

# CRS Report for Congress

## Interior, Environment, and Related Agencies: FY2008 Appropriations

**May 21, 2007**

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**Prepared for Members and  
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The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of the session. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Subcommittees on Interior, Environment, and Related Agencies. It summarizes the status of the Interior, Environment, and Related Agencies appropriations bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

**NOTE: A Web version of this document with active links is available to congressional staff at [\[http://beta.crs.gov/cli/level\\_2.aspx?PRDS\\_CLI\\_ITEM\\_ID=73\]](http://beta.crs.gov/cli/level_2.aspx?PRDS_CLI_ITEM_ID=73).**

# Interior, Environment, and Related Agencies: FY2007 Appropriations

## Summary

The Interior, Environment, and Related Agencies appropriations bill includes funding for the Department of the Interior (DOI), except for the Bureau of Reclamation, and for two agencies within other departments — the Forest Service within the Department of Agriculture and the Indian Health Service within the Department of Health and Human Services. It also includes funding for arts and cultural agencies, the Environmental Protection Agency, and numerous other entities and agencies.

The President requested \$25.68 billion for Interior, Environment, and Related Agencies for FY2008, a \$766.6 million (3%) reduction from the FY2007 level of \$26.45 billion. The request contained increases for some agencies but decreases for others. Among the proposed FY2008 increases from FY2007 were the following:

- \$90.5 million (3%) for the Indian Health Service (IHS);
- \$74.3 million (3%) for the National Park Service (NPS);
- \$45.4 million (7%) for the Smithsonian Institution (SI);
- \$45.0 million (3%) for the Bureau of Land Management (BLM); and
- \$3.9 million (3%) for the National Endowment for the Arts (NEA).

Among the proposed decreases were the following:

- \$-525.7 million (7%) for the Environmental Protection Agency (EPA);
- \$-197.3 million (5%) for the Forest Service (FS);
- \$-79.4 million (3%) for the Bureau of Indian Affairs (BIA);
- \$-43.9 million (3%) for the Fish and Wildlife Service (FWS); and
- \$-27.1 million (12%) for the Office of Special Trustee for American Indians (OST).

The House and Senate Appropriations Subcommittees on Interior, Environment, and Related Agencies have held hearings on agency budget requests. No bill to fund Interior, Environment, and Related Agencies for FY2008 has been introduced to date. Congress may debate a variety of funding and policy issues during consideration of FY2008 Interior legislation. These issues might include appropriate funding for BIA construction, education, and housing; IHS construction and urban Indian health; wastewater/drinking water needs; land acquisition; the Payments in Lieu of Taxes program; the Superfund; and wildland fire fighting. Other issues might include Indian trust fund management, leasing in the Outer Continental Shelf, and royalty relief.

This report will be updated to reflect major congressional action.

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a. Division abbreviations: DSP = Domestic Social Policy; G&F = Government and Finance; RSI = Resources, Science, and Industry.

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# Interior, Environment, and Related Agencies: FY2007 Appropriations

## Most Recent Developments

House and Senate Appropriations Subcommittees on Interior, Environment, and Related Agencies have held hearings on agency budget requests for FY2008. The Administration sought a total of \$25.68 billion for FY2008 for all agencies included in the Interior, Environment, and Related Agencies appropriations bill.

## Introduction

The annual Interior, Environment, and Related Agencies appropriations bill includes funding for agencies and programs in three separate federal departments, as well as numerous related agencies and bureaus. It provides funding for Department of the Interior (DOI) agencies (except for the Bureau of Reclamation, funded in Energy and Water Development appropriations laws), many of which manage land and other natural resource or regulatory programs. The bill also provides funds for agencies in two other departments — the Forest Service in the Department of Agriculture, and the Indian Health Service in the Department of Health and Human Services — as well as funds for the Environmental Protection Agency (EPA). Further, the annual bill includes funding for arts and cultural agencies, such as the Smithsonian Institution, National Gallery of Art, National Endowment for the Arts, and National Endowment for the Humanities, and for numerous other entities and agencies.

In recent years, the appropriations laws for Interior and Related Agencies provided funds for several activities within the Department of Energy (DOE), including research, development, and conservation programs; the Naval Petroleum Reserves; and the Strategic Petroleum Reserve. However, at the outset of the 109<sup>th</sup> Congress, these DOE programs were transferred to the House and Senate Appropriations subcommittees covering energy and water, to consolidate jurisdiction over DOE.<sup>1</sup> At the same time, jurisdiction over the EPA and several smaller entities was moved to the House and Senate Appropriations subcommittees covering Interior and Related Agencies.<sup>2</sup> This change resulted from the abolition of the House and Senate Appropriations Subcommittees on Veterans Affairs, Housing and Urban Development, and Independent Agencies, which previously had jurisdiction over EPA.

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<sup>1</sup> These panels are now called the Subcommittees on Energy and Water Development.

<sup>2</sup> These panels are now called the Subcommittees on Interior, Environment, and Related Agencies.



The FY2006 and FY2007 appropriations laws for Interior, Environment, and Related Agencies contained three primary titles providing funding. This report is organized along these lines. Accordingly, the first section (Title I) provides information on Interior agencies; the second section (Title II) discusses EPA; and the third section (Title III) addresses other agencies, programs, and entities. A fourth section of this report discusses cross-cutting topics that encompass more than one agency.

Entries in this report are for major agencies (e.g., the National Park Service) and cross-cutting issues (e.g., Everglades restoration) that receive funding in the Interior bill. For each such agency or issue, we discuss some of the key funding changes proposed by the President that are likely to be of interest to Congress. We also address related policy issues that have tended to occur, or might be likely to arise, in the context of considering appropriations legislation. Presenting such information in summary form is a challenge given that budget submissions for some agencies number several hundred pages and contain innumerable funding, programmatic, and legislative changes for congressional consideration.

This report contains final FY2007 enacted levels for agencies, programs, and activities. These figures were not used as the basis of comparison in agency budget submissions for FY2008, because agencies were being funded under a short-term continuing resolution at the time of those submissions. Accordingly, the FY2007 figures used throughout this report will differ in many cases from those contained in the FY2008 agency budget submissions. Further, final FY2007 enacted levels are not included in CRS Report RL33399, *Interior, Environment, and Related Agencies: FY2007 Appropriations*, because they were not available until after the start of the 110<sup>th</sup> Congress and the beginning of the FY2008 appropriations cycle.

Final FY2007 funding levels were determined by the agencies under the provisions of P.L. 110-5, the Revised Continuing Appropriations Resolution for FY2007. Continuing funding was needed to fund agency operations and activities because Congress did not enact a regular FY2007 appropriations bill for Interior, Environment, and Related Agencies. P.L. 110-5 provided funds through September 30, 2007, which is the rest of the fiscal year. It continued funds at the FY2006 account level, except where otherwise specified. The law required that agencies and departments submit an allocation of funds below the account level, for example for programs and activities, to the House and Senate Appropriations Committees. The submissions were due within 30 days of enactment (March 17, 2007).

In general, in this report the term *appropriations* represents total funds available, including regular annual and supplemental appropriations, as well as rescissions, transfers, and deferrals, but excludes permanent mandatory budget authorities. Increases and decreases generally are calculated on comparisons between FY2007 enacted levels and funding levels requested by the President for FY2008. The House Committee on Appropriations is the primary source of the funding figures used throughout the report. Other sources of information include the Senate Committee on Appropriations, agency budget justifications, and the *Congressional Record*. In the tables throughout this report, some columns of funding figures do not add to the precise totals provided due to rounding. This report will be updated following major congressional activity on the Interior appropriations bill.

## FY2008 Budget and Appropriations

### Current Overview

The President requested \$25.68 billion for Interior, Environment, and Related Agencies for FY2008, a \$766.6 million (3%) reduction from the FY2007 level of \$26.45 billion. The request sought to increase funds for some agencies while decreasing funds for others. Among the proposed increases for FY2008, from FY2007, were the following:

- \$90.5 million (3%) for the Indian Health Service (IHS);
- \$74.3 million (3%) for the National Park Service (NPS);
- \$45.4 million (7%) for the Smithsonian Institution (SI);
- \$45.0 million (3%) for the Bureau of Land Management (BLM); and
- \$3.9 million (3%) for the National Endowment for the Arts (NEA).

Among the proposed decreases were the following:

- \$-525.7 million (7%) for the Environmental Protection Agency (EPA);
- \$-197.3 million (5%) for the Forest Service (FS);
- \$-79.4 million (3%) for the Bureau of Indian Affairs (BIA);
- \$-43.9 million (3%) for the Fish and Wildlife Service (FWS); and
- \$-27.1 million (12%) for the Office of Special Trustee for American Indians (OST).

The Administration also proposed a \$126.3 million decrease (43%) for the Office of Surface Mining Reclamation and Enforcement, derived from the Abandoned Mine Reclamation Fund. However, the decrease is attributable to a change in law (P.L. 109-432) making most state and tribal reclamation grants mandatory appropriations, beginning in FY2008; the grants would still be funded, but would not require annual appropriations.

**Table 1**, below, shows the budget authority for Interior, Environment, and Related Agencies for FY2004-FY2007. The President's request for FY2008 would be the lowest level since FY2004; funding for earlier years is not readily available due to the changes in the makeup of the Interior appropriations bill. Further, the FY2008 request would be a \$1.65 billion (6%) decrease in funds from the FY2004 level in current dollars, or a 17% decrease in constant dollars (assuming 3% inflation for 2007 and 2008). See **Table 24** for a budgetary history of each agency for FY2004-FY2008.

**Table 1. Interior, Environment, and Related Agencies Appropriations, FY2004 to FY2007**

(budget authority in billions of current dollars)

FY2004	FY2005	FY2006	FY2007
\$27.33	\$27.02	\$25.94	\$26.45

**Note:** These figures exclude permanent budget authorities, and generally do not reflect scorekeeping adjustments. They generally reflect rescissions and supplemental appropriations to date, except that the FY2006 figure does not reflect supplementals.

## Major Issues

The President's FY2008 budget requests contained many recommendations for legislative changes. One proposal was to alter the distribution of proceeds from land sales under the Federal Land Transaction Facilitation Act (FLTFA). This issue is covered briefly in the "Bureau of Land Management" section, below. The President also recommended selling certain National Forest System lands. This issue is covered briefly in the "Forest Service" section, below. The President's FY2008 budget further proposed enactment of legislation to open part of the Coastal Plain in the Arctic National Wildlife Refuge to oil and gas exploration and development. This issue is covered briefly in the "Fish and Wildlife Service" section, below. (For more information, see CRS Report RL33872, *Arctic National Wildlife Refuge (ANWR): New Directions in the 110<sup>th</sup> Congress*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.)

Controversial funding and policy issues typically have been debated during consideration of the annual Interior, Environment, and Related Agencies Appropriations bill. Debate on the FY2008 funding levels might encompass a variety of issues, many of which have been controversial in the past, including the issues listed below.

- *Clean Water and Drinking Water State Revolving Funds*, especially the adequacy of funding to meet state and local wastewater and drinking water needs. These state revolving funds provide seed money for state loans to communities for wastewater and drinking water infrastructure projects. (For more information, see the "Environmental Protection Agency" section in this report.)
- *Construction of BIA Schools and IHS Health Facilities*, particularly whether to enact funding cuts proposed in the President's FY2008 budget. (For more information, see the "Bureau of Indian Affairs" and the "Indian Health Service" sections in this report.)
- *Indian Trust Funds*, especially whether to enact reductions proposed in the President's FY2008 request and the method by which a historical accounting will be conducted of Individual Indian Money (IIM) accounts to determine correct balances in the class-action lawsuit against the government. (For more information, see the "Office of Special Trustee for American Indians" section in this report.)
- *Land Acquisition*, including the appropriate level of funding for the Land and Water Conservation Fund for federal land acquisition and the state grant program, and extent to which the fund should be used for activities not involving land acquisition. (For more information, see "The Land and Water Conservation Fund (LWCF)" section in this report.)
- *Outer Continental Shelf Leasing*, particularly the moratoria on preleasing and leasing activities in offshore areas, and oil and gas leases in offshore California. (For more information, see the "Minerals Management Service" section in this report.)



## Title I: Department of the Interior

### Bureau of Land Management

**Overview.** The Bureau of Land Management (BLM) manages approximately 258 million acres of public land for diverse and sometimes conflicting uses, such as energy and minerals 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 nonfederal land.

The Administration's FY2008 budget included several suggested changes in law. For instance, the Administration suggested amending the Federal Land Transaction Facilitation Act (FLTFA) in part to alter the distribution of proceeds from land sales. Under current law, proceeds are deposited into a separate Treasury account and are available primarily for land acquisition. The President's proposal would direct 70% of the proceeds to the general fund of the Treasury to help reduce the deficit. Legislation would be needed to make this change. The Administration proposed similar changes in its FY2007 budget request, but these changes were not enacted.

For the BLM for FY2008, the Administration requested \$1.82 billion, an increase of \$45.0 million (3%) over the FY2007 level of \$1.78 billion. See **Table 3**, below. Proposed funding for several key activities is discussed below.

**Table 3. Appropriations for the Bureau of Land Management, FY2006-FY2008**  
(\$ in millions)

Bureau of Land Management	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Management of Lands and Resources	847.6	866.9	879.4
Wildland Fire Management <sup>a</sup>	755.3	758.4	801.8
— <i>Preparedness</i>	268.8	274.9	268.3
— <i>Suppression</i> <sup>a</sup>	230.7	249.2	294.4
— <i>Other Operations</i>	255.7	234.3	239.1
Construction	11.8	11.8	6.5
Land Acquisition	8.6	8.6	1.6
Oregon and California Grant Lands	108.5	109.0	110.2
Range Improvements	10.0	10.0	10.0
Service Charges, Deposits, and Forfeitures <sup>b</sup>	0.0	0.0	0.0
Miscellaneous Trust Funds	15.4	12.4	12.4
<b>Total Appropriations<sup>a</sup></b>	<b>1,757.2</b>	<b>1,777.0</b>	<b>1,822.0</b>

a. The figures for FY2006 do not reflect a supplemental appropriation of \$100.0 million for wildfire suppression.

b. The figures of "0" are a result of an appropriation matched by offsetting fees.

**Management of Lands and Resources.** For Management of Lands and Resources, the Administration requested \$879.4 million, a \$12.5 million (1%) increase over the FY2007 level of \$866.9 million. This line item includes funds for an array of BLM land programs, including protection, recreational use, improvement, development, disposal, and general BLM administration. The Administration sought to decrease funds for some programs from FY2007, including wild horse and burro management, realty and ownership management, and resource protection and maintenance. The Administration also sought to increase funds for some programs over FY2007, notably energy and minerals and the healthy lands initiative.

The FY2008 request for wild horse and burro management was \$32.1 million, \$4.3 million (12%) less than the FY2007 level of \$36.4 million. The Administration expects to accomplish the reduction through less effort to gather and remove wild horses and burros from the range. The FY2008 request for realty and ownership management was \$78.7 million, a decline of \$3.9 million (5%) from the FY2007 level of \$82.6 million. The decrease would come from reduced conveyances of federal lands in Alaska. Under law, BLM is required to transfer 150 million acres to the State of Alaska and Alaska Native Corporations; 68 million acres have been transferred to date. For resource protection and maintenance, the Administration requested \$82.0 million for FY2008, a decrease of \$3.2 million (4%) from the FY2007 level of \$85.2 million. In FY2008, the Administration originally had anticipated preparing 14 land use plans, called resource management plans, but with reduced funds BLM expects to undertake only nine plans. BLM is in the midst of a multi-year initiative to develop and update land use plans to reflect current issues and conditions.

The Administration requested \$141.5 million for energy and minerals (including Alaska minerals) for FY2008, a \$3.4 (2%) increase over the FY2007 level of \$138.1 million. The increase is primarily in the area of oil and gas management, to conduct additional inspections and to monitor the effectiveness of oil and gas lease stipulations. Activities will include production verification and ensuring that proper royalty payments are made. The Administration sought a large increase in funds for the healthy lands initiative, from \$3.0 million in FY2007 to \$15.0 million in FY2008. The initiative will consist of vegetation resources enhancements to restore and improve the health and productivity of western public lands. The Administration anticipated using another \$8.2 million in existing BLM funds for the initiative, and leveraging \$10.0 million in contributions from partners.

**Wildland Fire Management.** For Wildland Fire Management for FY2008, the Administration sought \$801.8 million, a \$43.5 million (6%) increase over the \$758.4 million enacted for FY2007. The increase is intended primarily for fire suppression, which would rise \$45.2 million (18%) from \$249.2 million in FY2007 to \$294.4 million in FY2008. While the average annual cost of fire suppression has increased overall over the past decade, the FY2008 request represents the ten-year average cost, according to the Administration. The ten-year average continues to increase due to the costs of fighting fires in areas with large fuel loads and in areas where communities and wildlands meet. DOI and the FS have taken steps to respond to recommendations in recent reports on how to manage suppression costs. The increase for suppression in FY2008 is partly offset by a reduction in preparedness, which would decrease from \$274.9 million in FY2007 to \$268.3 million in FY2008.

The wildland fire funds appropriated to BLM are 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. A focus of both departments is implementing the Healthy Forests Restoration Act of 2003 (P.L. 108-148) and the National Fire Plan, which emphasize reducing hazardous fuels which can contribute to catastrophic fires. (For additional information on wildland fires, see the “Forest Service” section in this report.)

**Construction and Land Acquisition.** For FY2007, the Administration requested \$6.5 million for BLM Construction, a decrease of \$5.3 million (45%) relative to the FY2007 level of \$11.8 million. The funding would be used for 12 projects in five states. For Land Acquisition for FY2008, the Administration sought an appropriation of \$1.6 million, a \$7.0 million (81%) reduction from the FY2007 level of \$8.6 million. The Administration proposed augmenting this request by \$5.0 million from the proceeds of sales of portions of the subsurface mineral estate to the surface owners. BLM estimates that 500,000 acres could be sold annually for approximately \$10 per acre, for a total of \$5.0 million. Directing the proceeds of the sales to land acquisition would require a legislative change. The appropriation for BLM acquisitions has fallen steadily from \$49.9 million in FY2002 to \$8.6 million for FY2007. Money for land acquisition is appropriated from the Land and Water Conservation Fund. (For more information, see the “Land and Water Conservation Fund (LWCF)” section in this report.)

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

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

CRS Report RL33792. *Federal Lands Managed by the Bureau of Land Management (BLM) and the Forest Service: Issues for the 110<sup>th</sup> Congress*, by Ross W. Gorte, Carol Hardy Vincent, and Marc Humphries.

CRS Report RL33990. *Wildfire Funding*, by Ross W. Gorte.

## **Fish and Wildlife Service**

For FY2008, the President requested \$1.29 billion for the Fish and Wildlife Service (FWS), 3% less than FY2007. By far the largest portion of the FWS annual appropriation is for the Resource Management account. The President’s FY2008 request was \$1.03 billion, a 2% increase from the FY2007 level of \$1.01 billion. Among the programs included in Resources Management are the Endangered Species program, the Refuge System, and Law Enforcement.

