual Report to Congress on Combating Terrorism*, at [http://www.whitehouse.gov/omb/legislative/nsd_annual_report2001.pdf].)

well as agency budgets, typically include money for combating terrorism as part of larger line items or program requests. Further, the FY2002 Interior appropriations conference report (H.Rept. 107-234) did not specify what portion of the funds would be directed toward anti-terrorism, and mentions anti-terrorism indirectly and in only a few instances. For example, the conference report indicates an increase of \$1,743,000 for the Office of Protection Services of the Smithsonian “in light of recent events.” Under Bureau of Land Management, the conference report includes “\$3 million to evaluate oil and gas resources and reserves on public lands...in light of recent attacks on the U.S....that have underscored the potential for disruptions to America’s energy supply;...this project should be considered a top priority.”

Key Policy Issues

Title I: Department of the Interior

For further information on the budget of the Department of the Interior, see the World Wide Web site of *DOI’s Office of the Budget* at [<http://www.doi.gov/budget/>].

For further information on the *Department of the Interior*, see its World Wide Web site at [<http://www.doi.gov/>].

For information on the Government Performance and Results Act for the DOI or any of its bureaus, see *DOI’s Strategic Plan Overview FY1998-FY2002* at [<http://www.doi.gov/fyst.html>].

For information on the Department of the Interior annual performance plan, see *DOI’s FY2000 Annual Performance Report/FY2002 Annual Performance Plan* at [<http://www.doi.gov/gpra/00apr02app.html>].

Bureau of Land Management. The Bureau of Land Management (BLM) manages approximately 264 million acres of public land for diverse, and at times opposing uses, such as mining, energy development, livestock grazing, recreation, and preservation. The agency also is responsible for about 700 million acres of federal subsurface mineral resources throughout the nation, and supervises the mineral operations on an estimated 56 million acres of Indian Trust lands. Another key BLM function is wildland fire management on about 370 million acres of DOI, other federal, and certain non-federal land.

Wildland Fires. The FY2002 appropriations law contains a total of \$1.87 billion for the BLM, an increase over the President’s FY2002 budget request (\$1.77 billion), but a decrease from FY2001 (\$2.15 billion).⁷ A proposed reduction in funding for Wildland Fire Management accounts for most of the decline from FY2001. For Wildland Fire Management for FY2002, the law contains \$678.4

⁷ Of the total FY2001 appropriations, \$1.68 billion was appropriated through Title I of the FY2001 Interior appropriations law (P.L. 106-291); that title traditionally funds the BLM and other Interior Department agencies. The balance of the FY2001 appropriations was provided in other titles of P.L. 106-291, or in other laws.

million, a decrease from FY2001 (\$977.1 million), which included emergency contingent funds in response to severe fires.

The Administration had proposed creating a \$5.6 billion National Emergency Reserve to respond to natural disasters, including extraordinary fire costs. Instead, the law provides authority for the transfer of funds in certain "emergency situations," including wildfires and other natural disasters, and requires a supplemental appropriation request to replenish the transferred funds.

The wildland fire funds appropriated to BLM are to be used for fire fighting on all Interior Department lands. Interior appropriations laws also provide funds for wildland fire management to the Forest Service (Department of Agriculture) for fire programs primarily on its lands. In total, for FY2002 wildland fire management for the Departments of Interior and Agriculture, the law contains \$2.24 billion, an increase over the President's request and the House and Senate passed levels but a decrease from the amount enacted for FY2001 (\$2.86 billion). A focus of both departments is the National Fire Plan, developed following the 2000 fire season, which continues to emphasize reducing hazardous fuels, among other provisions. (For more information, see "U.S. Forest Service" below.)

Lands and Resources. For Management of Lands and Resources, the FY2002 law contains a total of \$775.6 million, including \$29.0 million for the conservation spending category. The total is an increase over the President's FY2002 request (\$760.3 million) and FY2001 (\$753.3 million). This line item funds BLM land programs including protection, use, improvement, development, and disposal.

Land Use Planning. The FY2002 law increases funds for land use planning from \$25.8 million for FY2001 to about \$33 million for FY2002 (28% increase). By contrast, only \$6 million was appropriated for land use planning for FY2000. The additional funds are being recommended as part of a multi-year effort to update land use plans to address mineral and recreational uses, among other issues. Funds for some other land and resource programs would be reduced, including those for wild horses and burros and rangelands.

Energy and Minerals. For energy and minerals, including the Alaska minerals program, the FY2002 law contains nearly \$100 million, an increase over FY2001 (\$80.6 million). The increases are to help address the demand for energy development of public lands, and are targeted for oil and gas programs, including leasing in the National Petroleum Reserve-Alaska; processing of coalbed methane permits; and assessing energy resources on public lands.

The law bars funds in the bill from being used for energy leasing activities within the boundaries of national monuments, as they were on January 20, 2001, except where allowed by the presidential proclamations that created the monuments. This language was added by House and Senate floor amendments. Amendment supporters feared that the Administration would adjust the boundaries of national monuments in order to allow energy leasing, while opponents asserted that the amendment would preclude development of needed energy resources.

The law does not contain House language that would have barred funds in the bill from being used to suspend or revise the regulations governing hard rock mining on federal lands (part 3809 of Title 43, CFR) that were issued by the Clinton Administration (effective January 20, 2001). Those regulations authorized the BLM to deny mining operations in certain instances, and made mining operators more responsible for reclaiming mined land. The House-passed language was advocated as maintaining necessary environmental protections, but opposed as precluding the Administration from reviewing regulations that were amended too extensively by the Clinton Administration.

On March 23, 2001, the Bush Administration proposed suspending the hardrock mining regulations. On October 30, 2001, the Bush Administration issued a final hardrock mining rule, effective December 31, 2001, that retained the requirements for mining operators to reclaim mined land but dropped the authority for the BLM to deny mining operations in certain instances. On October 30, 2001, the Administration also issued a proposed rule containing additional changes to the hardrock mining regulations, with public comment allowed by December 31, 2001.

The law continues the moratorium (contained in previous appropriations laws) on accepting and processing applications for patents for mining and mill site claims on federal lands. However, applications meeting certain requirements that were filed on or before September 30, 1994, would be allowed to proceed, and third party contractors would be authorized to process the mineral examinations on those applications. The law also would extend for two years both the annual maintenance fee of \$100 per claim to hold a claim on public land and the \$25 location fee for first-time locators to locate and record a claim. The House passed bill sought to extend the fees through FY2002; the Senate bill extended the fees through FY2006. Both fees were to expire in FY2001.

Range Issues. The law continues provisions (contained in previous appropriations laws) to prevent funds from being used to destroy healthy, unadopted wild horses and burros. It also continues the automatic renewal of grazing permits and leases that expire or are transferred until the permit renewal process is completed under applicable laws and regulations, including any necessary environmental analyses. The terms and conditions in permits or leases expiring in FY2002 would continue under the new permit or lease until the Secretary of the Interior completes the renewal process. In the past, this provision was advocated as necessary to address heavy agency workload in processing the grazing permits and leases that were up for renewal. Opponents feared that permits with possibly detrimental terms or conditions could continue.

Payments in Lieu of Taxes Program (PILT). For PILT, the FY2002 appropriations law contains \$210 million, midway between the House and Senate approved levels. Of the total, \$50 million is for conservation activities included in the conservation spending category. The enacted level is a substantial increase over the FY2002 request (\$150 million), and an increase over FY2001 (\$199.6 million). The PILT program compensates local governments for federal land within their jurisdictions, and has been controversial because in recent years appropriations have been substantially less than authorized amounts.

Land Acquisition. For Land Acquisition, the FY2002 law contains \$49.9 million, more than the House and Senate passed levels but less than FY2001 (\$56.5 million, including \$8.8 million from the FY2001 Consolidated Appropriations Act.) The funds would be used for conservation activities included in the conservation spending category, and divided among many projects. The money would be appropriated from the Land and Water Conservation Fund (LWCF). (For more information, see “Land Acquisition, the Land and Water Conservation Fund, and the Conservation Spending Category” below.)

For further information on the *Bureau of Land Management*, see its World Wide Web site at [<http://www.blm.gov/nhp/index.htm>].

CRS Report RL30310. *The Mining Law Millsite Debate*, by Marc Humphries.

CRS Issue Brief IB89130. *Mining on Federal Lands*, by Marc Humphries and Carol Hardy Vincent.

CRS Report RL30528. *National Monuments and the Antiquities Act: President Clinton’s Designations and Related Issues*, by Carol Hardy Vincent and Pamela Baldwin.

CRS Report 98-574. *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynne Corn.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

Fish and Wildlife Service. The Administration requested \$1.09 billion for FWS for FY2002. In FY2001, the agency received a total of \$1.23 billion: \$0.96 billion in regular appropriations in Title I, plus \$251 million in other titles of Interior and Commerce appropriations bills, plus \$15 million in emergency appropriations. The Administration’s proposal could be regarded as either a decrease of 11.1% from FY2001 (if the other titles and the emergency appropriation are included as part of last year’s FWS funding) or an increase of 11.8% (if the other titles are not included).^{8,9} Funding priorities would shift in several areas, described below. The House passed an appropriation of \$1.34 billion, an increase of 8.9% over the FY2001 total, while the Senate approved \$1.27 billion (+3.6%). The enacted amount is \$1.28 billion (+3.9%).

For FY2001, the additional Title VIII funds affecting existing FWS programs were (a) \$78 million for the Cooperative Endangered Species Fund; (b) \$20 million for the North American Wetlands Fund; (c) \$25 million for maintenance needs; and (d) \$28 million for FWS land acquisition. Title VIII also contained \$50 million for

⁸ Annual appropriations represented 66.4% of the agency’s funding in FY2001; the remainder is in special or permanently appropriated accounts, and transfers from other agencies.

⁹ Funding contained in the FY2001 appropriations for Interior and Related Agencies was reduced 0.22% in an across-the-board cut contained in a subsequent appropriations bill. These cuts are reflected in this discussion.

a new FWS program for competitive State Wildlife Grants to benefit non-game species. The funds in Title IX in the Commerce bill were an additional \$50 million for different (formula-based) State Wildlife Grants to benefit non-game species (P.L. 106-553, Appendix B, §§901-903, 114 Stat. 2762A-118-124). These additional funds, together with the funding levels requested and enacted for FY2002, are shown in **Table 3**¹⁰ and are a portion of the Conservation Spending Category shown in **Table 12** as well. In a subsequent law, these program funds were directed to be derived from the LWCF. (See “Land Acquisition, the Land and Water Conservation Fund, and the Conservation Spending Category” below.)

Table 3. Funding for FWS Programs with Special Provisions in FY2001 Appropriations Bills

(\$ in millions)

Program	FY2001- Regular Approps., Interior	FY2001- Title VIII, Interior	FY2001- Title IX, Commerce	FY2001- Total Approps.	FY2002, Request	FY2002, Approps.
Cooperative Endangered Species Fund	26.9	78.0	0.0	104.7	54.7	96.2
North American Wetlands Fund	20.0	20.0	0.0	39.9	14.9	43.5
Land Acquisition	62.8	53.0	0.0	121.2	164.4 ^b	178.1 ^a
Competitive State Wildlife Grants	0.0	50.0	0.0	50.0	0.0	0.0
Formula State Wildlife Grants	0.0	0.0	50.0	49.9	0.0	60.0
Total	109.7	201.0	50.0	365.7	234.0	377.8

^a Includes new spending for conservation on private lands. See *Complex Picture in Land Acquisition*, below.

Endangered Species Funding. Funding for the Endangered Species Program is one of the perennially controversial portions of the FWS budget. For FY2002, the Administration requested that endangered species funding (including the Cooperative Endangered Species Conservation Fund) decrease from \$225.6 million to \$166.5 million, and the Cooperative Endangered Species Conservation Fund (CESCF) decrease from \$104.7 million (\$26.9 million from regular appropriations and \$77.8 million from Title VIII) to \$54.7 million. See **Table 4**. Overall endangered species funding is substantially above FY2000 and FY2001 funding levels, primarily because of CESCF increases and the landowner incentive program. The House passed a total of \$290.2 million for endangered species funding generally, with \$107.0 million proposed for the CESCF. The Senate passed \$269.6 million, including \$91.0 million for CESCF. The FY2002 appropriations law provides a total of \$272.1 million, including \$96.2 million for CESCF.

¹⁰ The add-ons to LWCF funding represent a significant departure from past practice in magnitude only. Other examples have occurred in recent years. See the section in this report entitled “Land Acquisition, the Land and Water Conservation Fund, and the Conservation Spending Category: Cross-cutting Issue” for more information.

**Table 4. Funding for Endangered Species Programs,
FY2000-FY2002**
(\$ in thousands)

	FY2000 Enacted	FY2001 Enacted	FY2002 Request	FY2002 Enacted
Candidate Conservation	7,388	7,052	7,220	7,620
Listing	6,208	6,341	8,476	9,000
Consultation	32,342	42,750	41,901	45,501
Recovery	57,363	59,835	54,217	63,717
Landowner Incentive	4,981	4,969	0	40,000
Stewardship Grants	0	0	0	10,000
<i>Subtotal</i>	<i>108,282</i>	<i>120,947</i>	<i>111,814</i>	<i>175,838</i>
Cooperative Endangered Species Conservation Fund (regular appropriations)	23,000	26,866	54,694	96,235
Cooperative Endangered Species Conservation Fund (Title VIII)	0	77,828	0	0
Total	131,282	225,641	166,508	272,073

ESA Listing Caps, New and Old. Beginning in FY1998, Congress enacted annual limits (i.e., “caps”) on funding FWS for its listing function (\$6.3 million in FY2001).¹¹ This language limits FWS discretion to transfer funds to finance additional listings: if courts mandate agency action on listing certain species, other listings may not be able to be funded. FWS supported these limits to assure that funding for other agency programs could not be diverted to finance additional ESA listing activities. However, courts have held that budget constraints do not excuse an agency from compliance in some circumstances.

For FY2002, the Administration proposed a new version of this cap, stressing that (a) current court orders alone meant that the listing function was expected to run out of funds before the end of the fiscal year, and (b) if it were to make listing determinations on merely its own estimated backlog, the cost would be roughly \$120 million. Under the proposed new version, spending for the listing program would have been subject to a proviso that:

... notwithstanding the specific time frames and deadlines of section 4(a) and (b) of the Endangered Species Act of 1973, as amended, not to exceed \$8,476,000 shall be used for implementing subsections (a), (b), (c)(1), (c)(2)(B)(iii), and (e) of section 4 for species that are indigenous to the United States, to be expended

¹¹ The Listing Program currently includes only the listing of new domestic species, the “up-listing” of a threatened domestic species as an endangered species, and the designation of critical habitat. Because de-listing, down-listing, and the listing of species found only outside of the United States have been moved to the Recovery Program and the International Program, these types of listing actions have not been affected by the cap.

solely for (1) complying with court orders or settlements in effect as of the date of the passage of this law, and (2) undertaking such other actions as determined by the Secretary to be consistent with the priorities established by a listing priority system to implement these subsections and subject to the requirements of this appropriation....

This proposal proved to be one of the most controversial in the FWS budget. On the one hand, FWS claimed it would allow the agency to regain control of the listing process and to list species on the basis of biological need, rather than on the basis of continuing lawsuits, which FWS says that, without exception, it had lost. FWS decried a “race to the courthouse” as impeding listings founded, in its view, on a biological basis. The agency’s critics (calling the proposed amendment an “extinction rider”) responded that (1) few listings would have taken place in the last several years without the law suits; (2) the FWS claimed of conscientious attention to the law are contradicted by its initial failure to seek more funding to remove the backlog of listing and its continuing failure to do so in light of its assertion of a \$120 million need; (3) the restriction was one-sided since de-listings and down listings would have no such cap; and (4) the restriction would have been a fundamental change in the ESA, since the agency could chose the species to be protected selectively, rather than protecting all species meeting the criteria specified under §4(b) of the ESA.

The House approved \$8.48 million for the listing program, rejected the Administration’s proposed change, and retained the current cap on spending for listing. It also accepted a “subcap” of \$6 million (out of the \$8.48 million) on designation of new critical habitat. In effect, if the agency is ordered to designate even a few areas of critical habitat, funding for new listings would be restricted to \$2.48 million. Additional conflicts between court orders and funding restrictions could occur. The Senate passed a \$9 million cap on listing, but did not include a “subcap” on critical habitat, nor did it accept the Administration’s proposed change. The FY2002 appropriations law contains the Senate funding level for the listing program and specifies that the critical habitat designation limitation is exclusive of funds needed for litigation support.

Klamath River Conflict. A two year drought has exacerbated a controversy over allocation of scarce water resources in the Klamath River basin in California and Oregon. Two listed species of suckers (a kind of fish), a coho salmon run, and bald eagles have become centerpieces of a conflict that also involves farmers, commercial and sport fishermen, and Indian tribes. After two biological opinions issued under ESA by FWS and the National Marine Fisheries Service, the Bureau of Reclamation restricted irrigation water to protect fish. While the decision was supported by fishermen, tribes, and environmentalists, desperate farmers initially tried to open irrigation canals and sought a reprieve from the Bureau’s decision. A Senate amendment to prohibit the use of funds to carry out the Bureau’s decision was tabled on July 12 (52-48). Under the amendment, water deliveries were to continue as set forth in two earlier biological opinions until FWS carried out certain actions. For more information on this issue, see CRS IB10019, *Western Water Issues*, and CRS RL31098, *Klamath River Basin Issues: An Overview of Water Use Conflicts*.

Wildlife Refuge Fund. The Administration proposed \$11.4 million (no change) for the National Wildlife Refuge Fund, which provides payments to local

governments in recognition of reduction of the local tax base due to the presence of federal land.¹² The House passed \$16.4 million, while the Senate passed \$14.4 million. The FY2002 law provides \$14.4 million. Payment amounts are based on formulas authorized in law. The payment levels have been controversial, since the small additions of land to the National Wildlife Refuge System over the last several years mean that dollars (already reduced by inflation) must be spread still further. The situation has produced calls for Congress to increase the appropriation, especially since local governments often view the payments as entitlements, even though they technically are not, since they are subject to annual appropriations. FWS estimates that \$11.4 million will be sufficient to pay each county approximately 49% of the formula amounts; an additional \$5 million would raise the figure to 70%.

Complex Picture in Land Acquisition, LWCF, and Conservation Spending. Land acquisition presents an unusually complex picture for analysis in FY2002. The complexity arises not only from the distribution of the previously-mentioned Title VIII funds but also from revisions that place some programs under Land Acquisition that had been elsewhere in the budget. Title VIII, as enacted in the FY2001 Interior Appropriations Act, derived its funding from the General Fund of the U.S. Treasury. However, P.L. 106-554 (the Consolidated Appropriations Act, FY2001, Division B, Title I, §121) amended Title VIII to direct that LWCF would be the source of funding. In addition, new programs under land acquisition for FY2002 appear to closely overlap existing programs proposed to be cut elsewhere under the FY2002 request. To clarify total effort, these similar programs are shown below.

