

Report for Congress

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Appropriations for FY2004: Interior and Related Agencies

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

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

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

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

Appropriations for FY2004: Interior and Related Agencies

Summary

The Interior and Related Agencies Appropriations bill includes funds for the Department of the Interior (DOI), except for the Bureau of Reclamation, and funds for some agencies or programs within three other departments — Agriculture, Energy, and Health and Human Services. It also funds numerous smaller related agencies. President Bush's FY2004 budget for Interior and related agencies totals \$19.49 billion. In FY2003, Congress enacted (P.L.108-7) \$18.96 billion, plus \$825 million for wildland fire fighting efforts in FY2002, for a bill total of \$19.79 billion.

For DOI agencies, the President seeks \$9.76 billion, as compared with \$9.40 billion for FY2003 or \$9.59 billion including a portion of the supplemental fire funds. The request provides increases over FY2003 for some DOI agencies, including the National Park Service (\$122.4 million), Fish and Wildlife Service (\$41.7 million), and Bureau of Indian Affairs (\$35.5 million). Other DOI agencies would see decreases, such as the U.S. Geological Survey (-\$23.8 million) and the Office of Surface Mining Reclamation and Enforcement (-\$14.0 million). For non-DOI agencies, the President recommends \$9.73 billion, whereas for FY2003 Congress enacted \$9.56 billion or \$10.20 billion including the rest of the supplemental fire monies. Agencies that would receive an increase include the Smithsonian Institution (\$21.6 million), National Endowment for the Humanities (\$27.1 million), and Indian Health Service (\$40.0 million). By contrast, funding for DOE programs are among those proposed for a decrease (-\$36.7 million).

Controversial issues addressed during last year's Interior bill consideration included: fire management, stewardship contracting, wilderness in the Tongas National Forest, development in the Arctic National Wildlife Refuge, renewal of grazing permits and leases, Missouri River flows, Everglades restoration, funding for land acquisition and conservation, development of oil and gas leases off the California coast, management of the Indian tribes' trust funds and assets, and drought assistance. This report will be updated following major congressional action on Interior appropriations legislation.

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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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Appropriations for FY2004: Interior and Related Agencies

Most Recent Developments

The Interior Subcommittees of the House and Senate Appropriations Committees have held hearings throughout the Spring of 2003 on the President's FY2004 request. No future hearings or markups have been scheduled.

Introduction

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

In this report, the term “appropriations” generally represents total funds available, including regular annual and supplemental appropriations, as well as rescissions, transfers, and deferrals. Increases and decreases generally are calculated on comparisons between the funding levels appropriated for FY2003 and requested by the President or recommended by Congress for FY2004.

FY2004 Budget and Appropriations

President Bush's FY2004 budget for Interior and related agencies totals \$19.49 billion. In FY2003, Congress enacted (P.L.108-7) \$18.96 billion, plus \$825 million for wildland fire fighting efforts in FY2002, for a bill total of \$19.79 billion.

For DOI agencies, the President seeks \$9.76 billion, as compared with \$9.40 billion for FY2003, or \$9.59 billion including a portion of the supplemental fire

funds. The request provides increases over FY2003 for some DOI agencies, including the National Park Service (\$122.4 million), Fish and Wildlife Service (\$41.7 million), and Bureau of Indian Affairs (\$35.5 million). Other DOI agencies would see decreases, such as the U.S. Geological Survey (-\$23.8 million) and the Office of Surface Mining Reclamation and Enforcement (-\$14.0 million). For non-DOI agencies, the President recommends \$9.73 billion, whereas for FY2003 Congress enacted \$9.56 billion, or \$10.20 billion including supplemental fire monies. Agencies that would receive an increase include the Smithsonian Institution (\$21.6 million), National Endowment for the Humanities (\$27.1 million), and Indian Health Service (\$40.0 million). By contrast, funding for DOE programs are among those proposed for a decrease (-\$36.7 million)

Controversial issues addressed during last year’s Interior bill consideration included: fire management, stewardship contracting, wilderness in the Tongas National Forest, development in the Arctic National Wildlife Refuge, renewal of grazing permits and leases, Missouri River flows, Everglades restoration, funding for land acquisition and conservation, development of oil and gas leases off the California coast, management of the Indian tribes’ trust funds and assets, and drought assistance.