In addition, the President’s FY2008 budget proposed enacting legislation to open part of the Coastal Plain in the Arctic National Wildlife Refuge (ANWR) to oil

and gas exploration and development.<sup>3</sup> The budget proposed that the first lease sale would be held in FY2009. Under the proposal, this and subsequent sales are estimated to generate \$7.0 billion in revenues over the next five years, to be divided evenly between the U.S. Treasury and the State of Alaska. For information on the debate over whether to approve energy development in the Refuge, see CRS Report RL33872, *Arctic National Wildlife Refuge (ANWR): New Directions in the 110<sup>th</sup> Congress*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

**Endangered Species Funding.** Funding for the Endangered Species program is one of the perennially controversial portions of the FWS budget. The Administration proposed to increase the program from \$144.7 million in FY2007 to \$146.5 million in FY2008 (1%), with the bulk of the increase in the consultation subprogram. See **Table 4**, below.

A number of other related programs also benefit conservation of species that are listed, or proposed for listing, under the Endangered Species Act. The President's request would end the Landowner Incentive Program (\$23.7 million in FY2007) as well as Stewardship Grants (\$7.3 million in FY2007). The Cooperative Endangered Species Conservation Fund (for grants to states and territories to conserve threatened and endangered species) would be reduced from \$81.0 million to \$80.0 million. See **Table 4**, below.

Under the President's request, total FY2008 funding for the Endangered Species program and related programs would decrease from \$256.6 million to \$226.5 million (12%).

**National Wildlife Refuge System and Law Enforcement.** For refuge operations and maintenance in FY2008, the President proposed \$394.8 million, a slight decrease from \$395.3 million in FY2007. The President proposed \$57.6 million for Law Enforcement — a modest increase from the FY2007 level (\$57.3 million).

**Avian Flu.** For FY2008, the Administration proposed \$7.4 million for the study, monitoring, and early detection of highly pathogenic avian flu. The FY2006 level totaled \$7.4 million, provided in a supplemental appropriation; the FY2007 level was \$5.0 million. FWS cooperates with other federal and nonfederal agencies in studying the spread of the virus through wild birds. Attention is on the North American species whose migratory patterns make them likely to come into contact with infected Asian birds. The geographic focus would be on Alaska, the Pacific Flyway (along the west coast), and Pacific islands, with smaller samples in other areas. (See CRS Report RL33795, *Avian Influenza in Poultry and Wild Birds*, by Jim Monke and M. Lynne Corn.)

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<sup>3</sup> U.S. Office of Management and Budget, *Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2008* (Washington, DC), p. 279. The proposed authorization for exploration and development would be separate legislation, rather than part of the Interior appropriations bill. The proposal does not appear in the FWS Budget Justification for FY2008. To date, no legislation to this effect has been introduced in the 110<sup>th</sup> Congress.



**Table 4. Appropriations for Endangered Species and Related Programs, FY2006-FY2008**

(\$ in thousands)

Endangered Species and Related Programs	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Endangered Species Program			
— <i>Candidate Conservation</i>	8,619	8,425	8,635
— <i>Listing</i>	17,630	17,824	18,263
— <i>Consultation</i>	47,997	49,179	51,578
— <i>Recovery</i>	73,562	69,244	68,067
Subtotal, Endangered Species Program	147,808	144,672	146,543
Related Programs			
— <i>Landowner Incentive Program</i>	21,667	23,667	0
— <i>Private Stewardship Grants</i>	7,277	7,277	0
— <i>Cooperative Endangered Species Conservation Fund</i>	80,001	81,001	80,001 <sup>a</sup>
Subtotal, Related Programs	108,945 <sup>b</sup>	111,945	80,001
<b>Total Appropriations</b>	<b>256,753<sup>b</sup></b>	<b>256,617</b>	<b>226,544</b>

a. The President's request for FY2008 called for the entire amount to be derived from LWCF.

b. Reflects a \$2.0 million rescission in the Landowner Incentive Program and a \$1.0 million rescission in the Cooperative Endangered Species Conservation Fund in P.L. 109-148.

**Land Acquisition.** For FY2008, the Administration proposed \$18.0 million for Land Acquisition, \$10.0 million (36%) below FY2007. (See **Table 5.**) This program is funded with appropriations from LWCF. In the past, the bulk of this FWS program had been for acquisitions of land for specified federal refuges, but a portion was used for closely related functions such as acquisition management, land exchanges, emergency acquisitions, purchase of inholdings, and general overhead ("Cost Allocation Methodology"). In recent years, less of the funding has been reserved for traditional land acquisition. The Administration continued this trend for FY2008, reserving \$5.5 million for specified acquisitions, and funding the remainder of the program at \$12.5 million.<sup>4</sup> (For more information, see "Land and Water Conservation Fund (LWCF)" in this report.)

**Wildlife Refuge Fund.** The National Wildlife Refuge Fund (also called the Refuge Revenue Sharing Fund) compensates counties for the presence of the non-taxable federal lands of the National Wildlife Refuge System (NWRS). A portion of the fund is supported by the permanent appropriation of receipts from various activities carried out on the NWRS. However, these receipts are not sufficient for full funding of amounts authorized in the formula, and county governments have long urged additional appropriations to make up the difference. Congress generally

<sup>4</sup> Under the Migratory Bird Conservation Account (MBCA), FWS has a permanently appropriated source of mandatory funding (from the sale of *duck stamps* to hunters, and import duties on certain arms and ammunition) for land acquisition. As annual appropriations for acquisitions under LWCF have declined, the MBCA (\$41.9 million in FY2006) has become increasingly important in the protection of habitat for migratory birds, especially waterfowl. Other species in these habitats benefit incidentally.

provides additional appropriations. The President requested \$10.8 million for FY2008, down \$3.4 million (24%) from the FY2007 level of \$14.2 million. This FY2008 level, combined with expected receipts, would provide about 35% of the authorized full payment, down from 52% in FY2007.

**Table 5. Appropriations for FWS Land Acquisition Program, FY2006-FY2008**  
(\$ in thousands)

<b>FWS Land Acquisition</b>	<b>FY2006 Approp.</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>
Acquisitions — Federal Refuge Lands	13,494	13,650	5,544
Inholdings	1,478	1,500	1,500
Emergencies & Hardships	1,478	1,478	1,500
Exchanges	1,478	1,485	1,537
Acquisition Management	8,269	8,140	6,436
Cost Allocation Methodology	1,793	1,793	1,494
<b>Total Appropriations</b>	<b>27,990</b>	<b>28,046</b>	<b>18,011</b>

**Multinational Species and Neotropical Migrants.** The Multinational Species Conservation Fund (MSCF) has generated considerable constituent interest despite the small size of the program. It benefits Asian and African elephants, tigers, rhinoceroses, great apes, and marine turtles.<sup>5</sup> For FY2008, the President proposed \$4.3 million for the MSCF and \$4.0 million for the Neotropical Migratory Bird Conservation Fund (NMBCF). The proposal would cut each of the MSCF programs and hold funding level for NMBCF. See **Table 6**, below.

**Table 6. Appropriations for Multinational Species Conservation Fund and Neotropical Migratory Bird Fund, FY2006-FY2008**  
(\$ in thousands)

<b>Multinational Species Conservation Fund</b>	<b>FY2006 Approp.</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>
African Elephant	1,379	1,379	990
Tiger and Rhinos	1,576	1,576	990
Asian Elephant	1,379	1,379	990
Great Apes	1,379	1,379	990
Marine Turtles	691	691	297
<b>Total MSCF Appropriations</b>	<b>6,404</b>	<b>6,404</b>	<b>4,257</b>
Neotropical Migratory Birds	3,941	3,941	3,960

<sup>5</sup> The President's FY2008 budget did not propose to move funding for the Neotropical Migratory Bird Conservation Fund (NMBCF) into the MSCF. Congress had rejected the Administration's proposed transfer for the previous six fiscal years, beginning in FY2002.

**State and Tribal Wildlife Grants.** State and Tribal Wildlife Grants help fund efforts to conserve species (including non-game species) of concern to states, territories, and tribes and have generated considerable support from these governments. The program was created in the FY2001 Interior appropriations law (P.L. 106-291) and further detailed in subsequent Interior appropriations bills. (It does not have any separate authorizing statute.) Funds may be used to develop conservation plans as well as to support specific practical conservation projects. A portion of the funding is set aside for competitive grants to tribal governments or tribal wildlife agencies. The remaining portion is for matching grants to states. A state's allocation is determined by formula. The President proposed \$69.5 million, a \$2.0 million (3%) increase from \$67.5 million in FY2007. See **Table 7**, below.

**Table 7. Appropriations for State and Tribal Wildlife Grants, FY2006-FY2008**  
(\$ in thousands)

State and Tribal Wildlife Grants	FY2006 Approp.	FY2007 Approp.	FY2008 Request
State Grants	59,556	n/a	n/a
Competitive Grants for States, Territories, & Other Jurisdictions	0	n/a	n/a
Tribal Grants	5,912	n/a	n/a
Administration <sup>a</sup>	2,024	n/a	n/a
Cost Allocation Methodology (CAM) <sup>b</sup>	—	—	—
<b>Total Appropriations</b>	<b>67,492</b>	<b>67,492</b>	<b>69,492</b>

**Note:** n/a = not available. This level of detail is usually specified in the report accompanying the conference agreement.

- a. In FY2006 and earlier, administrative costs were limited to 3%, after tribal grants were deducted from the total. Committee reports and the conference report did not specify a dollar figure for allocation to administration or to the cost allocation methodology. For FY2007, neither the Senate Appropriations Committee nor the House specified a dollar or a percent limit on administrative costs, but only that such costs be deducted from the state grants share of the program.
- b. Beginning in FY2006, CAM was included under administrative costs.

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

CRS Report RL33779. *The Endangered Species Act (ESA) in the 110<sup>th</sup> Congress: Conflicting Values and Difficult Choices*, by Eugene H. Buck, M. Lynne Corn, Pervaze A. Sheikh, Robert Meltz, and Kristina Alexander.

CRS Report RS21157. *Multinational Species Conservation Fund*, by Pervaze A. Sheikh and M. Lynne Corn.

CRS Report RL33872. *Arctic National Wildlife Refuge (ANWR): New Directions in the 110<sup>th</sup> Congress*, by M. Lynne Corn, Bernard A. Gelb, and Pamela Baldwin.

CRS Report RL33795, *Avian Influenza in Poultry and Wild Birds*, by Jim Monke and M. Lynne Corn.

## National Park Service

The National Park Service (NPS) is responsible for the National Park System, currently comprising 391 separate and diverse park units covering 85 million acres. The NPS and its more than 20,000 employees protect, preserve, interpret, and administer the park system's diverse natural and historic areas representing the cultural identity of the American people. The NPS mission is to protect park resources and values, unimpaired, while making them accessible to the public. Annual park visitation is now 273 million visits. The Park System has some 20 types of area designations, including national parks, monuments, memorials, historic sites, battlefields, seashores, recreational areas, and other classifications. The NPS also supports and promotes some resource conservation activities outside the Park System through limited grant and technical assistance programs and cooperation with partners.

The President's FY2008 request for the NPS was \$2.36 billion, an increase of \$74.3 million (3%) above the FY2007 level of \$2.29 billion. (See **Table 8**, below.) The parks remain popular with the public and the condition of the parks and the adequacy of their care and operating capacity, in a protracted climate of budgetary constriction and competing priorities, continues to be controversial.

To be ready for the NPS's 100<sup>th</sup> anniversary in 2016, the Administration has proposed a multi-year initiative, beginning in FY2008, to strengthen visitor services and other park programs. The National Parks Centennial Initiative, announced by President Bush in August 2006, could add up to \$3 billion in new funds for the parks over the next 10 years through a public/private joint effort. The initiative has three components. It consists of a commitment to an additional \$100.0 million annually in discretionary funds, a challenge for the public to donate \$100.0 million annually, and a commitment to match the public donations with federal funds of up to \$100.0 million annually. The second part of the initiative — the proposed \$1 billion "Centennial Challenge" — would rely on corporate, foundation, and other private donations, raising concerns among some park supporters about potential commercialization and privatization of the parks. Many claim that the park system has experienced chronic budget shortfalls. Park advocacy groups have estimated that, on average, the national parks operate with two-thirds of needed funding — a budget shortfall of more than \$600 million annually.<sup>6</sup>

**Operation of the National Park System.** The park operations line-item is the primary source of funding for the national parks, accounting for more than 75% of the total NPS budget in FY2007. It supports the activities, programs, and services essential to the day-to-day operations of the park system, and covers resource protection, visitors' services, facility operations and maintenance, and park support programs, as well as employee pay, benefits, and other fixed costs. The majority of operations funding is provided directly to park managers. The FY2008 request for park operations was \$1.97 billion, an increase of \$206.3 million (12%) from the FY2007 enacted level. This budget would be the largest ever for park operations.

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<sup>6</sup> See the website of the National Parks Conservation Association at [[http://www.npca.org/media\\_center/reports/analysis.html](http://www.npca.org/media_center/reports/analysis.html)].

The largest proposed increase was for maintenance, rising by \$94.9 million (16%), with visitor services rising by \$56.2 million (16%).

**Table 8. Appropriations for the National Park Service, FY2006-FY2008**  
(\$ in millions)

National Park Service	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Operation of the National Park System	1,718.4	1,762.7	1,969.0
U.S. Park Police	80.2	85.2	88.1
National Recreation and Preservation	54.2	54.4	48.9
Historic Preservation Fund	72.2	55.7	63.7
Construction	313.9	297.5	201.6
Land and Water Conservation Fund <sup>a</sup>	-30.0	-30.0	-30.0
Land Acquisition and State Assistance			
— Assistance to States	29.6	29.6	0.0
— NPS Acquisition	17.4 <sup>b</sup>	34.4	22.5
Subtotal, Land Acquisition and State Assistance	47.0 <sup>b</sup>	64.0	22.5
<b>Total Appropriations</b>	<b>2,255.8</b>	<b>2,289.4</b>	<b>2,363.8</b>

a. Figures reflect a rescission of contract authority.

b. This figure does not reflect the availability of an additional \$26.8 million in prior year funds.

**United States Park Police (USPP).** This budget item supports the U.S. Park Police, an urban-oriented, full-service, uniformed law enforcement entity with primary jurisdiction at park sites within the metropolitan areas of Washington, DC, New York City, and San Francisco. USPP law enforcement authority extends to all NPS units and to certain other federal and state lands. The park police provide specialized law enforcement services to other park units when requested, through deployment of professional police officers to support law enforcement trained and commissioned park rangers working in park units system-wide. The enacted level for FY2007 was \$85.2 million, and the FY2008 request was \$88.1 million, a 3% increase. Increased funding is proposed primarily for enhanced security at National Mall icons and special events in Washington, DC, and at the Statue of Liberty in New York. An internal review concluded in December 2004 reportedly addressed long-standing fiscal and management problems and redefined USPP priorities to be (1) protection of “iconic” (symbols of democracy) park units and their visitors, (2) patrol of the National Mall and adjacent parks, (3) special events and crowd management, (4) criminal investigations, and (5) traffic control and parkway patrol.

**National Recreation and Preservation.** This line item funds a variety of park system recreation and resource protection programs and an international park affairs office, as well as programs connected with state and local community efforts to preserve natural, cultural, and historic (heritage) resources. The FY2008 request for NPS national recreation and preservation was \$48.9 million, a decrease of \$5.5 million (10%) from FY2007. The decrease included the proposed elimination of the statutory and contractual aid program for specific, non-NPS sites and a \$3.3 million reduction for the heritage partnership program that funds National Heritage Areas (NHAs). The Administration has previously proposed discontinuing statutory and

contractual aid, requesting no funding for FY2005, FY2006, and FY2007. Congress provided \$11.2 million for FY2005, \$7.0 million for FY2006, and \$3.2 million for FY2007.

**Construction.** The construction line item funds new construction projects, as well as improvements, repair, rehabilitation, and replacement of park facilities. The FY2008 request for NPS construction was \$201.6 million, a \$95.9 million (32%) decline from the FY2007 enacted level and a \$112.3 million (36%) decline from the FY2006 level. Recent DOI data (March 2007) report an NPS deferred maintenance backlog of \$7.9 billion, of which \$4.3 billion is park roads, while another DOI source contains an NPS backlog estimate (mid-range) of \$9.1 billion for FY2006. (For information on NPS maintenance, see CRS Report RL33484, *National Park Management*, coordinated by Carol Hardy Vincent.)

**Land Acquisition and State Assistance.** FY2007 appropriations for the NPS under the Land and Water Conservation Fund (LWCF) were \$64.0 million, comprised of \$34.4 million for NPS land acquisition and \$29.6 million for state assistance programs. Land acquisition funds are used to acquire lands, or interests in lands, for inclusion within the National Park System. State assistance is for recreation-related land acquisition and recreation planning and development by the states, with the appropriated funds allocated by formula and states determining their spending priorities.

The FY2008 request for NPS land acquisition was \$22.5 million, a decline of \$11.9 million (35%) from FY2007. The Administration did not seek funds for state assistance from LWCF, but instead requested \$1.4 million for program administration from the National Recreation and Preservation line item. The Administration did not seek funds for new stateside grants for FY2008, as for FY2006 and FY2007, although funds were appropriated for both these earlier years. (For more information, see the section titled “Land and Water Conservation Fund (LWCF)” in this report.)

**Historic Preservation.** The Historic Preservation Fund (HPF), administered by the NPS, provides grants-in-aid for activities specified in the National Historic Preservation Act (NHPA; 16 U.S.C. §470), such as restoring historic districts, sites, buildings, and objects significant in American history and culture. NHPA reauthorization (P.L. 109-235) was enacted on December 22, 2006, and extends authority to fund the HPF through 2015. The Fund’s preservation grants are normally funded on a 60% federal/40% state matching share basis. The HPF also includes funding for *Save America’s Treasures* and *Preserve America* grants.

For FY2008, the Administration’s request for the HPF was \$63.7 million, an increase of \$8.0 million (14%) over the funding level for FY2007, but below the FY2006 level of \$72.2 million. In addition, \$43.0 million was provided in FY2006 through emergency supplemental funds (P.L. 109-234) for areas affected by the 2005 hurricanes. The request would cut funding for state and tribal historic preservation grants by \$1.5 million (4%) and \$1.5 million (28%) respectively. It would not restore preservation funding for historically black colleges and universities, which was eliminated for FY2007. The NPS request would restore some funding for both the *Save America’s Treasures* and the *Preserve America* grant programs, which had been

cut from \$29.6 million in FY2006 to \$13.0 million in FY2007. The Administration requested \$20.0 million for FY2008.

New for FY2008, the Park Service proposed to establish a \$5.0 million program to help states and tribal governments create an integrated inventory of historic properties. Of that amount, \$4.0 million would be to fund grants through the HPF and the balance would be provided through National Recreation and Preservation funding.

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

For further information on *Historic Preservation*, see its website at [<http://www.cr.nps.gov/hps/>].

CRS Report RL33617. *Historic Preservation: Background and Funding*, by Susan Boren.

CRS Report RL33484. *National Park Management*, by Carol Hardy Vincent, Ross W. Gorte, Sandra L. Johnson, and Susan Boren.

CRS Report RL33525. *Recreation on Federal Lands*, coordinated by Kori Calvert and Carol Hardy Vincent.

## U.S. Geological Survey

The U.S. Geological Survey (USGS) is the nation's premier science agency in providing physical and biological 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. For FY2008, the Administration is emphasizing the role USGS plays in the healthy lands initiative, the ocean action plan, and providing timely scientific information for monitoring natural hazards and assessing their impacts.

Funds for the USGS are provided in the line item *Surveys, Investigations, and Research*, for seven activities: the National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; Biological Research; Enterprise Information; Science Support; and Facilities. For FY2008, the Administration requested \$975.0 million for the USGS, which is \$7.8 million (1%) below the FY2007 level of \$982.8 million. See **Table 9**, below.