¹² Payments under PILT (see BLM, above) benefit some counties with land in the National Wildlife Refuge System. However, those FWS lands that are acquired rather than reserved from the public domain are not eligible for PILT payments. As a result, cuts in the Wildlife Refuge Fund generally affect refuges in the eastern and central states more than western refuges, while PILT cuts affect primarily western refuges.

Table 5. Appropriations for land acquisition and related matters, FY2000-FY2002
(Amounts x \$1000)

Program	FY2000	FY2001	FY2002 (Request)	FY2002 Enacted
Acquisition ^a (Including Title VIII acquisition funds)	40,763	78,527	85,110	80,135
Emergencies ^a	1,000	748	2,000	1,500
Exchanges ^a	750	848	1,000	1,000
Inholdings ^a	750	998	2,000	1,500
Acquisition management ^a	8,500	9,479	14,291	15,000
<i>Acquisition (subtotal)^a</i>	<i>51,763</i>	<i>90,600</i>	<i>104,401</i>	<i>99,135</i>
Proposed additions to acquisition, for conservation on private land				
Private Stewardship Grants ^a	NA	NA	10,000	10,000
Landowner Incentive Program ^a in Acquisition Program	NA	NA	50,000	40,000
<i>Subtotal, Acquisition plus proposed additions</i>	<i>51,763</i>	<i>90,600</i>	<i>164,401</i>	<i>149,135</i>
Related wildlife and land conservation programs				
Landowner Incentive Program (under ESA program)	4,981	4,969	0	0
North American Wetlands Conservation Fund	15,000	39,912 ^b	14,912	43,500
Competitive State Grants (Title VIII in FY2001)	NA	49,890 ^a	0	0
Formula State Grants ^c	NA	49,890	0	60,000 ^a
Neotropical Migratory Bird Program	NA	NA	NA	3,000
Tribal Wildlife Grants ^a	NA	NA	NA	0 ^d
Total	71,744	235,261	179,313	255,635
LWCF Total	51,763	160,446	164,401	209,135

^a Derived from LWCF.

^b Of this, \$19,956,000 is from Title VIII, and therefore from LWCF.

^c This program was funded through the Commerce appropriation in FY2001, even though the funding was for FWS; for FY2002, the funding would come through the Interior appropriation; competitive grants were eliminated in favor of formula grants.

^d \$5,000,000 is earmarked under the State wildlife grant program for this purpose.

NA - Not Applicable; program did not exist.

The activities funded under these pre-existing, related programs are similar to those that would be funded under the new Private Stewardship Grants, and the Landowner Incentive Program appears to be a transfer (and substantial enlargement) of an existing program, now housed in the Endangered Species Office, to the Acquisition Program. Neither program focuses on outright acquisition, according to the FY2002 budget justification, which notes (p. 381) that “[t]hese funds [from LWCF land acquisition] have traditionally been used to support federal land

acquisition.... The FY2002 budget proposes that funds also be used to support state and local conservation efforts by redirecting \$60 million in federal land acquisition funds toward private conservation efforts.” In effect, programs currently located elsewhere in the FWS budget and funded under general appropriations could be considered to have changed form slightly, then moved to funding under LWCF rather than general appropriations. The House approved a total of \$319.4 million for these programs for FY2002, up 35.8% over FY2001, and 345.2% over FY2000. The Senate approved \$313.4 million (+33.2% and +336.8%, respectively). The FY2002 law provides \$255.6 million (+8.6% and +256.3%, respectively).

The final complication in making comparisons between FY2002 appropriations and previous years is a new category of discretionary spending called “Conservation Spending Category” (CSC). Activities included in the CSC have been funded through several appropriations line items. Across the full FWS appropriation, the House ascribed \$461.4 million to the CSC, while the Senate ascribed \$434.4 million. The FY2002 law contains \$404.9 million. (For more information, see **Table 12.**)

Multi-national Species Conservation Fund (MSCF). MSCF has generated tremendous constituent interest for so small a program. It benefits Asian and African elephants, tigers, and the six species of rhinoceroses, and great apes, and is proposed for \$3.2 million (no change).¹³ The House approved an increase to \$4 million, as did the Senate. This was retained in the FY2002 law.

For further information on the *Fish and Wildlife Service*, see its World Wide Web site at [<http://www.fws.gov/>].

CRS Issue Brief IB10073. *The Arctic National Wildlife Refuge: The Next Chapter*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Issue Brief IB10072. *Endangered Species: Difficult Choices*, by Eugene H. Buck and M. Lynne Corn.

CRS Report 90-192. *Fish and Wildlife Service: Compensation to Local Governments*, by M. Lynne Corn.

National Park Service. The National Park Service (NPS) currently manages the 384 separate and diverse units that comprise the National Park System, including 57 “National Parks,” and more than 20 other types of designations that cover the System’s 327 other natural and historic sites. The System has grown to more than 83 million acres, and in recent years park recreation visits annually have totaled nearly 300 million. The NPS mission, of facilitating use and serving Park System visitors while protecting and preserving the natural and cultural resources entrusted to it, can be inherently contradictory (protecting the parks for and from the people) and constantly challenging to its professional staff.

¹³ For more details, see “Funding for Multinational Species Conservation Fund”, by M. Lynne Corn. CRS General Distribution Memo. Apr. 26, 2001. 2p.

According to the Interior Department and environmental and park advocacy groups, the National Park Service has only in recent years begun to emerge from several decades of funding shortfalls that resulted in substantial operational and maintenance problems. Temporary closure of NPS units (part of a federal government-wide shutdown during the budget debates of late 1995 and early 1996) helped galvanize public support for expanding NPS funding. National Park System funding has increased annually since FY1996.

The Bush Administration's FY2002 total request of \$2.5 billion for the NPS was \$382 million above the \$2.1 billion FY2001 level. The FY2001 level included money appropriated in Title I of the law and significant additional funds in Title VIII. The FY2002 House-passed bill allowed \$2.28 billion total for the NPS, while the Senate-passed bill allowed \$2.30 billion. The FY2002 appropriations law provides \$2.32 billion, \$187.8 million more than current levels. Park Operations accounts for nearly two-thirds of the total NPS budget. It covers resource protection, visitor services and major park programs. The House bill allowed \$1.48 billion for Park Operations, slightly more (\$9.8 million) than the request and \$92 million above current funding. The Senate-passed bill allowed \$1.47 billion for Park Operations. The FY2002 law provides \$1.48 billion.

The FY2002 request included \$48 million for the National Recreation and Preservation line item. This is a decrease of \$11.8 million from FY2001. Most of the decrease, \$9.8 million, came from Statutory or Contractual Aid and \$1.5 million comes from National Heritage Area grants. The House bill allowed \$51.8 million for this line item, \$3.8 million more than the request. The Senate-passed bill allowed \$66.3 million. The FY2002 law provides \$66.2 million.

Maintenance Backlog. The National Park System has a formidable maintenance burden with an infrastructure that includes thousands of miles of roads and thousands of permanent structures (many of these historic), bridges, tunnels, employee housing units, water and waste systems, etc. Several years ago, mounting concerns about the build-up of a decades old multi-billion dollar backlog of unmet NPS maintenance needs prompted Congress to seek new funding sources and to attack the maintenance backlog. The FY2000 Interior Appropriations law began a Department-wide campaign to prioritize maintenance over a 5-year period.

The elimination of the NPS maintenance backlog, estimated at \$5 billion, is widely being viewed as a centerpiece of the Administration's environmental agenda through its announced National Parks Legacy Project. President Bush is seeking \$4.9 billion over the next five years to eliminate the backlog, through a combination of transportation fund money, appropriated funds, and revenues from the collection of recreation fees.

Some environmental and park advocacy groups have questioned the Administration's funding sources and priorities regarding the maintenance backlog. The NPS estimates that \$2.7 billion, more than half of the maintenance backlog, is related to roads, bridges, and other transportation projects that are covered under the Transportation Equity Act (TEA 21) and paid for by gasoline taxes. These Parks programs already are funded at \$165 million annually through FY2003. TEA 21 would provide \$820 million to the Park Service over the President's five-year plan.

The additional \$1.9 billion the President has pledged may be allocated if Congress reauthorizes TEA 21 at a higher level in 2004.

The budget request addressed the remaining \$2.2 billion non-road backlog with appropriated funds and recreation fee revenues. The FY2002 budget proposed “down payment” of \$440 million has been characterized by critics as “modest.” There has been considerable reported criticism of the relatively low amount of new funds committed to eliminating the backlog as well as charges of misplaced priorities that focus mostly on roads and buildings rather than the protection of park resources.

Related to eliminating the backlog, the Administration requested a two-year moratorium on both new park unit creation and new authorizations to study the appropriateness and feasibility of potential new units. Nevertheless, Congress has continued to approve study legislation for a number of potential new units. The Administration subsequently stated that it would consider study requests on a case-by-case basis. The Administration, in the budget request, did not submit an annual list of new areas deemed worthy of study and evaluation for potential inclusion in the Park System, as required by Congress (P.L. 105-391).

The FY2002 law contains \$600 million for backlog maintenance needs of the four land management agencies. It appears that the NPS portion is not specified.

Recreational Fee Demonstration Program (Fee-Demo). The NPS coordinated Fee Demo program, being tested by the NPS and three other federal land management agencies (BLM, FWS, and the Forest Service), began in FY1996 to allow higher entrance and recreation user fees. Most of the added fees are used to support activities at the site where they are collected. Under the program currently, each agency is allowed to test up to 100 fee projects each year. The Administration proposed extending the Fee Demo program through 2006 and directing up to 60% of the NPS generated receipts, expected to total about \$100 million, toward deferred maintenance needs. The House-passed bill allowed the requested four year extension and other program changes, such as expanding the number of sites at which each agency may charge fees, and provided instructions regarding the efficiency of fee collections. However, the House did not support the requested percentage mandate for maintenance so as to allow park unit managers to decide how to spend fee revenues. There has been growing concern about the Forest Service’s Fee Demo Program, with assertions that the fees keep poorer people out, commercialize public lands, and are unfair if improved facilities are lacking. An amendment to strike the entire Fee Demo section was defeated on the House floor. The Senate passed bill did not address the Fee Demo program extension. The FY2002 appropriations law provides for a 2-year extension until 2004, and makes other program changes recommended by the House. The agencies participating in the program have collectively produced draft authorizing legislation that would make Fee Demo permanent and remove the program from the appropriation process.

Urban Park and Recreation Recovery (UPARR). This locally popular matching grant program (70% federal/30% local) targets grants to low-income city neighborhoods for rehabilitation of recreational facilities. In FY2000, the program received \$2 million, the first new funding in five years. The FY2001 request for UPARR of \$20 million represented a significant \$18 million increase. Congress

ultimately enacted \$30 million for FY2001 (in Titles I and VIII). The budget request for FY2002 did not continue funding for the UPARR program. It was asserted that the FY2002 LWCF state grant program, which the Administration had wanted to fully fund at \$450 million, provided more flexibility and greater opportunities for local governments to receive grants for recreation and conservation projects. The U.S. Conference of Mayors, among others, fought the Administration's attempts to zero out UPARR and the House Appropriations Committee restored and the full House approved UPARR funding at \$30 million, slightly above the current level. The Senate-passed bill allowed \$20 million. The FY2002 law provides \$30 million.

Glacier Bay National Park Cruise Ships. The FY2002 law contains language from the Senate passed bill that overrides two federal court decisions that would have reduced the number of cruise ships allowed in Glacier Bay National Park in Alaska from 139 to 107. The language restores the boat limit to 139, for a minimum of two years. Environmentalists have been concerned about ecosystem damage from the ships and about endangered humpback whales that frequent the park's waters. One humpback was killed in park waters in August after a collision with a cruise ship.

For further information on the *National Park Service*, see its World Wide Web site at [<http://www.nps.gov/>].

Historic Preservation. The Historic Preservation fund (HPF), established within the U.S. Treasury and administered by the National Park Service, provides grants-in-aid to states (primarily through State Historic Preservation Offices (SHPOs), certified local governments, and outlying areas (territories and the Federated States of Micronesia) for activities specified in the National Historic Preservation Act. Preservation grants are normally funded on a 60% federal- 40% state matching share basis. Preservation grants-in-aid have been provided to Historically Black Colleges and Universities (HBCUs) to help preserve threatened historic buildings on their campuses; and to Indian Tribes, Alaska Natives and Native Hawaiians for cultural heritage projects. The National Historic Preservation Act (NHPA) Amendments of 2000, enacted as P.L. 106-208, reauthorized the Historic Preservation Fund through FY2005. The FY2002 appropriations law specifies total funding for the HPF at \$74.5 million, a slight increase above the Senate-passed level, but a \$2.5 million decrease from the House-passed level.

An additional program now funded in tandem with the Historic Preservation Fund is former President Clinton's Millennium initiative, *Save America's Treasures*. Save America's Treasures grants are given to preserve "nationally significant intellectual and cultural artifacts and historic structures" including monuments, historic sites, artifacts, collections, artwork, documents, manuscripts, photographs, maps, journals, film and sound recordings. The appropriation for Save America's Treasures has been used, for example, for restoration of the Star Spangled Banner; and the Sewall-Belmont House, the National Women's Party headquarters; and the Declaration of Independence and the U.S. Constitution located in the National Archives.

Although the appropriation was continued for *Save America's Treasures* for FY2000 (\$30 million) and FY2001 (\$34.9 million), the program was criticized for not

reflecting geographic diversity, particularly in the FY1999 grants program. The FY2001 appropriations law (P.L. 106-291) specified \$20 million in projects to receive funding (leaving \$14.9 million undistributed) for Save America's Treasures, including projects such as the Rosa Parks Museum in Alabama and the Mark Twain House in Connecticut. Language was added that any project recommendations would be subject to formal approval by the House and Senate Committees on Appropriations prior to distribution of funds. These projects require a 50% cost share, and no single project would receive more than one grant from this program.

In the past, the HPF account has included the preservation and restoration of historic buildings and structures on HBCU campuses. Funds in Section 507 of P.L. 104-333 (the Omnibus Parks and Public Lands Management Act of 1996) were earmarked for preservation projects for the following universities: Fisk University and Knoxville College in Tennessee; Miles College, Talladega College, Selma University, Stillman College, and Concordia College in Alabama; Allen University, Claflin College, and Voorhees College in South Carolina; and Rust College and Tougaloo University in Mississippi. Grants were awarded to complete repairs on HBCU buildings, particularly those listed in the National Register of Historic Places that required immediate repairs. An appropriation in FY2001 of \$6.9 million represented the unused authorization remaining from P.L. 104-333, and, according to the Bush Administration, that obligation has been fulfilled. There is no funding in the FY2002 appropriations law for HBCUs under this program.

There is no longer direct federal funding for the National Trust for Historic Preservation as part of the Historic Preservation Fund Account. The National Trust was chartered by Congress in 1949 to "protect and preserve" historic American sites significant to our cultural heritage. It is a private non-profit corporation and has not received federal funding since FY1998, in keeping with Congress' plan to replace federal funds with private funding and to make the Trust self-supporting. The National Trust still maintains several financial assistance programs including the Preservation Services Fund, a program of matching grants to initiate preservation projects, and the National Preservation Loan Fund, providing below-market-rate loans to nonprofit organizations and public agencies to preserve properties listed in the National Register of Historic places, particularly those on the "Most Endangered Historic Places" list. The FY2002 Senate and House passed bills and appropriations law include \$2.5 million for a National Historic Trust Endowment grant.

The Administration's FY2002 budget requested \$67.06 million for the Historic Preservation Fund total. This total reflects the revision resulting from the line item for "conservation," which basically zeroed out the HPF and replaced it using a different accounting procedure. See **Table 6** below.

**Table 6. Appropriations for Historic Preservation
(FY2001-FY2002)**
(\$ in thousands)

Historic Preservation	FY2001 Approp.	FY2002 Request	FY2002 House Passed	FY2002 Senate Passed	FY2002 Approp.
HPF (total)	\$94,239	\$67,055	\$77,000	\$74,000	\$74,500
Grants in aid to State Historic Preservation Offices	46,495	34,455 ^a	39,000	39,000	39,000
Tribal grants	5,560	2,600	3,000	3,000	3,000
Save America's Treasures	34,923	30,000	30,000	30,000	30,000
HBCU's	7,161	—	—	—	--
Conservation Funding ^b	^b	(67,055)	(77,000)	(74,000)	(74,500)
National Historic Trust Endowment grant	—	—	5,000	2,000	2,500
Massillon Heritage Foundation	100	—	—	—	--

^a The term "grants in aid to States and Territories" is used in conjunction with the budget and refers to the same program as Grants in aid to State Historic Preservation Offices.

^b The FY2001 appropriations provided \$14.97 million from a new Title VIII, enacted in the FY2001 Interior appropriations law, and referred to as the "Conservation Spending Category." Funding for all programs in this category are shown in **Table 12** in this report.

The full House (6/21/2001) approved \$77 million for the Historic Preservation Fund for FY2002, adding \$5 million for a grant to the endowment for the National Trust Historic Sites Fund, to be matched dollar for dollar with non-federal funds, for the care and maintenance of historic sites, including the most endangered historic places. The Senate-passed bill (7/12/2001) concurred with the Senate Appropriations committee in providing \$74 million for the HPF for FY2002. The FY2002 Interior Appropriations Act provides \$74.5 million for the HPF, \$19.7 million below the FY2001 appropriation, \$2.5 million below the House-passed level for FY2002, and \$.5 million above the Senate-passed level.

For further information on *Historic Preservation*, see its World Wide Web site at [<http://www2.cr.nps.gov/>].

CRS Report 96-123. *Historic Preservation: Background and Funding*, by Susan Boren.

U.S. Geological Survey. The U.S. Geological Survey (USGS) is the Nation's primary science agency in providing earth and biological science information related to natural hazards; certain aspects of the environment; and energy, mineral, water, and biological sciences. In addition it is the federal government's principal civilian mapping agency and a primary source of data on the quality of the Nation's water resources.

The traditional presentation of the budget for the USGS is in the line item *Surveys, Investigations, and Research*, with six activities under that heading: National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources and Investigations; Biological Research; Science Support; and Facilities. The Administration requested \$813.4 million for the USGS for FY2002, a net decrease of \$69.4 million below the FY2001 level of \$882.8 million. Each of the Survey's six activities, except Science Support, showed a net decrease in that request, which provided the same level of spending as for FY2000. It reduced funding for one-time projects, congressional add-ons, lower priority programs, and select programs that the Administration identified as being more appropriately funded by USGS partners. It also provided programmatic reductions to cover a majority of uncontrollable cost increases at the USGS. In H.R. 2217, the House Committee on Appropriations recommended, and the full House approved, \$900.5 million for *Surveys, Investigations, and Research* – an increase of \$87.1 million above the request and \$17.7 million over FY2001. The House restored some high-priority research programs that were proposed for reduction or elimination. In its report on the bill, the Committee also emphasized that the Survey's principal goals and objectives should include an appropriate mix of basic and applied science that addresses both the needs of the DOI and scientific issues of national concern. The Senate Committee on Appropriations recommended, and the full Senate approved, \$892.5 million for this line item – an increase of \$79.1 million above the request and \$9.7 million above FY2001. The FY2002 appropriations law contains \$914.0 million – an increase of \$100.6 million above the FY2002 request and \$31.2 million over FY2001. Within this amount, \$25.0 million is from the Conservation Spending Category and is for the USGS to spend on State Planning Partnerships.