Status

Table 1. Status of Department of the Interior and Related Agencies Appropriations, FY2004

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
							House	Senate	

Major Funding Trends

Table 2. Interior and Related Agencies Appropriations, FY1999 to FY2003

(budget authority in billions of current dollars)

FY1999	FY2000	FY2001	FY2002	FY2003
\$14.3	\$14.9	\$18.9	\$19.2	\$19.0

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

During the ten-year period from FY1994 to FY2003, Interior and related agencies appropriations increased by 42% in current dollars, from \$13.4 billion to \$19.0 billion (excluding \$825 million for wildland fire emergencies to repay amounts transferred from other accounts for fire fighting for FY2002). Most of the growth occurred during the latter years. For instance, during the five-year period from FY1994 to FY1998, appropriations increased by 3% in current dollars, from \$13.4

billion to \$13.8 billion. By contrast, during the most recent five years, from FY1999 to FY2003, funding increased by 33% in current dollars, from \$14.3 billion to \$19.0 billion. The single biggest increase during the decade occurred from FY2000 to FY2001, when the total appropriation rose 27% in current dollars, from \$14.9 billion to \$18.9 billion. Much of the increase was provided to land management agencies for land conservation and wildland fire management. See **Table 17** for a comparison of FY2002-FY2004 Interior Appropriations, and **Table 19** for a budgetary history of each agency, bureau, and program from FY2000 to FY2003.

Key Policy Issues

Title I: Department of the Interior

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

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

For FY2004, the Administration requested \$1.70 billion for the BLM, while for FY2003 Congress enacted \$2.06 billion. This apparent significant decrease in agency funds is attributable to the inclusion in the FY2003 appropriations law of two large sums for activities not retained in the FY2004 BLM budget: \$189.0 million to repay transfers from other appropriations for fire fighting in FY2002, and \$218.6 million appropriated for the Payments in Lieu of Taxes (PILT) Program, which the Administration proposes to transfer from the BLM to Departmental Management in DOI. (See below.) Excluding these extra fire funds would reduce the FY2003 appropriation to \$1.87 billion; excluding the PILT monies would further reduce the FY2003 amount to \$1.65 billion. See **Table 3**.

Management of Lands and Resources. For Management of Lands and Resources, the Administration requests \$828.1 million, an increase of \$7.7 million (1%) over the FY2003 enacted level (\$820.3 million). This line item funds an array of BLM land programs, including protection, recreational use, improvement, development, disposal, and general BLM administration. While the Administration proposes to fund most land and resource activities at levels similar to those enacted for FY2003, it recommends a boost for some programs and a decrease for others. For instance, BLM seeks a sizeable increase — \$6.9 million (11.5%) — to manage recreation on its lands. Additional funds are targeted for travel and transportation management and improving visitor services. The agency also seeks to expand the Challenge Cost Share Program by \$7.1 million (51.1%). This program uses federal

money to leverage state and private funding for conservation efforts that benefit BLM lands.

By contrast, the agency would reduce funds for realty and ownership management by \$7.7 million (8.7%), including decreases for land conveyances in Alaska; cadastral surveys, which identify the boundaries of federal lands; and management programs, through which BLM authorizes uses of public lands. BLM also seeks a decrease for transportation and facilities maintenance, which funds annual and deferred maintenance and infrastructure improvement.

A number of controversial issues affecting BLM management of its lands and resources have been debated in recent years during consideration of agency appropriations. Among them are funding for the energy and minerals program, including potential energy development within the Arctic National Wildlife Refuge (ANWR) and within presidentially-proclaimed national monuments; rights of way across federal land; development of new land use plans and amendment of existing ones; and renewal of expiring grazing permits and leases.

Wildland Fire Management. For Wildland Fire Management for FY2004, the Administration requests \$698.7 million. For FY2003, Congress enacted \$650.2 million, plus an additional \$189.0 million (for a total of \$839.2 million) to repay amounts transferred from other accounts for fire fighting during FY2002. 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 the National Fire Plan, developed after the 2000 fire season, which emphasizes reducing hazardous fuels, among other provisions. (For more information, see “U.S. Forest Service” below.)