For FY2008, the Administration would provide \$75.0 million for the Geographic Research, Investigations, and Remote Sensing Program (formerly the National Mapping Program); \$222.1 million for Geologic Hazards, Resources, and Processes; \$212.5 million for Water Resources Investigations; \$181.1 million for Biological Research; \$112.1 million for Enterprise Information; \$70.7 million for Science Support; and \$101.6 million for Facilities. The Administration requested funding below the FY2007 level for Geographic Research, Investigations, and Remote Sensing; Geologic Hazards, Resources, and Processes; and Water Resources

Investigations. The Administration requested funding above the FY2007 level for the other activities.

The FY2008 Administration's request included a \$5.0 million increase for research in the Green River Basin of Wyoming, which is a designated site for the healthy lands initiative, and a \$3.0 million increase to conduct research activities related to the U.S. ocean action plan. The FY2008 request proposed eliminating funding for the water resources research institutes, which the Administration contends have been generally self-supporting. The FY2008 request also would cut \$20.1 million for mineral resource assessments, to focus on the needs of federal land management programs, according to the Administration.

**Table 9. Appropriations for the U.S. Geological Survey,  
FY2006-FY2008**  
(\$ in millions)

U.S. Geological Survey	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Enterprise Information	46.4	111.8	112.1
Geographic Research, Investigations, and Remote Sensing	129.3	80.2	75.0
Geologic Hazards, Resources, and Processes	235.3	237.0	222.1
Water Resources Investigations	211.8	214.9	212.5
Biological Research	174.9	175.7	181.1
Science Support	69.3	67.8	70.7
Facilities	94.8	95.4	101.6
<b>Total Appropriations</b>	<b>970.7<sup>a</sup></b>	<b>982.8</b>	<b>975.0</b>

<sup>a</sup> The total includes emergency appropriations of \$9.0 million provided in P.L. 109-148.

**Enterprise Information.** In FY2005, the Administration proposed a new line item for funding within the USGS called Enterprise Information. This program consolidates funding of all USGS information needs including information technology, security, services, and resources management, as well as capital asset planning. The FY2008 Administration's request was \$112.1 million for this program, \$0.3 million above the FY2007 level of \$111.8 million.

There are three primary programs within Enterprise Information: (1) enterprise information security and technology, which supports management and operations of USGS telecommunications (e.g., computing infrastructure and email); (2) enterprise information resources, which provides policy support, information management, and oversight over information services; and (3) federal geographic data coordination, which provides operational support and management for the Federal Geographic Data Committee (FGDC). The FGDC is an interagency, intergovernmental committee that encourages collaboration to make geospatial data available to state, local, and tribal governments, as well as communities.



**Geographic Research, Investigations, and Remote Sensing.** This program aims to provide access to high quality geospatial information to the public. The Administration requested \$75.0 million for this program, \$5.2 million (7%) below the FY2007 level of \$80.2 million. Under the Land Remote Sensing subheading, \$24.0 million was requested to support the Landsat Data Continuity Mission, also known as Landsat 8. Landsat 8 is an upcoming satellite that is to take remotely-sensed images of the Earth's land surface and surrounding coastal areas primarily for environmental monitoring. The volume of data taken by Landsat 8 is to be four times greater than its predecessor, Landsat 7, and Landsat 8 is to include additional spectral bands and higher resolution than Landsat 7 data.

**Geologic Hazards, Resources, and Processes.** For Geologic Hazards, Resources, and Processes activities, the Administration requested \$222.1 million, \$14.9 million (6%) below the FY2007 level of \$237.0 million. This line item covers programs in three activities: Hazard Assessments, Landscape and Coastal Assessments, and Resource Assessments.

The primary reduction under this heading is a \$20.1 million cut in the mineral resources program. According to the Administration, proposed cuts will focus efforts on mineral resource assessments and research that benefit federal land management programs, as opposed to both federal and nonfederal needs as in previous years. The Administration expects that universities or other entities will undertake assessments and research that support nonfederal needs. The reduction would result in the discontinuation of most research and data collection projects, including those on industrial mineral research, and the elimination of some geophysical labs. In previous years the Administration has requested similar cuts in this program, yet each year funding has been provided by Congress.

The FY2008 request contained an increase of \$2.1 million for the geologic hazards program. Some of the funds would go towards supporting research and monitoring on volcanoes, landslides, and earthquakes.

**Water Resources Investigations.** The Administration's request for Water Resources Investigations was \$212.5 million, \$2.4 million (1%) below the FY2007 level of \$214.9 million. The hydrologic monitoring, assessments, and research activities would receive \$150.1 million and the federal-state cooperation water program would receive \$62.4 million. As with the Bush Administration's FY2002-FY2007 budget requests, the FY2008 request would discontinue USGS support for water resources research institutes because, according to the Administration, most institutes have succeeded in leveraging sufficient funding for program activities from non-USGS sources. Nevertheless, the institutes have received funding from FY2002-FY2007, with \$5.4 million appropriated for FY2007.

The Administration requested an increase of \$2.3 million for the National Streamflow Information Program (NSIP), for a total of \$18.9 million for FY2008. These additional funds would be used to continue the operation of the stream-gauge network of 7,400 streamgauges. Further, it would allow for several new stream-gauges to be built and maintained. Through the NSIP, the USGS collects the streamflow data needed by federal, state, and local agencies for planning, operating water-resources projects, and regulatory programs.

**Biological Research.** The Biological Research Program under the USGS generates and distributes information related to conserving and managing the nation's biological resources. The Administration requested \$181.1 million for biological research, \$5.4 million (3%) above the FY2007 level of \$175.7 million.

The Administration sought \$5.0 million for the USGS to participate in the healthy lands initiative. The USGS would focus its work in the Green River Basin. The agency expects to provide a geospatial framework for sharing information; assess the health of habitats and their resources; and monitor changes in landscapes. The Green River Basin is a priority site because its landscape and habitats are changing due to energy resource development. According to DOI, the healthy lands initiative will expand cooperative conservation efforts to help restore western lands that support wildlife habitat and energy resources.

In cooperation with the FWS and other federal and state agencies, the USGS is surveying for the early detection of HPAI (avian flu) in wild birds, and collecting samples from birds that are known to migrate through the Russian Far East and Southeast Asia. For 2008, the USGS will continue sampling birds for HPAI and coordinate with other agencies to address the potential for avian influenza in North America.

**Science Support and Facilities.** Science Support focuses on those costs associated with modernizing the infrastructure for managing and disseminating scientific information. The Administration requested \$70.7 million for science support, an increase of 2.9 million (4%) from the FY2007 level of \$67.8 million.

Facilities focuses on the costs for maintenance and repair. The Administration requested \$101.6 million for facilities, an increase of \$6.1 million (6%) from the FY2007 enacted level of \$95.4 million. The proposed increase of \$4.7 million is to repair facilities at the Patuxent Wildlife Research Center (MD).

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

## **Minerals Management Service**

The Minerals Management Service (MMS) administers two programs: the Offshore Minerals Management (OMM) Program and the Minerals Revenue Management (MRM) Program. OMM administers competitive leasing on Outer Continental Shelf (OCS) 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. Revenues from onshore leases are distributed to states in which they were collected, the general fund of the U.S. Treasury, and designated programs. Revenues from the offshore leases are allocated among the coastal states, the Land and Water Conservation Fund, the Historic Preservation Fund, and the U.S. Treasury.

The MMS estimates that it collects and disburses over \$7 billion in revenue annually. This amount fluctuates based primarily on the prices of oil and natural gas. Over the past decade, royalties from natural gas production have accounted for 40%

to 45% of annual MMS receipts, while oil royalties have been not more than 25%. (Other sources of MMS receipts include rents and bonuses for all leaseable minerals and royalties from coal and other minerals.)

**Budget and Appropriations.** The Administration submitted an FY2008 total MMS budget of \$297.2 million. This includes \$6.4 million for Oil Spill Research and \$290.8 million for Royalty and Offshore Minerals Management. The total FY2008 budget request reflected \$161.5 million in appropriations and an additional \$135.7 million from offsetting collections which MMS has been retaining since 1994. The Administration's total budget request was \$8.9 million (3%) above the \$288.2 million enacted for FY2007. The net appropriations request for FY2008 of \$161.5 million was a \$1.9 million (1%) increase from the \$159.5 million enacted for FY2007. See **Table 10**, below.

**Table 10. Appropriations for the Minerals Management Service, FY2006-FY2008**

(\$ in millions)

Minerals Management Service	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Royalty and Offshore Minerals Management			
— OCS Lands (OMM)	148.8	152.8	160.0
— Royalty Management (MRM)	77.9	80.1	82.4
— General Administration	47.5	48.5	48.5
— Gross, Royalty and Offshore Minerals Management	274.1	281.3	290.8
— Use of Receipts	-122.7	-128.7	-135.7
Total, Royalty and Offshore Minerals Management Appropriations	151.4	152.6	155.0
Oil Spill Research	6.9	6.9	6.4
<b>Total Appropriations</b>	<b>158.3</b>	<b>159.5</b>	<b>161.5</b>

**Oil and Gas Leasing Offshore.** Issues not directly tied to specific funding accounts remain controversial. Oil and gas development moratoria in the OCS along the Atlantic and Pacific Coasts, parts of Alaska, and the Gulf of Mexico have been in place since 1982, as a result of public laws and executive orders of the President. However, Congress enacted separate legislation (P.L.109-432) to open part of the Gulf of Mexico (about 5.8 million acres) previously under the moratoria, but the law places nearly all of the eastern Gulf under a leasing moratorium until 2022. The law also contains revenue sharing provisions for selected coastal states. Two areas — Bristol Bay (AK) and Virginia — contained in the MMS Proposed Five-Year OCS Oil and Gas Leasing Program (2007-2012) remain controversial. Bristol Bay, once included in the congressional moratoria was removed, while oil and gas leasing off Virginia is still under the moratoria. The new five-year program would take effect July 1, 2007. (For more information, see CRS Report RL33493, *Outer Continental Shelf: Debate Over Oil and Gas Leasing and Revenue Sharing*, by Marc Humphries.)

Royalty relief for OCS oil and gas producers was debated during consideration of FY2007 Interior appropriations. On February 13, 2006, the *New York Times*

reported that the MMS would not collect royalties on leases awarded in 1998 and 1999 because no price threshold was included in the lease agreements during those two years. Without the price thresholds, producers may produce oil and gas up to specified volumes without paying royalties no matter what the price. The MMS asserts that placing price thresholds in the lease agreements is at the discretion of the Secretary of the Interior. However, according to the MMS, the price thresholds were omitted by mistake during 1998 and 1999.<sup>7</sup>

On January 18, 2007, the House passed a bill (H.R. 6) that would deny new Gulf of Mexico leases to those holding leases without price thresholds or payment or an agreement to pay a “conservation of resources” fee that would be established by H.R. 6. DOI has asserted that the House-passed bill could lead to legal challenges which could delay oil and gas development in the Gulf of Mexico. The Department also suggested that Congress offer the lessees a three-year extension to their leases as an incentive to amend the leases to include price thresholds. The Senate continues to work on a version that may look different than H.R. 6. (For more information, see CRS Report RS22567, *Royalty Relief for U.S. Deepwater Oil and Gas Leases*, by Marc Humphries).

Another challenge confronting the MMS is to ensure that its audit and compliance program is consistently effective. Critics contend that less auditing and more focus on compliance review has led to a less rigorous royalty collection system and thus a loss of revenue to the federal Treasury. DOI’s Inspector General has made recommendations to strengthen and improve administrative controls of the Compliance and Asset Management Program (CAM). Further, DOI established an independent panel to review the MMS Mineral Leasing Program. The review includes an examination of the Royalty-In-Kind Program which has grown significantly over the past three years — from 41.5 million barrels of oil equivalent (BOE) sold in 2004 to 112 million BOE sold in 2007.

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

CRS Report RL33493. *Outer Continental Shelf: Debate Over Oil and Gas Leasing and Revenue Sharing*, by Marc Humphries.

CRS Report RS22567. *Royalty Relief for U.S. Deepwater Oil and Gas Leases*, by Marc Humphries.

## **Office of Surface Mining Reclamation and Enforcement**

The Surface Mining Control and Reclamation Act of 1977 (SMCRA, P.L. 95-87; 30 U.S.C. §1201 note) 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. However, coal mining is an old activity in the United States, and at the time SMCRA was enacted there was a

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<sup>7</sup> This information is from discussions with Walter Cruickshank, Deputy Director of MMS, during April 2006.

large inventory of abandoned mine sites that no company could be held accountable to reclaim. To address this problem, SMCRA established an Abandoned Mine Land (AML) fund, with fees levied on coal production, to reclaim abandoned sites that posed serious health or safety hazards. The law provided that individual states and Indian tribes would develop their own regulatory programs incorporating minimum standards established by law and regulations. Reclamation in states with no approved programs is directed by OSM.

Historically, AML collections have been divided up and assigned to different accounts, some of which fall into a federal designation allocated to individual states based upon their ranking in historical coal production. A portion of fee collections also has been credited to a state share account. Grants to states and tribes for reclamation have been awarded after applying a formula to annual congressional appropriations from the AML fund. Grants to a state or tribe would draw on both that state's federal-share and state-share accounts. Collections have exceeded appropriations for a number of years. The total unappropriated balance — including both federal and state share accounts in the AML fund — was over \$1.95 billion by the end of FY2006, of which approximately \$1.2 billion was in the state-share accounts.

As coal production has shifted westward, western states have paid more into the fund. These states have contended that they are shouldering a disproportionate share of the reclamation burden because the great majority of the sites requiring remediation are in the East.<sup>8</sup> Several states were pressing for increases in the AML appropriations, with an eye on those unappropriated balances in the state-share accounts.

Enactment of the Tax Relief and Health Care Act (P.L. 109-432) in December 2006 reauthorized AML fee collections through FY2021, and also made significant changes in the procedures for disbursing grants. Grants will now be funded by permanent appropriations from the AML fund and the general fund of the U. S. Treasury. All the revenues paid to the fund during a given fiscal year will be returned during the fiscal year that follows.<sup>9</sup> Under the restructuring, the balances in the state- and tribal-share accounts will be returned to all states and tribes in seven annual installments paid with general Treasury funds.<sup>10</sup>

States and tribes are categorized as “Certified” or “Uncertified,” and distributions to each will differ. Certified states are those that have reclaimed the most serious sites, while uncertified states have not yet done so. Beginning in

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<sup>8</sup> Interest generated by unappropriated balances in the AML fund is transferred to the United Mine Workers of America Combined Benefit Fund, established by P.L. 102-486 to cover the unreimbursed health cost requirements of retired miners.

<sup>9</sup> The permanent appropriation has a ceiling of \$490 million annually. If demands on that money, which include annual payments to the United Mine Workers of America Combined Benefit Fund, would exceed the cap, distributions will be proportional.

<sup>10</sup> Added to these totals will be any money needed to fund minimum program states. These states have sites remaining with serious problems. However, these states also have insufficient levels of current coal production to generate significant fees to the AML fund. Each minimum program state is to receive \$1.5 million annually.

FY2008, and over a period of seven years, certified states will receive equal installments of the unappropriated balances in their state-share accounts as of the end of FY2006. Additionally, they will receive whatever grants they would be entitled to based upon application of the distribution formula to both prior year collections and that state's entitlement based upon its historic coal production.<sup>11</sup> Beginning with fees collected during FY2008, the amounts that would have been deposited to certified states' state-share accounts will instead be credited to the federal-share account representing historical coal production. Certified states will not receive this allocation in their annual grants after FY2008. This will have the effect of increasing the pool of money available for distribution to uncertified states in future years.

The level of grants distributed to uncertified states will be based upon their proportionate entitlement from the historical coal production account (which, as just noted, will hold more money than under the old system), as well as the amount that would have otherwise been deposited to the state-share account.<sup>12</sup>

Owing to the establishment of the permanent appropriation, the FY2008 OSM budget request is sharply lower than the FY2007 level. Due to the restructuring of the program, that includes repayment of the unappropriated state balances from Treasury funds, one cannot make a direct comparison between the FY2008 request and the FY2007 appropriated level for OSM. In FY2008, some activities will remain subject to annual appropriations. Among these are the expenses of federal AML programs in states with no OSM-approved reclamation programs, an emergency reclamation program, OSM administrative expenses, and the Clean Streams program. The agency budget has two components — regulatory and technology programs, and appropriations from the AML fund. The FY2008 budget request includes \$115.5 for regulation and technology and \$52.8 million for the AML appropriation. Overall, the FY2008 budget request for OSM totals \$168.3 million in discretionary spending, a reduction of \$126.3 million (43%) from the FY2007 level of \$294.6 million. See **Table 11**, below.

**Table 11. Appropriations for the Office of Surface Mining Reclamation and Enforcement, FY2006-FY2008**

(\$ in millions)

Office of Surface Mining Reclamation and Enforcement	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Regulation and Technology	109.0	109.2	115.5
— <i>Environmental Protection</i>	78.4	78.7	83.8
Abandoned Mine Reclamation Fund	185.2	185.4	52.8
<b>Total Appropriations</b>	<b>294.2</b>	<b>294.6</b>	<b>168.3</b>

<sup>11</sup> Payments will be ramped up. For the first three years, certified states will receive 25%, 50%, and 75% of the amount the state would receive under the restructured program.

<sup>12</sup> An allocation of fee collections under the old program to the Rural Abandoned Mine Program (RAMP) is discontinued by P.L. 109-432, which transfers the RAMP balances to the fund pool representing state historical coal production. Whether or not fee collections are reauthorized beyond FY2021, mandatory distributions will continue so long as money remains in the AML fund.

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

CRS Report RL32993. *Abandoned Mine Reclamation Fee on Coal*, by Nonna A. Noto.

## Bureau of Indian Affairs

The Bureau of Indian Affairs (BIA) provides a variety of services to federally recognized American Indian and Alaska Native tribes and their members, and historically has 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, economic development, employment assistance, housing repair, dams, Indian rights protection, implementation of land and water settlements, management of trust assets (real estate and natural resources), and partial gaming oversight.

BIA's direct appropriations were \$2.27 billion in FY2006 and \$2.31 billion in FY2007. For FY2008, the Administration proposed \$2.23 billion, a decrease of \$79.4 million (3%) below FY2007. For the BIA, its major budget components, and selected BIA programs, **Table 12**, below, presents funding figures for FY2006, FY2007, and the FY2008 proposal, with the percentages of change from FY2007 to the proposed total levels for FY2008. Decreases are shown with minuses.

Key issues for the BIA, discussed below, cover BIA education programs — including reorganization of the BIA school system and the Administration's proposals to increase education spending, eliminate funding for the Johnson-O'Malley program and tribal technical colleges, and reduce education construction — as well as BIA law enforcement and housing programs.

In August 2006, the BIA's administrative office for its education programs was removed from the BIA, made a parallel agency under the Assistant Secretary — Indian Affairs, and renamed the *Bureau of Indian Education* (BIE).

**Budget Presentation.** The BIA's budget presentation of its Operation of Indian Programs activities, in which programs with the same budget function (e.g., education) were formerly included in different budget activities (e.g., "Tribal Priority Allocations," "Other Recurring Programs"), has been restructured so that programs with the same function fall under the same budget activity (e.g., "Education"). **Table 12** illustrates the new structure. The Tribal Priority Allocations (TPA) budget activity is significant to tribes because it covers many basic tribal services. Perhaps more importantly, tribes may apply their own priorities to TPA programs, moving funds among programs without prior BIA approval and without triggering Appropriation Committees' requirements for approval of reprogramming. The BIA identifies in its FY2008 *Budget Justification* the amounts within the new budget activities that fall in the TPA category. Those amounts are shown in **Table 12**. According to BIA figures, the total TPA funding proposed for FY2008 was \$733.6 million.