In the National Mapping Program activity, the Administration requested \$123.7 million – \$6.8 million below FY2001 (\$130.4 million). Decreases were proposed to discontinue funding for operation and expansion of the Ohio View consortium under the Mapping Data Collection & Integration subactivity, to reduce funding for the Earth Science Information Management & Delivery subactivity, and to discontinue funding for urban dynamics under the Geographic Research & Applications subactivity. The House approved \$130.7 million for the Program, an increase of \$7.0 million over the request and \$247,000 above FY2001. The Senate approved \$129.8 million, \$6.1 million above the request but \$0.6 million below FY2001. The FY2002 appropriations law contains \$133.3 million for the Program, \$9.6 million over the request and \$2.9 million above FY2001.

In the Geologic Hazards, Resources, and Processes activity, the Administration requested \$213.8 million – a reduction of \$11.5 million below FY2001 (\$225.3 million). Proposed decreases were intended to reduce funding for global change research and discontinue funding altogether for the Central Great Lakes Geologic Mapping Coalition under the Earth Surface Dynamics Program. The budget proposed

to eliminate the FY2001 increase for an expanded geologic mapping program and sought to discontinue funding in the Geologic Landscape & Coastal Assessments subactivity for other unrequested earmarks from FY2001. A decrease was sought in the Geologic Resource Assessments subactivity to eliminate unrequested earmarks and as a means of refocusing available funding on domestic minerals information and analysis activities.

The House approved \$228.2 million for Geologic Hazards, Resources, and Processes – an increase of \$14.4 million above the request and \$2.9 million over FY2001. In its report on the bill, the House Committee on Appropriations emphasized that the minerals information program was an important and appropriate function for the Survey and that it looked forward to the findings of a review of that program by the National Research Council, especially as they relate to the Survey's mineral information activities. The Committee also reiterated its position regarding the need to enhance and expand the Survey's coastal geology program and augmented funding to continue developing a comprehensive multidisciplinary program, beginning with Southeast region of the United States. The Committee further stressed that the Survey's highest hazards-related priority should be to continue to upgrade its various hazards monitoring networks, to acquire quality information on hazards, and to engage in high quality research. The Senate approved \$229.5 million for the Geologic Hazards, Resources, and Processes program, an amount \$15.7 above the request and \$4.2 million over FY2001. Senate action restored \$5.0 million for cooperative geologic mapping and maintained funding at the FY2001 level to continue international minerals analysis activities, global change research, and monitoring activities at the Alaska Volcano Observatory. The FY2002 law contains \$232.8 million – an increase of \$19.0 million over the request and of \$7.5 million above FY2001.

In the Water Resources and Investigations activity, the Administration requested \$159.5 million – a decrease of \$44.0 million from FY2001 (\$203.5 million). Major decreases were sought to discontinue USGS financial support for the Toxic Substances Hydrology Program and to reduce funding for the National Water Quality Assessment Program. For the former, the USGS would actively consult with the program's stakeholders to develop more collaborative partnerships based on reimbursable funding. For the latter, the USGS would pursue cost-sharing from the program's stakeholders to maintain its current scope and schedule of data collection and interpretation activities. The budget proposed a decrease in the Conservation Spending Category (Title VIII) program provided in FY2001 for activities related to stream gauging and reduced FY2002 base funding for the repair and replacement of stream gauging equipment damaged during storms. The request also sought to discontinue USGS support for Water Resources Research Institutes.

The House approved \$205.5 million for Water Resources Investigations, an increase of \$46.0 million over the request and \$2.0 million above FY2001. The House restored all but \$787,000 of a \$46.8 million reduction for Water Resources Investigations, negating all the cuts sought by the Administration for the Water Resources Assessments & Research subactivity and reducing substantially the proposed cuts to the Water Data Collection & Management subactivity. Funding for Water Resources Research Institutes was restored, and the subactivity received a \$545,000 increase under levels voted by the House. In other action, the House-

approved levels restored \$5.0 million in Conservation Category Spending for streamgauges, with the proviso in the Committee report that this was no-year, one-time money that would not remain in the base for subsequent years. Concerned about the future of water availability for the Nation, the House Appropriations Committee directed in report language that by Jan. 31, 2002, the Survey prepare a report describing the scope and magnitude of the efforts needed to provide periodic assessments of the status and trends in the availability and use of freshwater resources. The Committee report also directed the Survey to contract with the National Academy of Sciences to examine water resources research funded by all federal agencies and by significant non-federal organizations that fund water resources research, including such topics as water quality, quantity, and water use. The Committee emphasized that it was especially interested in findings that would address the adequacy of coordination mechanisms and the appropriateness of the level of investment in water resources research.

The Senate approved \$200.8 million for Water Resources Investigations program – \$41.3 million over the request but \$2.7 million under FY2001. In concert with House action, Senate-approved levels also restored \$5.0 million in Conservation Category Spending for streamgauges. The FY2002 law contains \$205.8 million for Water Resources Investigations, \$46.3 million above the request and \$2.3 million over FY2001. With the \$5.0 million restoration in Conservation Category Spending for streamgauges, House and Senate actions on the conference agreement indicate that the Federal streamgaging program in FY2002 would be about equal to the FY2001 level, \$15.95 million, with an increase of some \$100,000 for cost-of-living adjustments (pay raises, rent increases, etc.), bringing that FY2002 total to \$16.0 million. In the joint explanatory statement, the conferees stipulated their concurrence with the House direction to contract with the National Academy of Sciences to examine water resources research funded by all Federal agencies and by significant non-Federal organizations. The conferees reinforced that the primary focus of that study should answer the question of whether the Nation is making an adequate level of investment in water resources research.

For the Biological Research activity, the Administration requested \$149.3 million – a decrease of \$11.3 million below FY2001 (\$160.6 million). A sizable portion of that decrease was to discontinue funding for the National Biological Information Infrastructure Program, for biological information management and delivery, and for maintenance of biological information web sites. The FY2002 request also re-aligned funding from the Biological Research and Monitoring subactivity for science that supports the wildland fire program. Beginning in FY2002, USGS fire ecology research would be funded through the Interior Department's Wildland Fire Management Account.

The House approved \$163.5 million for Biological Research – an increase of \$14.2 million above the request and \$2.9 million over FY2001. The Senate approved \$164.4 million, \$15.1 million above the request and \$3.8 million over FY2001. The FY2002 law contains \$166.4 million, \$17.1 million over the request and \$5.8 million above FY2001. Those spending levels would allow for continued funding of the National Biological Information Infrastructure Program, for biological information management and delivery, and for maintenance of biological information web sites.

Again this year, the USGS budget presentation retained two additional activity categories in the FY2002 request: Science Support, at \$81.3 million, and Facilities, at \$85.9 million. Separating out the costs associated with modernizing the infrastructure for management and dissemination of scientific information and the costs for maintenance and repair of facilities allows for a clearer view of the money allocated directly for science. Science Support was the one budget activity that showed an increase in the FY2002 request: \$7.5 million above the FY2001 level of \$73.7 million, but only because the request reflected a transfer of funding for the USGS library and other support service costs from the Facilities activity to the Science Support activity. That transfer outweighed requested funding decreases in USGS network efforts to deliver scientific information over the Internet, thereby yielding the activity a net increase. Facilities funding, on the other hand, was down \$3.3 million below FY2001 (\$89.2 million) because of a requested decrease in funding for the Deferred Maintenance account and because of the transfer of funds to the Science Support activity for the bureau's library.

The House approved \$86.3 for Science Support – an increase of \$5.0 million over the request and \$12.6 million above FY2001. The Senate approved \$81.3 million, matching the request but \$7.6 million above FY2001. The FY2002 law contains \$86.2 million for Science Support, \$4.9 million over the request and \$12.5 million above FY2001.

The House approved \$86.4 million for Facilities – an increase of \$0.5 million over the request but \$2.8 million below FY2001 (\$89.2 million). The Senate approved \$86.7 million, which was \$0.8 million above the request of \$85.9 million but \$2.5 million below FY2001. The FY2002 law contains \$89.4 million for Facilities, \$3.5 million above the request and \$0.2 million over FY2001. Out of those funds, conferees had designated \$2.2 million for construction of a Center for Coastal Geology in St. Petersburg, Florida, as part of a cooperative effort between the USGS and the St. Petersburg Downtown Partnership – with the Partnership providing a 2:1 match for the costs of constructing this science facility.

For further information on the *U.S. Geological Survey*, see its World Wide Web site at [<http://www.usgs.gov/>].

Minerals Management Service. The Minerals Management Service (MMS) administers two programs: the Offshore Minerals Management (O.M.) Program and the Minerals Revenue Management (MRM) Program, formerly known as the Royalty Management Program. O.M. administers competitive leasing on outer continental shelf lands and oversees production of offshore oil, gas and other minerals. MRM collects and disburses bonuses, rents, and royalties paid on federal onshore and OCS leases and Indian mineral leases. MMS anticipates collecting about \$7.9 billion in revenues in FY2002 from offshore and onshore federal leases. Revenues from onshore leases are distributed to states in which they were collected, the General Fund of the U.S. Treasury, and various designated programs. Revenues from the offshore leases are allocated among the coastal states, Land and Water Conservation Fund, The Historic Preservation Fund, and the U.S. Treasury.

The Administration's FY2002 request of \$258.2 million would have provided \$252.1 million for Royalty and Offshore Minerals Management, including \$125.9

million for O.M. activities and \$83.3 million for MRM programs and \$6.1 million for oil spill research. Of the total, \$155.5 million would derive from appropriations, and \$102.7 million from offsetting collections which MMS has been retaining from OCS receipts since 1994. This request was \$11.6 million more than the FY2001 funding (\$246.6 million). Total appropriations, however, would increase by \$16.3 million while the offsets would decrease by \$4.7 million.

The House Appropriations Committee recommended funding MMS at the same level as requested, except for an increase of \$0.5 million to \$49.6 million for the regulatory program in Royalty and Offshore Minerals Management.

During floor debate on H.R. 2217, the House adopted two amendments. The first, offered by Rep. Maloney (D-N.Y.), and approved by a voice vote, requires that MMS ensure that the value of oil the government receives as royalty-in-kind (RIK), is equal to, or greater than the revenues that the government would receive under the royalty-in-value programs. In the past, royalties were paid by the oil industry to the federal government amidst controversy over the industry's valuation of the oil. Under royalty-in-kind programs, the government receives the royalty in the form of crude oil, not money. The amendment assures that any RIK is no less valuable than the calculation of the royalty under guidelines for royalty-in-value. The amendment was not controversial, but seen as codifying the current program. However, the conference report dropped the House language concerning the value of RIK oil, and retained less stringent Senate language. That enacted language requires that RIK oil, "to the maximum extent practicable" be equal to or greater than the income accruing to the government from a "comparable" royalty-in-value program.

The second House amendment that was adopted would delay by six months Administration plans to proceed with "Lease Sale 181," an area of the Gulf of Mexico that lies within Alabama state boundaries, and is also 17 miles from the coast of the Florida panhandle. The amendment passed by a wide margin (247-164), but was proceeded by sharp debate. Supporters of the amendment cited the risk to the shoreline and marine environment in the event of an accident. Opponents argued that the potential addition to U.S. energy security should not be traded off against a very small risk to the environment. The amendment, supported by several Republican members of the Florida delegation, sparked further debate in the Senate on the floor. The Senate however, rejected an amendment (33-67) to prohibit the use of federal funds for oil and gas "Lease Sale 181" in the Gulf of Mexico.

The House vote on the Interior appropriations was likely a contributing cause to the Administration's announcement a week later, on July 2, 2001, that Lease Sale 181 would only include 1.47 million acres of the 5.9 million originally proposed. The lease sale described by Secretary of Interior Gale Norton was a compromise worked out between the affected States and the Administration. The Secretary also indicated that the blocks not included in the notice of sale will not be included in the new five-year leasing plan that will cover the years, 2002-2007. The lease sale would take place December 5, 2001 under a proposed notice of sale issued by the MMS. As a consequence, the House language was dropped by the conferees. On October 26, 2001, the final notice of sale was published in the Federal Register.

The Senate Committee on Appropriations recommended \$151.9 million for royalty and offshore minerals management, roughly \$2 million more than the House-approved level. Notably, the Committee added \$1.8 million for outer continental shelf leasing and environmental programs. It also recommended \$6.1 million for oil spill research, for a total of \$158.1 million overall. The full Senate supported the Committee's recommendations.

The conferees settled upon \$150.7 million for royalty and offshore minerals management, and \$6.1 million for oil spill research, for a total FY2002 appropriation of \$156.8 million. These amounts were enacted for FY2002.

For further information on the *Minerals Management Service*, see its World Wide Web site at [<http://www.mms.gov/>].

Office of Surface Mining Reclamation and Enforcement. The Surface Mining Control and Reclamation Act of 1977 (SMCRA, P.L. 95-87) established the Office of Surface Mining Reclamation and Enforcement (OSM) to ensure that land mined for coal would be returned to a condition capable of supporting its pre-mining land use. SMCRA also created an Abandoned Mine Lands (AML) fund, with fees levied on coal production, to reclaim abandoned sites that pose serious health or safety hazards. Congress intended that individual states and Indian tribes would develop their own regulatory programs incorporating minimum standards established by law and regulations. OSM is required to maintain oversight of state regulatory programs.

The Administration's request for the Office of Surface Mining for FY2002 — at \$269 million — reflected a drop of nearly \$33.9 million (11%) from the level of \$302.8 million enacted for FY2001. The request would have provided \$166.8 million to the AML fund in FY2002, a reduction of \$35.2 million, or roughly 17%. Major components of this reduction include a decrease of \$35 million for State and Tribal conventional AML grants, and a reduction reflecting roughly \$12.5 million in the FY2001 budget earmarked for Pennsylvania as a one-time grant.

The balance of the FY2002 request for OSM included \$102.2 million in funding for Regulation and Technology programs. The request for Regulation and Technology programs represented an increase of roughly \$1.3 million from the FY2001 level (\$100.9 million). Included in this figure was \$10 million in funding for the Appalachian Clean Streams Initiative (ACSI), the same level as in FY2001, and \$1.5 million for the Small Operators Assistance Program (SOAP).

Several states have been pressing in recent years for increases in the AML appropriations. The House Appropriations Interior Subcommittee restored \$37 million to the AML Fund in the bill it marked up on June 7, 2001, and forwarded to the full Committee. The full Committee was in accord, approving \$203.6 million, an increase of more than \$1.6 million over the FY2001 level, and \$36.8 million above the request. The House Appropriations Committee boosted the budget for Regulation and Technology an additional \$1 million to \$103.2 million to cover fixed cost increases for both the agencies and the states. These levels were approved by the House on June 21, 2001.

Grants to the states from annual AML appropriations are based on states' current and historic coal production. "Minimum program states" are states with significant AML problems, but with insufficient levels of current coal production to generate significant fees to the AML fund. The minimum funding level for each of these states was increased to \$2 million in 1992. However, over the objection of these states, Congress has appropriated \$1.5 million to minimum program states since FY1996. The Administration proposes to boost this figure slightly to \$1.6 million for FY2002. The Bush Administration did not appear to take a particular stand on whether or not the minimum program level should be restored to \$2.0 million for the eight states expected to qualify (Alaska, Arkansas, Iowa, Kansas, Maryland, Missouri, North Dakota, Oklahoma), noting only that these eight states are likely to qualify for an adjustment to "bring them up to the congressionally-authorized funding level."¹⁴ The House Appropriations Committee recommended, and the House agreed to a level of \$1.5 million.

The Senate Committee on Appropriations recommended, and the full Senate agreed to, \$102.4 million for Regulation and Technology, and \$203.2 million for the Abandoned Mine Reclamation Fund – these figures are only fractionally different from the House-passed levels. The Senate also agreed to House levels of \$10 million for ACSI, and \$1.6 million for the minimum program states. The conferees made slight alterations – \$103 million for Regulation and Technology, and \$203.5 million for AML, a total of \$306.5 million overall. These amounts were enacted for FY2002.

For further information on the *Office of Surface Mining Reclamation and Enforcement*, see its World Wide Web site at [<http://www.osmre.gov/osm.htm>].

Bureau of Indian Affairs. The Bureau of Indian Affairs (BIA) provides a wide variety of services to federally recognized American Indian and Alaska Native tribes and their members, and has historically been the lead agency in federal dealings with tribes. Programs provided or funded through the BIA include government operations, courts, law enforcement, fire protection, social programs, education, roads, natural resource and real estate management, economic development, employment assistance, housing repair, dams, Indian rights protection, implementation of land and water settlements, and partial gaming oversight, among others.

BIA's FY2001 direct appropriations are \$2.19 billion (including supplemental appropriations). For FY2002, the Administration proposed \$2.20 billion, an increase of 0.7% over FY2001. Included in the proposal were increases of 2.4% in Tribal Priority Allocations (TPA) (to \$750.5 million, including \$130.2 million for self-determination contract support costs, a 4% increase), 3.2% in BIA school operations (to \$504.02 million), and 2.6% in aid under the Tribally Controlled College or University Assistance Act (to \$39.1 million). Also included was a slight increase in total BIA construction, from \$356.6 million to \$357.1 million; the proposal included \$292.5 million in education construction, almost the same as FY2001. The House approved total BIA FY2002 appropriations of \$2.21 billion, or \$10.3 million more than the request. Included in the House recommendation was \$753.8 million for

¹⁴ U.S. Department of the Interior. *Budget Justifications and Annual Performance Plan, Fiscal Year 2002. Office of Surface Mining Reclamation and Enforcement*, p. 31.

TPA, an increase over the request of \$3.4 million. The House-approved amounts for contract support costs, school operations, tribal colleges, education construction, and total construction were the same as the Administration's proposal. The Senate approved total BIA appropriations of \$2.23 billion, \$26.8 million more than the request and \$16.5 million above the House amount. The Senate approved \$754.5 million for TPA (\$4 million over the proposal and \$0.65 million over the House), \$41.1 million for tribal colleges (\$2 million more than the Administration and the House), and \$360.1 million for total BIA construction, including \$295.5 million for education construction (both construction amounts are \$3 million over the Administration and House amounts). The Senate amounts for contract support costs and school operations were the same as the Administration and House amounts.

The FY2002 appropriations law contains \$2.22 billion in total FY2002 BIA appropriations, \$19.32 million more than the Administration's request, \$9.03 million more than the House, and \$7.51 million less than the Senate. Included is \$752.16 million for TPA (more than the request but less than the House and Senate approved). Amounts enacted for contract support costs and school operations are the same as the Administration, House, and Senate amounts; the amount enacted for tribal colleges is the same as the Senate amount; and the amounts enacted for education construction and total construction are the same as the request and the House but less than the Senate.

