



December 8, 2023

Offshore Energy Agency Appropriations, FY2024

Three entities in the Department of the Interior (DOI) share responsibility for managing the nation’s ocean energy resources on almost 2.5 billion acres of the U.S. outer continental shelf (OCS). The Bureau of Ocean Energy Management (BOEM) administers offshore energy leasing and mineral development; the Bureau of Safety and Environmental Enforcement (BSEE) oversees offshore operational safety and environmental protection; and the Office of Natural Resources Revenue (ONRR) manages public revenues from federally regulated offshore and onshore energy and natural resource projects. BOEM, BSEE, and ONRR receive appropriations in the annual Interior, Environment, and Related Agencies appropriations bill. Issues include determining the aggregate and program-level appropriations for each entity and considering certain Biden Administration proposals.

On November 3, 2023, the House passed an FY2024 Interior appropriations bill, H.R. 4821 (H.Rept. 118-155), with funding for BOEM, BSEE, and ONRR. On July 27, 2023, the Senate Committee on Appropriations reported S. 2605 (S.Rept. 118-83) with FY2024 appropriations for the three entities. Also, two continuing resolutions have provided appropriations at FY2023 levels through February 2, 2024, or until full-year appropriations are enacted.

Total budget authority for BOEM and BSEE includes both discretionary appropriations and *offsetting collections* derived from a portion of OCS rental receipts, cost-recovery fees, and (for BSEE) inspection fees. The discretionary appropriations for each fiscal year are reduced by the amount of eligible fees and receipts collected, so that the final amount appropriated to each agency is the net of those collections. Discussions of account- and activity-level funding in the sections below refer to total budget authority, regardless of offsets. ONRR’s funding does not include offsetting collections.

BOEM Appropriations

The Biden Administration requested \$268.2 million in total budget authority for BOEM for FY2024 (Table 1). This

was a 22% increase over total FY2023 budget authority of \$220.0 million provided in P.L. 117-328, the Consolidated Appropriations Act, 2023. House-passed H.R. 4821 would provide \$182.0 million in total FY2024 budget authority for BOEM, 17% less than FY2023 and 32% less than requested by the Administration. Senate committee-reported S. 2605 would provide BOEM with total budget authority of \$220.0 million, level with FY2023 and 18% less than the request.

BOEM’s funding is contained in a single budget account, titled Ocean Energy Management. Within this account, the **Conventional Energy** activity (\$61.5 million FY2023; \$72.3 million FY2024 requested; \$65.8 million H.R. 4821; \$61.5 million S. 2605) funds administration of oil and gas leasing, including development of five-year leasing programs. BOEM’s requested funding increase was primarily for developing an offshore carbon sequestration program, as authorized in P.L. 117-58, the Infrastructure Investment and Jobs Act (IIJA).

The **Renewable Energy** activity (\$42.8 million FY2023; \$64.5 million FY2024 requested; no funds H.R. 4821; \$42.8 million S. 2605) supports BOEM’s management of renewable ocean energy resources. BOEM’s requested changes were to increase permitting workforce capacity, initiate renewable energy leasing activities offshore of U.S. territories, and automate information management. An amendment on the House floor eliminated funding for the renewable energy program in H.R. 4821.

The **Environmental Assessment** activity (\$82.4 million FY2023; \$92.8 million FY2024 requested; \$84.7 million H.R. 4821; \$82.4 million S. 2605) supports BOEM’s responsibilities for assessing the environmental impacts of ocean energy activities to inform planning and policy decisions. BOEM requested increases for its Environmental Studies Program, for development of an offshore carbon sequestration program, for a team to address renewable energy environmental reviews, and for tribal co-stewardship.

Table 1. BOEM, BSEE, and ONRR Appropriations, FY2023 and FY2024 (\$ millions)

Agency	FY2023 Enacted (P.L. 117-328)	FY2024 House-Passed Request H.R. 4821	House Bill % Change from FY2023	Senate-Reported S. 2605	Sen. Bill % Change from FY2023	
BOEM Total Budget Authority	220.0	268.2	182.0	-17%	220.0	—
BOEM Net Appropriation	183.0	212.2	126.0	-31%	164.0	-10%
BSEE Total Budget Authority	213.9	255.5	210.0	-2%	213.9	—
BSEE Net Appropriation	172.0	198.6	159.1	-7%	163.0	-5%
ONRR Total Appropriation	174.9	185.4	157.4	-10%	174.9	—

Source and Notes: Data from House Appropriations Committee. Net appropriations reflect estimated reductions to discretionary appropriations from offsetting collections.

The *Marine Minerals* activity (\$14.4 million FY2023; \$16.4 million FY2024 requested; \$14.5 million H.R. 4821; \$14.4 million S. 2605) supports management of offshore non-energy minerals, particularly sand and gravel, as well as BOEM's assessment of critical minerals on the OCS. BOEM requested increased funds for its National Offshore Sand Inventory.