**Table 12. Appropriations for the Bureau of Indian Affairs,  
FY2006-FY2008**  
(\$ in thousands)

Bureau of Indian Affairs	FY2006 Approp.	FY2007 Approp.	FY2008 Request		Percent Change FY2007- FY2008
			Total	TPA <sup>a</sup>	
Operation of Indian Programs					
<i>Tribal Government</i>	374,689	392,261	397,698	390,880	1%
— <i>Contract Support Costs</i>	132,628	143,628	149,628	149,628	4%
<i>Human Services</i>	150,416	144,824	120,703	117,001	-17%
— <i>Welfare Assistance</i>	85,190	80,179	74,164	74,164	-8%
— <i>Housing Improvement Program</i>	18,830	18,824	0	0	-100%
<i>Trust - Natural Resources Management</i>	152,754	145,238	141,684	65,660	-2%
<i>Trust - Real Estate Services</i>	141,842	144,073	150,722	58,878	5%
— <i>Probate</i>	15,708	15,884	19,883	9,001	25%
— <i>Real Estate Services</i>	40,578	43,510	47,964	33,482	10%
— <i>Land Records Improvement</i>	7,891	7,897	16,065	0	103%
<i>Bureau of Indian Education</i>	646,430	657,912	660,540	25,342	<1%
— <i>Elementary/ Secondary (Forward- Funded)</i>	457,750	458,310	476,500	0	4%
— <i>ISEP Formula Funds</i>	350,062	351,817	364,020	0	3%
— <i>Elementary/ Secondary [Other]</i>	77,223	72,390	61,803	0	-15%
— <i>Johnson- O'Malley Grants</i>	16,371	12,000	0	0	-100%
— <i>Post Secondary Programs</i>	102,674	108,619	98,520	25,342	-9%
— <i>Tribal Colleges and Universities</i>	55,545	54,721	54,721	0	0%
— <i>Tribal Colls. and Univ. Supplements to Grants<sup>b,c</sup></i>	1,292	4,588	1,292	1,292	-72%
— <i>Tribal Technical Colleges<sup>b</sup></i>	—	2,004	0	0	-100%



Bureau of Indian Affairs	FY2006 Approp.	FY2007 Approp.	FY2008 Request		Percent Change FY2007- FY2008
			Total	TPA <sup>a</sup>	
— <i>Education Management</i>	8,783	18,593	23,717	0	28%
<i>Public Safety and Justice</i>	212,142	217,611	233,818	12,065	7%
— <i>Law Enforcement</i>	193,377	204,454	221,753	0	8%
— <i>Detention/Corrections</i>	55,789	58,678	65,038	0	11%
— <i>Tribal Courts</i>	12,291	12,013	12,065	12,065	<1%
<i>Community and Economic Development</i>	51,782	42,234	39,061	37,635	-8%
— <i>Tribal Technical Colleges<sup>b</sup></i>	5,223	—	—	—	—
<i>Executive Direction and Administrative Services</i>	232,135	244,070	246,692	26,094	1%
— <i>Office of Federal Acknowledgment</i>	1,900	1,900	1,900	0	0%
— <i>Information Resources Technology</i>	57,431	53,199	53,704	0	1%
<b>Subtotal, Operation of Indian Programs</b>	1,962,190	1,988,223	1,990,918	733,555	<1%
<b>Construction</b>					
<i>Education Construction</i>	206,787	204,956	139,844	—	-32%
— <i>Replacement School Construction</i>	64,530	83,891	14,815	—	-82%
— <i>Replacement Facility Construction</i>	0	26,873	22,578	—	-16%
— <i>Education Facilities Improvement and Repair</i>	140,286	92,219	100,834	—	9%
<i>Public Safety and Justice Construction</i>	11,603	11,605	11,621	—	<1%
— <i>Law Enforcement Facilities Improvement and Repair</i>	8,102	8,103	8,111	—	<1%
<i>Resources Management Construction</i>	45,099	45,125	37,916	—	-16%
<i>General Administration Construction and Construction Management</i>	8,093	10,137	8,246	—	-19%

Bureau of Indian Affairs	FY2006 Approp.	FY2007 Approp.	FY2008 Request		Percent Change FY2007- FY2008
			Total	TPA <sup>a</sup>	
<b>Subtotal, Construction</b>	271,582	271,823	197,627	—	-27%
<b>Land and Water Claim Settlements and Miscellaneous Payments</b>	34,243	42,000	34,069	—	-19%
<b>Indian Guaranteed Loan Program</b>	6,255	6,258	6,276	—	<1%
<b>Total Appropriations</b>	<b>2,274,270</b>	<b>2,308,304</b>	<b>2,228,890</b>	<b>733,555</b>	<b>-3%</b>

- a. Tribal Priority Allocations (TPA) are a subset of funds for BIA Operation of Indian Programs. The amounts in this column are included in the “FY2008 Request — Total” column in the table.
- b. The tribal technical colleges program was moved from the Community and Economic Development activity to the Post Secondary Programs activity for FY2007.
- c. The one-year increase of \$3.3 million for FY2007 is for tribal technical colleges.

**BIE Education Programs.** BIE funds an elementary-secondary school system and higher education programs. The BIA school system comprises 184 BIE-funded schools and peripheral dormitories, with over 2,000 structures, educating about 46,000 students in 23 states. Tribes and tribal organizations, under self-determination contracts and other grants, operate 120 of these institutions; the BIE operates the remainder. The BIE operates two postsecondary schools and provides grants to 26 tribally-controlled colleges and two tribally-controlled technical colleges.

Key problems for the BIE-funded school system are low student achievement, the high proportion of schools failing to make adequate yearly progress (AYP), and the large number of inadequate school facilities.

**School System Management Reorganization.** In FY2006, the BIE began the process of reorganizing its educational management system, asserting that its schools were failing to meet AYP — 70% failed to make AYP in school year 2004-2005 — because BIE lacked necessary professional education resources and management expertise. BIE is realigning its regional *education line offices* (ELOs), which supervise groups of individual schools, and is trying to increase the number of highly-qualified education managers and education specialists in its central office and ELOs. A number of tribes have opposed the ELO realignment, and actions by tribes in North and South Dakota and New Mexico led to federal courts suspending temporarily the local ELO realignments. The tribes argue that BIE has failed to consult tribes sufficiently and that the funds spent on reorganization would be better spent directly in schools.

**Proposed Indian Education Initiative.** The Administration proposed a \$15-million initiative in FY2008 to enhance education at BIE-funded schools. According to the BIA’s FY2008 budget justification, BIE’s forward-funded elementary and secondary budget activity is to receive \$9.6 million of the new program funds, which are to be used to improve instructional resources (especially through teacher development and principal training) at schools being restructured to meet AYP goals (\$5.3 million) and to increase operation and maintenance funds for student transportation (\$4.3 million). The remaining \$5.5 million of the initiative

would go to BIE's education management budget activity, to add education and administrative specialists at ELOs (\$3.6 million) and maintain BIE's new student and school information system (\$1.9 million).

**Johnson-O'Malley (JOM) Program.** The JOM program provides supplementary education assistance grants for tribes and public schools to benefit Indian students, and was funded at \$12.0 million in FY2007. The Administration proposed no funding for this program in FY2008, asserting that Department of Education programs under Titles I (education of the disadvantaged) and VII (Indian education) of the Elementary and Secondary Education Act<sup>13</sup> provide funds for the same purposes, and that the funds should be used for BIE-funded schools. Opponents disagree that the Education Department programs can replace JOM's culturally-relevant programs. For instance, the House Appropriations Committee, in rejecting the Administration's FY2007 proposal to end JOM funding, stated that there was no guaranteed one-to-one match between Department of Education grants and JOM funds.

**Tribal Technical Colleges.** There are two tribal technical (or vocational) colleges, one in North Dakota and one on the Navajo Reservation. Both are statutorily excluded from the BIE tribal colleges and universities assistance program, but the two are the only colleges receiving grants under the Education Department's Carl Perkins Act program for tribally controlled vocational colleges. The BIE has for several years sought to end its funding for the two technical colleges, asserting that they receive adequate funding from the Perkins Act and other Education Department higher education programs and that the funds are needed more at the 26 tribal colleges and universities. To date, Congress has not agreed to the Administration's recommendation. The tribal technical colleges received \$5.2 million in FY2006 (under the BIA's community development budget activity) and will receive a total of \$5.3 million in FY2007 under the BIE's post-secondary education budget subactivity. The Administration proposed no funding for tribal technical colleges in FY2008.

**Education Construction.** Many BIE 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. Schools are replaced or repaired according to priority lists. The BIA has in the past estimated the backlog in education facility repairs at \$942 million. **Table 12**, above, shows education construction funds. For FY2008, the Administration proposed reducing the appropriation for education construction by \$65.1 million (32%). Included is a reduction for replacement-school construction of 82%. The Administration asserted that the BIA needs to focus on completing replacement schools funded in prior years, and that construction and repairs since 2001 have reduced the proportion of facilities in bad condition from about 66% to 31%. Opponents contend that a large proportion of BIA schools still need replacement or major repairs and that hence funding should not be cut.

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<sup>13</sup> These sections are contained in 20 U.S.C. §§6301, et seq. and 20 U.S.C. §§7401, et seq. respectively.

**Law Enforcement Program.** BIA and Justice Department figures show rising crime rates, methamphetamine use, and juvenile gang activity on Indian reservations. The federal government has lead jurisdiction over major criminal offenses on most Indian reservations, although in some states federal law has transferred criminal jurisdiction to the state. Tribes share jurisdiction but under federal law they have limited sentencing options, and also fewer law enforcement resources. The BIA funds most law enforcement, jails, and courts in Indian country, whether operated by tribes or the BIA. For FY2008 the Administration proposed a “Safe Indian Communities Initiative” involving a \$17.3 million total increase (8%) in BIA law enforcement funding, to \$221.8 million. Included in the initiative are \$5.4 million for additional officers, equipment, and training; \$6.4 million to increase staffing at detention and corrections facilities, a need identified in a 2004 Interior Inspector General report; and \$5.4 million for specialized drug enforcement training, especially regarding methamphetamine. Separately, the Administration proposed a small increase (0.4%) in tribal courts, to \$12.1 million. Indian tribes and supporters, estimating a 42% shortfall in law enforcement staffing, suggest the Administration’s initiative is insufficient for adequate policing on reservations<sup>14</sup> and may not be sufficient to handle the methamphetamine problem. They also urge greater funding for tribal courts.

**Housing Improvement Program (HIP).** The major federal Indian housing program is the Indian Housing Block Grant administered by the Department of Housing and Urban Development (HUD), which funds all types of housing. HIP, an older and much smaller program, focuses on urgently needed repairs, renovations, or modest new houses, on or near reservations, especially for the neediest families. BIA has considered it a safety net for those not eligible for or served by the HUD program. HIP was funded at \$18.8 million in FY2007. The Administration proposed eliminating HIP for FY2008, contending that its recipients are not statutorily barred from the HUD program, that it serves a limited number of tribes, and that other BIA programs are of higher priority. Indian tribes and supporters oppose the elimination of HIP, asserting that HIP meets a great need for rehabilitation of substandard housing, and questioning whether the HUD program could fill the need for urgent housing repairs.

For further information on education programs of the *Bureau of Indian Education*, see its website at [<http://www.oiep.bia.edu>].

## Departmental Offices and Department-Wide Programs<sup>15</sup>

**Office of Insular Affairs.** The Office of Insular Affairs (OIA) provides financial assistance to four insular areas — American Samoa, the Commonwealth of

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<sup>14</sup> Testimony of Jefferson Keel, National Congress of American Indians, “NCAI Testimony on the Administration’s Fiscal Year 2008 Budget Request for Indian Programs,” presented at a hearing of the Senate Indian Affairs Committee, Feb. 15, 2007, p. 3; available at [[http://indian.senate.gov/public/\\_files/Keel021507.pdf](http://indian.senate.gov/public/_files/Keel021507.pdf)].

<sup>15</sup> This section addresses selected activities/offices that fall under *Departmental Offices* or *Department-Wide Programs*. Total funding for these entities is identified in **Table 24** at the end of this report.

the Northern Mariana Islands (CNMI), Guam, and the U.S. Virgin Islands — as well as three former insular areas — the Federated States of Micronesia (FSM), Palau, and the Republic of the Marshall Islands (RMI). OIA staff manage relations between these jurisdictions and the federal government and work to build the fiscal and governmental capacity of units of local government.

The total OIA request (including permanent and indefinite annual appropriations) for FY2008 was \$403.8 million, an amount below that provided in FY2007 (\$428.6 million). OIA funding consists of two parts: (1) permanent and indefinite appropriations and (2) funds provided in the annual appropriations process. Of the total request for FY2008, \$324.1 million (80%) in permanent and indefinite funding is required through statutes, as follows:

- \$205.1 million, which includes \$30 million in compact impact funds to Hawaii and three Pacific territories, and approximately \$175 million to three freely associated states (RMI, FSM, and Palau) under conditions set forth in the respective Compacts of Free Association;<sup>16</sup> and
- \$119.0 million in fiscal assistance through payments to territories, divided between the U.S. Virgin Islands for estimated rum excise and income tax collections, and Guam for income tax collections.

Discretionary and current mandatory funds that require annual appropriations constitute the remaining 20% of the OIA budget.<sup>17</sup> Two accounts — Assistance to Territories (AT) and the Compact of Free Association (CFA) — comprise discretionary and current mandatory funding. AT funding is used to provide grants for the operation of the government of American Samoa, infrastructure improvement projects on many of the insular area islands, and specified natural resource initiatives. The CFA account provides federal assistance to the freely associated states pursuant to compact agreements negotiated with the U.S. government.

Discretionary and mandatory appropriations for FY2007 totaled \$81.5 million, with AT funded at \$76.2 million and CFA at \$5.3 million. The FY2008 request would reduce AT funding to \$74.9 million, and CFA assistance to \$4.9 million, for a total of \$79.8 million. The total request would be a \$1.7 million (2%) reduction from the FY2007 level.

For additional information on *Insular Affairs*, see its website at [<http://www.doi.gov/oia/index.html>].

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<sup>16</sup> Legislation to approve the amended compacts was enacted in the 108<sup>th</sup> Congress (P.L. 108-188). For background, see CRS Report RL31737, *The Marshall Islands and Micronesia: Amendments to the Compact of Free Association with the United States*, by Thomas Lum. The Compact with the Republic of Palau began in FY1994 and will terminate in FY2009.

<sup>17</sup> Congress has mandated that certain funds be provided. Those funds, however, are subject to the annual appropriations process.

**Payments in Lieu of Taxes Program (PILT).** For FY2008, the Administration requested \$190.0 million for PILT, down \$42.5 million (18%) from the FY2007 level of \$232.5 million. The Administration asserted that cutting PILT is part of an effort to reduce the deficit, and is consistent with historical appropriations levels. (In FY2000, appropriations were below this level.)

The PILT program compensates local governments for federal land within their jurisdictions which cannot be taxed. Since the beginning of the program in 1976, payments of more than \$3.6 billion have been made. The PILT program has been controversial, because in recent years the payment formula, which was indexed for inflation in 1994, has increased authorization levels. However, appropriations have grown less rapidly, and substantially slower than authorized amounts, ranging from 42% to 68% of authorized levels between FY2000 and FY2006 (the most recent year available).<sup>18</sup> See **Table 13**, below. County governments claim that the program as a whole does not provide funding comparable to property taxes, and further that rural areas in particular need additional PILT funds to provide the kinds of services that counties with more private land are able to provide.

**Table 13. Authorized and Appropriated Levels for Payments in Lieu of Taxes, FY2000-FY2008**

(\$ in millions)

Fiscal Year	Authorized Amount	Appropriated Amount	% of Authorized Amount
2000	317.6	134.0	42.2
2001	338.6	199.2	58.8
2002	350.8	210.0	59.9
2003	324.1	218.2	67.3
2004	331.3	224.3	67.7
2005	332.0	226.8	68.3
2006	344.4	232.5	67.5
2007	<i>352.0</i>	232.5	<i>66.1</i>
2008 <sup>a</sup>	<i>359.7</i>	<i>190.0</i>	<i>57.6</i>

**Notes:** The FY2007 and FY2008 authorized levels, in *italics*, are estimates. Calculation of the level assumes (1) all revenues from other payment programs are flat over the period; (2) the number of acres eligible for PILT payments is unchanged; (3) all of the counties' populations are unchanged; and (4) no states change their "pass-through" laws. In consequence, only the changes in the Consumer Price Index would influence PILT payments. However, it is likely that at least some of these assumptions would need to be modified, if only marginally. PILT payment levels could become particularly difficult to predict in the future, depending on the enactment of legislation to amend the Secure Rural Schools program. Some versions of this legislation would offer counties the choice of this program's payments or PILT payments. (See CRS Report RL33822, *The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties*, by Ross W. Gorte.)

<sup>a</sup> The appropriated amount reflects the President's request.

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<sup>18</sup> When appropriations are not sufficient to cover the authorization, each county receives a pro rata share of the authorized amount.

For further information on the *Payments in Lieu of Taxes* program, see the DOI website at [<http://www.doi.gov/pilt/>].

CRS Report RL31392. *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynne Corn.

CRS Report RL33822. *The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties*, by Ross. W. Gorte.

**Office of Special Trustee for American Indians.** The Office of Special Trustee for American Indians (OST), in the Secretary of the Interior's office, was authorized by Title III of the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. §§4001, et seq.). The OST generally oversees the reform of Interior Department management of Indian trust assets, establishment of an adequate trust fund management system, and support of department claims settlement activities related to the trust funds. OST also manages Indian funds directly. Indian trust funds formerly were managed by the BIA, but in 1996 the Secretary transferred trust fund management to the OST.

Indian trust funds managed by the OST comprise two sets of funds: (1) tribal funds owned by about 300 tribes in approximately 1,450 accounts, with a total asset value of about \$2.9 billion; and (2) individual Indians' funds, known as Individual Indian Money (IIM) accounts, in about 323,000 accounts with a current total asset value of about \$400 million.<sup>19</sup> The funds include monies received from claims awards, land or water rights settlements, and other one-time payments, and from income from land-based trust assets (e.g., land, timber, minerals), as well as from investment income.

OST's FY2007 appropriation was \$223.3 million. The Administration proposed \$196.2 million for FY2008, a decrease of \$27.1 million (12%). **Table 14**, below, presents funding figures for FY2006-FY2008 for the OST. Key issues for the OST are an historical accounting for tribal and IIM accounts, and litigation involving tribal and IIM accounts.

**Table 14. Appropriations for the Office of Special Trustee for American Indians, FY2006-FY2008**

(\$ in thousands)

Office of Special Trustee for American Indians	FY2006 Approp.	FY2007 Approp.	FY2008 Request	Percent Change FY2007-FY2008
Federal Trust Programs	188,774	189,251	186,158	-2%
— <i>Historical Accounting</i>	56,354	56,353	60,000	6%
Indian Land Consolidation	34,006	34,006	10,000	-71%
<b>Total Appropriations</b>	<b>222,780</b>	<b>223,257</b>	<b>196,158</b>	<b>-12%</b>

<sup>19</sup> Figures are derived from the OST FY2008 Budget Justifications.