The key issues for the BIA are the movement toward greater tribal influence on BIA programs and expenditures (especially the role of contract support costs), the equitable distribution of BIA funding among tribes, management of trust assets, law enforcement in Indian country, and repair and replacement of BIA school buildings. Provisions have also been added concerning lands for gaming for certain tribes.

Tribal Control. Greater tribal control over federal Indian programs has been the goal of Indian policy since the 1970s. In the BIA this policy has taken three forms: tribal contracting to run individual BIA programs under Title I of the Indian Self-Determination and Education Assistance Act (P.L. 93-638, as amended); tribal compacting with the BIA to manage all or most of a tribe's BIA programs, under the Self-Governance program (Title IV of P.L. 93-638, as added by P.L. 103-413); and shifting programs into a portion of the BIA budget called Tribal Priority Allocations (TPA), in which tribes have more influence in BIA budget planning and within which each tribe has authority to reprogram all its TPA funds. In FY2001 TPA accounted for 42.2% of the BIA's operation of Indian programs (including most of the BIA funding for tribal governments' operations, human services, courts, natural resources, and community development) and for 34.3% of total BIA direct appropriations. The FY2002 enacted amount for TPA is 41.8% of the recommendation for operation of Indian programs and 33.8% of recommended total BIA appropriations.

Contract support costs, authorized under the Indian Self-determination Act, fund the non-operational and overhead costs incurred by tribes in administering programs under self-determination contracts and self-governance compacts, and are calculated using a negotiated tribal cost rate (a percentage of the funding base covered by a tribe's contracts or compact). Issues raised by contract support costs include the consistent shortfall in contract support cost appropriations, tribes' claim of entitlement

to full support cost funding, identity of programs included in tribes' funding base, and rate-setting methods.

To allow the BIA and tribes to address the contract support costs problem and to allow GAO to study the issue, Congress for FY1999 imposed a one-year moratorium on BIA self-determination contracts and self-governance compacts. The GAO's report offered four alternative methods for funding contract support costs and recommended that BIA and the Indian Health Service develop a standard policy on funding contract support costs (*Indian Self-Determination Act: Shortfalls in Indian Contract Support Costs Need to be Addressed*, June 1999, GAO/RCED-99-150). For FY2000 and FY2001, Congress debated continuing the moratorium but did not retain it. Congress has not directed the BIA to put any of these GAO recommendations into effect, nor have the BIA and IHS developed a standard policy on contract support costs. Both the House and the conference committee urge the OMB to coordinate BIA-IHS solutions to their disparate handling of contract support costs. The BIA estimates that appropriations for contract support costs met 88% of reported tribal need in FY2000 and 89% in FY2001 and will meet 88% of the need in FY2002.

Funding Distribution. The issue of the equitable distribution of BIA funding—often referred to as “means-testing”—has two aspects, one relating to how funds are distributed, the other relating to whether a tribe's other financial resources are taken into account. First, much if not most BIA funding, even while serving tribal needs, is not required to be distributed on a nationwide per capita or other formula basis. Second, tribes' own non-BIA resources, especially business revenues, are not always required to be taken into account. A 1998 GAO study of TPA distribution found that two-thirds of FY1998 TPA funds were distributed based on historical levels and one-third was distributed based on formulas, that TPA distribution per capita varied widely across BIA areas, and that tribal governments' reporting of their revenues were inconsistent in including or excluding non-federal revenues.

Supporters of TPA funding redistribution based on “means-testing” of tribes claim that BIA funding is inequitably distributed, that poorer tribes do not receive adequate funding, that tribal TPA funds received per capita do not correspond with indicators of tribal need, that only 30 percent of TPA funding is based on formulas, and that some rich tribes got more TPA funds in FY1998 than tribes with no outside revenues. Opponents respond that almost all tribes are in poverty, that BIA funding is insufficient to meet tribal needs, and that means-testing TPA funding would penalize tribes who still have severe needs, would violate the federal trust responsibility to tribes, and would be unfair since it is not required of state or local governments receiving federal assistance.

Congress debated several proposals for reallocating TPA funding during its consideration of the FY1998-FY2001 appropriation bills. For FY1998-FY1999, Congress authorized a tribal-federal workgroup on TPA allocations and tribal needs assessment, required that each tribe receive a certain minimum amount of funding, and directed the BIA to develop TPA reallocation proposals. The BIA/tribal workgroup's report, in July 1999, concluded that variation in tribes' circumstances made formula distribution problematic; that TPA funding resulted from history, geography, and policies; that current funding did not meet identified needs; and that measures of tribal

need and revenue were not fully available. The workgroup recommended that base TPA funding should not be redistributed.

For FY2000, Congress decided to include a provision that authorized—but did not direct—the Secretary of the Interior to redistribute TPA funds to alleviate tribal funding inequities, but without reducing any tribe's TPA share more than 10% except in certain situations. Congress also directed the BIA to distribute funds to its two post-secondary institutions based on a formula. Both of these provisions were retained by Congress for FY2001 and FY2002. In addition, for FY2001 Congress approved a new provision prohibiting Alaska Native tribes with fewer than 25 members from receiving TPA funds; the funds were to be transferred to each tribe's regional Native non-profit corporation. There is no similar provision in the FY2002 Interior appropriations law.

Trust Asset Management. The BIA has, historically, mismanaged Indian trust funds and trust assets. Reform of trust fund management is now the responsibility of the Office of the Special Trustee for American Indians (see below). The BIA and the Office of Special Trustee together are implementing the Secretary of the Interior's High Level Implementation Plan for the Trust Management Improvement Project. The project includes improvements in trust asset systems, policies, and procedures, reduction of backlogs, and maintenance of the improved system. Trust asset management includes real estate services, processing of transaction (sales, leases, etc.), surveys, appraisals, probate functions, land title records, and other functions. The BIA contracted with a private developer for a new computerized trust asset and accounting management system (TAAMS). Critics, including tribes, the GAO, and a court-appointed special master, have raised doubts about whether the computerized TAAMS system is working successfully. In the FY2000 Interior appropriations law, Congress prohibited the Secretary from deploying TAAMS, except at a test site, until the Secretary certifies that the system meets contract requirements and users' needs. The test site is the BIA's Billings region. Congress did not include the TAAMS prohibition in the FY2001 or FY2002 Interior appropriations laws. Congress increased funding for BIA trust asset management functions, such as real estate services, appraisals, and probate, for FY2001 and FY2002.

Law Enforcement. Because of reports of greatly increased crime rates and inadequate law enforcement in Indian country, the Clinton Administration proposed for FY1999 an initiative on law enforcement in Indian country. Under this initiative, funds for Indian country flow through both the BIA and the Department of Justice (DOJ). The funds provide additional law officers, police facilities and equipment, jails and detention centers, drug testing and treatment, tribal youth programs, and tribal court assistance. BIA funding goes chiefly to ongoing operation and improvement of reservation law enforcement functions, while the DOJ funds go to improvement grants, tribal courts, juvenile justice, and construction of detention facilities. For FY2002, the Administration proposed an increase of \$9 million (to a total of \$158.3 million) for BIA law enforcement. The House, Senate, and conference committee agreed with the request, and this level was enacted. (Proposed FY2002 DOJ spending for Indian-country law enforcement programs under this initiative, in the Commerce-Justice-State appropriations bill, totals \$91.9 million.)

School Construction. The BIA funds or operates 185 elementary and secondary schools with over 2,000 education facilities. Many school facilities are old and dilapidated, with health and safety deficiencies. BIA education construction covers both construction of new school facilities to replace facilities that cannot be repaired, and improvement and repair of existing facilities. The BIA currently estimates the backlog in education facility repairs at \$942 million. Education construction funding was historically low and Congress had not accepted various proposals for alternate funding mechanisms. For FY2000, Congress funded a 74% increase in education facility construction (before internal transfers). For FY2001, Congress funded an even higher increase, 119%, to \$292.3 million. In addition, the FY2001 conference report (H.Rept. 106-914) recommended funding of \$7 million for a new tribal school construction demonstration project, under which a tribe and the BIA each pay 50% of the cost of replacing the tribe's tribally-controlled school. For FY2002 the Administration proposed a decrease of \$13.4 million in funding for construction of replacement schools (to \$127.8 million) and an increase of \$13.1 million for facilities improvement and repair (to \$161.6 million), for a total (with other programs) of \$292.5 million. No separate funding was proposed for the school construction demonstration project. The House approved the levels proposed by the Administration. The Senate approved the same amount for facilities improvement and repair but provided an additional \$3 million under new school construction to continue funding for the tribal school construction demonstration project (the Senate's total for FY2002 BIA education construction funding is \$295.5 million). The FY2002 appropriations law dropped separate funding for the school construction demonstration project but left total education construction at \$295.5 million.

Other Issues. Congress has addressed several Indian land and gaming issues in recent Interior appropriations acts, in Kansas and California. The FY2002 appropriations law continues a provision from previous appropriations laws that restricts the uses of the "Huron Cemetery" in Kansas City, KS, to religious and cultural purposes (§119). The provision prevents the Wyandotte Tribe of Oklahoma, which claims trust ownership of the cemetery, from using it for economic development, including gaming. The Wyandottes have pursued use of the Cemetery or contiguous lands for gaming at the Interior Department and in the courts. The FY2002 appropriations law includes a provision (§134) clarifying that, while the Secretary of the Interior has authority to designate what is a reservation for gaming purposes, gaming still may not occur on the Huron Cemetery or on contiguous lands that have not been taken into trust. In the California case, the Senate version of the FY2002 appropriations bill (§126) repealed §819 of P.L. 106-568; that section had authorized the Secretary of the Interior to take certain land into trust for the benefit of the Lytton Rancheria and had made the land eligible for gaming under the Indian Gaming Regulatory Act of 1988 (IGRA) as if it had been held in trust on the date of IGRA's enactment. One effect of §819 was to preempt a possible assertion by the governor of California that under IGRA his approval was needed before any gaming could occur on the lands in question. The FY2002 appropriations law has dropped the Senate provision and substituted a new provision (§128) that does not repeal §819 but instead makes any gaming on the lands subject to IGRA requirements for state-tribal compacts for casinos. The effect of §128 on the governor's power to disapprove any use of the land for gaming is uncertain.

For further information on the *Bureau of Indian Affairs*, see its World Wide Web site at [<http://www.doi.gov/bureau-indian-affairs.html>].

CRS Report 97-851. *Federal Indian Law: Background and Current Issues*, by M. Maureen Murphy.

CRS Report 93-793. *Indian Gaming Regulatory Act: Judicial and Administrative Interpretations*, by M. Maureen Murphy.

Report of the Joint Tribal/BIA/DOI Advisory Task Force on Reorganization of the Bureau of Indian Affairs to the Secretary of the Interior and the Appropriations Committees of the United States Congress. [Washington: The Task Force]. August 1994.

Departmental Offices.

National Indian Gaming Commission. The National Indian Gaming Commission (NIGC) was established by the Indian Gaming Regulatory Act of 1988 (P.L. 100-497) to oversee Indian tribal regulation of tribal bingo and other “Class II” operations, as well as aspects of “Class III” gaming (casinos, racing, etc.). The NIGC may receive federal appropriations but its budget authority has consisted chiefly of fee assessments on tribes’ Class II operations. The FY1998 Interior Appropriations Act amended the Indian Gaming Regulatory Act to increase the amount of assessment fees the NIGC may collect (to \$8 million), to make Class III as well as Class II operations subject to fees, and to increase the authorization of NIGC appropriations from \$1 million to \$2 million.

Beginning in FY1999, all NIGC activities have been funded from fees. No direct appropriations were made for the NIGC in FY2000 or FY2001. For FY2002, no appropriations for the NIGC were proposed or enacted.

Office of Special Trustee for American Indians. The Office of Special Trustee for American Indians, in the Secretary of the Interior’s office, was authorized by Title III of the American Indian Trust Fund Management Reform Act of 1994 (P.L. 103-412). The Office of Special Trustee (OST) is responsible for general oversight of Interior Department management of Indian trust assets, the direct management of Indian trust funds, establishment of an adequate trust fund management system, and support of department claims settlement activities related to the trust funds. Indian trust funds formerly were managed by the BIA, but numerous federal, tribal, and congressional reports had shown severely inadequate management, with probable losses to Indian tribal and individual beneficiaries. In 1996, at Congress’ direction and as authorized by P.L. 103-412, the Secretary of the Interior transferred trust fund management from the BIA to the OST.

FY2001 funding for the Office of Special Trustee was \$119.0 million, which included \$110.0 million for federal trust programs — trust systems improvements, settlement and litigation support, and trust funds management — and \$9.0 million for the Indian land consolidation pilot project. (The purpose of the land consolidation project is to purchase and consolidate fractionated ownerships of allotted Indian trust lands, thereby reducing the costs of managing millions of acres broken up into tiny

fractional interests.) Included in the \$110.0 million for federal trust programs was an FY2001 emergency appropriation of \$27.5 million. The President proposed an FY2002 budget of \$110.2 million for the OST, a decrease of 7.4% from the total enacted funding for FY2001, but an increase of 20.5% over the initial FY2001 appropriation. Included in the FY2002 request were \$99.2 million for federal trust programs and \$10.98 million for the Indian land consolidation pilot project. The House and Senate agreed with the Administration's request, as did the FY2002 Interior appropriations law.

Indian trust funds comprise two sets of funds: (1) tribal funds owned by about 315 tribes in approximately 1,400 accounts, with a total asset value of about \$2.6 billion; and (2) individual Indians' funds, known as Individual Indian Money (IIM) accounts, in about 287,000 accounts with a total asset value of about \$480 million. (Figures are from the OST FY2001 budget justifications.) The funds include monies received both from claims awards, land or water rights settlements, and other one-time payments, and from income from physical trust assets (e.g., land, timber, minerals), as well as investment income.

While a congressionally-required outside audit was made of non-investment transactions—deposits and withdrawals—in tribal trust fund accounts (for the 20-year period 1973-1992), Congress did not require that the outside auditors examine transactions in the IIM accounts, so their reconciliation status has been in doubt. On June 11, 1996, a class-action suit was filed in federal court against the federal government on behalf of all IIM account owners. The suit sought an accounting of the IIM funds, establishment of adequate management systems, and full restitution of any money lost from the IIM accounts. The case was certified as a class action in February 1997. The part of the IIM suit dealing with the failures of the trust-fund system went to trial in June 1999 in the U.S. District Court for the District of Columbia, and the judge on December 21, 1999, found that the government mismanaged the IIM accounts and ordered that the system be fixed and that the government provide quarterly reports on system improvements. The Department of Justice appealed this ruling in January 2000 but lost the appeal in February 2001.

The next stage of the trial relates to an historical accounting for IIM funds, to determine the amount of money owed to the plaintiffs. The FY2001 conference report directed DOI to develop a sampling methodology for IIM accounting, as DOI had intended to do, but required submission of the plan, with a cost-benefit analysis, to Congress prior to implementation. Both the FY2002 House committee report and joint explanatory statement of the conference repeat the prohibition on allocating funds for an historical accounting before submission of the plan and report. Both reports also state that a legislative remedy may be needed if a cost-effective accounting methodology cannot be agreed upon. The plaintiffs in the case object to an historical accounting methodology and, using a different methodology based on federal and state leasing returns, estimate that they are owed at least \$10 billion.

As directed by P.L. 103-412, the OST in April 1997 submitted a Strategic Plan for improving the management of Indian trust funds and trust assets. The plan recommended creation of a new federally-chartered agency, to which trust funds and assets would be transferred, and management and investment of the funds and assets to assist Indian economic growth. While considering FY1998 Interior appropriations,

Congress noted departmental and some tribal opposition to this Strategic Plan, especially to the proposed new agency. Congress directed the OST not to implement the proposed new agency but to pursue trust funds systems improvements and OST responsibilities relating to the settlement of financial claims made by tribal and individual beneficiaries, before Congress and in court, because of BIA trust-funds mismanagement. In August 1997 the Secretary of the Interior agreed to implement aspects of the Strategic Plan dealing with trust management systems, data cleanup, and trust asset processing backlogs, and in July 1998 he issued a “High-Level Implementation Plan” for this Trust Management Improvement Project.

In January 1999, the Secretary ordered a reorganization of the OST, creating a principal deputy special trustee who would carry out policy and budget execution, budget formulation, and day-to-day operations, and to whom would report the trust funds management office and the new office for trust litigation support and trust records management created by the same order. The then-Special Trustee resigned in protest. While Congress did not then enact proposed legislation prohibiting the implementation of the Secretary’s reorganization of the OST, the FY1999 supplemental appropriations bill’s conference report (H.Rept. 106-143) expressed concern about the Secretary’s order and the department’s implementation of the trust fund reform act and the High Level Implementation Plan. Both House and Senate appropriations committees have exercised continuing oversight of the trust funds reform effort.

For further information on the *Office of Special Trustee for American Indians*, see its World Wide Web site at [<http://www.ost.doi.gov/>].

Insular Affairs. The Office of Insular Affairs (OIA) provides financial assistance to the territories, manages relations between the islands and the federal government, and attempts to build the capacity of units of local government to handle insular matters. Funding for the OIA consists of two parts: (1) permanent and indefinite appropriations that do not require action by the 107th Congress or the Administration, and (2) discretionary and current mandatory funding subject to the appropriations process. Total budget authority for FY2001 was \$325.2 million and for FY2002, it is \$351.2 million, an increase of \$26 million, or 8%.

The permanent and indefinite appropriations constitute roughly 70% of the OIA budget. For FY2002 they will total \$249 million. Two elements comprise these appropriations for FY2002:

- \$145 million total to three freely associated states formerly included in the Trust Territory of the Pacific Islands. This payment is set forth in the Compacts of Free Association negotiated with representatives of the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM), and the Republic of Palau.¹⁵

¹⁵ Portions of the Compact of Free Association with the FSM and the RMI expire in the fall of 2001 and are being renegotiated. For background see: U.S. Library of Congress, Congressional Research Service, *The Marshall Islands and Micronesia: negotiations with the United States for renewing provisions of the Compact of Free Association*, by Thomas

- \$104 million in fiscal assistance to the Virgin Islands for estimated rum excise and income tax collections, and to Guam for income tax collections.

The other 30% of the OIA budget consists of discretionary and current mandatory funds that require appropriations. Appropriations for FY2001 totaled \$96.1 million; the Bush Administration requested a 3.5% decrease in discretionary and mandatory appropriations to \$92.7 million for FY2002. The FY2002 appropriations law contains a total of \$102.2 million, an increase of 6.3% over FY2001. The law also provides funding for “Technical Assistance” that exceeds not only the amount requested but also the levels recommended by both the House and the Senate for the following purposes:

- An increase in compact impact funding of \$4,000,000 for Hawaii and \$1,000,000 each for Guam and the Commonwealth of the Northern Mariana Islands.
- \$200,000 for a utility privatization study in the U.S. Virgin Islands and full funding for payment of the amount owed by the Islands to the Federal Emergency Management Agency (FEMA).
- Slight increases that total approximately \$2 million to restore funding to pre-rescission levels for the OIA, operation costs for the High Court of American Samoa, the eradication of the brown tree snake, a coral reef protection initiative, and insular management controls.