The FY2004 request seeks an increase over the FY2003 enacted levels for all three components of wildland fire management: suppression, preparedness, and other operations. The largest increase is sought for suppression funds, which are used to fight fires — \$195.3 million for FY2004 as compared with \$159.3 million enacted for FY2003. The request would fund the full cost of the 10-year average cost of fire suppression, according to the BLM Budget Justification for FY2004. In seeking increased suppression funds, the Administration hopes to minimize the necessity of transferring funds from other accounts to fight fires, which has been the typical practice in the past. Beginning in FY2004, BLM seeks to pay for emergency stabilization of severely burned areas, or those damaged by suppression, out of suppression funding. While seeking higher suppression funds for FY2004, the Administration is not seeking separate contingent or emergency funds which have been appropriated in the past for fire suppression. The FY2004 request also seeks an increase for preparedness, which covers equipment, training, personnel, prevention, and detection. Additional monies are targeted for rising contract costs of aircraft used in the fire program. Finally, a more modest increase is proposed for other operations, which covers rehabilitation of burned lands, hazardous fuel reduction, and rural fire assistance.

Payments in Lieu of Taxes Program (PILT). The PILT program compensates local governments for federal land within their jurisdictions because

federally-owned land is not taxed. In FY2004, the Administration proposes to shift the program from the BLM budget to Departmental Management in DOI because PILT payments are made for lands of the Fish and Wildlife Service, National Park Service, and Forest Service, in addition to the BLM. Under Departmental Management, the Administration seeks \$200.0 million for PILT, a reduction of \$18.6 million (8.5%) from the FY2003 enacted level (\$218.6 million). The Administration asserts that these lands vary in the extent to which they “burden” local governments, and plans this year to examine the PILT distribution formula to determine if changes are needed to achieve a more equitable distribution of payments to local governments. The PILT program has been controversial because in recent years appropriations have been substantially less than authorized amounts.

Land Acquisition. For Land Acquisition, the Administration seeks \$23.7 million for FY2004, a large reduction (\$9.5 million, 28.7 %) from the FY2003 enacted level (\$33.2 million). The request would fund 18 projects in 10 states. The BLM seeks to emphasize alternatives to fee title land purchases, such as land exchanges and purchase of conservation easements and development rights, which it asserts are less expensive approaches. The money would be appropriated from the Land and Water Conservation Fund. (For more information, see the “Land Acquisition” section below.)

Table 3. Appropriations for BLM, FY2002-FY2004
(\$ in millions)

Bureau of Land Management	FY2002 Approp.	FY2003 Approp.	FY2004 Request
Management of Lands and Resources	\$775.6	\$820.3	\$828.1
Wildland Fire Management	678.4	650.2 ^d	698.7
Central Hazardous Materials Fund	10.0	9.9	10.0
Construction	13.1	11.9	11.0
Payments in Lieu of Taxes ^a	[210.0]	[218.6]	[200.0]
Land Acquisition	49.9	33.2	23.7
Oregon and California Grant Lands	105.2	104.9	106.7
Range Improvements	10.0	10.0	10.0
Service Charges, Deposits, and Forfeitures ^b	8.0	0	0
Miscellaneous Trust Funds	12.4	12.4	12.4
Total Appropriations^a	1,663^c	1,653	1,701

^a Funds for the PILT program are not reflected in column totals because of the Administration’s FY2004 request to transfer the program out of BLM to DOI Departmental Management.

^b The FY2003 and FY2004 figures of “0” are a result of an appropriation matched by offsetting fees.

^c Includes contingent emergency appropriations.

^d Does not include \$189.0 million enacted in the FY2003 appropriations law to replace monies borrowed from other accounts in FY2002 for fire fighting.

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

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

CRS Report RS20902. *National Monument Issues*, by Carol Hardy Vincent.

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

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

Fish and Wildlife Service. For FY2004, the Administration requested \$1.29 billion for the Fish and Wildlife Service (FWS), a 3.4% increase over FY2003. With the addition of some large FWS accounts that are permanently appropriated, and therefore do not require action in an annual appropriation bill, the Administration's proposed total FWS budget would increase by 2.7% to \$1.96 billion.