**Historical Accounting.** For FY2008, the Administration proposed \$60.0 million for historical accounting activities, an increase of 5% over FY2007. The historical accounting effort seeks to assign correct balances to all tribal and IIM accounts, especially because of litigation. Because of the long historical period to be covered (some accounts date from the 19<sup>th</sup> century), the large number of IIM accounts, and the large number of missing account documents, an historical accounting based on actual account transactions is expected to be large and time-consuming. In 2003, DOI proposed an extensive, five-year, \$335 million project to reconcile IIM accounts. The plan has been revised to reflect ongoing experience and to add additional accounts. The project seeks to reconcile all transactions for certain types of accounts and all land-based transactions of \$5,000 and over, but uses a statistical sampling approach to reconcile land-based transactions of less than \$5,000. OST continues to follow this plan, subject to court rulings (see “Litigation,” below) or congressional actions, and now estimates its completion in FY2011.

Plaintiffs in the *Cobell* litigation (discussed below) consider the statistical sampling technique invalid. Tribal trust fund and accounting suits have been filed for over 300 tribes. Most of the tribal suits were filed at the end of 2006, because the statute of limitations on such claims expired then. OST has been allocating about \$40 million of its historical accounting expenditures to IIM accounts and the remainder to tribal accounts. In the past, the House Appropriations Committee has expressed its intent to limit expenditures for historical accounting, asserting it reduces spending on other Indian programs.

**Litigation.** An IIM trust funds class-action lawsuit (*Cobell v. Norton*) was filed in 1996, in the federal district court for the District of Columbia, against the federal government by IIM account holders.<sup>20</sup> Many OST activities are related to the *Cobell* case, including litigation support activities. The most significant issue for appropriations concerns the method for the historical accounting to estimate IIM accounts’ proper balances. The DOI estimated its method would cost \$335 million over five years and produce a total owed to IIM accounts in the low millions. The plaintiffs’ method, based on estimated rates of errors applied to an agreed-upon figure for IIM throughput, was estimated to produce a total owed to IIM accounts of as much as \$177 billion, depending on the error rate used. After a lengthy trial, the court, on September 25, 2003, rejected both the plaintiffs’ and DOI’s historical accounting plans and ordered DOI to account for all trust fund and asset transactions since 1887, without using statistical sampling. DOI estimated that the court’s choice for historical accounting would cost \$6-\$12 billion, and appealed the order. The U.S. Court of Appeals for the District of Columbia temporarily stayed the September 25 order and, on December 10, 2004, overturned much of the order. On February 23, 2005, however, the district court issued an order on historical accounting very similar to its September 2003 order, requiring that an accounting cover all trust fund and asset transactions since 1887 and not use statistical sampling. The DOI, which

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<sup>20</sup> *Cobell v. Norton* (Civil No. 96-1285) (D.D.C.). Updated information is available on the websites of the plaintiffs at [<http://www.indiantrust.com>], the DOI at [<http://www.doi.gov/indiantrust/>], and the Justice Department at [<http://www.usdoj.gov/civil/cases/cobell/index.htm>].



estimated that compliance with the new order would cost \$12-\$13 billion,<sup>21</sup> appealed the new order. The Appeals Court on November 15, 2005, vacated the district court's February 2005 order. The district court has not yet issued another order, and the OST continues its historical accounting under its September 2003 plan. In 2006 the D.C. Circuit assigned a new judge to the *Cobell* case and in April 2007 the judge scheduled conferences and a hearing during 2007 on DOI's historical accounting obligations, methodology, and results.

Congress has long been concerned that the current and potential costs of the *Cobell* lawsuit may jeopardize DOI trust reform implementation, reduce spending on other Indian programs, and be difficult to fund. Besides the ongoing expenses of the litigation, possible costs include \$12-\$13 billion for the court-ordered historical accounting, a *Cobell* settlement that might cost as much as (1) the court-ordered historical accounting, (2) the more than \$100 billion that *Cobell* plaintiffs estimate their IIM accounts are owed, or (3) the \$27.5 billion that the *Cobell* plaintiffs have proposed as a settlement amount.<sup>22</sup> The addition of tribal trust fund and accounting suits may greatly enlarge the potential costs of a settlement, since tribes' funds are far larger in size than individuals' funds.

Among the funding sources for these large costs discussed in a 2005 House Interior Appropriations Subcommittee hearing were discretionary appropriations and the Treasury Department's "Judgment Fund,"<sup>23</sup> but some senior appropriators consider the Fund insufficient even for a \$6-\$13 billion dollar settlement.<sup>24</sup> Among other options, Congress may enact another delay to the court-ordered accounting, direct a settlement, or delineate the department's historical accounting obligations (which could limit, or increase, the size of the historical accounting). Settlement bills in the 109<sup>th</sup> Congress would have established in the Treasury Department's general fund an IIM claim settlement fund with appropriations from the Judgment Fund, but did not specify the dollar size of the fund. The Administration on March 1, 2007, proposed a comprehensive settlement and a settlement amount of \$7 billion, but the proposed settlement would not only cover both IIM and tribal accounting claims but would also settle all trust land mismanagement claims.<sup>25</sup> At a March 29, 2007, hearing before the Senate Indian Affairs Committee, both a *Cobell* plaintiff and a tribal representative opposed the Administration's proposal, and the Committee chair

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<sup>21</sup> Testimony from the Interior Department estimated the cost at \$12-\$13 billion. See James Cason, Associate Deputy Secretary, U.S. Dept. of the Interior, Statement before the House Committee on Appropriations, Subcommittee on Interior, Environment, and Related Agencies, March 17, 2005. Previous Interior estimates of the cost were \$6-\$12 billion.

<sup>22</sup> Trust Reform and Cobell Settlement Workgroup, "Principles for Legislation," June 20, 2005, p. 2, at [[http://www.indiantrust.com/\\_pdfs/20050620SettlementPrinciples.pdf](http://www.indiantrust.com/_pdfs/20050620SettlementPrinciples.pdf)].

<sup>23</sup> The Judgment Fund is a permanent, indefinite appropriation for paying judgments against, and settlements by, the U.S. government. (See 31 U.S.C. §1304.)

<sup>24</sup> Matt Spangler, "Treasury Fund May Be Short of Cash Needed to Settle Indian Royalty Case," *Inside Energy with Federal Lands* (March 21, 2005), p. 6.

<sup>25</sup> See letter to Sen. Byron Dorgan, Chairman, Senate Indian Affairs Committee, from the Secretary of the Interior and Attorney General, available at [<http://www.indianz.com/docs/cobell/bush030107.pdf>].

expressed numerous doubts.<sup>26</sup> No trust fund settlement legislation has been introduced thus far in the 110<sup>th</sup> Congress.

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

CRS Report RS22343. *Indian Trust Fund Litigation: Legislation to Resolve Accounting Claims in Cobell v. Norton*, by M. Maureen Murphy.

CRS Report RS21738. *The Indian Trust Fund Litigation: An Overview of Cobell v. Norton*, by M. Maureen Murphy.

**National Indian Gaming Commission.** The National Indian Gaming Commission (NIGC) was established by the Indian Gaming Regulatory Act (IGRA) of 1988 (25 U.S.C. §§2701, et seq.) to oversee Indian tribal regulation of tribal bingo and other *Class II* operations, as well as aspects of *Class III* gaming (e.g., casinos and racing).<sup>27</sup> The primary appropriations issue for NIGC is whether its funding is adequate for its regulatory responsibilities.

The NIGC is authorized to receive annual appropriations of \$2 million, but its budget authority consists chiefly of annual fees assessed on tribes' Class II and III operations. During FY1999-FY2007, all NIGC activities have been funded from fees, with no direct appropriations. The Administration did *not* recommend a direct appropriation for the NIGC for FY2008.

The NIGC in recent years had expressed a need for additional funding because it was experiencing increased demand for its oversight resources, especially audits and field investigations. IGRA formerly capped NIGC fees at \$8 million per year, but Congress used appropriations act language to increase the NIGC's fee ceiling to \$12 million for FY2004-FY2007. In the Native American Technical Corrections Act of 2006 (P.L. 109-221), Congress amended IGRA to create a formula-based fee ceiling — 0.08% of the gross gaming revenues of all gaming operations subject to regulation under IGRA.

For FY2007, based on the FY2007 fee rate of .059%, NIGC anticipates fee revenues of \$16 million, about a 30% increase from its FY2006 fee revenues of \$12 million. NIGC plans for FY2007 include increasing its workforce by 31% to 115 employees, opening additional field offices (with auditors and field investigators), providing employee training to keep up with gaming technology, and developing standards for Class II and III games. NIGC anticipates FY2008 fee revenues of about \$18 million.

For further information on the *National Indian Gaming Commission*, see its website at [<http://www.nigc.gov/>].

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<sup>26</sup> “Bush Administration Won’t Admit Liability on Indian Trust,” *Indianz.com* (March 30, 2007), available at [<http://www.indianz.com/News/2007/002150.asp>].

<sup>27</sup> Classes of Indian gaming were established by the IGRA, and NIGC has different but overlapping regulatory responsibilities for each class.

## Title II: Environmental Protection Agency

EPA was established in 1970 to consolidate federal pollution control responsibilities that had been divided among several federal agencies. EPA's responsibilities grew significantly as Congress enacted an increasing number of environmental laws as well as major amendments to these statutes. Among the agency's primary responsibilities are the regulation of air quality, water quality, pesticides, and toxic substances; the management and disposal of solid and hazardous wastes; and the cleanup of environmental contamination. EPA also awards grants to assist state and local governments in controlling pollution.

EPA's funding<sup>28</sup> over time generally has reflected an increase in overall appropriations to fulfill a rising number of statutory responsibilities. Without adjusting for inflation, the agency's appropriation has risen from about \$1.0 billion when the agency was established in FY1970 to a high of \$8.4 billion in FY2004. The President's FY2008 budget request included \$7.20 billion for EPA — \$525.7 million (7%) less than the appropriation of \$7.73 billion in FY2007. Although the President has proposed an overall decrease for the agency, funding for some individual activities would increase, and funds have been requested for new initiatives as well.

Traditionally, EPA's annual appropriation has been requested and enacted according to various line-item appropriations accounts, of which there currently are eight. **Table 15** lists each account and presents a breakdown of appropriations by account for FY2006 and FY2007 enacted, and FY2008 requested.

During the first session of the 110<sup>th</sup> Congress, the Appropriations Committees and various oversight committees have held several hearings to consider the President's FY2008 budget request for EPA. Although there have been varying levels of interest in individual programs and activities, much of the attention has focused on the adequacy of funding for water infrastructure, the cleanup of hazardous waste sites under the Superfund and Brownfields programs, scientific research on human health effects upon which pollution control standards are based, and grants to assist state and local governments in administering air quality programs. There also has been rising interest in the adequacy of funding and staffing of EPA's Office of Inspector General to audit and evaluate the agency's activities and operations.

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<sup>28</sup> EPA's funding was moved to the jurisdiction of the Interior Appropriations Subcommittees beginning with the FY2006 appropriations. In the beginning of the first session of the 109<sup>th</sup> Congress, the House and Senate Appropriations Committees abolished their respective Subcommittees on Veterans Affairs, Housing and Urban Development, and Independent Agencies, which previously had jurisdiction over EPA.

**Table 15. Appropriations for the Environmental Protection Agency, FY2006-FY2008**  
(\$ in millions)

<b>Environmental Protection Agency</b>	<b>FY2006 Approp.<sup>a</sup></b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>
Science and Technology			
— <i>Base Appropriations</i>	\$730.8	\$733.4	\$754.5
— <i>Transfer in from Superfund account</i>	30.2	30.2	26.1
<b>Science and Technology Total</b>	761.0	763.6	780.6
<b>Environmental Programs and Management</b>	2,346.7	2,358.4	2,298.2
Office of Inspector General			
— <i>Base Appropriations</i>	36.9	37.2	38.0
— <i>Transfer in from Superfund account</i>	13.3	13.3	7.1
<b>Office of Inspector General Total</b>	50.2	50.5	45.1
<b>Buildings &amp; Facilities</b>	39.6	39.6	34.8
Hazardous Substance Superfund Total (before transfers)	1,242.1	1,255.1	1,244.7
— <i>Transfer out to Office of Inspector General</i>	(13.3)	(13.3)	(7.1)
— <i>Transfer out to Science and Technology</i>	(30.2)	(30.2)	(26.1)
<b>Hazardous Substance Superfund Net (after transfers)</b>	1,198.6	1,211.6	1,211.4
<b>Leaking Underground Storage Tank Program</b>	72.0	72.0	72.5
<b>Oil Spill Response</b>	15.6	15.7	17.3
State and Tribal Assistance Grants (STAG)			
— <i>Clean Water State Revolving Fund</i>	886.8	1,083.8	687.6
— <i>Drinking Water State Revolving Fund</i>	837.5	837.5	842.2
— <i>Categorical Grants</i>	1,113.1	1,113.1	1,065.0
— <i>Other Grants</i>	296.3	179.3	144.7
— <i>Rescission of Prior Funds</i>	<sup>b</sup> (80.0)	n/a	<sup>c</sup> (5.0)
<b>State and Tribal Assistance Grants Total</b>	3,133.7	3,213.7	2,739.5
<b>Total EPA Accounts</b>	<sup>d</sup> <b>\$7,617.4</b>	<b>\$7,725.1</b>	<b>\$7,199.4</b>

**Source:** Prepared by the Congressional Research Service (CRS) using information provided by the House Appropriations Committee. Numbers may not add due to rounding.

<sup>a</sup> Committee amounts for FY2006 do not reflect a total of \$21.0 million in emergency supplementals, including \$15.0 million in the Leaking Underground Storage Tank Program Account, and \$6.0 million in the Environmental Programs and Management Account, for hurricane-related assistance.

<sup>b</sup> Congress made an additional \$80.0 million available to EPA in FY2006. This additional funding was not newly appropriated, but came from funding Congress had appropriated in prior years. EPA had not obligated these prior year funds for certain contracts, grants, and interagency agreements because their funding authorization had expired. Congress directed EPA to allocate these unobligated funds in FY2006 to increase the total amount available for that year.

<sup>c</sup> Within the State and Tribal Assistance Grants account, the President's FY2008 budget for EPA includes a "cancellation of balances from prior years" of \$5 million.

<sup>d</sup> Including the \$21 million in emergency supplementals and the \$80 million in redirected funds explained above, Congress appropriated a total of \$7.72 billion for EPA in FY2006. Accounting for these additional funds, EPA received nearly the same amount in FY2007 under P.L. 110-5 as was provided in FY2006, rather than a larger increase implied by the amounts in the above table.

## Key Funding Issues

**Water Infrastructure.** The largest single decrease in the President's FY2008 budget request for EPA was within the State and Tribal Assistance Grants (STAG) account to assist states in capitalizing Clean Water State Revolving Funds (SRFs). These state funds provide loans to communities for wastewater infrastructure improvements, such as municipal sewage treatment plant upgrades. The FY2008 request included \$687.6 million for Clean Water SRF grants. This amount was the same as the President requested for FY2007, but was \$396.3 million (37%) less than the FY2007 appropriation of \$1.08 billion.

The proposed reduction for Clean Water SRF grants has been contentious, as there is ongoing disagreement over the adequacy of federal funding to help states capitalize their loan funds to meet local wastewater infrastructure needs. Although appropriations for the Clean Water SRF have declined in recent years, Congress has provided significantly more funding than the President has requested. There has been less disagreement between Congress and the Administration in regard to funding for Drinking Water SRF grants. However, some Members have argued that more federal funds are needed to help states capitalize these loan funds, especially in light of recent, more stringent drinking water standards with which communities must comply.

Underscoring their prominence, Clean Water SRF grants were one of two EPA activities for which Congress specified dollar amounts in the Revised Continuing Appropriations Resolution for FY2007 (P.L. 110-5). The second activity was the Superfund program, discussed below. For other agency activities, P.L.110-5 provided funding for EPA in FY2007 at the same level, and under the authority and conditions, as specified in the Interior, Environment, and Related Agencies Appropriations Act for FY2006 (P.L. 109-54).

**Superfund.** The adequacy of funding to clean up the nation's most hazardous waste sites has been a long-standing issue. The Superfund program administers the cleanup of these sites. The President's FY2008 budget included \$1.24 billion for the Superfund account that funds this program. The request was \$10.4 million (1%) less than the FY2007 appropriation of \$1.26 billion. After transfers to two other EPA accounts, the net request was \$1.21 billion, about the same as the FY2007 appropriation. Funding for the Superfund account has remained fairly close to these levels over the past several years. Some Members of Congress and the Bush Administration have asserted that steady federal funding is sufficient to maintain a constant pace of cleanup, considering the costs borne by responsible parties that supplement these funds. Other Members, states, environmental organizations, and communities have countered that more federal funds are necessary to expedite the pace of cleanup to address human health and environmental risks more quickly.

Although the President has requested an overall decrease for the Superfund account (prior to transfers), there would be both increases and decreases in funding on an individual activity basis within that account. For example, funding for longer term remedial activities would rise relative to FY2007, whereas funding for shorter term emergency removal activities would fall. These two activities are often characterized as the "heart" of the program, as they focus on physical site cleanup

rather than on related support activities, such as enforcement, research, and program administration and oversight. The President's proposed decrease for program oversight has been particularly controversial, as discussed below.

**EPA's Office of Inspector General (OIG).** The Office of Inspector General (OIG) is an independent office within EPA that conducts and supervises audits, evaluations, inspections, and investigations of the agency's programs and operations. The OIG also performs audits and evaluations specifically requested by Congress. The office is funded by a "base" appropriation and a transfer of appropriations from the Superfund account. Historically, Congress has transferred these funds to the OIG because a significant portion of its funding and staffing has been devoted to oversight of EPA's cleanup efforts under the Superfund program.

The President's FY2008 budget included a total of \$45.1 million for EPA's OIG (including the transfer from Superfund). The request was \$5.4 million (11%) less than the FY2007 appropriation of \$50.5 million. Although the overall total for the OIG would decline, the base appropriation would rise somewhat. The reduction in the total is attributed to a proposed decrease in the transfer from Superfund — from \$13.3 million in FY2007 to \$7.1 million in FY2008. There has been rising concern over the proposed decrease in funding and staffing for the office's oversight of the Superfund program, in light of ongoing debate about the pace and adequacy of cleanup. EPA reports that the proposed decrease in funding would result in a reduction of 30 workyears (full time equivalent employees or FTEs) and a reassignment of 20 FTEs from Superfund oversight to oversight of a broader array of agency activities.

**Brownfields.** In addition to Superfund, EPA administers a program to clean up contaminated "brownfields." Typically, brownfields are abandoned, idled, or underutilized commercial and industrial properties with levels of contamination less hazardous than a Superfund site, but that still warrant cleanup before the land can be safe for reuse. The desire to redevelop these properties for economic benefit has generated significant interest in the adequacy of funding for brownfields cleanup grants to states and local areas. The President's FY2008 request includes a total of \$162.2 million for EPA's Brownfields program, slightly less than the FY2007 appropriation of \$163.0 million. Of the total request for the program, \$138.8 million would be for grants to states and local areas, and the remainder would be for EPA's expenses in administering these grants.

**Scientific Research.** Some Members, scientists, and environmental organizations have expressed concern about the downward trend in federal funding for core scientific research. Debate regarding funding for scientific research administered by EPA and other federal agencies often has focused on the question of whether these agencies' actions are based on "sound science," and how scientific research is applied in developing federal policy. Most of EPA's scientific research activities are funded within the Science and Technology (S&T) account, including the agency's laboratories and research grants. Similar to the OIG account, the S&T account is funded by a base appropriation and a transfer from Superfund. These transferred funds are dedicated to research of more effective methods to clean up contaminated sites.