Little or no significant debate has occurred in recent years on funding for the territories and the OIA. In general, Congress continues to monitor the problems of economic development and financial management in the territories.

For further information on *Insular Affairs*, see its World Wide Web site at [<http://www.doi.gov/oia/index.html>].

Title II: Related Agencies and Programs

Department of Agriculture. For information on the *Department of Agriculture*, see its World Wide Web site at [<http://www.usda.gov/>].

U.S. Forest Service. The FY2002 Interior appropriations law contains \$4.13 billion for the Forest Service for FY2002, \$305 million less than enacted for FY2001 (\$4.44 billion), but \$216 million more than the House allowance (\$3.91 billion), \$315 million more than the Senate allowance (\$3.82 billion) and \$398 million more than requested by the President for FY2002 (\$3.73 billion).

¹⁵ (...continued)

The Bush Administration proposed reductions generally related to FY2001 appropriations above the “baseline” programs that were enacted in the subsequent titles of the Interior Act for FY2001 — Title IV, Wildland Fire Emergency Appropriations; Title V, Emergency Supplemental Appropriations; and Title VIII, Land Conservation, Preservation, and Infrastructure Improvement. Some argue that the reductions are only cuts in “extra” spending added for FY2001, and not cuts in ongoing program levels. One funding increase in Title VIII — \$50 million to reduce deferred maintenance — was continued with the Administration’s FY2002 request for another \$50 million. This proposal was included in the House-passed bill, and the Senate’s increase to \$61 million was retained in the FY2002 law. That law also retained the “extra” (Title VIII) \$4 million for urban and community forestry assistance (\$36 million total funding). It further included the \$30 million “extra” for the forest legacy program (for purchasing lands or easements to prevent conversion to non-forest uses) and another \$5 million as proposed by the Senate (\$65 million total). The law also contains the Senate’s increase to economic action programs (technical and financial assistance for depressed resource-dependent communities) to \$36 million, \$15 million more than the House allowance and \$7 million more than the Administration requested.

The biggest proposed change in funding is for wildland fire management. The Administration’s request was for \$1.28 billion, \$600 million below (–32%) the FY2001 appropriation. In response to the severe wildfires in the summer of 2000, in FY2001 Congress had appropriated \$425 million for emergency fire contingencies, and another \$173 million for emergency fire rehabilitation and restoration and community and private land fire assistance. These two appropriations essentially account for the proposed overall \$600 million decrease from FY2001 to FY2002. The Bush Administration proposed the creation of a \$5.6 billion National Emergency Reserve Fund to cover fire emergencies and other natural disasters, but to date Congress has not created such a fund.

The FY2002 appropriations law provides \$1.56 billion for wildland fire management, more than the Administration’s request (\$1.28 billion) and the House and Senate levels (\$1.40 billion and \$1.28 billion, respectively). Most of the increase is in emergency contingency appropriations for fire suppression operations, emergency rehabilitation, and other activities. The law contains a total of \$346 million in emergency funding, including \$266 million for fire suppression operations, \$10 million for fire facilities, \$59 million for restoration and rehabilitation, \$6 million for state fire assistance, and \$5 million for fire research and development.

Other significant program funding includes:

- Land acquisition, with the \$150 million enacted level being more than the President’s request and House allowance of \$131 million and Senate allowance of \$129 million, but less than FY2001 (\$151 million); and
- Stewardship incentives (financial assistance to private landowners for forest stewardship practices), with \$3 million in the FY2002 law, less than the House level of \$8 million, but no funds had been included by the Senate or requested by the Administration, and the program had received no funds since FY1998.

Timber Sales. Timber sales, especially salvage timber related to forest health, have been debated repeatedly in Forest Service budget and authorizing legislation. The FY2002 budget request proposes modest increases in salvage sales of dead and dying trees (from 0.424 billion board feet, or BBF, to 0.574 BBF) and in new green (live tree) sales (from 1.526 BBF to 1.538 BBF). The proposed FY2002 sale levels (2.112 BBF in total) also are above the FY2000 results (1.700 BBF in total). The FY2002 law also includes Senate language directing \$5 million more than the normal allocation to the Alaska region for additional timber sale preparation.

Forest Fires and Forest Health. The summer of 2000 was a severe fire season by nearly any standard. On September 8, 2000, the Clinton Administration proposed a new program in *Managing the Impact of Wildfires on Communities and the Environment: A Report to the President in Response to the Wildfires*, commonly called the National Fire Plan. The proposal was to add \$1.6 billion to the FY2001 request for wildfire operations (\$770 million), for fuels treatment and burned area restoration (\$390 million), for fire preparedness (\$340 million), and for programs to assist local communities (\$88 million). (The proposal applied to BLM lands as well as to Forest Service lands.) As noted above, many of these increases — excluding emergency fire contingency funds, private land fire assistance, and restoration and rehabilitation — were continued in the Bush Administration’s FY2002 budget request, in the House and Senate measures, and in the FY2002 law. The National Fire Plan also proposed increased cooperation and collaboration among federal agencies and with state, county, local, and tribal governments.

Congress responded to this proposal in the FY2001 Interior Appropriations Act by increasing Forest Service and BLM wildfire management funds and by enacting Title IV, Wildland Fire Emergency Appropriations. The total increase equaled the Clinton Administration’s September request. Congress included other provisions in Title IV requiring the agencies to report on “urban wildland interface” communities and projects, directing the Forest Service to publish its *Cohesive Strategy for Protecting People and Sustaining Resources in Fire-Adapted Ecosystems* and explain how existing plans and initiatives are consistent with or differ from this strategy, and providing expedited NEPA review procedures and Endangered Species Act consultations for hazardous fuel reduction and burned area treatments. The FY2002 law includes an authorization to transfer funds to expedite ESA consultations.

Land Management Planning. Planning for management of the federal lands has been controversial for decades. Congress enacted laws to establish and guide land and resource management planning, but the public participatory planning process has not led to the expected harmonious land management. Bills to improve planning, some emphasizing forest health, have been introduced in both Houses in several Congresses, but none have been enacted. On November 9, 2000, the Forest Service promulgated new planning regulations with a greater emphasis on ecosystem management and protection of biological diversity. While some interests applauded the changes, and suggested that further changes were feasible, others objected to the new management direction being taken. The Bush Administration has stated that it will review the new regulations, and may propose changes. For FY2002, the Bush Administration requested \$70 million for land management planning, \$8 million below FY2001 but \$20 million above FY2000. The FY2002 appropriations law contains \$70 million for land management planning, the same as the House Appropriations

Committee and \$1 million less than the Senate. It also retains language (in §327) from previous Acts that forest plans cannot be challenged solely because the 15-year deadline in law for revising the plans had not been met.

For further information on the *U.S. Forest Service*, see its World Wide Web site at [<http://www.fs.fed.us/>].

For information on the Government Performance and Results Act for the U.S. Forest Service, see the *USDA Strategic Plan* World Wide Web site at [<http://www.usda.gov/ocfo/strat/index.htm>].

CRS Report 95-15 ENR. *Below-Cost Timber Sales: Overview*, by Ross W. Gorte.

CRS Report RS20822. *Forest Ecosystem Health: An Overview*, by Ross W. Gorte.

CRS Report RL30755. *Forest Fire Protection*, by Ross W. Gorte.

CRS Congressional Distribution Memorandum. *Forest Service Budget Allocation Formula*, by Ross W. Gorte.

CRS Congressional Distribution Memorandum. *Forest Service Performance Measures*, by Ross W. Gorte.

CRS Report RL30647. *The National Forest System Roadless Areas Initiative*, by Pamela Baldwin.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

Department of Energy. For further information on the *Department of Energy*, see its World Wide Web site at [<http://www.energy.gov/>].

For information on the Government Performance and Results Act for the DOE or any of its bureaus, see *DOE's Strategic Plan* World Wide Web site at [<http://www.cfo.doe.gov/stratmgmt/plan/doesplan.htm>].

Fossil Energy Research, Development, and Demonstration. The Bush Administration's FY2002 budget request of \$449 million for fossil fuel research and development (R&D) is about 17% less than the amount appropriated for FY2001 (\$539.5 million), despite funding start-up of a new Clean Coal Power Initiative (CCPI) at \$150 million. The previously released Budget Outline proposed spending \$2 billion over 10 years on the CCPI. It would be a cost-sharing industry/government program to demonstrate advanced power technologies along the lines of the Clean Coal Technology Program (CCTP), which has completed most of its projects and has been subject to rescissions and deferrals since the mid-1990s.

Much of the funding for the CCPI comes from reductions in the Fossil R&D Central Systems subprogram, which would be funded at \$61 million, a reduction of \$138 million from the amount appropriated in FY2001. In addition, R&D on natural

gas and petroleum would be cut by more than 50%, to \$21 million and \$30 million respectively, and smaller cuts are distributed throughout the other subprograms.

The CCTP, which is funded separately from the other fossil R&D programs, would receive no additional appropriations, and would receive \$82 million from previously deferred budget authority to continue with several projects that are still active. No funding is proposed to be deferred or rescinded in FY2002, in contrast to the \$67 million deferred in the FY2001 appropriations bill.

The \$150 million for the CCPI is contemplated for “funding advance research and development and a limited number of joint government-industry-funded demonstrations of new technologies that can enhance the reliability and environmental performance of coal-fired power generators.” (For more details on clean coal technology, see CRS Report RS20877, “The Clean Coal Technology Program: Current Prospects.

The bill reported out by the House Appropriations Committee included the \$150 million for the CCPI, and also added \$130 million for other fossil fuel programs, for a total of \$579 million. Included in the increase were \$60.6 million more for Fuels and Power Systems, for a total of \$220.3 million; \$19.3 million for Natural Gas Technologies, for a total of \$40.3 million; and \$25.5 million more for Petroleum - Oil Technology, for a total of \$56 million. The full House concurred in these numbers.

The Senate Committee on Appropriations was in essential agreement with the House that the Administration request for fossil fuel was inadequate. The Senate Appropriations Committee recommended \$570.4 million, \$8.6 million less than was approved by the House, but still \$124.1 million above the request. The full Senate supported the Committee’s recommendations. The FY2002 Interior Appropriations Act contains \$582.8 million for fossil energy research and development plus \$33.7 million by transfer, for a total of \$616.5 million.

For further information on *Fossil Energy*, see its World Wide Web site at [<http://www.fe.doe.gov/>].

CRS Report RS20877. *The Clean Coal Technology Program: Current Prospects*, by Carl E. Behrens.

Strategic Petroleum Reserve. The SPR, authorized by the Energy Policy and Conservation Act (P.L. 94-163) in late 1975, consists of caverns formed out of naturally-occurring salt domes in Louisiana and Texas in which more than 570 million barrels of crude oil is stored. The purpose of the SPR is to provide an emergency source of crude oil which may be tapped in the event of a presidential finding that an interruption in oil supply, or an interruption threatening adverse economic effects, warrants a drawdown from the Reserve. Sharp increases in the price of oil beginning in the spring of 1999 have spurred periodic calls for drawdowns from the Reserve. The Clinton Administration authorized some exchanges and swaps of oil from the SPR, and also instituted a program to accept roughly 28 million barrels as royalty-in-kind payments for production on federal lands. The Clinton Administration also established a regional Northeast Heating Oil Reserve (NHOR) which houses 2 million barrels of home heating oil in above-ground facilities in Connecticut and New Jersey.

For FY2001, the 106th Congress approved \$165 million, adding \$8 million above the Administration request for funding the regional heating oil reserve. The FY2002 budget request for the SPR was for \$169.0 million, including \$8.0 million to continue the leasing of facilities, and the operation of the NHOR. This represented a \$4.3 million increase over FY2001. Roughly \$3.3 million of the increase was to support monitoring of the caverns for natural geothermal heating and gas intrusion. The House Committee on Appropriations added \$10 million to the budget request to provide for the first phase of a program to continuously de-gas SPR oil at SPR sites, bringing the total to \$179 million. An amendment in committee to use the proceeds from an SPR oil sale to establish an ethanol and biodiesel reserve was withdrawn. The funding level recommended by the Committee was approved by the House.

The Senate agreed to the requested level of \$169 million, choosing not to include the additional \$10 million approved by the House for degasification of oil in storage. However, the FY2002 Interior Appropriations Act provided the same amount as the House, \$179 million. The conferees had stipulated that funding for the Northeast Heating Oil Reserve is “not to exceed” \$8 million, and that any savings will be applied to the degasification project. The conferees indicated that funding for this project should be maintained at \$12 million for the next three fiscal years with the objective of completing the project by the end of FY2005.

For further information on the *Strategic Petroleum Reserve*, see its World Wide Web site at [<http://fossil.energy.gov/nposr/index.shtml>].

CRS Issue Brief IB87050. *The Strategic Petroleum Reserve*, by Robert Bamberger.

Naval Petroleum Reserves. The National Defense Authorization Act for FY1996 (P.L. 104-106) authorized sale of the federal interest in the oil field at Elk Hills, CA (NPR-1). On Feb. 5, 1998, Occidental Petroleum Corporation took title to the site and wired \$3.65 billion to the U.S. Treasury. P.L. 104-106 also transferred most of two Naval Oil Shale Reserves (NOSR) to the Department of the Interior (DOI); the balance of one of these was transferred to DOI in the spring of 1999. On January 14, 2000, DOE announced that it would return the undeveloped NOSR-2 to the Ute Indian Tribe; the FY2001 National Defense Authorization (P.L. 106-398) provided for the transfer. The U.S. retains a 9% royalty interest in NOSR-2, those proceeds to be applied to the costs of remediation for a uranium mill tailings site near Moab, Utah.

This leaves in the program two small oil fields in California and Wyoming, which will generate estimated revenue to the government of roughly \$7.8 million during FY2001, and a projected \$6.8 million during FY2002. Congress appropriated no new funds for FY2000 and \$1.6 million for FY2001, funding the NPR program from a carryover balance created when Elk Hills was sold. The budget request proposed using the remainder of that carryover in FY2002 – \$5 million – and asked for a congressional appropriation of \$17.3 million to bring the NPR program to full funding, \$22.7 million, comparable to FY2001. The House concurred on June 21, 2001; so did the Senate on July 12, 2001.

In settlement of a long-standing dispute between California and the federal government over the state’s claim to Elk Hills as “school lands,” the California

Teachers' Retirement Fund is to receive 9% of the sale proceeds after the costs of sale have been deducted. The agreement between DOE and California provided for five annual payments of \$36 million beginning in FY1999, with the balance due to be paid in equal installments in FY2004 and FY2005. The budget request for \$36 million for the Elk Hills School Lands Fund for FY2002 was approved by both the House and Senate.

The conferees and subsequent FY2002 Interior Appropriations Act concurred with the numbers agreed upon in the House and Senate.

For further information on *Naval Petroleum and Oil Shale Reserves*, see its World Wide Web site at [<http://fossil.energy.gov/nposr/index.shtml>].

Energy Conservation. The FY2002 budget request document states that, "the Administration's energy efficiency programs produce substantial benefits for the Nation – both now and in the future – in terms of economic growth, increased national security and a cleaner environment through the research and development of energy efficiency and pollution prevention technologies These programs are a major component of the Administration's climate change response" (Budget Appendix, p. 410). Further, the Administration's FY2002 budget request for Energy Conservation programs at the Department of Energy (DOE) states, " The Department's FY2002 request maintains core energy efficiency related research and development (R&D) capabilities until ongoing operations can be evaluated against the outcome and priorities that will flow from the Vice President's National Energy Policy Development Group." (DOE Budget Highlights, p. 106)

The Administration's FY2002 request (as amended on May 14, 2001) for DOE's Energy Efficiency Program proposed to cut funding to \$755.8 million — a decrease of \$57.6 million, or 7%, below the FY2001 level of \$815.4 million (includes \$2.0 million transfer from prior year carryover in biomass account). This includes \$444.8 million for R&D programs, a cut of \$180.1 million, or 29%. For grant programs, the request includes \$311.0 million, an increase of \$120.3 million. All of this increase is for the Weatherization Program, which would grow from \$152.7 million to \$273.0 million, a 79% addition.

The House recommended \$940.8 million for Energy Efficiency, including \$629.8 million for R&D and \$311.0 million for grants. The Senate approved \$870.8 million, including \$619.8 million for R&D and \$251.0 million for grants. The Senate level is \$70.0 million lower than the House level, including \$36.3 million less for Weatherization grants, \$23.7 million less for State grants, and \$10.0 million less for the Federal Energy Management Program (FEMP).

The FY2002 Interior Appropriations Act provided \$912.8 million, including \$637.8 million for R&D and \$275.0 million for grants. Compared to the request, the enacted level includes an increase of \$157 million for R&D, \$7 million more for State grants, and \$57 million more for Weatherization grants.

Compared to FY2001, the FY2002 law provides an increase of \$97.4 million, or 12%, not including a downward adjustment for inflation. This includes an increase of \$13 million, or 2%, for R&D and an increase of \$84.4 million, or 44%, for grants.

Under R&D, however, this includes cuts of \$2.1 million for Equipment, under the Buildings Office; \$2.8 million for Aluminum, under the Industry Office; and \$4.5 million for Vehicle Technologies, under the Transportation Office.

For further information on the *Energy Conservation Budget*, see the Web site at [<http://www.cfo.doe.gov/budget/02budget/index.htm>].

For further information on *Energy Conservation Programs*, see the Web site entitled *Energy Efficiency and Renewable Energy Network* at [<http://www.eren.doe.gov/>].

CRS Issue Brief IB10020. *Energy Efficiency: Budget, Oil Conservation, and Electricity Conservation Issues*, by Fred Sissine.

CRS Report RS20852. *The Partnership for a New Generation of Vehicles: Status and Issues*, by Brent D. Yacobucci.

Department of Health and Human Services: Indian Health Service.

The Indian Health Service (IHS) carries out the federal responsibility of assuring comprehensive preventive, curative, rehabilitative, and environmental health services for approximately 1.5 million American Indians and Alaska Natives (AI/AN) who belong to about 561 federally recognized tribes in 34 states. Care is provided through a system of federal, tribal, and urban Indian operated programs and facilities that serves as the major source of health care for AI/AN. IHS provides direct health care services in 36 hospitals, 58 health centers, 4 school health centers, 44 health stations, and 5 residential treatment centers. Tribes and tribal groups, through contracts with IHS, operate another 13 hospitals, 161 health centers, 3 school health centers, 249 health stations (including 170 Alaska village clinics) and 28 residential treatment centers. IHS, tribes and tribal groups also operate 7 regional youth substance abuse treatment centers and 2,152 units of staff quarters.