By far the largest portion of the FWS annual appropriation is for the Resources Management account. The President's FY2004 request is for \$941.5 million. The FY2003 appropriation was \$911.5 million. Included in Resources Management are the Endangered Species Program, the Refuge System, and Law Enforcement, among other programs.

Endangered Species Funding. Funding for the Endangered Species program is one of the perennially controversial portions of the FWS budget. For FY2004, the Administration proposes that the program decrease from the FY2003 level of \$131.8 million to \$128.7 million. (See **Table 4**.)

A number of related programs also benefit conservation of species that are listed, or proposed for listing, under the Endangered Species Act. The Cooperative Endangered Species Conservation Fund (for grants to states and territories) would increase from \$80.5 million to \$86.6 million under the President's request. The Landowner Incentive Program would increase from a *minus* \$260,000 (due to a net decrease resulting from a \$40 million rescission of FY2002 funds in the FY2003 law) to \$40 million under the President's proposal. Stewardship Grants would increase from a *minus* \$65,000 (due to another rescission of \$10 million FY2002 funds in the FY2003 law) to \$10 million under the President's proposal.¹

Overall, FY2004 funding for the Endangered Species program and related programs would increase from FY2003 by \$53.4 million (25.2%), largely due to increases in related programs rather than in the endangered species program itself. However, this increase primarily reflects the FY2003 rescission of prior year funding.

¹ The rescissions resulted from criticism of the amount of time it took to issue regulations for these two new programs. The extent to which this interval was substantially longer than that for other new programs is unclear, however. There was also a concern that the two programs may overlap existing programs.

**Table 4. Funding for Endangered Species Programs,
FY2002-FY2004**

(\$ in thousands)

	FY2002 Approp.	FY2003 Approp.	FY2004 Request
Endangered Species Program			
Candidate Conservation	\$7,620	\$9,867	\$8,670
Listing	9,000	9,018	12,286
Consultation	45,501	47,459	45,734
Recovery	63,617	65,412	62,029
<i>Subtotal</i>	<i>125,738</i>	<i>131,756</i>	<i>128,719</i>
Related Programs			
Cooperative Endangered Species Conservation Fund	96,235	80,473	86,614
Landowner Incentive Program	40,000	-260	40,000
Stewardship Grants	10,000	-65	10,000
Total	271,973	211,904	265,333

National Wildlife Refuge System and Law Enforcement. On March 14, 2003, the nation observed the centennial of the creation by President Theodore Roosevelt of the first National Wildlife Refuge on Pelican Island in Florida. Accordingly, Congress appropriated funding in FY2003 for various renovations, improvements, and activities to celebrate the event; it included all of this funding under operations and maintenance for the National Wildlife Refuge System (NWRS). It rejected an Administration proposal for FY2003 for a special earmark for infrastructure improvement. For operations and maintenance, the President proposed a decrease of 8.9% for FY2004. For infrastructure improvements in the System, the Administration requests \$53.4 million. The FY2003 appropriations law contained no specific funding for this program. (See **Table 5.**²)

² Spending for the NWRS is under the "Refuges and Wildlife" budget activity, which includes programs which are not directly tied to the NWRS: recovery of the Salton Sea (in California), management of migratory birds throughout the country and in cooperation with other nations, and law enforcement operations around the country. These programs are not included here, but are contained in tables in Appropriations Committee reports.

**Table 5. Funding for National Wildlife Refuge System,
FY2002-2004**
(\$ in millions)

Refuge Program	FY2002 Approp.	FY2003 Approp.	FY2004 Request
Operations and Maintenance	\$294.0	\$367.4	\$334.7
Cooperative Conservation Initiative	0.0	0.0	11.9
Infrastructure Improvement	23.0	0.0	53.4
Youth Conservation Corps	2.0	0.0	2.0
Total	319.0	367.4	402.0

The President proposed \$50.7 million for Law Enforcement — down \$898,000 from FY2003 (\$51.6 million).

