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Offshore Energy Agency Appropriations, FY2027

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The Department of the Interior's (DOI's) Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) share responsibility for managing the nation's ocean energy resources on about 3.2 billion acres of the U.S. outer continental shelf (OCS). In July 2026, the Secretary of the Interior issued an order for the merger of BOEM and BSEE into a new Marine Minerals Administration (MMA), combining BOEM's role of administering offshore energy and mineral leasing with BSEE's role of overseeing offshore safety and environmental protection. A separate DOI office, the Office of Natural Resources Revenue (ONRR), manages public revenues from federal offshore and onshore energy projects. All these DOI entities receive appropriations in annual Interior, Environment, and Related Agencies appropriations acts. Issues for Congress include determining the aggregate and program-level appropriations for each entity.

On June 5, 2026, the House Appropriations Committee reported H.R. 9171 (H.Rept. 119-687), with FY2027 funding for BOEM, BSEE, and ONRR. (DOI had submitted a budget request for a combined MMA, but H.R. 9171 contains separate appropriations for BOEM and BSEE.) FY2027 appropriations were not enacted by the start of the fiscal year. A continuing resolution, P.L. 119-103, Division A, generally provides continuing appropriations for DOI agencies and offices through December 11, 2026, unless other appropriations are enacted earlier.

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 receipts and fees 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.

MMA Budget Request

The Trump Administration requested $296.2 million in total budget authority for MMA for FY2027 (**Table 1**). The request combined accounts and activities that in FY2026 and previous years were attributed separately to BOEM and BSEE. Also, the Administration proposed legislative language allowing for the transfer of program funds to "effectuate" the MMA reorganization. The FY2027 request for MMA was 27% lower than the combined FY2026 budget authority of $403.0 million for BOEM and BSEE provided in P.L. 119-74, Division C.

The budget request sought appropriations for two main MMA accounts. Within the primary account (called the MMA account), it is not always clear how specified budget activities correspond to FY2026 funding for BOEM and BSEE as separate agencies. The Administration requested $186.2 million for ***Conventional Energy Operations***. This activity would fund oil and gas leasing and development, such as development of the five-year oil and gas leasing program administered by BOEM. It would also fund functions like OCS facility inspections that are typically performed by BSEE. Based on "notional" comparisons, "had BOEM and BSEE been unified," the Administration estimated that the FY2026 funding for this activity was $234.9 million. The requested FY2027 decrease reflects the proposed elimination of BSEE's renewable energy program as well as staff consolidation.

For the ***Marine Minerals*** budget activity, the Administration requested $17.8 million to fund OCS critical mineral lease sales, post-sale activities, assessments of critical mineral resources, and collection of baseline environmental data. For FY2026, BOEM's Marine Minerals activity received $13.8 million. (BSEE had no marine minerals funding in FY2026.) The requested increase would support holding three anticipated lease sales—the first such sales on the OCS—and preparing for future sales (e.g., off Virginia). The budget request also included a legislative proposal to share federal marine mineral revenues with states and the Land and Water Conservation Fund (54 U.S.C. §§200301 et seq.).

Table 1. Offshore Energy Agency Appropriations, FY2026 and FY2027 ($ millions)

Agency	FY2026 Enacted (P.L. 119-74)	FY2027 Request	House Committee-Reported H.R. 9171	H.R. 9171 % Change from FY2026
BOEM + BSEE (MMA) Total Budget Authority	$403.0	$296.2	$392.3	-3%
BOEM Total Budget Authority	*$191.1*	—	*$182.9*	*-4%*
BSEE Total Budget Authority	*$211.9*	—	*$209.4*	*-1%*
BOEM + BSEE (MMA) Net Appropriation	$280.0	$142.2	$237.3	-15%
BOEM Net Appropriation	*$133.1*	—	*$105.9*	*-20%*
BSEE Net Appropriation	*$146.9*	—	*$131.4*	*-11%*
ONRR Total Appropriation	$159.9	$134.1	$157.9	-1%

Sources and Notes: H.Rept. 119-687; MMA FY2027 budget justification. Net appropriations reflect estimated reductions to discretionary appropriations from offsetting collections. Net appropriations figures are based on estimated offsetting collections as shown in H.Rept. 119-687.

The Administration requested $52.5 million for ***Environmental Programs and Enforcement***, supporting environmental studies and assessments such as those required by the National Environmental Policy Act (42 U.S.C. §§4321 et seq.), as well as environmental enforcement activities like offshore facility inspections and related activities. The supported activities would include both BOEM and BSEE functions. The Administration estimated comparable FY2026 appropriations at $78.7 million. The requested decrease reflects staff consolidation.

Funding of $30.2 million was requested for ***Executive Direction***, to support leadership and management functions such as budgeting, communications, and others. Both BOEM and BSEE functions are included, and the Administration estimated combined FY2026 funding at $37.5 million. The requested decrease reflects staff consolidation.