Including the transfer from Superfund, the President's FY2008 budget included \$780.6 million for the S&T account. The request was \$17.0 million (2%) more than the FY2007 appropriation of \$763.6 million. Although an overall increase was proposed, the transfer from Superfund would fall, whereas the base amount would rise. Despite this increase in the base amount, total funding within this account for research would decline, as the increase is mostly due to a continued shift in funds primarily from the Environmental Programs and Management (EPM) account to pay for facility operations and administration, such as rent, utilities, and security. When comparing funding for research alone, the President's budget would provide roughly \$20 million less in FY2008 than in FY2007 for the S&T account. The request also was less than Congress appropriated for research within this account from FY2003 through FY2006, continuing the downward trend in funding. However, there would be increases for a few research activities funded within the S&T account.

**State Air Quality Management Grants.** Some Members, and state and local air pollution control officials, continue to be concerned about reduced funding for state and local air quality management categorical grants within EPA's STAG account. They contend that more funds are needed as a result of increasing Clean Air Act responsibilities, including broader monitoring of ozone and particulate matter and efforts to attain national standards for these pollutants. The President's FY2008 budget included \$185.2 million for these grants, \$14.6 million (7%) less than the \$199.8 million provided for FY2007, and \$35.1 million (16%) less than the \$220.3 million in FY2006.

According to EPA, the decrease in funding for these grants is mostly due to the agency's use of different authorities in the Clean Air Act, as originally proposed in its FY2007 budget justification. These grant authorities require matching funds from recipients, rather than the federal government bearing the full cost. This shift in authorities is primarily based on EPA's assertion that the monitoring network for particulate matter is beyond the demonstration phase, and that the network should now be considered an operational system in the implementation phase. Although authorities for demonstration grants do not require matching funds, those for implementation do require a match, thereby reducing the federal role in funding these activities. Whether federal assistance is still needed to meet these needs, despite existing limitations in grant authorities, has been an issue.

**Congressionally Designated Projects.** Although EPA awards most grants on either a competitive or formula basis, Congress also has designated funding within the agency's annual appropriation for non-competitive grants to specific recipients. Most of this targeted funding has been provided within the STAG account for wastewater, drinking water, and storm water infrastructure projects in specific communities. Designated funding also has been provided within the S&T account for individual research projects, and within the EPM account for an array of environmental activities. In FY2006, Congress consolidated these designated funds in "congressional priorities" line items within each of these three accounts, providing a total of \$280 million for specific projects.

For the past few years, there has been a downward trend in the amount of funds for congressionally designated projects within EPA's appropriation, in response to concerns about the "earmarking" of public funds and overall budgetary constraints.

P.L. 110-5 did not provide FY2007 funds for any congressional priorities projects within EPA's appropriation. As in past years, the President's FY2008 budget request for EPA did not include funding for congressional priorities.

For further information on the *Environmental Protection Agency's* budget and activities, see its websites [<http://www.epa.gov>] and [<http://epa.gov/ocfo/budget/>].

CRS Report RS22386. *Environmental Protection Agency: FY2007 Appropriations Highlights*, by David M. Bearden and Robert Esworthy.

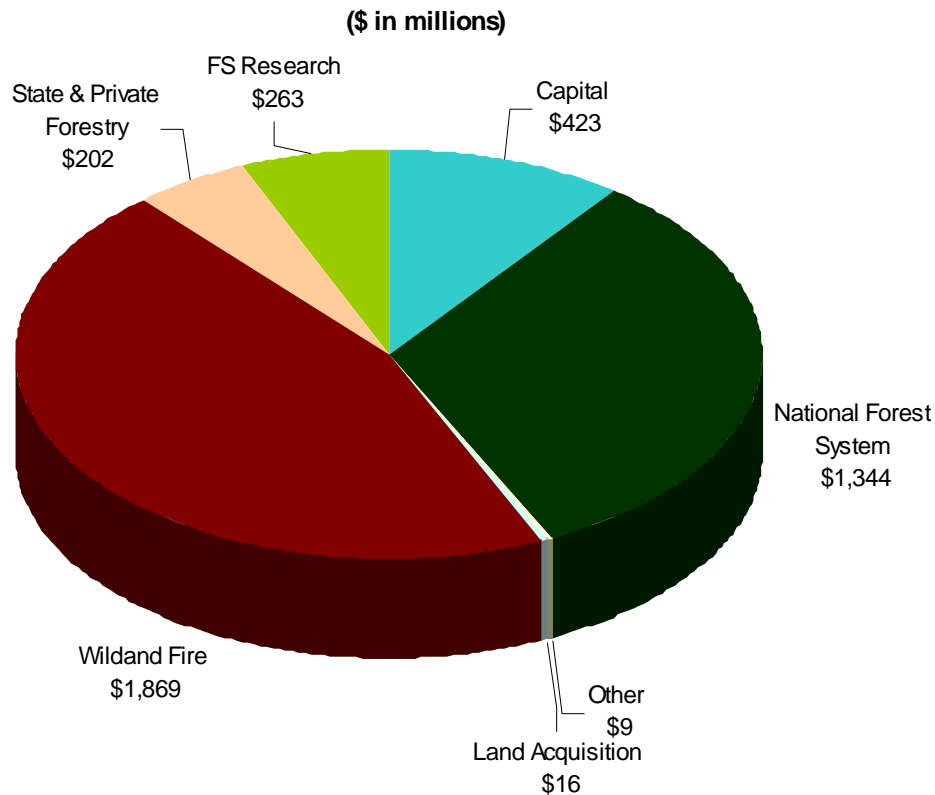


## Title III: Related Agencies

### Department of Agriculture: Forest Service

The Forest Service (FS) budget request for FY2008 was \$4.13 billion. This was \$197.3 million (5%) less than the FY2007 appropriations of \$4.32 billion.<sup>29</sup> As discussed below and shown in **Figure 1**, FS appropriations are provided in several major accounts, including Forest and Rangeland Research; State and Private Forestry (S&PF); National Forest System (NFS); Wildland Fire Management; Capital Improvement and Maintenance (Capital); Land Acquisition; and Other programs.

**Figure 1. FS FY2008 Budget Request**



**Major FS Issues in Appropriations.** Significant FS issues have been raised during consideration of the Interior appropriations bills. In the FS budget proposals for FY2007 and FY2008, the President proposed selling about 300,000 acres of national forest lands. In the FY2007 request, the proceeds would have paid for a five-year extension of FS payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106-393). In the FY2008 request, the proceeds are proposed to be split, with half for a four-year phase-out of payments under P.L. 106-393 and the other half for habitat improvement and land acquisition. Current FS authorities to sell or otherwise dispose of national forest lands are quite narrow, so legislation would be needed to authorize the proposed land sale. Last year, the

<sup>29</sup> Data for FY2007 and previous years include emergency and supplemental appropriations and rescissions.

Administration sent Congress draft legislation with criteria to determine lands eligible for sale, such as lands that are inefficient or difficult to manage because they are isolated or scattered. Land sale legislation was not introduced, and such authority was not included in the FY2007 Interior appropriations bill. Reauthorization of P.L. 106-393 — without land sales — is still being debated. No legislation to sell Forest Service lands has been introduced in the 110<sup>th</sup> Congress to date.

**Wildland Fire Management.** Fire funding and fire protection programs continue to be controversial. Ongoing discussions include questions about funding levels and locations for various fire protection treatments, such as thinning and prescribed burning to reduce fuel loads and clearing around structures to protect them during fires. Another focus is whether, and to what extent, environmental analysis, public involvement, and challenges to decisions hinder fuel reduction and post-fire rehabilitation activities. Members and Committees also have expressed concerns about the continued high cost of fire suppression efforts. (For historical background, descriptions of activities, and analysis of wildfire expenditures, see CRS Report RL33990, *Wildfire Funding*, by Ross W. Gorte.)

The National Fire Plan comprises the FS wildland fire program (including fire programs funded under other line items) and fire fighting on DOI lands; the DOI wildland fire monies are appropriated to BLM. Congress does not fund the National Fire Plan in any one place in Interior appropriations acts. The total can be derived by combining the several accounts which the agencies identify as National Fire Plan funding. For FY2008, the President proposed \$2.67 billion, \$88.5 million (3%) more than total FY2007 funding of \$2.58 billion, as shown in **Table 16**, below.

The President requested \$801.8 million for BLM wildfire funding in FY2008, \$43.5 million (6%) more than FY2007. The request for FY2008 FS wildfire funding was \$1.87 billion, \$45.0 million (2%) more than FY2007. The FS and BLM wildfire line items include funds for fire suppression (fighting fires), preparedness (equipment, training, baseline personnel, prevention, and detection), and other operations (rehabilitation, fuel reduction, research, and state and private assistance).

**Table 16. Appropriations for the National Fire Plan,  
FY2003-FY2008**  
(\$ in millions)

National Fire Plan	FY2003 Approp.	FY2004 Approp.	FY2005 Approp.	FY2006 Approp.	FY2007 Enacted	FY2008 Request
<b>Forest Service</b>						
— Fire suppression <sup>a</sup>	1,307.0	1,296.0	1,044.4	790.2	741.5	911.0
— Preparedness	612.0	671.6	676.5	660.7	665.4	568.8
— Other operations <sup>b</sup>	371.0	379.0	407.7	395.2	416.7	388.8
Subtotal, FS	2,290.0	2,346.6	2,128.6	1,846.1	1,823.6	1,868.6
<b>BLM</b>						
— Fire suppression <sup>a</sup>	384.3	391.3	317.0	330.7	249.2	294.4
— Preparedness <sup>c</sup>	275.4	254.2	258.9	268.8	274.9	268.3
— Other Operations	215.4	238.1	255.3	255.7	234.3	239.1

National Fire Plan	FY2003 Approp.	FY2004 Approp.	FY2005 Approp.	FY2006 Approp.	FY2007 Enacted	FY2008 Request
Subtotal, BLM	875.2	883.6	831.3	855.3	758.4	801.8
<b>National Fire Plan</b>						
— <i>Fire suppression</i> <sup>a</sup>	1,691.3	1,687.3	1,361.4	1,120.9	990.7	1,205.4
— <i>Preparedness</i>	887.4	925.8	935.4	929.5	940.3	837.1
— <i>Other Operations</i>	586.4	617.1	663.0	650.9	651.0	627.9
<b>Total Funding</b>	<b>3,165.1</b>	<b>3,230.2</b>	<b>2,959.8</b>	<b>2,701.3</b>	<b>2,582.0</b>	<b>2,670.4</b>

**Notes:** Includes funding only from BLM and FS Wildland Fire Management accounts.

This table differs from the detailed tables in CRS Report RL33990, *Wildfire Funding*, by Ross W. Gorte, because that report rearranges data to distinguish funding for protecting federal lands, for assisting in nonfederal land protection, and for fire research and other activities.

- a. Includes emergency supplemental and contingent appropriations.
- b. Excludes fire assistance funding under the State & Private Forestry line item.
- c. Fire research and fuel reduction funds are included under Other Operations.

The principal changes proposed by the President included increases in funds for wildfire suppression, with smaller decreases for preparedness. BLM suppression would be increased by \$45.2 million (18%), with preparedness declining by \$6.5 million (2%). For the FS, suppression would be increased by \$169.6 million (23%), while preparedness would be decreased by \$96.6 million (15%). The President also proposed reducing FS fuel treatments by \$9.7 million (3%), while increasing BLM fuel treatments by \$3.0 (2%). The budget proposal would also eliminate FS direct post-fire rehabilitation funding (\$6.2 million in FY2007) and reduce wildfire funding for state fire assistance by \$11.2 million (24%). (State & Private Forestry funding for state fire assistance would be increased by \$0.2 million, less than 1%.) No contingent or emergency funding has been proposed for FY2008. The agencies have the authority to borrow unobligated funds from any other account to pay for firefighting, for instance, if the fire season is worse than average. Such borrowing typically is repaid, commonly through subsequent emergency appropriations bills.

**State and Private Forestry.** While funding for wildfires has been the center of debate, proposed changes in State and Private Forestry (S&PF) — programs that provide financial and technical assistance to states and to private forest owners — also have attracted attention. For FY2008, the President requested S&PF funding of \$202.5 million — \$77.3 million (28%) less than FY2007. The FY2008 proposals differed from the FY2007 levels for many accounts.

For S&PF forest health management (insect and disease control on federal and cooperative [nonfederal] lands), the President requested FY2008 funds of \$91.1 million, \$10.0 million (10%) less than FY2007. The requested level was 2% below FY2007 for federal lands and 19% below FY2007 for cooperative lands.

For S&PF Cooperative Fire Assistance to states and volunteer fire departments, the President requested \$42.1 million, \$3.3 million (9%) more than FY2007. Nearly all the difference was in volunteer fire assistance, with the request being 52% above the FY2007 enacted level.

For Cooperative Forestry (assistance for forestry activities on state and private lands) in FY2008, the President requested \$66.7 million, about half the FY2007 level. All three major programs were proposed to be cut substantially: Forest Stewardship (for states to assist private landowners) by 52%; Forest Legacy (to purchase title or easements for lands threatened with conversion to nonforest uses, such as for residences) by 48%; and Urban and Community Forestry (financial and technical assistance to localities) by 42%. The Economic Action Program (EAP; for rural community assistance, wood recycling, and Pacific Northwest economic assistance) was not funded in FY2007 (from \$9.5 million for FY2006), and the Administration did not propose funding for FY2008. The Administration also proposed no S&PF funding for resource information and analysis. Most forest information and analysis funding is under Forest Research, and total funding (S&PF and Research) was proposed to decline by \$1.6 million (3%) from \$64.0 million in FY2007 to \$62.3 million in FY2008.

For international programs (technical forestry assistance to other nations), the President requested \$2.5 million, \$4.4 million (64%) less than FY2007.

**Table 17. Appropriations for FS State and Private Forestry, FY2004-FY2008**  
(\$ in millions)

State and Private Forestry	FY2004 Approp.	FY2005 Approp.	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Forest Health Management	98.6	101.9	100.1	101.1	91.1
— <i>Federal Lands</i>	53.8	54.2	53.2	54.0	53.0
— <i>Cooperative Lands</i>	44.7	47.6	46.9	47.1	38.1
Cooperative Fire Assistance	38.4	38.8	38.8	38.8	42.1
— <i>State Assistance</i>	33.4	32.9	32.9	32.9	33.1
— <i>Volunteer Asst.</i>	5.0	5.9	5.9	5.9	9.0
Cooperative Forestry	161.4	145.4	133.2	133.0	66.7
— <i>Forest Stewardship</i>	31.9	32.3	34.1	41.9	20.0
— <i>Forest Legacy</i>	64.1	57.1	56.5	56.3	29.3
— <i>Urban &amp; Comm. Forestry</i>	34.9	32.0	28.4	30.1	17.4
— <i>Economic Action Prog.</i>	25.6	19.0	9.5	0.0	0.0
— <i>Forest Res. Info. &amp; Anal.</i>	4.9	5.0	4.6	4.6	0.0
International Programs	5.9	6.4	6.9	6.9	2.5
Emergency Appropriations	24.9	49.1	30.0	0.0	0.0
Total State & Pvt. Forestry	<b>329.2</b>	<b>341.6</b>	<b>309.0</b>	<b>279.8</b>	<b>202.5</b>

**Infrastructure.** For Capital Improvement and Maintenance, the President requested \$422.6 million, \$13.8 million (3%) less than FY2007. Significant changes were proposed for the various programs. For **Facilities**, the request was \$10.5 million (8%) less than FY2007, with 8% cuts in both maintenance and construction. For **Roads**, the request was \$3.6 million (2%) more than FY2007, with a 25% increase in construction and a 14% decline in maintenance. (This is in addition to a 19% increase in FY2007 construction over FY2006 and an 8% decrease in FY2007 maintenance from FY2006.) For **Trails**, the request was \$7.0 million (10%) less than FY2007, with a 16% increase in construction and a 22% decrease in maintenance.

(This contrasts with a 41% decrease in FY2007 construction from FY2006 and a 22% increase in FY2007 maintenance from FY2006.) The request for **Infrastructure Improvement**, to reduce the agency's backlog of deferred maintenance (estimated at \$5.6 billion), matched the FY2007 level of \$9.1 million, \$3.6 million (29%) less than FY2006.

**National Forest System.** For the **National Forest System** (NFS), the President requested \$1.34 billion, \$108.4 million (7%) less than FY2007. Law enforcement was proposed to increase by \$8.8 million (8%). Forest (timber) products and grazing management are proposed for modest decreases (less than 2%). Most other accounts are proposed to decline by 9% — 16%. The exception is funding for the Valles Caldera National Preserve, proposed at \$0.85 million, down 76% from the \$3.5 million enacted for FY2007.

**Other FS Accounts.** For **Land Acquisition** with LWCF funds, the request was \$15.7 million, \$26.2 million (63%) less than FY2007. Acquisition would be cut by 72% (from \$29.0 million in FY2007 to \$8.0 million in FY2008), while acquisition management would be cut by 36% (from \$12.1 million in FY2007 to \$7.7 million). (See the "Land and Water Conservation Fund (LWCF)" section in this report.) For **FS Research** in FY2008, the President requested \$263.0 million, \$17.5 million (6%) less than FY2007.

For information on the *Department of Agriculture*, see its website at [<http://www.usda.gov/wps/portal/usdahome>].

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

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

CRS Report RL30647. *National Forest System Roadless Areas Initiative*, by Pamela Baldwin and Ross W. Gorte.

CRS Report RL33792. *Federal Lands Managed by the Bureau of Land Management (BLM) and the Forest Service: Issues for the 110<sup>th</sup> Congress*, by Ross W. Gorte, Carol Hardy Vincent, and Marc Humphries.

CRS Report RL33990. *Wildfire Funding*, by Ross W. Gorte.

## **Department of Health and Human Services: Indian Health Service**

The Indian Health Service (IHS) in the Department of Health and Human Services (HHS) is responsible for providing comprehensive medical and environmental health services for approximately 1.9 million American Indians and Alaska Natives (AI/AN) who belong to 561 federally recognized tribes located in 35 states. Health care is provided through a system of federal, tribal, and urban Indian-operated programs and facilities. IHS provides direct health care services through 33 hospitals, 52 health centers, 2 school health centers, 38 health stations, and 5

residential treatment centers. Tribes and tribal groups, through IHS contracts and compacts, operate another 15 hospitals, 220 health centers, 9 school health centers, 116 health stations, 166 Alaska Native village clinics, and 28 residential treatment centers. IHS, tribes, and tribal groups also operate 11 regional youth substance abuse treatment centers and 2,252 units of residential quarters for staff working in the clinics.

The Administration proposed \$3.27 billion for IHS for FY2008, an increase of 3% over the FY2007 level of \$3.18 billion. See **Table 18**, below. IHS funding is separated into two budget categories: Health Services, and Facilities. Of the total IHS appropriation enacted for FY2007, 89% will be used for health services and 11% for the facilities program. IHS also receives funding through reimbursements and a special Indian diabetes program (see “Health Services” below). The sum of direct appropriations, reimbursements, and diabetes is IHS’s “program level” total, shown in **Table 18**.

The most significant changes proposed in the Administration’s FY2008 IHS budget concern the urban Indian health program, within Indian health services, and the health care facilities construction program.