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 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 authorized amounts. Congress generally makes up some of the difference in annual appropriations. The Administration requested \$14.4 million for FY2004, up 0.7% from FY2003. When combined with the estimated receipts, this appropriation level would cover 49% of the authorized full payment.

Land Acquisition. For FY2004, the Administration proposed \$40.7 million, a 44.1% decrease from the FY2003 level of \$72.9 million. The bulk of this program is for actual acquisition of land, but a portion is used for closely related functions such as for acquisition management, land exchanges, and emergency acquisitions. In FY2003, 23.8% of Land Acquisition funding was allocated to these functions; the FY2004 request would allocate 39.4% to these functions. (For more information, see LWCF funding under *Cross Cutting Issues*.)

Multinational Species Conservation Fund (MSCF). The MSCF has generated considerable constituent interest despite the small size of the program. It benefits Asian and African elephants, tigers, the six species of rhinoceroses, and great apes. The President's budget again proposes to move funding for the Neotropical Migratory Bird Conservation Fund (NMBCF) into the MSCF. For FY2004, the President proposes \$7.0 million for the MSCF (including the proposed addition of the NMBCF within this program). Congress rejected the proposed transfer in FY2002 and FY2003. (See **Table 6**.)

Table 6. Funding for Multinational Species Conservation Fund and Migratory Bird Fund, FY2002-2004

(\$ in thousands)

Multinational Species Conservation Fund	FY2002 Approp.	FY2003 Approp.	FY2004 Request
African elephant	\$1,000	\$1,192	\$1,000
Tiger and Rhinos	1,000	1,192	1,000
Asian elephant	1,000	1,192	1,000
Great Apes	1,000	1,192	1,000
Neotropical Migratory Birds ^a	[3,000]	[2,981]	[3,000]
Total	4,000	4,768	4,000

^a This program was first authorized in FY2002, and is not part of the MSCF although the transfer was proposed in the President's budgets for FY2002, FY2003, and FY2004. Because Congress has rejected the transfer twice, the program is not included in the column totals.

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

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

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

National Park Service. The National Park Service (NPS) has stewardship responsibilities for a park system currently comprising 388 separate and diverse units covering more than 84 million acres. In addition to the national park designation, the park system has 20 other types of designations used to classify park sites. Park visits total close to 280 million annually. The NPS protects, interprets, and administers the park system's diversity of natural and historic areas representing the cultural identity of the American people. The NPS also provides limited, temporary funding support and technical assistance to 23 national heritage areas outside of the park system. Pending legislation would nearly double the number of heritage areas.

For FY2004, the Administration requests \$2.36 billion for the NPS, an increase of \$122.4 million from the FY2003 level (\$2.24 billion) and a decrease of \$18.2 million from FY2002 (\$2.38 billion). See **Table 7**. The President's current goals include protecting park resources and managing the multi-billion dollar backlog of deferred maintenance.

Operation of the National Park System. The park operations line item accounts for roughly two-thirds of the total NPS budget. It covers resource protection, visitors' services, facility operations, facility maintenance, and park support programs. For FY2004, the Administration requests \$1.63 billion, \$67.6 million more than the FY2003 level (\$1.56 billion) and \$144.8 million above the FY2002 level (\$1.49 billion).

Park advocacy groups contend that, while Congress has regularly increased funding, the budget of the NPS has failed to keep pace with needs, compromising the ability of park staff to protect resources and serve visitors. These groups estimate that the national parks operate, on average, with two-thirds of needed funding. An environmental coalition of park support and advocacy groups — Americans for National Parks — is seeking a \$178 million increase in the NPS operating budget to fund science, resource protection, and education programs, in addition to repair and enhancement of park infrastructure, an Administration priority.

As in FY2003, the President's FY2004 request includes funding (\$22.0 million) for a proposed Cooperative Conservation Initiative (CCI) which would provide matching funds for park projects, and some other DOI agency projects, undertaken by nonprofit and private entities. Congress rejected the FY2003 proposed CCI.