IHS funding is separated into two budget categories: Indian Health Services and Indian Health Facilities. Included in Indian Health Services are such services as hospital and health clinic programs, dental health, mental health, alcohol and substance abuse programs, preventive health services, urban health projects, and funding for Indian health professions. The Indian Health Facilities category includes funds for construction, maintenance, and improvement of health and sanitation facilities. The overall IHS program is funded through a combination of federal appropriations and collections of reimbursements from Medicare, Medicaid, and private insurance for services provided to eligible patients who have such insurance coverage. For FY2002, the House, Senate, and conference versions of the FY2002 Interior Appropriations Act estimate that IHS will collect \$500 million in reimbursements, an increase of \$95.4 million over FY2001.

The FY2002 Interior Appropriations Act provides \$2.759 billion in IHS appropriations, \$708,000 less than the House (\$2.760 billion), \$7.6 million more than the Senate (\$2.751 billion), and \$130.3 million more than FY2001 (\$2.629 billion). Of the total appropriation for IHS, the FY2002 law specifies that health services be funded at \$2.390 billion, \$400,000 less than the House and \$1 million more than the

Senate. For health facilities, the law contains \$369.5 million, while the House recommended \$369.8 million and the Senate \$362.9 million.

The population served by IHS has a higher incidence of illness and premature mortality than other U.S. populations, although the differences in mortality rates have diminished in recent years in such areas as infant and maternal mortality, as well as mortality associated with alcoholism, injuries, tuberculosis, gastroenteritis, and other conditions. Per capita health spending for IHS user population was \$1,351 in FY1999, compared to the U.S. per capita expenditure of \$3,808 in that same year. In the United States, in 1995, the rate of dying of alcoholism per 100,000 people was 6.7; for Indians, the rate was 48.7 per 100,000, which is a 727% greater chance of dying from alcoholism.

The IHS health services budget category is divided into clinical services, preventive health services, and other services (such as urban health projects, Indian health professions, contract support costs, and direct operations). The FY2002 enacted amount for the total health services budget category – \$2.390 billion – is a 5% increase over FY2001 (\$2.266 billion). Within this services budget category, there are differences in how the funding should be distributed. For clinical services, the FY2002 law provides \$1.892 billion, while the House had recommended \$1.893 billion and the Senate \$1.861 billion. The House would have allocated more funding for hospital and clinic programs and contract care; the Senate less. For preventive health programs, the FY2002 law contains \$99.7 million. For other health services, the law contains \$398.0 million; the House had recommended \$397.4 million and the Senate \$428 million (a \$30.6 million difference, which the Senate had recommended using for contract support costs and direct operations).

Clinical services include basic primary care inpatient and outpatient services at IHS hospitals and clinics. When IHS cannot provide medical care and specific services within its system, it contracts to purchase these services from local and community health care providers. For these contract health services, the FY2002 law provides \$460.8 million, the same as the House and \$15 million (3.3%) more than the Senate (\$445.8 million). The Senate amount was the same as the President's FY2002 request and the FY2001 appropriation. Conference report language recommends that the additional funds for contract health services be distributed using a methodology developed with tribes that took into account both needs and funding disparities. House report language expressed a concern that the closed Keams Canyon Hospital has left many Hopi without easy access to hospital care. The House wanted the IHS to consider the needs for inpatient services for the Hopi next year. The Senate mentioned no special concerns.

The FY2002 law reflects the President's request for a preventive health services appropriation of \$99.7 million. This amount is a 4.4% increase over FY2001 (\$95.7 million). The request includes funding for public health nursing (\$37.8 million), health education in schools and communities (\$10.6 million), and immunizations (\$1.5 million). In addition, these appropriations would fund a community health representatives program (\$50 million), a tribally administered program which, through various community initiatives, supports community members who work to prevent illness and disease within their communities.

The FY2002 enacted amount for other health services, \$398.0 million, is slightly higher than the House amount (\$397.4 million), a 6.5% increase over the FY 2001 \$373.7 million appropriation, but 6.7% below the FY2002 requested amount of \$426.4 million. The Senate recommended \$427.7 million, or \$30.3 million over the House. The other health services category includes funding for contract support costs (law and House, \$268.2 million; Senate, \$288 million); IHS's direct operation (management and administration) costs (law and House, \$55.3 million; Senate, \$65.3 million); scholarships to health care professionals (law and Senate, \$31.2 million; House, \$30.6 million); support for health related activities in off-reservation urban centers (law, House, and Senate, \$30.9 million); costs associated with providing tribal management grants to tribes (law, House, and Senate, \$2.4 million); and support for IHS's administration and management of the Self-Governance Demonstration Project, which gives tribal governments the responsibility for health care programs (law, House, and Senate, \$9.9 million).

Within the \$30.9 million for urban health projects, the Senate specifically increased funding by \$1 million over the FY2001 appropriation to fund a dental program run by First Nations Community Health Sources in cooperation with the Southwest Indian Polytechnic Institute. The Senate also mandated that \$50,000 go to each mental health professions program at the Universities of Montana and North Dakota and \$500,000 be used by the InMed program at the University of North Dakota.

Direct contract support costs are included in the budget category that contains funds awarded to a tribe for the administration of a program under a contract or compact authorized by the Indian Self-Determination Act (P.L. 93-638, as amended). These funds are intended to cover the direct expenses tribes incur for unemployment taxes, discipline-specific training, workers compensation, telephone, and postage. Appropriation funding, however, has been insufficient to cover all tribal costs, and IHS's distribution of these funds among tribes has been criticized. Congress has tried in the past to ensure that the direct contract support funds are distributed fairly.

For FY2002, Congress enacted the House recommendation of \$268 million for contract support costs and costs for self-governance, 8% over FY2001 (\$248 million). The Senate had increased this funding by \$40 million to \$288 million in response to the Administration's request. The increased funding for contract support costs reflects the fact that more tribes and tribal organizations are participating in new and expanded self-determination contracts and self-governing compacts. However, the House was concerned that, while both the Bureau of Indian Affairs (BIA) and IHS have similar programs, the IHS in FY2002 will pay \$55 million in direct contract support operating costs while the BIA will pay nothing. In consequence the House inserted bill language that would have prevented IHS's funding of any new and/or expanded contracts or compacts. The conference committee removed that bill language but agreed with House report language asking IHS to justify the need for these funds in FY2003, and asking the Office of Management and Budget to establish a single, consistent policy for payment of contract support costs between the BIA and IHS. The Senate made no such request.

For IHS health care facilities, the FY2002 appropriations law provides \$369.5 million, a 1.8% or \$6.4 million increase over FY2001 (\$363.1 million) and \$49.7

million above the President's request (\$319.8 million). The House recommended \$369.8 million and the Senate \$363 million (\$6.9 million less than the House, and slightly less, \$250,000, than the FY2001 level). The House favored an increase in support because many facilities need replacement or improvements. The House recommended that hospitals in Winnebago, NE, and Fort Defiance, AZ, receive funding and that clinics in Pinon, AZ, Pawnee, OK, and Sisseton, SD, receive appropriated funds. In addition, the House recommended supporting staff quarters (in Bethel, AK, and Zuni, NM), dental units, small ambulatory care facilities, and joint ventures. The Senate appropriated funds for these same institutions and programs, but distributed funding differently. In addition, the Senate included funding for clinic infrastructure improvements at Red Mesa, AZ, and St. Paul and Metlakatla, AK. While the House recommended the distribution of \$2 million for Zuni staff quarters, the Senate did not recommend any funding. The conference committee agreed to funding for all these projects.

The House wanted IHS to use this health care facilities FY2002 appropriation to address the fluctuating annual caseload of different facilities, and maintain parity in funding among IHS areas and tribes. It also wanted funding for staff quarters construction given a higher priority. It did not want any IHS funds used to provide sanitation facilities for housing that could otherwise be funded under programs of the Department of Housing and Urban Development, but the agency is to use \$5 million to clean up and replace open dumps on Indian lands. The House also supported IHS's efforts to find innovative approaches such as cost-sharing arrangements and third-party collections to fund needed construction and repairs to facilities. The Senate encouraged IHS to continue to fund its Sanitation Facilities Construction Program, specifically a new drinking water system for the Shoshone-Bannock Tribes of the Fort Hall Reservation in Idaho.

For further information on *Department of Health and Human Services: Indian Health Service*, see its World Wide Web site at [<http://www.ihs.gov/>].

For information on the GAO report on Contract Support Costs, see its World Wide Web site at [<http://www.gao.gov/>].

Office of Navajo and Hopi Indian Relocation. The Office of Navajo and Hopi Indian Relocation (ONHIR) was reauthorized for FY1995-2000 by P.L. 104-301. The 1974 relocation legislation (P.L. 93-531, as amended) was the end result of a dispute between the Hopi and Navajo tribes involving land originally set aside by the federal government for a reservation in 1882. Pursuant to the 1974 act, lands were partitioned between the two tribes. Members of one tribe who ended up on the other tribe's land were to be relocated. ONHIR classifies families as relocated when they occupy their replacement home. Most relocatees are Navajo. A large majority of the estimated 3,477 Navajo families formerly on the land partitioned to the Hopi have already relocated under the Act, but the House Appropriations Committee estimates that about 300 families (almost all Navajo) have yet to complete relocation, including about 33 Navajo families still on Hopi partitioned land (some of whom refuse to relocate). The remaining families are not on Hopi partitioned land but are in various stages of acquiring replacement housing.

For FY2001, ONHIR received appropriations of \$15.0 million. For FY2002, the Administration proposed \$15.1 million, an increase of 1%. The FY2002 appropriations law contained the same amount.

For much of the relocation period, negotiations and litigation have proceeded among the two tribes, the Navajo families on Hopi partitioned land, and the federal government on a number of issues, especially regarding Hopi Tribe claims against the United States. In 1995, the United States and the Hopi Tribe reached a proposed settlement agreement on Hopi claims. Attached to the settlement agreement was a separate accommodation agreement between the Hopi Tribe and the Navajo families, which provided for 75-year leases for Navajo families on Hopi partitioned land. The Navajo-Hopi Land Dispute Settlement Act of 1996 (P.L. 104-301) approved the settlement agreement between the United States and the Hopi Tribe. Not all issues have been resolved by these agreements, however, and opposition to the agreements and the leases is strong among some of the Navajo families. Navajo families with homesites on Hopi partitioned land faced a March 31, 1997, deadline for signing the leases (accommodation agreements). According to ONHIR, 70 of the 73 families on Hopi-partitioned land had signed accommodation agreements by the end of September 1999.

The Hopi Tribe called for enforcement of relocation against Navajo families without leases. Like the FY1997-FY2001 Interior appropriations acts, the FY2002 law forbids ONHIR from evicting any Navajo family from Hopi partitioned lands unless a replacement home is provided. This language appears to prevent ONHIR from forcibly relocating Navajo families, since ONHIR has a large backlog of other families that need homes. The settlement agreement approved by P.L. 104-301, however, allows the Hopi Tribe under certain circumstances to begin quiet-possession actions against the United States after Feb. 1, 2000, if Navajo families on Hopi partitioned land have not either relocated or entered into leases with the Hopi Tribe. The Hopi Tribe has agreed to let the federal government pursue the matter in court, but feels evictions should have started already.

In the past, Congress has been concerned by the slow pace of relocation, and by relocatees' apparent low level of interest in moving to the "new lands" acquired for the Navajo reservation for relocatee use. Appropriations committees from time to time have considered termination of the relocation program, but committee reports have not discussed this option since FY1999.

Other Related Agencies. One of the perennial issues addressed by Congress concerning the programs and agencies delineated below is whether federal government support for the arts and culture is an appropriate federal role, and if it is, what should be the shape of that support. If the continued federal role is not appropriate, might the federal commitment be scaled back such that greater private support or state support would be encouraged? Each program has its own unique relationship to this overarching issue.

Smithsonian. The Smithsonian Institution (SI) is a museum, education and research complex of 16 museums and galleries, the National Zoo, and research facilities throughout the U.S. and around the world. Nine of its museums and galleries are located on the Mall between the U.S. Capitol and the Washington

Monument, and SI counted 33.5 million visits/visitors in FY2000 (The National Zoo had 2.3 million “visits”, the Museum of Natural History had 9.4 million “visits”, and the National Air and Space Museum (NASM) had over 9 million “visits.”)

The Smithsonian is estimated to be 70% federally funded. A federal commitment to fund the Institution was established by legislation in 1846. Today, in addition to receiving federal appropriations, the Smithsonian has private trust funds, which include contributions from private sources, grants and contracts, net investment income and business revenues from what the Smithsonian identifies as “Business Ventures” operations (including the Smithsonian magazine, retail shops, restaurants, concessions, catalogs, and entertainment initiatives, i.e. Resident Associates and other entertainment programs.) In FY1999, contributions from private sources for designated projects totaled \$123.6 million. The largest single contribution to the Smithsonian from a private donor (Steven F. Udvar-Hazy)—\$60 million—was pledged for the NASM’s Dulles Center (FY1999). This fiscal year, FY2001, the Lemelson Foundation has increased its commitment to the Smithsonian to \$40 million.

The FY2002 Bush Administration budget estimate of \$494.1 million total for the Smithsonian represented an increase of \$40.2 million above FY2001 (\$453.9 million). For the National Museum of the American Indian (NMAI), \$30 million was requested for FY2002 to complete construction of the Mall museum. Initially, the NMAI was controversial; opponents argued that the current Smithsonian museums needed renovation, repair, and maintenance of the collection with an estimated 141 million items, more than the public needed another museum on the Mall. Proponents argued, however, that there had been too long a delay in providing a museum “in Washington” to house the Indian collection. Private donations to the Smithsonian and a fundraising campaign focusing on individuals, foundations, and corporations totaled \$36.7 million, representing one-third of the original cost, and the amount required to meet the non-appropriated portion of project funding. Of this amount, an estimated \$15 million came from the Indian community directly. Based on a new cost estimate of \$186 million for the Indian museum, the Smithsonian identified a shortfall of \$76 million and plans to ask for an additional \$10 million in FY 2003. The groundbreaking ceremony for the NMAI took place September 28, 1999. The projected opening of the Museum is the end of 2003.

The SI is responsible for over 400 buildings with 7.6 million square feet of space. Four of the Smithsonian’s buildings plus the National Zoo constitute approximately one-third of the SI’s public space: the National Museum of Natural History (built in 1910), the American Art and Portrait Gallery (built between 1836 and 1860), the Castle building (built in 1846), and the Arts and Industries building (1849). The Smithsonian contends that funding for repair and renewal of SI’s facilities has not kept pace with need, resulting in increased deterioration of the physical plant. In fact, the report of the *Commission on the Future of the Smithsonian* concluded that a total of \$50 million each year for the next decade would be necessary to “assure that present facilities are restored to the point of being safe for people and collections;” and considering the National Zoo separately, it would need \$10 million a year for the next 5 years. The FY2002 budget request (\$67.9 million) included renovation for the Patent Office Building, the National Zoo, the National Museum of Natural History, and the Arts and Industries Building, and routine repair in all Smithsonian facilities. Work has already begun on the National Museum of Natural History and the Patent

Office Building (the home of two Smithsonian Museums—the National Portrait Gallery and the Smithsonian Museum of American Art—with a projected total cost estimate of \$151 million.)

Two of the controversies for the Smithsonian this year involved the proposed closing of the Smithsonian Center for Materials Research and Education (SCMRE) and the Conservation and Research Center (CRC) in Front Royal, Virginia. The SCMRE was established in 1963 to develop information to assist in the preservation of museum objects. The CRC facility was established 26 years ago on 3,150 acres in Front Royal to support endangered species propagation, conservation, training and research. The Smithsonian contended that although its effort to breed endangered species for reintroduction into the wild has been important for international conservation and research efforts, it does not have sufficient funds to continue to keep this property as a “world class” facility. Funds were to be redirected to public program activity at the Zoo’s Rock Creek location. A number of biologists who worked with the CRC objected, stating that the kind of work done at the CRC is dependent on the natural habitat in Front Royal, Virginia. The FY2002 budget outlined a policy that the Smithsonian “cannot continue to be the scientific, artistic, and historic smorgasbord of past decades” and is “prepared to pare back certain activities and programs that do not fall with the Institution’s sphere of excellence.” On May 6, 2001, after the initial submission of the FY2002 budget, the Smithsonian, in response to scientists, reversed its policy with regard to the CRC and will continue to maintain it. Both the House and the Senate have indicated that a new Science Commission should meet before any final decision is made about closing either the CRC or the SCMRE.

Table 7. Smithsonian Institution Appropriations FY2001-2002
(\$ in thousands)

Smithsonian Institution (SI)	FY2001 Approp.	FY2002 Request	FY2002 House Passed	FY2002 Senate Passed	FY2002 Approp.
Salaries and Expenses	\$386,902	\$396,200	\$396,200	\$401,192	\$399,253
Repair, Restoration, and Alteration of Facilities	57,473	67,900	67,900	67,900	67,900
Construction	9,479	30,000	30,000	25,000	30,000
SI total	453,854	494,100	494,100	494,092	497,153

For FY2002, the House bill provided \$396.2 million for Salaries and Expenses, and \$494.1 million for the total for SI. The Senate bill provided \$494.09 million for SI, a slight decrease from the House and a reduction from the House measure for construction funding for the National Museum of the American Indian from \$30

million to \$25 million. However, the Senate measure reflected an increase in funding for Administration, and restoration of funding for the Smithsonian Center for Materials Research and Education (SCMRE) (to \$3.3 million), the scientific research center that was scheduled to be closed in December, 2001. Both the House and the Senate recommended establishment of a Science Commission; and the Senate specifically mentioned in report language that the CRC and the SCMRE remain open until the science initiative by SI is reviewed by an independent "blue ribbon" Science Commission. The FY2002 law concurred with the establishment of a Science Commission.

Under the FY2002 Interior Appropriations Act, the Smithsonian would receive \$497.2 million, an increase of \$43.3 million above FY2001.

For further information on the *Smithsonian*, see its World Wide Web site at [<http://www.si.edu/>].

National Endowment for the Arts, National Endowment for the Humanities, and Institute of Museum and Library Services. One of the primary vehicles for federal support for arts, humanities and museums is the National Foundation on the Arts and the Humanities, composed of the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), and the Institute of Museum Services (IMS, now constituted as the Institute of Museum and Library Services (IMLS) with an Office of Museum Services (OMS)). The authorizing act, the National Foundation on the Arts and the Humanities Act, was last reauthorized in 1990 and expired at the end of FY 1993, but has been operating on temporary authority through appropriations law since that time. The 104th Congress established the Institute of Museum and Library Services (IMLS) under P.L. 104-208.

Among the questions Congress has considered is whether funding for the arts, humanities, and museums is an appropriate federal role and responsibility. Some opponents of arts support argue that NEA and NEH should be abolished altogether, contending that the federal government should not be in the business of supporting arts and humanities. Other opponents argue that culture can and does flourish on its own through private support. Proponents of federal support for arts and humanities argue that the federal government has a long tradition of support for culture, beginning as early as 1817, with congressional appropriations for works of art to adorn the U.S. Capitol. Some spokesmen for the private sector say that they are unable to make up the gap that would be left by the loss of federal funds for the arts. Some argue that abolishing NEA and NEH would curtail or eliminate the programs that have national significance and purpose (such as touring theater and dance companies, radio and television shows, traveling museum exhibitions, etc.) The President's [Clinton] Committee on the Arts released a publication in 1997, *Creative America*, that recommended that federal funding be restored for NEA, NEH and IMLS to levels "adequate to fulfill their national roles." The goal expressed was that appropriations should have equaled \$2.00 per person for arts and cultural funding by the year 2000.