The FY2027 request did not include funding in the MMA account for two budget activities that had been funded in FY2026. The Administration proposed to eliminate the ***Renewable Energy*** budget activity (for which FY2026 funding was shown as $20.0 million through BOEM) "in alignment" with Executive Order 14154. Required work on existing offshore wind leases would be supported through the Conventional Energy Operations activity. The budget request also included a legislative proposal to impose inspection fees for offshore wind facilities. Also, the Administration proposed to eliminate the ***Offshore Decommissioning*** budget activity (funded through BSEE at $2.9 million for FY2026), stating that decommissioning of infrastructure orphaned by bankrupt operators can be achieved using prior appropriations. In connection with a regulatory proposal to set toppling in place as the default standard for offshore oil and gas infrastructure decommissioning, the Administration included a legislative proposal for a "Topple-in-Place Contingency Fund," which would be an industry-supported fund to address damage to fishing gear from toppled wells and to address federal liabilities from orphaned infrastructure.

Separate from the MMA account, the Administration requested $9.5 million for the ***Oil Spill Research*** account, corresponding to BSEE's account with this title funded at $15.1 million for FY2026. This account funds research and planning for oil spill response and supports Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility.

ONRR Budget Request

ONRR is funded under the broader appropriation for DOI's Department-Wide Programs. For FY2027, the Administration requested $134.1 million for ONRR, a 16% decrease from the FY2026 funding of $159.9 million (**Table 1**). The requested decrease reflects "efficiency" gains and the completion of an information technology modernization project, according to the Administration.

House Committee-Approved H.R. 9171

H.R. 9171 would provide $392.3 million in total FY2027 budget authority for BOEM and BSEE combined, consisting of $182.9 million for BOEM and $209.4 million for BSEE (**Table 1**). Although DOI had requested legislative language allowing funding transfers to facilitate the MMA merger, H.R. 9171 does not contain such language and provides separate funding for BOEM and BSEE. The combined total for the two agencies is 3% less than enacted for FY2026 and 32% more than the request.

BOEM's funding is contained in a single budget account, Ocean Energy Management. Within this account, H.Rept. 119-687, the committee report, specifies $73.0 million for ***Conventional Energy*** (compared to $70.2 million for FY2026), $5.0 million for ***Renewable Energy*** ($20.0 million FY2026), $73.1 million for ***Environmental Assessment*** (level with FY2026), $17.8 million for ***Marine Minerals*** ($13.8 million FY2026), and $14.0 million for ***Executive Direction*** (level with FY2026). With respect to Renewable Energy, H.Rept. 119-687 states that the recommended $5.0 million is for "priorities of the Department of the Interior" and is "intended to be consistent" with President Trump's January 2025 memorandum temporarily withdrawing the OCS from renewable energy leasing and requiring a review of federal wind leasing and permitting practices.

H.R. 9171 would provide BSEE funding in two accounts: Offshore Safety and Environmental Enforcement (OSEE) and Oil Spill Research (OSR). Within OSEE, H.Rept. 119-687 specifies $155.0 million for ***Operations, Safety and Regulation*** (compared to $156.8 million for FY2026), $5.0 million for ***Environmental Enforcement*** ($5.6 million FY2026), $15.5 million for ***Administrative Operations*** (level with FY2026), $15.9 million for ***Executive Direction*** (level with FY2026), and $2.9 million for ***Offshore Decommissioning*** (level with FY2026). In the OSR account, the ***Oil Spill Research*** activity would be funded at $15.1 million (level with FY2026).

Regarding offshore decommissioning, H.Rept. 119-687 expresses the committee's ongoing support for the Rigs-to-Reefs program and encourages BSEE to utilize and promote the program. H.R. 9171 does not contain the Administration's requested legislative language to establish a contingency fund for offshore infrastructure toppled in place as part of this program. Separately, similar to prior annual appropriations acts, H.R. 9171 contains general provisions imposing fees for inspections of offshore oil and gas facilities. The bill also includes provisions requested by DOI to impose new fees for inspections of offshore wind facilities. Regarding the latter, H.Rept. 119-687 states that the committee "expects the Agency to ensure that such fees are fair, transparent, and commensurate with the actual cost of inspection activities," and directs BSEE to report to the committee with a detailed basis for the wind inspection fees.

Net Appropriations

Net of estimated offsetting collections of $135.2 million, MMA's request in its FY2027 budget justification was $160.9 million. Using a different estimate of offsetting collections ($154.0 million), H.Rept. 119-687 shows a net request of $142.2 million for MMA (**Table 1**). H.R. 9171 would provide net appropriations of $237.3 million for BOEM and BSEE combined, 15% less than FY2026. Using the net request as reported in H.Rept. 119-687 ($142.2 million), H.R. 9171 would provide 67% more than requested in net appropriations.

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