Table 7. Appropriations for NPS, FY2002-FY2004
(\$ in millions)

National Park Service	FY2002 Approp.	FY2003 Approp.	FY2004 Request
Operation of the National Park System	\$1,487.1	\$1,564.3	\$1,631.9
U.S. Park Police	90.6	77.9	78.9
National Recreation and Preservation	66.2	61.3	47.9
Urban Park and Recreation Fund	30.0	0.3	0.3
Historic Preservation Fund	74.5	68.6	67.0
Construction	387.7	325.7	327.3
Land and Water Conservation Fund ^a	-30.0	-30.0	-30.0
<i>Land Acquisition and State Assistance</i>			
Assistance to States	144.0	97.4	160.0
NPS Acquisition	130.1	74.0	78.6
<i>Total</i>	274.1	171.3	238.6
Total Appropriations	\$2,380.1	\$2,239.4	\$2,361.9

^a Figures reflect a rescission of contract authority.

Construction and Maintenance. The construction line item funds the construction, rehabilitation, and replacement of park facilities. These funds have historically tended to be substantially increased during the appropriations process. The FY2004 request asks for \$327.3 million for NPS construction, \$1.5 million more than the FY2003 appropriations of \$325.7 million and \$60.4 million below the FY2002 appropriation (\$387.7 million). For FY2004, the Administration is requesting \$567.7 million for facility operation and maintenance (an activity funded within the Operation of the National Park System Line Item), \$47.7 million more the FY2003 law provided (\$520.0 million).

Combined, the Administration requests \$895.0 million for construction and facility operation and maintenance, an increase of \$49.3 million from FY2003 (\$845.7 million) and of \$28.1 million from FY2002 (\$866.9 million).³ Of this total, the Administration states that \$705.8 million is applicable to construction and annual and deferred maintenance projects in FY2004, implying that \$189.2 million is for facility operations.

The estimate of deferred maintenance for the NPS is \$5.4 billion, according to DOI. In his FY2002 budget, President Bush proposed to fulfill his campaign promise to eliminate NPS deferred maintenance within five years through a combination of new appropriations, transportation fund money, and revenues from recreation fees. Park support groups have been critical of the relative lack of new money committed to eliminating the backlog. Current Administration budget documents refer to “managing” rather than eliminating the maintenance backlog.

United States Park Police (USPP). This line item supports the programs of the U.S. Park Police who operate primarily in urban park areas. The USPP also provides investigative, forensic, and other services to support law-enforcement-trained rangers working in park units system-wide. The FY2003 appropriations law provided \$77.9 million. The Administration’s FY2003 budget had emphasized anti-terrorism protection at national icon sites in Washington, DC, Philadelphia, New York, and other locations. The FY2004 request of \$78.9 million is an increase of nearly \$1 million over the FY2003 enacted level. Priorities for this year focus on border park security problems.

National Recreation and Preservation. This line item funds park recreation and resource protection programs, as well as programs connected with local community efforts to preserve natural and cultural resources. The FY2004 request of \$47.9 million is \$13.3 million less than FY2003 funding (\$61.3 million). The primary decreases are a \$6.5 million reduction for the heritage partnerships program and a \$7.8 million reduction to the statutory and contractual aid program. Similar cuts were requested in FY2003, but Congress restored most of the funding for these two programs.

Urban Park and Recreation Recovery (UPARR). This matching grant program, long popular with Congress, was designed to help low-income inner city neighborhoods rehabilitate recreational facilities. Funding for new program grants was problematic until the Conservation Spending Category (CSC) was created in the FY2001 Interior appropriations act, with \$30.0 million provided for UPARR that year. The President did not request funds for UPARR in FY2002, but Congress restored funding at \$30.0 million. No funding was again requested for FY2003. Although the House approved \$30.0 million and the Senate Appropriations Committee recommended \$10.0 million, the conferees ultimately provided only

³ This figure is derived by summing the entire FY2004 construction request (\$327.3 million) and the entire facility operation and maintenance activity (\$567.7 million). Neither the FY2003 appropriations law nor the FY2004 budget request separates facility operation from facility maintenance.

\$298,000 for program administrative costs. For FY2004, the Administration requests \$305,000 to administer previously awarded grants, but no money for new grants.