NEA's direct grant program currently supports approximately 1,600 grants. State arts agencies are now receiving over 40% of grant funds, with 1,000 communities participating nationwide, particularly those from under-represented

areas. The NEA account now has an additional program associated with it, the Challenge America Arts Fund, since NEA is actually administering the program. The Challenge America Arts Fund is a program of matching grants for arts education, outreach and community arts activities for rural and underserved areas. A detailed report is required to be submitted to the House and Senate Appropriations Committees, describing the use of funds for Challenge America Arts Fund.

NEH supports extensive grants for humanities education, research, preservation and public humanities programs; grants for the creation of regional humanities centers; and grants to help develop humanities programs under the jurisdiction of the 56 state humanities councils. NEH also supports a Challenge Grant program to stimulate and match private donations in support of humanities institutions.

Within IMLS, the Office of Museum Services (OMS) supports leadership grants, museum conservation, museum assessment, and General Operating Support (GOS) to help over 400 museums annually to improve the quality of their services to the public— museums are already popular, serving over 600 million visitors annually. OMS continues to work on *Museums Online*, a package that will update Internet access through the development of regional electronic networks of museums. The goal is to bring the educational and cultural significance of museums to communities and schools, with the potential to reach over 20 million people. OMS support of Museum/school partnerships has helped over 200 schools, 80 museums, and 80,000 students. As partners in the America Goes Back to School program, OMS provides awards for integrating museum experiences particularly for at-risk youth.

Previous NEA Controversies. Some controversy over previous questionable NEA grants seems to reappear when congressional appropriations are considered, in spite of attempts to resolve these problems through statutory provisions. To date, no NEA projects have been judged obscene by the courts. On November 5, 1996, a federal appeals court upheld an earlier decision, *NEA v. Finley*, ruling that applying the “general standards of decency” clause to NEA grants was “unconstitutional.” However, in anticipation of congressional reaction to NEA’s individual grants, NEA eliminated grants to individuals by arts discipline, except to maintain Literature fellowships, Jazz masters and National Heritage fellowships in the Folk and Traditional Arts. On June 25, 1998, the Supreme Court reversed the federal appeals court decision for *NEA v. Finley (CA9, 100F.3d 671)* by a vote of 8 to 1, stating that the NEA “can consider general standards of decency” when judging grants for artistic merit, and that the decency provision does not “inherently interfere with First amendment rights nor violate constitutional vagueness principles.”

Congress enacted NEA reform measures in past appropriations. Among them were increases in funding allocations from 35% to 40% to states for basic state arts grants and for grants to under served populations. In addition, language emphasizing arts education was included. A 15% cap was placed on NEA funds allocated to each state, exempting only those grants with a national impact. Three Members of the House and three Members of the Senate were added to the National Council on the Arts, but the size of the National Council was reduced from 26 to 20. Both NEA and NEH were given specific authority to solicit funding and to invest those funds.

On June 7th, 2001 the House Appropriations Interior Subcommittee marked up the Interior appropriations bill, allowing \$105.2 million for NEA (including \$98.2 million for NEA, plus \$7 million in the bill for the Challenge America Arts Fund, which the NEA administers), \$24.9 million for OMS, and \$120.5 million for the NEH (\$104.9 million plus \$15.6 million in matching grants). The full House Committee on Appropriations concurred with these amounts. During House Committee consideration, an amendment by Rep. Dicks to increase the total appropriation by \$25 million for all three agencies was rejected (27- 37). It would have added \$18 million to NEA, \$5 million to NEH, and \$2 million to OMS, with an offset through Clean Coal deferral.

During House passage of H.R. 2217, FY2002 Interior appropriations, the House agreed to an amendment by Rep. Slaughter (221-193) that would add \$10 million to the Challenge America Arts fund administered by NEA, \$3 million for NEH and \$2 million for the OMS/IMLS with offsets from Interior and the National Forest System. Subsequently, the House rejected an amendment by Rep. Stearns that would have reduced funding for the Challenge America Arts fund and NEA by \$10 million total (returning it to level funding (i.e. \$98.2 million + \$7 million or \$105.2 million) and would have increased Energy Conservation programs in lieu (rejected by 145 ayes to 264 noes (roll no. 184.)) The House-passed appropriation including the Slaughter amendment would have provided NEA with a total of \$115.2 million (\$98.2 million for NEA + \$17 million for the Challenge America Arts Fund); for NEH, \$123.5 million; and for OMS/IMLS \$26.9 million. (See appropriations table below.)

Table 8. Arts and Humanities Funding FY2001-FY2002
(\$ in thousands)

Arts/ Humanities Funding	FY2001 Approp.	FY2002 Request	FY2002 House Passed	FY2002 Senate Passed	FY2002 Approp.
NEA	\$97,785	\$98,234	\$98,234	\$98,234	\$98,234
Challenge America Arts Fund	6,985	6,985	17,000	17,000	17,000
Subtotal NEA	104,770	105,219	115,234	115,234	115,234
NEH grants and administration	104,373	104,882	107,882	109,882	108,382
NEH matching funds	15,621	15,622	15,622	15,622	16,122
Subtotal NEH	119,994	120,504	123,504	125,504	124,504
OMS/IMLS	24,852	24,899	26,899	26,899	26,899

The FY2002 appropriations law concurs with the Senate and House totals of \$98.2 million for NEA plus \$17 million for the Challenge America Arts Fund that NEA administers, for a total of \$115.2 million. For OMS/IMLS, the law concurs with the Senate and House bills, providing \$26.9 million, \$2 million above the request.

For NEH, the FY2002 law provides \$124.5 million, \$1 million below the Senate level, but \$1 million above the House level.

For further information on the *National Endowment for the Arts*, see its site at [<http://arts.endow.gov/>].

For further information on the *National Endowment for the Humanities*, see its site at [<http://www.neh.gov/>].

For further information on the *Institute of Museum Services*, see its site at [<http://www.imls.gov/>].

CRS Report RS20287. *Arts and Humanities: Background on Funding*, by Susan Boren.

Land Acquisition, the Land and Water Conservation Fund, and the Conservation Spending Category: Cross-cutting Issue

This section provides an overview of funding that involves multiple agencies (the Land and Water Conservation Fund, (LWCF)) or multiple programs (the Conservation Spending Category). LWCF is the primary source of monies to acquire lands for the four principal land management agencies — the Bureau of Land Management, Fish and Wildlife Service, National Park Service, and Forest Service. The presentations about each of these agencies in this report includes a discussion of funding levels for their proposed land acquisition activities.¹⁶

The LWCF is authorized at \$900 million annually through FY2015. However, each agency's acquisitions are funded through annual appropriations, which have averaged nearly half of the authorization since the inception of LWCF in 1964, but have varied considerably from year to year and among the agencies. Through FY2001, Congress has appropriated a total of \$11.8 billion cumulatively from LWCF, leaving an unappropriated amount of \$12.7 billion. In recent years, appropriators increased amounts from the Fund for federal land acquisition, rising from a low of \$138 million in FY1996 to \$444.17 million in FY2001, then dropping somewhat to \$429 million for FY2002, according to data compiled by the Department of the Interior's (DOI) Budget Office. **Table 9** below shows LWCF federal land acquisition appropriations for FY2000-FY2002.

¹⁶ The LWCF also provides funds to states to acquire land and develop recreational facilities. NPS administers this state grant program.

**Table 9. LWCF Funding (Federal Land Acquisition Only):
FY2000 through FY2002**
(\$ in millions)

Agency	FY2000	FY2001	FY2002 Request	FY2002 House Passed	FY2002 Senate Passed	FY2002
BLM	\$48	\$47 ^a	\$48	\$48	\$46	\$50
FWS	\$62	\$121	\$104	\$104	\$108	\$99
NPS Federal Acquisitions ^b	\$141	\$125	\$107	\$107	\$123	\$130
FS	\$160	\$151	\$131	\$131	\$129	\$150
Total	\$411	\$444	\$390	\$390	\$406	\$429

Source: Data compiled by the Department of the Interior Budget Office.

- a. In its table on conservation spending, the House Appropriations Committee reports the BLM figure for federal land acquisition for FY2001 as \$47.3 million, excluding \$8.8 million from the FY2001 Consolidated Appropriations Act.
- b. The NPS amounts do not include the state grant program, funded at \$41 million in FY2000 and \$90 million in FY2001. For FY2002, the Administration proposed funding at \$450 million; the House provided \$154 million, the Senate provided \$164 million, and the FY2002 Interior Appropriations Act contains \$144 million.

Appropriations have been increasing for several reasons. In the early and mid 1990s, funding had been constrained by efforts to address the federal budget deficit. More recently, Congress has responded positively to numerous interests seeking more funds for a wide variety of resource protection activities as this budget constraint has gradually disappeared. Also, the 106th Congress considered two alternative approaches to provide more funding and more certain funding for resource protection activities, including federal land acquisition. One approach was free-standing legislation, known as CARA (Conservation and Reinvestment Act) (H.R. 701), that would have fully funded the LWCF for federal (and state) land acquisition for 15 years. Versions of CARA would have addressed the role of the annual appropriations process in funding federal acquisitions in different ways. Some versions would have made LWCF funding mandatory, while other versions would have continued the current requirement of making LWCF funding subject to annual appropriations. In the 106th Congress, H.R. 701 passed the House and was reported out of the Senate Committee on Energy and Natural Resources. In the 107th Congress, the House Resources Committee marked up and ordered reported H.R. 701 on July 25, 2001.

The second approach was in the Clinton Administration's Lands Legacy Initiative, which consisted of requests for substantial increases in appropriations to more than 2 dozen programs, including the Fund. While the 106th Congress did not enact CARA, it did provide increased funding for land acquisition as part of separate titles for the Lands Legacy Initiative in appropriations legislation in both FY2000 and

FY2001. It also provided a framework for funding these programs for each of the subsequent 5 years, subject to appropriations. The House and Senate Appropriations Committees included these programs in a separate category called the Conservation Spending Category, in both Interior and Commerce appropriations laws, starting in FY2001. For FY2002, both chambers provided \$1.32 billion for FY2002 in Interior appropriations, an increase from \$1.23 billion in FY2001, but allocated the funds in somewhat different ways, as shown in **Table 12**.

In some recent years, Congress appropriated funds from the LWCF for purposes in addition to land acquisition. This first occurred when Congress provided \$72 million for other purposes in the FY1998 appropriations. Funding in FY1999 was entirely for land acquisition; funding in FY2000 included \$15 million for other purposes; and funding in FY2001 included \$456 million for other purposes, according to the DOI. The amounts listed in **Table 9** include these funds for other purposes. The appropriations for other purposes were primarily applied to other programs funded as a part of the Lands Legacy Initiative during FY2000 and FY2001. In FY2000, for example, included were \$10 million for the Elwha River ecosystem restoration and \$5 million to address maintenance backlogs; this entire amount was credited to the NPS. These additional uses of the Fund are important because it means that funding levels for the LWCF are becoming less synonymous with funding for land acquisition. (See discussion of Fish and Wildlife Service appropriations for more detail on many of these proposals for FY2001 and FY2002.)

The Bush Administration proposed to fully fund the LWCF at \$900 million in FY2002. Fund experts at the DOI believe that this is the first time any President has called for full funding. The request sought to divide funding equally between federal agencies (\$450 million) and the state grant program (\$450 million), which may be used by the states and localities for acquisition and development. The federal portion for land acquisition (\$390 million) would be divided among the agencies as shown in **Table 9**.

Only \$390 million would be used for federal land acquisition, because the FWS requested that \$60 million of its portion be earmarked for FWS's incentive grant program. Of the \$60 million, \$50 million would provide technical and financial assistance to landowners as incentives "to help them protect and manage habitat, while continuing to engage in traditional land use practices." The remaining \$10 million would provide stewardship grants to support individuals and groups engaged in voluntary land and wildlife conservation efforts. This is the first time that an administration requested in its budget submission that a portion of the LWCF funding be used for purposes other than land acquisition; previously, non-acquisition uses of LWCF originated in Congress or by the Administration after the appropriations process had started.

For grants to states, the Administration proposed a distribution formula that makes 35% of the total available equally, and the remainder based 30% on land area and 70% on population. By contrast, in recent years, the administration's decisions for allocating the funds among states has not been fully known, even by the end of the appropriations process. The proposed allocations would range from more than \$29 million for California to \$4.5 million for 4 states. Neither the House nor the Senate addressed how these funds should be distributed.

The total funding for LWCF in the House bill was \$709 million, and in the Senate bill was \$730 million; both are less than the President's \$900 million request. The House supported the \$390 million that the Bush Administration requested for federal land acquisition, with no changes to the amounts for each agency, while the Senate bill increased the total by \$16 million (to \$406 million), primarily for the National Park Service. However, both chambers reduced the "stateside" grants request from \$450 million (and in addition \$60 million for certain FWS activities). The House reduced the amount to \$319 million for "state and other grants," which would include \$154 million for NPS stateside grants, \$100 million for state wildlife grants, \$5 million for competitive grants for Indian Tribes for wildlife programs, and \$60 million to the FWS for activities other than land acquisition, under the proposed Incentive Grant Program, discussed in the Fish and Wildlife Service section.

The Senate concurred except that it provided an additional \$10 million for stateside grants and did not fund grants for Indian tribes. It also added, as part of an en bloc Senate amendment, detailed instructions on how state wildlife grants are to be distributed. In the same amendment, the Senate adopted a "Sense of Congress" provision which states the intent to provide a "significant portion" of federal revenues from offshore oil and gas to those states that have supported those activities, but does not identify any specific program, such as the LWCF, which is funded by offshore oil and gas revenues.

The FY2002 appropriations law contains a total of \$708 million for LWCF, significantly less than the President's request and somewhat less than the House and Senate levels. That figure includes \$429 million for federal land acquisition—more than the President's request and the House and Senate levels, and \$279 million for state and other grants—less than the President's request and the House and Senate levels. The law retains the distribution formula for state wildlife grants that was included by the Senate, rather than the formula proposed by the House. The law drops the Senate language expressing the Sense of Congress regarding coastal impact assistance. (For a complete summary of the Conservation Spending Category, see **Table 12** at the end of this report).

CRS Report RL30444. *Conservation and Reinvestment Act (CARA) (H.R. 701) and a Related Initiative in the 106th Congress*, by Jeffrey Zinn and M. Lynne Corn.

CRS Report 97-792. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

CRS Issue Brief IB10015. *Protecting Natural Resources and Managing Growth: Issues in the 107th Congress*, by Jeff Zinn.

For Additional Reading

CRS Products

Title I: Department of the Interior.

CRS Issue Brief IB10073. *The Arctic National Wildlife Refuge: The Next Chapter*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Report RL30444. *Conservation and Reinvestment Act (CARA) (H.R. 701) and a Related Initiative in the 106th Congress*, by Jeffrey Zinn and M. Lynne Corn.

CRS Issue Brief IB10072. *Endangered Species: Difficult Choices*, by Eugene H. Buck and M. Lynne Corn.

CRS Report 97-851. *Federal Indian Law: Background and Current Issues*, by M. Maureen Murphy.

CRS Report 90-192. *Fish and Wildlife Service: Compensation to Local Governments*, by M. Lynne Corn.

CRS Report 96-123. *Historic Preservation: Background and Funding*, by Susan Boren.

CRS Report 93-793. *Indian Gaming Regulatory Act: Judicial and Administrative Interpretations*, by M. Maureen Murphy.

CRS Report 97-792. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

CRS Report RL30310. *The Mining Law Millsite Debate*, by Marc Humphries.

CRS Issue Brief IB89130. *Mining on Federal Lands*, by Marc Humphries.

CRS Report RL30528. *National Monuments and the Antiquities Act: President Clinton's Designations and Related Issues*, by Carol Hardy Vincent and Pamela Baldwin.

CRS Report 98-574. *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynne Corn.

CRS Issue Brief IB10015. *Protecting Natural Resources and Managing Growth: Issues in the 107th Congress*, by Jeff Zinn.

CRS Issue Brief IB10076. *Public (BLM) Lands and National Forests*, by Ross W. Gorte and Carol Hardy Vincent, coordinators.

Land Management Agencies Generally.

CRS Report RS20002. *Federal Land and Resource Management: A Primer*, by Ross W. Gorte.

CRS Report RL30867. *Federal Land Management Agencies: Background on Land and Resource Management*, by Carol Hardy-Vincent, Betsy A. Cody, M. Lynne Corn, Ross W. Gorte, Sandra L. Johnson, David Whiteman, and Pamela Baldwin.

CRS Report RL30335. *Federal Land Management Agencies' Permanently Appropriated Accounts*, by Ross W. Gorte, M. Lynne Corn, and Carol Hardy Vincent.

CRS Report RL30126. *Federal Land Ownership: Constitutional Authority; the History of Acquisition, Disposal, and Retention; and Current Acquisition and Disposal Authorities*, by Ross W. Gorte and Pamela Baldwin.

Other References.

Report of the Joint Tribal/BIA/DOI Advisory Task Force on Reorganization of the Bureau of Indian Affairs to the Secretary of the Interior and the Appropriations Committees of the United States Congress. [Washington: The Task Force]. August 1994.

Title II: Related Agencies.

CRS Report RS20287. *Arts and Humanities: Background on Funding*, by Susan Boren.

CRS Report 95-15. *Below-Cost Timber Sales: Overview*, by Ross W. Gorte.

CRS Report RS20877. *The Clean Coal Technology Program: Current Prospects*, by Carl E. Behrens.

CRS Issue Brief IB10020. *Energy Efficiency: Budget, Oil Conservation, and Electricity Conservation Issues*, by Fred Sissine.

CRS Report RS20822. *Forest Ecosystem Health: An Overview*, by Ross W. Gorte.

CRS Report RL30755. *Forest Fire Protection*, by Ross W. Gorte.

CRS Congressional Distribution Memorandum. *Forest Service Budget Allocation Formula*, by Ross W. Gorte.

CRS Congressional Distribution Memorandum. *Forest Service Performance Measures*, by Ross W. Gorte.

CRS Report RL30647. *The National Forest System Roadless Areas Initiative*, by Pamela Baldwin.

CRS Report RS20852. *The Partnership for a New Generation of Vehicles: Status and Issues*, by Brent D. Yacobucci.

CRS Issue Brief IB87050. *The Strategic Petroleum Reserve*, by Robert Bamberger.

Selected World Wide Web Sites

Information regarding the budget, supporting documents, and related departments, agencies and programs is available at the following web or gopher sites.