**Table 18. Appropriations for the Indian Health Service,  
FY2006-FY2008**  
(\$ in millions)

Indian Health Service	FY2006 Approp.	FY2007 Approp.	FY2008 Request	Percent Change FY2007- FY2008
<b>Indian Health Services</b>				
<b>Clinical Services</b>				
— Hospital and Health Clinics	1,339.5	1,442.5	1,493.5	4%
— Dental Health	117.7	126.9	135.8	7%
— Mental Health	58.5	61.7	64.5	5%
— Alcohol and Substance Abuse	143.2	150.6	162.0	8%
— Contract Care	499.6	499.6	551.5	10%
— Catastrophic Health Emergency Fund	17.7	17.7	18.0	1%
Subtotal, Clinical Services	2,176.2	2,298.9	2,425.3	6%
<b>Preventive Health Services</b>				
— Public Health Nursing	49.0	53.0	56.8	7%
— Health Education	13.6	14.5	15.2	5%
— Community Health Representatives	52.9	55.7	55.8	<1%
— Immunization (Alaska)	1.6	1.7	1.8	3%
Subtotal, Preventive Health Services	117.1	124.9	129.6	4%
<b>Other Services</b>				
— Urban Health Projects	32.7	34.0	0	-100%
— Indian Health Professions	31.0	31.7	31.9	1%
— Tribal Management	2.4	2.5	2.5	2%
— Direct Operations	62.2	63.8	64.6	1%

<b>Indian Health Service</b>	<b>FY2006 Approp.</b>	<b>FY2007 Approp.</b>	<b>FY2008 Request</b>	<b>Percent Change FY2007- FY2008</b>
— <i>Self-Governance</i>	5.7	5.8	5.9	1%
— <i>Contract Support Costs</i>	264.7	264.7	271.6	3%
<i>Subtotal, Other Services</i>	398.8	402.5	376.6	-6%
<b>Subtotal, Indian Health Services</b>	<b>2,692.1</b>	<b>2,826.3</b>	<b>2,931.5</b>	<b>4%</b>
<b>Indian Health Facilities</b>				
— <i>Maintenance and Improvement</i>	51.6	52.7	51.9	-1%
— <i>Sanitation Facilities Construction</i>	92.1	94.0	88.5	-6%
— <i>Health Care Facilities Construction</i>	37.8	24.3	12.7	-48%
— <i>Facilities and Environmental Health Support</i>	150.7	161.3	164.8	2%
— <i>Equipment</i>	20.9	21.6	21.3	-2%
<b>Subtotal, Indian Health Facilities</b>	<b>353.2</b>	<b>353.9</b>	<b>339.2</b>	<b>-4%</b>
<b>Total Appropriations</b>	<b>3,045.3</b>	<b>3,180.2</b>	<b>3,270.7</b>	<b>3%</b>
Medicare/Medicaid Reimbursements and Other Collections	648.2	648.2	700.3	8%
Special Diabetes Program for Indians <sup>a</sup>	150.0	150.0	150.0	0%
<b>Total Program Level</b>	<b>3,843.5</b>	<b>3,978.4</b>	<b>4,121.0</b>	<b>4%</b>

a. The Special Diabetes Program for Indians has an authorization of \$150 million for each of the fiscal years FY2004 through FY2008 (P.L. 107-360). Funded through the General Treasury, this program cost is not a part of IHS appropriations.

**Health Services.** IHS Health Services are funded not only through congressional appropriations, but also from money reimbursed from private health insurance and federal programs such as Medicare, Medicaid, and the State Children's Health Insurance Program (SCHIP). Estimated total reimbursements were \$648.2 million in FY2006 and are expected to be the same in FY2007. Another \$150.0 million per year is expended through IHS Health Services for the Special Diabetes Program for Indians under a separate appropriation that expires after FY2008.

The IHS Health Services budget has three subcategories: clinical services; preventive health services; and other services. The *clinical services* budget includes by far the most program funding. The clinical services budget proposed for FY2008 was \$2.43 billion, an increase of 6% over the \$2.30 billion in FY2007. Clinical services include primary care at IHS and tribally run hospitals and clinics. For hospital and health clinic programs, which make up 62% of the clinical services budget, the FY2008 proposal was \$1.49 billion, 4% over the \$1.44 billion in FY2007.

Contract care is a significant clinical service that funds the purchase of health services from local and community health care providers when IHS cannot provide medical care and specific services through its own system. It is especially important in IHS regions that have fewer direct-care facilities or no inpatient facilities. Contract care was proposed to receive a significant increase in FY2008, to \$551.5 million, 10% more than the FY2007 appropriation of \$499.6 million.

For other programs within clinical services for FY2008, dental programs would receive \$135.8 million, mental health programs \$64.5 million, alcohol and substance abuse programs \$162.0 million, and the Catastrophic Health Emergency Fund \$18.0 million.

For *preventive health services*, the Administration proposed \$129.6 million for FY2008, a 4% increase over the \$124.9 million for FY2007. Included in the preventive health services proposal for FY2008 was \$56.8 million for public health nursing, \$15.2 million for health education in schools and communities, \$1.8 million for immunizations in Alaska, and \$55.8 million for the tribally administered community health representatives program, which supports tribal community members who work to prevent illness and disease in their communities.

For *other health services*, the Administration proposed \$376.6 million for FY2008, a 6% decrease from FY2007. Contract support costs (CSC), the largest item in this category, were proposed to receive \$271.6 million for FY2008, a 3% increase. Contract support costs are provided to tribes to help pay the costs of administering IHS-funded programs under contracts or compacts authorized by the Indian Self-Determination Act (P.L. 93-638, as amended). CSC pays for costs tribes incur for such items as financial management, accounting, training, and program start-up. Most tribes and tribal organizations participate in self-determination contracts and self-governing compacts. Other health services also include urban Indian health programs (discussed below), Indian health professions scholarships and other support (\$31.9 million), tribal management grants (\$2.5 million), direct IHS operation of facilities (\$64.6 million), and self-governance technical assistance (\$5.9 million).

**Urban Indian Health Program.** As in its FY2007 budget proposal, the Administration proposed no FY2008 funding for the urban Indian health program. The program was funded at \$34.0 million in FY2007. The 28-year-old program helps fund preventive and primary health services for eligible urban Indians through contracts and grants with 34 urban Indian organizations at 41 urban sites. The specific services vary from site to site, and may include direct clinical care, alcohol and substance abuse care, referrals, and health information. The Administration contends that IHS must target funding and services towards Indians on or near reservations, to serve those who do not have access to health care other than IHS, and that urban Indians can be served through other federal and local health programs, such as HHS's Health Centers program. Opponents assert that the Administration has not provided evidence that alternative programs can replace the urban Indian health program and that it has not studied the impact of the loss of IHS funding on health care for urban Indians who annually receive services through this program. They further believe that only the urban Indian health program will provide culturally appropriate care.

**Facilities.** The IHS's Facilities category includes money for the equipment, construction, maintenance, and improvement of both health-care and sanitation facilities, as well as environmental health support programs. The Administration's proposal for FY2008 was \$339.2 million, a 4% decrease from FY2007 appropriations. (See **Table 18**, above.)



Included in the FY2008 Facilities proposal were \$51.9 million for maintenance and improvement of health care facilities (1% decrease), \$88.5 million for sanitation facilities construction (6% decrease), \$21.3 million for equipment (2% decrease), \$164.8 million for facilities and environmental health support (2% increase), and a significant decrease in funds for health care facilities construction (discussed below).

**Health Care Facilities Construction.** The Administration proposed \$12.7 million for construction of new health care facilities in FY2008, a 48% reduction from the FY2007 level of \$24.3 million. The FY2007 level was a 36% reduction from the FY2006 level of \$37.8 million, which was itself a 57% reduction from the FY2005 level of \$88.6 million. The Administration's FY2008 proposal would fund continued construction of one project, a hospital in Barrow, AK. The Administration asserted that its proposed cut in new facilities construction is part of an HHS-wide emphasis on maintenance of existing facilities, and that it helps fund the increasing costs of health care services and the staffing of several recently-completed facilities. Opponents contended that the IHS has reported a \$1.5 billion backlog in unmet health-facility needs and that the need is too great for a reduction in new construction.

For further information on the Indian Health Service, see its website at [<http://www.ihs.gov/>].

## Office of Navajo and Hopi Indian Relocation

The Office of Navajo and Hopi Indian Relocation (ONHIR) and its predecessor were created pursuant to a 1974 act (P.L. 93-531, as amended) to resolve a lengthy dispute between the Hopi and Navajo tribes involving lands originally set aside by the federal government for a reservation in 1882. Pursuant to the 1974 act, the lands were partitioned between the two tribes. Members of one tribe living on land partitioned to the other tribe were to be relocated and provided new homes, and bonuses, at federal expense. Relocation is to be voluntary.

ONHIR's chief activities consist of land acquisition, housing acquisition or construction, infrastructure construction, and post-move support, all for families being relocated, as well as certification of families' eligibility for relocation benefits. For FY2008, the Administration proposed \$9.0 million in new appropriations for ONHIR, a 6% increase from the FY2007 appropriation of \$8.5 million.

Navajo-Hopi relocation began in 1977 and is now nearing completion. ONHIR has a backlog of relocatees who are approved for replacement homes but have not yet received them. Most families subject to relocation were Navajo. Originally, an estimated 3,600 eligible Navajo families resided on land partitioned (or judicially confirmed) to the Hopi, while only 26 eligible Hopi families lived on Navajo partitioned land, according to ONHIR data. By the end of FY2005, according to ONHIR, 98% of the currently eligible Navajo families and 100% of the Hopi families had completed relocation. In addition, however, ONHIR estimates that about half of roughly 250 Navajo families (not all of them eligible families) who live on Hopi land and signed "accommodation agreements" (under P.L. 104-301) that allow them to stay on Hopi land, under Hopi law, may wish to opt out of these agreements and relocate using ONHIR benefits.

ONHIR estimated that, as of the end of FY2005, 83 eligible Navajo families were awaiting relocation. Eight of these 83 families still resided on Hopi partitioned land; one of these families was seeking a relocation home and the other seven refused to relocate or sign an accommodation agreement. ONHIR and the U.S. Department of Justice were negotiating with the Hopi Tribe to allow the seven families to stay on Hopi land, as autonomous families, in return for ONHIR's relocating off Hopi land those families who had signed accommodation agreements but later decided to opt out and accept relocation.

In its FY2007 budget justification ONHIR had estimated that relocation moves for currently eligible families would be completed by the end of FY2006. However, the addition of Navajo families who opt out of accommodation agreements and of Navajo families who filed late applications or appeals (but whom ONHIR proposes to accommodate to avoid litigation),<sup>30</sup> would mean that all relocation moves would not be completed until the end of FY2008, according to ONHIR. This schedule for completion of relocations would depend on infrastructure needs and relocatees' decisions. In addition, required post-move assistance to relocatees would necessitate another two years of expenditures after the last relocation move (whether in FY2006 or FY2008).

Congress has been concerned, at times, about the speed of the relocation process and about avoiding forced relocations or evictions. In the 109<sup>th</sup> Congress legislation passed the Senate, but not the House, that would have sunset ONHIR in 2008 and transferred any remaining duties to the Secretary of the Interior. Further, a long-standing proviso in ONHIR appropriations language, retained for FY2007 and in the FY2008 proposal, prohibits ONHIR from evicting any Navajo family from Hopi partitioned lands unless a replacement home were provided. This language appears to prevent ONHIR from forcibly relocating Navajo families in the near future, because of ONHIR's backlog of approved relocatees awaiting replacement homes. As the backlog is reduced, however, forced eviction may become an issue, if any remaining Navajo families were to refuse relocation and if the Hopi Tribe were to exercise a right under P.L. 104-301 to begin legal action against the United States for failure to give the Hopi Tribe "quiet possession" of all Hopi partitioned lands. The purpose of the negotiations among ONHIR, the Justice Department, and the Hopi Tribe, mentioned above, was to avoid this.

## **Smithsonian Institution**

The Smithsonian Institution (SI) is a museum and research complex consisting of 19 museums and galleries and the National Zoo in addition to 9 research facilities throughout the United States and around the world. Smithsonian facilities logged nearly 23 million visitors 2006. Established by federal legislation in 1846 in acceptance of a trust donation by the Institution's namesake benefactor, SI is funded by both federal appropriations and a private trust, with over \$979 million in revenue

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<sup>30</sup> The number of families is estimated altogether at around 75; they overlap to an unpredicted extent with the 83 eligible Navajo families

for FY2006.<sup>31</sup> The total request for appropriations for FY2008 was \$678.4 million, a \$45.4 million (7%) increase over FY2007. The request consists of funding for two main line items: salaries and expenses and facilities capital.

**Salaries and Expenses.** For FY2008, the SI requested \$571.3 million to fund salaries and expenses for its museums, research centers, and administration, as shown in **Table 19**, below. This represents a \$36.9 million (7%) increase over FY2007 funding and \$54.8 million (11%) more than FY2006. Federal appropriations fund salaries of over 4,200 employees; requested growth in staff and expenditures would primarily be for the National Museum of African American History and Culture (established by P.L. 108-184), which is under development.

Recent concern over the salary and other compensation for Smithsonian Secretary Lawrence M. Small led to his resignation in March 2007. Secretary Small was to receive \$915,698 in 2007, compared to the President's salary of \$400,000. Some Members and others have questioned whether Congress should begin to limit salaries of certain Smithsonian officials who are often paid well over federal salaries because they are paid from private trust funds. This issue was considered in the context of the FY2008 budget resolution and may continue to be an issue during consideration of Interior appropriations legislation.

**Facilities Capital.** The SI is responsible for over 400 buildings with approximately 8 million square feet of space. Recent external studies<sup>32</sup> and the SI estimate that an investment of \$2.3 billion over ten years is needed to address advanced facilities deterioration. Recent appropriations and fundraising fall far short of this level. Of the FY2008 request for \$107.1 million for facilities capital, \$87.4 million would fund these renovations with the balance toward security and health and safety improvements. No funds for construction were requested for FY2008. The request included funds for planning and design for renovations and new construction, including preliminary planning for the new African American History and Culture Museum, which will be located on the Mall near the Washington Monument.

**Trust Funds.** In addition to federal appropriations, the Smithsonian Institution receives income from trust funds which support salaries for some employees, donor-designated capital projects and exhibits, and operations. At the end of FY2006, the SI trust funds endowment was valued at over \$2.2 billion. Non-appropriated revenues fund over a third of SI operations and include income from the trusts, contributions from private sources, competitive government grants and contracts from other agencies, and the profits from the Smithsonian Business Ventures division. For FY2008, the SI estimates \$284.1 million will be available for Institution operations from these sources.

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<sup>31</sup> Smithsonian Institution, *Illumination: Annual Report 2006*. This and earlier annual reports are available online at [<http://www.si.edu/opa/annualrpts/>].

<sup>32</sup> For further information, see U.S. Government Accountability Office, *Smithsonian Institution: Facilities Management is Progressing, but Funding Remains a Challenge*, GAO-05-369 (April 2005).

**Table 19. Appropriations for the Smithsonian Institution,  
FY2006-FY2008**  
(\$ in thousands)

Smithsonian Institution	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Salaries and Expenses	516,568	534,461	571,347
— <i>Museums and Research Institutes</i>	216,218	215,195	231,541
— <i>Program Support and Outreach</i>	36,878	37,567	38,205
— <i>Administration</i>	63,913	64,110	66,740
— <i>Inspector General<sup>a</sup></i>	[1,772]	[1,834]	1,977
— <i>Facilities Services</i>	199,559	217,589	232,884
Facilities Capital	98,529	98,600	107,100
— <i>Revitalization</i>	72,813	82,700	91,400
— <i>Construction</i>	17,834	5,400	0
— <i>Facilities Planning and Design</i>	7,882	10,500	15,700
<b>Total Appropriations</b>	<b>615,097</b>	<b>633,061</b>	<b>678,447</b>

a. The figures for FY2006 and FY2007 are not included in the salaries and expenses total and the agency total.

For further information on the *Smithsonian Institution*, see its website at [<http://www.si.edu/>].

## National Endowment for the Arts and National Endowment for the Humanities

One of the primary vehicles for federal support for the arts and the humanities 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), the Federal Council on the Arts and Humanities, and the Institute of Museum and Library Services (IMLS). The NEA and NEH authorization (P.L. 89-209; 20 U.S.C. §951) expired at the end of FY1993, but the agencies have been operating on temporary authority through appropriations law. IMLS receives funding through the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Acts.

**NEA.** The NEA is a major federal source of support for all arts disciplines. Since 1965 it has provided over 120,000 grants that have been distributed to all states. For FY2008, NEA requested \$128.4 million, an increase of \$3.9 million (3%) from FY2007, as shown below in **Table 20**. At \$82.2 million, direct grants and state/regional partnership grants represent the largest portion of funds. An additional \$8.5 million would fund *Challenge America* — a program of matching grants for arts education, outreach, and community arts activities for rural and under-served areas. Another \$12.3 million would fund *American Masterpieces* — touring programs, local presentations, and arts education in the fields of dance, visual arts, and music.

**Table 20. Appropriations for Arts and Humanities,  
FY2006-FY2008**  
(\$ in thousands)

Arts and Humanities	FY2006 Approp.	FY2007 Approp.	FY2008 Request
<b>National Endowment for the Arts</b>			
Grants	100,654	100,319	102,942
Program Support	1,672	1,672	1,636
Administration	22,080	22,571	23,834
<b>Subtotal, NEA</b>	<b>124,406</b>	<b>124,562</b>	<b>128,412</b>
<b>National Endowment for the Humanities</b>			
Grants	102,247	102,247	101,807
Matching Grants	15,221	15,221	14,510
Administration	23,481	23,637	25,038
<b>Subtotal, NEH</b>	<b>140,949</b>	<b>141,105</b>	<b>141,355</b>
<b>Total NEA &amp; NEH</b>	<b>\$265,355</b>	<b>\$265,667</b>	<b>\$269,767</b>

**NEH.** The NEH generally supports grants for humanities education, research, preservation and public humanities programs; the creation of regional humanities centers; and development of humanities programs under the jurisdiction of the 56 state humanities councils. Since 1965, NEH has provided approximately 61,000 grants. NEH also supports a Challenge Grant program to stimulate and match private donations in support of humanities institutions. For FY2008, NEH requested \$141.4 million, essentially level with FY2007. The two largest programs funded by NEH are federal/state partnership grants and the *We the People Initiative* grants, requested to be funded at \$31.2 million and \$15.2 million, respectively. *We the People* grants include model curriculum projects for schools to improve course offerings in the humanities.

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

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

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

## Cross-Cutting Topics

### The Land and Water Conservation Fund (LWCF)

**Overview.** The LWCF (16 U.S.C. §§4601-4, et seq.) is authorized at \$900 million annually through FY2015. However, these funds may not be spent without an appropriation. The LWCF is used for three purposes. First, the four principal federal land management agencies — Bureau of Land Management, Fish and Wildlife Service, National Park Service, and Forest Service — draw primarily on the LWCF to acquire lands. The sections on each of those agencies earlier in this report identify funding levels and other details for their land acquisition activities. Second, the LWCF funds acquisition and recreational development by state and local governments through a grant program administered by the NPS, sometimes referred to as stateside funding. Third, Administrations have requested, and Congress has appropriated, money from the LWCF to fund some related activities. This third use is relatively recent, starting with the FY1998 appropriation. Programs funded have varied from year to year. Most of the appropriations for federal acquisitions generally are specified for management units, such as a specific National Wildlife Refuge, while the state grant program and appropriations for other related activities rarely are earmarked.