The *Executive Direction* activity (\$18.9 million FY2023; \$22.3 million FY2024 requested; \$17.0 million H.R. 4821; \$18.9 million S. 2605) covers leadership, budgeting, technology, and related activities. The requested increase was primarily to enhance program support for the Administration's clean energy priorities.

Net of estimated offsetting collections, BOEM's FY2024 request was \$212.2 million, 16% more than the net appropriation of \$183.0 million for BOEM in FY2023. The 16% increase in the net request, compared with a 22% increase in the total requested budget authority, reflects that BOEM anticipates more in offsetting rental receipts and cost-recovery fees for FY2024 than were collected in FY2023. Net of offsetting collections, H.R. 4821 would provide \$126.0 million for BOEM, 31% less than enacted for FY2023 and 41% less than requested. S. 2605 would provide \$164.0 million, 10% less than FY2023 and 23% less than requested.

BSEE Appropriations

The Administration requested \$255.5 million in total budget authority for BSEE for FY2024, a 19% increase compared with the FY2023 total budget authority of \$213.9 million in P.L. 117-328. House-passed H.R. 4821 would provide BSEE with total FY2024 budget authority of \$210.0 million, 2% less than the FY2023 total budget authority and 18% less than the request (**Table 1**). Senate committee-reported S. 2605 would provide BSEE with total budget authority of \$213.9 million, level with FY2023 and 16% less than requested.

BSEE's funding is appropriated under two budget accounts, Offshore Safety and Environmental Enforcement (OSEE) and Oil Spill Research. Under the OSEE account, the *Operations, Safety, and Regulation* activity (\$166.9 million FY2023; \$178.5 million FY2024 requested; \$167.0 million H.R. 4821; \$166.9 million S. 2605) supports BSEE's development of regulations and safety standards, review and approval of OCS operating permits, inspections of facilities and equipment, and oversight of operator safety programs, among other activities. BSEE's request included a funding increase to build its carbon sequestration program, as authorized in the IJA.

The *Environmental Enforcement* activity (\$5.9 million FY2023; \$7.4 million FY2024 requested; \$5.0 million H.R. 4821; \$5.9 million S. 2605) supports BSEE's compliance with environmental statutes and its oversight and enforcement of environmental compliance by operators on the OCS. A portion of BSEE's requested increase was for tribal engagement.

The activities for *Administrative Operations* (\$19.3 million FY2023; \$19.2 million FY2024 requested; \$18.0 million H.R. 4821; \$19.3 million S. 2605) and *Executive Direction* (\$18.8 million FY2023; \$20.4 million FY2024 requested; \$17.0 million H.R. 4821, \$18.8 million S. 2605) fund a range of administrative services as well as BSEE's executive offices. BSEE's FY2024 request included increased funding for zero-emission vehicles and information technology enhancements.

BSEE's *Offshore Decommissioning* activity (\$3.0 million FY2023; \$30.0 million FY2024 requested; \$3.0 million H.R. 4821 and S. 2605) was established as a separate line item in FY2022, supporting closure and removal of offshore energy infrastructure when leases reach the end of their lifetimes. BSEE had requested \$30.0 million for FY2024 to "properly plug and abandon" orphaned wells and pipelines for which no liable party is available to decommission. In the past, appropriators have expressed opposition to decommissioning costs being borne by taxpayers.

The second BSEE account, *Oil Spill Research* (\$15.1 million FY2023, FY2024 request, H.R. 4821, and S. 2605), funds research and planning for oil spill responses and supports Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility.

BSEE's requested net appropriation after offsetting collections was \$198.6 million, 15% more than the FY2023 net appropriation of \$172.0 million. Net of offsetting collections, H.R. 4821 would provide \$159.1 million, 7% less than FY2023 and 20% less than the request. S. 2605 would provide net appropriations of \$163.0 million, 5% less than FY2023 and 18% less than the request.

BSEE's budget proposed a legislative provision to raise inspection fees to adjust for inflation and to change facility inspection fees from a per-year to a per-visit basis. H.R. 4821 and S. 2605 do not include the requested changes.

ONRR Appropriations

ONRR, which manages revenues from both offshore and onshore energy, is funded within the broader appropriation for DOI's Department-Wide Programs. For FY2024, the Administration requested \$185.4 million for ONRR, a 6% increase over the FY2023 funding of \$174.9 million (**Table 1**). The requested increase was mainly to strengthen auditing and compliance and expand solicitor staff. H.R. 4821 would provide \$157.4 million, 10% less than FY2023 and 15% less than the request, while S. 2605 would provide \$174.9 million, level with FY2023 and 6% less than the request.

Laura B. Comay, Specialist in Natural Resources Policy

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