House Committee on Appropriations.
[<http://www.house.gov/appropriations>]

Senate Committee on Appropriations.
[<http://www.senate.gov/~appropriations/>]

CRS Appropriations Products Guide.
[<http://www.crs.gov/products/appropriations/apppage.shtml>]

Congressional Budget Office.
[<http://www.cbo.gov/>]

General Accounting Office.
[<http://www.gao.gov>]

House Republican Conference.
[<http://www.gop.gov/committeecentral/docs/pubs/appropriationsroundup/>]

Office of Management and Budget.
[<http://www.whitehouse.gov/OMB/>]

Title I: Department of the Interior.

Department of the Interior (DOI).
[<http://www.doi.gov/>]

Department of the Interior's Office of the Budget.
[<http://www.doi.gov/budget/>]

Department of the Interior's Strategic Plan Overview FY1998-FY2002.
[<http://www.doi.gov/fyst.html>]

Department of the Interior's FY2000 Annual Performance Report/FY2002 Annual Performance Plan.
[<http://www.doi.gov/gpra/00apr02app.html>]

Bureau of Indian Affairs (BIA).
[<http://www.doi.gov/bureau-indian-affairs.html>]

Bureau of Land Management (BLM).

[<http://www.blm.gov/nhp/index.htm>]

Fish and Wildlife Service (FWS).

[<http://www.fws.gov/>]

Historic Preservation.

[<http://www2.cr.nps.gov/>]

Insular Affairs.

[<http://www.doi.gov/oia/index.html>]

Minerals Management Service (MMS).

[<http://www.mms.gov/>]

National Park Service (NPS).

[<http://www.nps.gov/>]

Office of Surface Mining Reclamation and Enforcement (OSM).

[<http://www.osmre.gov/osm.htm>]

Office of Special Trustee for American Indians.

[<http://www.ost.doi.gov/>]

U.S. Geological Survey (USGS).

[<http://www.usgs.gov/>]

Title II: Related Agencies and Programs.

Departments.

Agriculture, Department of (USDA).

[<http://www.usda.gov/>]

Department of Agriculture: U.S. Forest Service.

[<http://www.fs.fed.us/>]

USDA Strategic Plan.

[<http://www.usda.gov/ocfo/strat/index.htm>]

Energy, Department of (DOE).

[<http://www.energy.gov/>]

DOE Strategic Plan.

[<http://www.cfo.doe.gov/stratmgt/plan/doesplan.htm>]

Energy Efficiency and Renewable Energy Network.

[<http://www.eren.doe.gov/>]

Fossil Energy.

[<http://www.fe.doe.gov/>]

Naval Petroleum Reserves.
[<http://fossil.energy.gov/nposr/index.shtml>]

Strategic Petroleum Reserve.
[<http://fossil.energy.gov/nposr/index.shtml>]

Health and Human Services, Department of (HHS).
[<http://www.dhhs.gov>]

Indian Health Service (IHS).
[<http://www.ihs.gov/>]

Related Agencies.

Advisory Council on Historic Preservation.
[<http://www.achp.gov>]

Institute of American Indian and Alaska Native Culture and Arts Development.
[<http://www.iaiancad.org/>]

Institute of Museum Services.
[<http://www.imls.gov/>]

John F. Kennedy Center for the Performing Arts.
[<http://Kennedy-Center.org/>]

National Capital Planning Commission.
[<http://www.ncpc.gov>]

National Endowment for the Arts.
[<http://arts.endow.gov/>]

National Endowment for the Humanities.
[<http://www.neh.gov/>]

National Gallery of Art.
[<http://www.nga.gov/>]

Smithsonian.
[<http://www.si.edu/>]

U.S. Holocaust Memorial Council and U.S. Holocaust Memorial Museum.
[<http://www.ushmm.org/>]

Woodrow Wilson International Center for Scholars.
[<http://wwics.si.edu/>]

Table 10. Department of the Interior and Related Agencies Appropriations
(\$ in thousands)^a

Bureau or Agency	FY2001 Enacted (P.L. 106-291)	FY2002 Request	FY2002 House Passed	FY2002 Senate Passed	FY2002 Enacted
Title I: Department of the Interior					
Bureau of Land Management	2,147,182	1,771,538	1,872,422	1,859,084	1,871,192
U.S. Fish and Wildlife Service	1,227,010	1,091,265	1,335,516	1,271,265	1,276,424
National Park Service	2,135,219	2,517,691	2,284,685	2,295,142	2,323,057
U.S. Geological Survey	882,800	813,376	900,489	892,474	914,002
Minerals Management Service	139,221	155,473	155,972	158,051	156,772
Office of Surface Mining Reclamation and Enforcement	302,846	268,958	306,729	305,590	306,530
Bureau of Indian Affairs	2,187,613	2,203,553	2,213,848	2,230,389	2,222,876
Departmental Offices	352,519	345,270	341,902	361,688	364,939
General Provisions	12,572	—	—	—	—
Total, Title I	9,386,982	9,167,124	9,411,563	9,373,683	9,435,792
Title II: Related Agencies					
U.S. Forest Service	4,435,391	3,732,125	3,914,063	3,815,574	4,130,416
Department of Energy	1,453,644	1,502,680	1,796,680	1,739,070	1,766,470
Clean Coal Technology:					
Deferral	-67,000	—	—	—	-40,000
Fossil Energy R & D	432,464	449,000	579,000	570,390	582,790
Strategic Petroleum Account (by transfer)	(12,000)	—	—	—	—
Clean Coal Technology (by transfer)	(95,000)	—	—	(33,700)	(33,700)
Alternative Fuels Production (rescission)	-1,000	-2,000	—	-2,000	-2,000
Naval Petroleum and Oil Shale Reserves	1,596	17,371	17,371	17,371	17,371
Elk Hills School Lands Fund	—	36,000	—	36,000	—
Advance Appropriations, FY2002	36,000	—	—	—	—
Advance Appropriations, FY2003	—	—	—	36,000	36,000
(by transfer)	—	—	(36,000)	—	—
Energy Conservation	813,442	755,805	940,805	870,805	912,805
Biomass Energy Development (by transfer)	(2,000)	—	—	—	—
Economic Regulation	1,996	1,996	1,996	1,996	1,996
Strategic Petroleum Reserve (SPR)	160,637	169,009	179,009	169,009	179,009
(by transfer)	(4,000)	—	—	—	—

Bureau or Agency	FY2001 Enacted (P.L. 106-291)	FY2002 Request	FY2002 House Passed	FY2002 Senate Passed	FY2002 Enacted
Energy Information Administration	75,509	75,499	78,499	75,499	78,499
Indian Health Service	2,628,766	2,706,809	2,759,809	2,751,468	2,759,101
Office of Navajo and Hopi Indian Relocation	14,967	15,148	15,148	15,148	15,148
Institute of American Indian and Alaska Native Culture and Arts Development	4,116	4,490	4,490	4,490	4,490
Smithsonian Institution	453,854	494,100	494,100	494,092	497,153
National Gallery of Art	75,485	80,449	83,187	83,187	83,187
John F. Kennedy Center for the Performing Arts	33,925	34,000	34,000	34,000	34,000
Woodrow Wilson International Center for Scholars	12,283	7,796	7,796	7,796	7,796
National Endowment for the Arts	97,785	98,234	98,234	98,234	98,234
National Endowment for the Humanities	119,994	120,504	123,504	125,504	124,504
Institute of Museum and Library Services	24,852	24,899	26,899	26,899	26,899
Challenge America Arts Fund	6,985	6,985	17,000	17,000	17,000
Commission of Fine Arts	1,076	1,274	1,274	1,174	1,224
National Capital Arts and Cultural Affairs	6,985	7,000	7,000	7,000	7,000
Advisory Council on Historic Preservation	3,182	3,310	3,400	3,310	3,400
National Capital Planning Commission	6,486	7,253	7,253	7,253	7,253
Holocaust Memorial Council	34,363	36,028	36,028	36,028	36,028
Presidio Trust	33,327	22,427	22,427	23,125	23,125
Total, Title II: Related Agencies	9,447,466	8,905,511	9,452,292	9,290,352	9,642,428
Title VII: United Mine Workers of America Combined Benefit Fund					
United Mine Workers of America Combined Benefits Fund	57,872	—	—	—	—
Grand Total (Amounts in Bill)	18,892,320	18,072,635	18,863,855	18,664,035	19,078,220

Source: House Appropriations Committee.

^a Figures in data column one reflect FY2001 appropriations to date. They include appropriations in various titles of P.L. 106-291, the Department of the Interior and Related Agencies Appropriations Act for FY2001. Figures in data column two reflect the total budget requests by the Bush Administration for FY2002. Figures in data columns three and four reflect FY2002 funding levels approved by the House and Senate respectively. Figures in data column five are the amounts included in the conference report. These figures do not reflect scorekeeping adjustments for either year, which are listed in **Table 11**.

Table 11. Congressional Budget Recap
(\$ in thousands)

Bureau or Agency	FY2001 Enacted (P.L. 106-291)	FY2002 Estimates	FY2002 House Passed	FY2002 Senate Passed	FY2002 Enacted
Scorekeeping adjustments					
Clean coal (advance appropriation)	171,000	82,000	82,000	82,000	82,000
Elk Hills School (advance appropriation, FY2001)	36,000	—	—	36,000	—
Elk Hills School (advance appropriation, FY2002)	-36,000	36,000	36,000	-36,000	36,000
Elk Hills School (advance appropriation, FY2003)	—	—	—	-36,000	-36,000
KAKE land transfer	—	—	—	—	—
Stewardship contracting	—	—	—	1,000	1,000
Boise Laboratory Replacement Act (sec. xxx)	-1,000	—	—	—	—
Extension of SERCDP (sec. 336)	1,000	—	—	—	—
ANILCA (sec. 130)	1,000	—	—	—	—
OMB adjustment for .22% across-the-board cut	-348	—	—	—	—
TVA transfer authority (FOPS bill, P.L. 106-429)	4,000	—	—	—	—
Park Police retirement	—	—	22,000	22,000	22,000
Contingent emergency appropriations in this bill	—	—	—	-235,000	—
Total, adjustments	175,652	118,000	140,000	-130,000	105,000
Total (including adjustments)	19,067,972	18,190,635	19,003,855	18,534,035	19,183,220
Amounts in this bill	(18,892,320)	(18,072,635)	18,863,855	18,664,035	(19,078,220)
Scorekeeping adjustments	(175,652)	(118,000)	(140,000)	(-130,000)	(105,000)
Total mandatory and discretionary	19,067,972	18,190,635	19,003,855	18,534,035	19,183,220
Mandatory	(62,125)	(63,220)	(63,220)	(63,220)	(63,220)
Discretionary	(19,005,847)	(18,127,415)	18,940,635	18,470,815	(19,120,000)

Source: House Appropriations Committee.

Table 12. Conservation Spending Category: Interior Appropriations^a
(\$ in millions)

Subcategory/Appropriations Account	FY2001 Enacted ^b	FY2002			
		Pres. Request	House Passed	Senate Passed	Enacted
Federal, State and Other LWCF Programs					
BLM Federal Land Acquisition	47.3	47.7	47.7	45.7	49.9
FWS Federal Land Acquisition	121.2	104.4	104.4	108.4	99.1
NPS Federal Land Acquisition	124.8	107.0	107.0	123.0	130.1
FS Federal Land Acquisition	150.9	130.9	130.9	128.9	149.7
Subtotal, Federal Land Acquisition	444.2	390.0	390.0	406.0	428.9
NPS Stateside Grants (and Admin)	90.3	450.0	154.0	164.0	144.0
FWS State Wildlife Grants ^c	49.9	--	100.0	100.0	85.0
Competitive Grants for Indian Tribes	--	--	5.0	--	--
FWS Incentive Grant Programs	--	60.0	60.0	60.0	50.0
Subtotal, State and Other Grant Programs	140.2	450.0	319.0	324.0	279.0
Total LWCF	584.4	900.0	709.0	730.0	707.9
State and Other Conservation Programs					
FWS Cooperative Endangered Species Conservation	104.7	54.7	107.0	91.0	96.2
FWS North American Wetland Conservation	39.9	14.9	45.0	42.0	43.5
FWS Neotropical Migratory Birds	--	--	5.0	--	--
USGS State Planning Partnerships	24.9	--	25.0	25.0	25.0
FS, Forest Legacy	59.9	30.1	60.0	65.0	65.0
FS, Stewardship Incentives Program	--	--	8.0	--	--
FS, NFS Planning, Inventory, Monitoring	20.0	--	--	--	--
Subtotal	249.4	99.7	250.0	223.0	229.7
Urban and Historic Preservation Programs					
NPS Historic Preservation Fund	94.1	67.1	77.0	74.0	74.5
NPS Urban Parks and Recreation Recovery Grants	29.9	--	30.0	20.0	30.0

Subcategory/Appropriations Account	FY2001 Enacted ^b	FY2002			
		Pres. Request	House Passed	Senate Passed	Enacted
FS Urban and Community Forestry	35.6	31.8	36.0	36.0	36.0
BLM Youth Conservation Corps	[1.0]	1.0	1.0	1.0	1.0
FWS Youth Conservation Corps	[1.0]	2.0	2.0	2.0	2.0
NPS Youth Conservation Corps	[2.0]	2.0	2.0	2.0	2.0
FS Youth Conservation Corps	[2.0]	2.0	2.0	2.0	2.0
Subtotal	165.7	105.9	150.0	137.0	147.5
Payments in Lieu of Taxes, BLM	49.9	--	50.0	50.0	50.0
National Wildlife Refuge Fund, FWS	--	--	5.0	--	--
Subtotal	49.9	--	55.0	50.0	50.0
Federal Infrastructure Improvement Programs					
BLM - Management of Lands & Resources	24.9	25.0	28.0	28.0	28.0
FWS - Resource Management	24.9	25.0	28.0	31.0	29.0
NPS - Construction	49.9	50.0	50.0	60.0	66.9
FS - Capital Improvement and Maintenance	49.9	50.5	50.0	61.0	61.0
Subtotal	149.7	150.5	156.0	180.0	184.9
FS Total	318.2	245.3	286.9	294.9	313.7
DOI Total	880.8	1,010.8	1,033.1	1,025.1	1,006.3
Bill Total	1,199.1	1,255.7	1,320.0	1,320.0	1,320.0

^a The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) as amended established 3 discretionary spending categories for FY2002: General Purpose, Highway, and Mass Transit. Title VIII of P.L. 106-291, the Department of the Interior and Related Agencies Appropriations Act for FY2001, established a fourth category of discretionary spending – for “conservation.” That law also identified the specific activities that would be included within the “conservation spending category.” The category essentially includes those activities, identified by Congress, in particular budget accounts (or portions thereof) providing appropriations to preserve and protect lands, habitat, wildlife, and other natural resources; to provide recreational opportunities; and for other purposes. This table presents the current and proposed distribution of these conservation funds. Dashes indicate that the funding is understood to be zero.

^b Excludes \$8.8 million of Bureau of Land Management (BLM) land acquisition funds from 2001 consolidated appropriations Act; Department of Interior (DOI) scores Geological Survey funds in this category \$10M higher than does Office of Management and Budget (OMB). OMB includes Youth Conservation funds in 2001 totals.

^c An additional \$50 million was appropriated for formula grants through Title IX of the FY2001 Commerce Appropriations. See Table 3 for more detail on funding sources for Fish and Wildlife Service programs.

Table 13. Historical Appropriations Data from FY1997 to FY2002
(\$ in thousands)

Agency or Bureau	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002
Department of the Interior						
Bureau of Land Management	1,195,648	1,137,852	1,183,895	1,231,402	2,147,182	1,871,192
U.S. Fish and Wildlife Service	670,596	745,387	839,804	875,093	1,227,010	1,276,424
National Park Service	1,435,858	1,646,926	1,764,224	1,803,847	2,135,219	2,323,057
U.S. Geological Survey	740,051	759,160	798,896	813,376	882,800	914,002
Minerals Management Service	163,395	143,639	124,020	116,318	139,221	156,772
Office of Surface Mining Recl. and Enforce.	271,757	273,061	278,769	291,733	302,846	306,530
Bureau of Indian Affairs	1,618,274	1,701,991	1,746,428	1,869,052	2,187,613	2,222,876
Departmental Offices ^a	240,020	241,195	394,199	319,869	352,519	364,939
General Provisions	—	—	—	—	12,572	—
Total for Department	6,335,599	6,649,211	7,130,235	7,320,690	9,386,982	9,435,792
Related Agencies						
U.S. Forest Service	2,919,564	2,506,568	2,757,464	2,819,933	4,435,391	4,130,416
Department of Energy	992,097	1,048,151	1,316,878	1,226,393	1,453,644	1,766,470
Indian Health Service	2,054,000	2,098,612	2,242,287	2,390,728	2,628,766	2,759,101
Indian Education ^b	61,000	—	—	—	—	—
Office of Navajo and Hopi Indian Relocation	19,345	15,000	13,000	8,000	14,967	15,148
Inst. of Amer. Indian and Alaska Culture & Arts Dev.	5,500	4,250	4,250	2,125	4,116	4,490
Smithsonian Institution	371,342	402,258	412,254	438,130	453,854	497,153
National Gallery of Art	60,223	62,029	64,350	67,590	75,485	83,187
JFK Center for the Performing Arts	24,875	20,375	32,187	33,871	33,925	34,000
Woodrow Wilson International Center for Scholars	5,840	5,840	5,840	6,763	12,283	7,796
National Endowment for the Arts	99,494	98,000	98,000	97,628	97,785	98,234
National Endowment for the Humanities	110,000	110,700	110,700	115,260	119,994	124,504
Institute of Museum and Library Services	22,000	23,280	23,405	24,307	24,852	26,899
Challenge America Arts Fund	—	—	—	—	6,985	17,000
Commission of Fine Arts	867	907	898	1,021	1,076	1,224
National Capital Arts and Cultural Affairs	6,000	7,000	7,000	6,973	6,985	7,000
Advisory Council on Historic Preservation	2,500	2,745	2,800	2,989	3,182	3,400
National Capitol [Planning Commission]	5,390	5,740	6,335	6,288	6,486	7,253
FDR Memorial Commission	500	—	—	—	—	—
Holocaust Memorial Council	31,707	31,707	35,007	33,161	34,363	36,028
Presidio Trust	—	—	34,913	44,300	33,327	23,125
Total for Related Agencies	6,792,244	6,443,162	7,167,568	7,325,460	9,447,466	9,642,428
Grand Total for All Agencies^c	13,127,843	13,791,373	14,297,803	14,911,650	18,892,320	19,078,220

^a Beginning in FY1996, appropriations for the territories and other insular areas were consolidated within the Departmental Offices account. Departmental Offices also includes Insular Affairs and Office of the Special Trustee for American Indians.

^b Beginning in FY1998, Indian Education was funded in the Labor, Health and Human Services, and Education Appropriations.

^c FY1997 totals \$13,514,435 with funding of \$386,592 included in the Emergency Supplemental Appropriations bill (P.L. 105-18). FY2000 includes \$68,000 million for the United Mine Workers and \$197,500 million for priority land acquisitions and exchanges. FY2001 includes \$57,872 million for the United Mine Workers.