From FY1965 through FY2007, about \$30 billion will have been credited to the LWCF. About half that amount — \$15 billion — has been appropriated. Throughout history, annual appropriations from LWCF have fluctuated considerably. Until FY1998, LWCF funding did not exceed \$400 million, except from FY1977-FY1980, when funding was between \$509 million and \$805 million. In FY1998, LWCF appropriations exceeded the authorized level for the first time, spiking to \$969 million from the FY1997 level of \$159 million. A record level of funding was provided in FY2001, when appropriations reached \$1.0 billion, partly in response to President Clinton's Lands Legacy Initiative and some interest in increased and more certain funding for LWCF.

**FY2008 Funding.** For FY2008, the Administration requested \$378.7 million for LWCF, an increase of \$12.6 million (3%) over the FY2007 appropriation of \$366.1 million. The FY2008 request included funds for federal land acquisition, the stateside program, and other purposes as described below.

**Land Acquisition.** Of the total FY2008 Administration request, \$57.9 million was for federal land acquisition, a \$55.1 million (49%) reduction from the FY2007 level of \$113.0 million. An additional \$7.8 million was requested for land appraisals related to federal land acquisitions.

For the five fiscal years ending in FY2001, appropriations for federal land acquisition had more than tripled, rising from \$136.6 million in FY1996 to \$453.4 million in FY2001. However, since then the appropriation for land acquisition has declined, to \$113.0 million for FY2007. The decline may be attributed in part to increased interest in allocating funding to lands already in federal ownership, reducing the federal budget deficit, and funding other national priorities, such as the war on terrorism. **Table 21** shows recent funding for LWCF.

**Table 21. Appropriations from the Land and Water Conservation Fund, FY2004-FY2008**

(\$ in millions)

Land and Water Conservation Fund	FY2004 Approp.	FY2005 Approp.	FY2006 Approp.	FY2007 Approp.	FY2008 Request
Federal Acquisition					
— BLM	18.4	11.2	8.6	8.6	1.6
— FWS	38.1	37.0	28.0	28.0	18.0
— NPS	41.7	55.1	17.4 <sup>a</sup>	34.4	22.5
— FS	66.4	61.0	41.9	41.9	15.7
Subtotal, Federal Acquisition	164.6	164.3	95.8	113.0	57.9
Appraisal Services	0.0	0.0	7.3	7.4	7.8
Grants to States	93.8	91.2	29.6	29.6	0.0 <sup>b</sup>
Other Programs	229.7	203.4	213.1	216.1	313.1
<b>Total Appropriations</b>	<b>488.1</b>	<b>458.9</b>	<b>345.9</b>	<b>366.1</b>	<b>378.7</b>

**Source:** Data are from the House and Senate Appropriations Committees, the DOI Budget Office, and *The Interior Budget in Brief* for each fiscal year.

- a. This figure does not reflect the availability of an additional \$26.8 million in prior year funds.  
b. The President proposed \$1.4 million for the administration of state grants in FY2008, to be derived from the appropriation for National Recreation and Preservation rather than the LWCF. Accordingly, this amount is not reflected here.

**Stateside Program.** For FY2008, the Administration did not request funds for new stateside grants. Similarly, the Administration did not request funds for new stateside grants in FY2006 and FY2007, on the grounds that state and local governments have alternative sources of funding for parkland acquisition and development, and the current program could not adequately measure performance or demonstrate results. As for FY2006 and FY2007, for FY2008 the Administration did request a relatively small amount of funding for administration of the grant program. Specifically, the Administration supported \$1.4 million for program administration in FY2008, but in a break from the past, the Administration asked that the funds be derived from the National Recreation and Preservation line item rather than the LWCF. Congress appropriated a total of \$29.6 million for each of FY2006 and FY2007 for both new grants and program administration. Seeking to eliminate funds for new stateside grants is not a new phenomenon. For example, for several years the Clinton Administration proposed eliminating stateside funding, and Congress concurred. In the last six years, stateside funding has fallen 79%, from \$143.9 million in FY2002 to \$29.6 million in FY2007.

Through provisions of the Gulf of Mexico Energy Security Act of 2006 (P.L. 109-432), a portion of revenues from certain OCS leasing will be provided in future years (without further appropriation) to the stateside grant program. No money is expected to be available under these provisions for FY2008. An estimated \$6.4 million in revenue from such OCS leasing is projected to be collected in FY2008 and disbursed to the stateside program in FY2009. Preliminary estimates of disbursements through FY2017 total approximately \$21.8 million, according to the DOI Budget Office.

**Other Purposes.** The largest portion of the President’s FY2008 request — \$313.1 million — was for 11 other programs in the Department of the Interior and the Forest Service. This would be a \$97.0 million (45%) increase over the FY2007 level of \$216.1 million. **Table 21** shows that for each year from FY2004 through FY2007, the largest portion of the LWCF appropriation was for other programs. The Administration had requested a much larger amount for each year, most recently requesting \$440.6 million for FY2007. **Table 22** shows the other programs for which Congress appropriated funds for FY2006 and FY2007 and for which the President requested funds for FY2008. In some cases, Congress provided these programs with non-LWCF funding.

**Table 22. Appropriations for Other Programs from the LWCF, FY2006-FY2008**  
(\$ in millions)

Other Programs	FY2006 Approp.	FY2007 Approp.	FY2008 Request
<b>Department of the Interior</b>			
<b>Bureau of Land Management</b>			
— Challenge Cost Share	0.0	0.0	9.4
<b>Fish and Wildlife Service</b>			
— Refuge Challenge Cost Share	0.0	0.0	6.7
— Partners for Fish and Wildlife	0.0	0.0	48.4
— Coastal Programs	0.0	0.0	13.3
— Migratory Bird Joint Ventures	0.0	0.0	11.1
— State and Tribal Wildlife Grants	67.5	67.5	69.5
— Landowner Incentive Grants	21.7	23.7	0.0
— Private Stewardship Grants	7.3	7.3	0.0
— Cooperative Endangered Species Grants	60.1	61.1	80.0
— North American Wetlands Conservation Fund Grants	0.0	0.0	42.6
<b>National Park Service</b>			
— Challenge Cost Share	0.0	0.0	2.4
<b>Departmental Management</b>			
— Take Pride in America	0.0	0.0	0.5
<b>Forest Service (USDA)</b>			
— Forest Legacy Program	56.5	56.5	29.3
<b>Total Appropriations</b>	<b>213.1</b>	<b>216.1</b>	<b>313.1</b>

**Notes:** This table identifies “other” programs for which Congress appropriated funds for FY2006 or FY2007 or for which the Administration sought LWCF funds for FY2008. It excludes federal land acquisition and the stateside program. Funding provided outside of LWCF is not reflected. Information is from the DOI Budget Office.

CRS Report RL33531. *Land and Water Conservation Fund: Overview, Funding History, and Current Issues*, by Carol Hardy Vincent.



## Everglades Restoration

Altered natural flows of water by a series of canals, levees, and pumping stations, combined with agricultural and urban development, are thought to be the leading causes of environmental deterioration in South Florida. In 1996, Congress authorized the U.S. Army Corps of Engineers to create a comprehensive plan to restore, protect, and preserve the entire South Florida ecosystem, which includes the Everglades (P.L. 104-303). A portion of this plan, the Comprehensive Everglades Restoration Plan (CERP), was completed in 1999, and provides for federal involvement in restoring the ecosystem. Congress authorized the Corps to implement CERP in Title IV of the Water Resources Development Act of 2000 (WRDA 2000, P.L. 106-541). While restoration activities in the South Florida ecosystem are conducted under several federal laws, WRDA 2000 is considered the seminal law for Everglades restoration. (See CRS Report RS20702, *South Florida Ecosystem Restoration and the Comprehensive Everglades Restoration Plan*, by Pervaze A. Sheikh and Nicole T. Carter.)

Appropriations for restoration projects in the South Florida ecosystem have been provided to various agencies as part of several annual appropriations bills. The Interior, Environment, and Related Agencies appropriations laws have provided funds to several DOI agencies for restoration projects. Specifically, DOI conducts CERP and non-CERP activities in southern Florida through the National Park Service, Fish and Wildlife Service, U.S. Geological Survey, and Bureau of Indian Affairs. (For more on Everglades funding, see CRS Report RS22048, *Everglades Restoration: The Federal Role in Funding*, by Pervaze A. Sheikh and Nicole T. Carter.)

From FY1993 to FY2007, federal appropriations for projects and services related to the restoration of the South Florida ecosystem exceeded \$2.8 billion, and state funding topped \$4.8 billion.<sup>33</sup> The average annual federal cost for restoration activities in southern Florida in the next 10 years is expected to be approximately \$286 million per year.<sup>34</sup> For FY2008, the Administration requested \$235.0 million for DOI and the Army Corps of Engineers for restoration efforts in the Everglades.

**FY2008 Funding.** For DOI, the Administration requested \$72.4 million for CERP and non-CERP activities related to restoration in the South Florida ecosystem for FY2008. The request was approximately \$3.0 million (4%) above the FY2007 level. See **Table 23**, below. Of the total, the NPS requested \$54.5 million for park management, construction, and research activities; the FWS requested \$11.7 million for land acquisition, refuges, ecological services, and other activities; the USGS requested \$5.8 million for research, planning, and coordination; and the BIA requested \$0.4 million for water projects on Seminole and Miccosukee Tribal lands. The DOI request included \$8.0 million to conduct activities authorized by CERP.

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<sup>33</sup> These figures represent an estimated cost of all CERP and non-CERP related costs for restoration in the South Florida ecosystem.

<sup>34</sup> This figure is based on CERP and non-CERP related restoration activities in South Florida.

**Table 23. Appropriations for Everglades Restoration in the DOI Budget, FY2006-FY2008**  
(\$ in thousands)

Everglades Restoration in DOI	FY2006 Approp.	FY2007 Approp.	FY2008 Request
National Park Service			
— <i>CERP</i>	4,620	4,658	4,731
— <i>Park Operations<sup>a</sup></i>	25,832	26,350	28,991
— <i>Land Acquisition (use of prior year balances)</i>	-17,000	0	0
— <i>Everglades Acquisitions Management</i>	690	500	500
— <i>Modified Water Delivery</i>	24,882	13,330	14,526
— <i>Everglades Research</i>	3,840	3,863	3,910
— <i>South Florida Ecosystem Task Force</i>	1,286	1,308	1,324
— <i>GSA Space</i>	554	554	554
Subtotal, NPS	44,704	50,563	54,536
Fish and Wildlife Service			
— <i>CERP</i>	3,269	3,269	3,269
— <i>Land Acquisition</i>	0	0	1,044
— <i>Ecological Services</i>	2,516	2,516	2,516
— <i>Refuges and Wildlife</i>	4,086	4,086	4,086
— <i>Migratory Birds</i>	101	101	101
— <i>Law Enforcement</i>	619	619	619
— <i>Fisheries</i>	95	95	95
Subtotal, FWS	10,686	10,686	11,730
U.S. Geological Survey			
— <i>Research, Planning and Coordination</i>	7,771	7,771	5,771
Subtotal, USGS	7,771	7,771	5,771
Bureau of Indian Affairs			
— <i>Seminole, Miccosukee Tribe Water Studies and Restoration</i>	382	382	382
Subtotal, BIA	382	382	382
<b>Total Appropriations</b>	<b>63,543</b>	<b>69,402</b>	<b>72,419</b>

**Source:** U.S. Department of the Interior, *Fiscal Year 2008, The Interior Budget in Brief* (Washington, DC: February 2007). N/a is not available.

a. This includes total funding for park operations in Everglades National Park, Dry Tortugas National Park, Biscayne National Park, and Big Cypress National Preserve.

The FY2008 request for Everglades funding had slight increases in several categories compared to the FY2007 enacted level. One increase would be for the Modified Water Deliveries Project (Mod Waters) under NPS. This project is designed to improve water deliveries to Everglades National Park, and to the extent possible,

restore the natural hydrological conditions within the Park. The completion of this project is required prior to the construction of certain projects under CERP. For FY2007, \$13.3 million in new funds were appropriated for Mod Waters; and for FY2008, \$14.5 million were requested.

A funding issue receiving broad attention is the level of commitment by the federal government to implement restoration activities in the Everglades. Some observers measure commitment by the frequency and number of projects authorized under CERP, and the appropriations they receive. Because no restoration projects have been authorized since WRDA 2000, these observers are concerned that federal commitment to CERP implementation is waning. Others assert that the federal commitment will be measurable by the amount of federal funding for construction, expected when the first projects break ground in the next few years. Some state and federal officials contend that federal funding will increase compared to state funding as CERP projects move beyond design, into construction. Still others question whether the federal government should maintain the current level of funding, or increase its commitment, because of escalating costs and project delays.

**Concerns Over Phosphorus Mitigation.** Since FY2004, Interior appropriations laws have conditioned funding for the Modified Water Deliveries Project based on meeting state water quality standards. Funds appropriated in the laws and any prior laws for Mod Waters would be provided *unless* administrators of four federal departments/agencies (Secretary of the Interior, Secretary of the Army, Administrator of the EPA, and the Attorney General) indicate in their joint report that water entering the A.R.M. Loxahatchee National Wildlife Refuge and Everglades National Park do not meet state water quality standards, and the House and Senate Committees on Appropriations respond in writing disapproving the further expenditure of funds. These provisions were enacted based on concerns regarding a Florida state law (Chapter 2003-12, enacted on May 20, 2003) that amended the Everglades Forever Act of 1994 (Florida Statutes §373.4592) by authorizing a new plan to mitigate phosphorus pollution in the Everglades. Phosphorus is one of the primary water pollutants in the Everglades and a primary cause for ecosystem degradation. Provisions conditioning funds on the achievement of water quality standards were not requested in the Administration's request for FY2008.

For further information on *Everglades Restoration*, see the website of the South Florida Ecosystem Restoration Program at [<http://www.sfrestore.org>] and the website of the Corps of Engineers at [<http://www.evergladesplan.org/>].

CRS Report RS22048. *Everglades Restoration: The Federal Role in Funding*, by Pervaze A. Sheikh and Nicole T. Carter.

CRS Report RS21331. *Everglades Restoration: Modified Water Deliveries Project*, by Pervaze A. Sheikh.

CRS Report RL32131. *Phosphorus Mitigation in the Everglades*, by Pervaze A. Sheikh and Barbara A. Johnson.

CRS Report RS20702. *South Florida Ecosystem Restoration and the Comprehensive Everglades Restoration Plan*, by Pervaze A. Sheikh and Nicole T. Carter.

**Table 24. Appropriations for Interior, Environment, and Related Agencies, FY2004-FY2008**  
(\$ in thousands)

Bureau or Agency	FY2004 Approp.	FY2005 Approp.	FY2006 Approp. <sup>g</sup>	FY2007 Approp.	FY2008 Request
<b>Title I: Department of the Interior</b>					
Bureau of Land Management	1,893,233	1,816,910	1,757,188	1,777,047	1,822,029
U.S. Fish and Wildlife Service	1,308,405	1,332,591	1,307,639	1,330,711	1,286,769
National Park Service	2,258,581	2,365,683	2,255,768	2,289,435	2,363,784
U.S. Geological Survey	937,985	944,564	961,675	982,780	974,952
Minerals Management Service	170,297	173,826	158,294	159,515	161,451
Office of Surface Mining Reclamation and Enforcement	295,975	296,573	294,228	294,591	168,295
Bureau of Indian Affairs	2,300,814	2,295,702	2,274,270	2,308,304	2,228,890
Departmental Offices <sup>a</sup>	460,859	496,837	527,656	514,873	478,657
Departmental-Wide Programs <sup>b</sup>	221,815	232,542	248,254	248,286	228,418
<b>Total Title I</b>	<b>9,847,964</b>	<b>9,955,228</b>	<b>9,784,972</b>	<b>9,905,542</b>	<b>9,713,245</b>
<b>Title II: Environmental Protection Agency</b>	<b>8,365,817<sup>d</sup></b>	<b>8,026,485</b>	<b>7,617,416</b>	<b>7,725,130</b>	<b>7,199,400</b>
<b>Title III: Related Agencies</b>					
U.S. Forest Service <sup>e</sup>	4,939,899	4,770,598	4,200,762	4,324,149	4,126,873
Indian Health Service	2,921,715	2,985,066	3,045,310	3,180,208	3,270,726
National Institute of Environmental Health Sciences	78,309	79,842	79,108	79,117	78,434
Agency for Toxic Substances and Disease Registry	73,034	76,041	74,905	75,212	75,004
Council on Environmental Quality and Office of Environmental Quality	3,219	3,258	2,677	2,698	2,703
Chemical Safety and Hazard Investigation Board	8,648	9,424	9,064	9,113	9,049
Office of Navajo and Hopi Indian Relocation	13,366	4,930	8,474	8,509	9,000
Institute of American Indian and Alaska Native Culture and Arts Development	6,173	5,916	6,207	6,207	7,297
Smithsonian Institution	596,279	615,158	615,097	633,061	678,447
National Gallery of Art	98,225	102,654	111,141	111,729	116,000
John F. Kennedy Center for the Performing Arts	32,159	33,021	30,347	30,389	39,350
Woodrow Wilson International Center for Scholars	8,498	8,863	9,065	9,100	8,857
National Endowment for the Arts	120,972	121,264	124,406	124,562	128,412
National Endowment for the Humanities	135,310	138,054	140,949	141,105	141,355
Commission of Fine Arts	1,405	1,768	1,865	1,873	2,092
National Capital Arts and Cultural Affairs	6,914	6,902	7,143	7,143	—
Advisory Council on Historic Preservation	3,951	4,536	4,789	4,828	5,348
National Capital Planning Commission	7,635	7,888	8,123	8,168	8,265
U.S. Holocaust Memorial Museum	39,505	40,858	42,150	42,349	44,996
Presidio Trust	20,445	19,722	19,706	19,706	18,450

Bureau or Agency	FY2004 Approp.	FY2005 Approp.	FY2006 Approp. <sup>g</sup>	FY2007 Approp.	FY2008 Request
White House Commission on the Natl. Moment of Remembrance	—	248	247	247	200
<b>Total Title III</b>	<b>9,115,661</b>	<b>9,036,011</b>	<b>8,541,535</b>	<b>8,819,473</b>	<b>8,770,858</b>
<i>[Title IV: Veterans' Health]</i>	—	—	<i>[1,500,000]</i>	—	—
Undistributed Reductions	—	—	— 1,768	—	—
<b>Grand Total (in Bill)<sup>c</sup></b>	<b>27,329,442</b>	<b>27,017,724</b>	<b>25,942,155<sup>f</sup></b>	<b>26,450,145</b>	<b>25,683,503</b>

**Source:** House and Senate Appropriations Committees.

- a. The Departmental Offices figure currently includes the Office of the Secretary, Insular Affairs, Office of the Solicitor, Office of Inspector General, and Office of Special Trustee for American Indians.
- b. The Departmental-Wide Programs figure currently includes the Payments in Lieu of Taxes Program (PILT), Central Hazardous Materials Fund, Natural Resource Damage Assessment Fund, and Working Capital Fund.
- c. Figures generally do not reflect scorekeeping adjustments.
- d. Derived from the report of the House Appropriations Committee on H.R. 5041 (H.Rept. 108-674).
- e. The FY2005 figure excludes \$40.0 million in transferred funds from the Department of Defense (§8098, P.L. 108-287).
- f. The total does not reflect a \$1.50 billion in emergency appropriations for veteran's health. The total does reflect undistributed reductions which are not included in the individual agency figures in the column.
- g. Supplemental appropriations are not reflected in this column.