Land Acquisition and State Assistance. The FY2003 appropriations law provided \$171.3 million for NPS Land Acquisition and State Assistance, consisting of \$74.0 million for NPS federal land acquisition and \$97.4 million for state assistance. The FY2004 request total is \$238.6 million, with \$78.6 million for federal land acquisition and \$160.0 million for state assistance. The federal program provides funds to acquire lands, or interests in lands, for inclusion within the National Park System, while the state assistance program is for park land acquisition and recreation planning and development by the states. State-side appropriated funds are allocated to states through a formula.

Recreational Fee Demonstration Program (Fee Demo). Under this program, the four major federal land management agencies retain and spend receipts from entrance and user fees. The receipts are available without further appropriation for projects at the collecting sites, with a portion distributed to other agency sites. The NPS estimates Fee Demo receipts of \$141.9 million for FY2004. Fee Demo was begun in FY1996 and extended in appropriations laws, most recently through FY2004. The Administration's FY2004 request states an intent to work with Congress to make the program permanent and remove it from the appropriations process. The participating agencies have collaborated on developing a permanent program. Several 107th Congress bills proposed differing forms of fee program permanence but none were enacted. While there have been few objections to new and higher fees for the National Park System, many citizens have objected to paying fees for previously free or low-cost recreation in national forests.

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

CRS Issue Brief IB10093. *National Park Management and Recreation*, by Carol Hardy Vincent, coordinator.

Historic Preservation. The Historic Preservation Fund (HPF), administered by the NPS, provides grants-in-aid to states (primarily through State Historic Preservation Offices (SHPOs), certified local governments, and territories and the Federated States of Micronesia for activities specified in the National Historic Preservation Act. These activities include protection of cultural resources and restoration of historic districts, sites, buildings, and objects significant in American history and culture. Preservation grants are normally funded on a 60% federal- 40% state matching share basis. In addition, the Historic Preservation Fund provides funding for cultural heritage projects for Indian tribes, Alaska Natives, and Native Hawaiians. Programs of the Historic Preservation Fund are authorized through FY2005 through P.L. 106-208.

The FY2004 Bush Administration's budget would provide \$67.0 million for the Historic Preservation Fund⁴, comprised of \$34 million for grants-in-aid to states and territories, \$3 million for Indian tribes, and \$30 million for "Save America's Treasures", former President Clinton's Millennium initiative. The FY2004 requested level for HPF is the same as the FY2003 requested level, but reflects a decrease of \$1.5 million below the FY2003 appropriation (\$68.5 million). See **Table 8**.

A major issue is whether historic preservation programs should be funded by private money rather than the federal government. Congress eliminated permanent and annual federal funding for the National Trust for Historic Preservation, but has added a number of specific appropriations for Millennium projects under Save America's Treasures. Save America's Treasures grants are given to preserve "nationally significant intellectual and cultural artifacts and historic structures" including monuments, historic sites, artifacts, collections, artwork, documents, manuscripts, photographs, maps, journals, film and sound recordings. Grants have been used, for example, for restoration of the Star Spangled Banner, the Declaration of Independence and the U.S. Constitution, and for restoration of properties throughout the U.S., including the Rosa Parks Museum in Alabama. Although the Millennium program was funded in FY2001 (\$34.9 million) and FY2002 (\$30.0 million), it was criticized for not reflecting geographic diversity. As a result, appropriations law now requires that any project recommendations would be subject to formal approval by the House and Senate Committees on Appropriations prior to distribution of funds. Projects require a 50% cost share, and no single project can receive more than one grant from this program. The FY2004 Bush Administration request of \$30.0 million provides level funding.

There is no longer permanent federal funding for the National Trust for Historic Preservation, previously funded as part of the Historic Preservation Fund Account. The National Trust was chartered by Congress in 1949 to "protect and preserve" historic American sites significant to our cultural heritage. It technically is a private non-profit corporation, but it received federal funding on a regular basis until FY1998. Since that time, the National Trust generally has not received any direct federal funding, in keeping with Congress' plan to replace federal funds with private funding and to make the Trust self-supporting. However, appropriations in FY2002 and in FY2003 were provided to the National Trust's Fund, to be matched with non-federal funds, for the care and maintenance of the most endangered historic places. In FY2003, \$1.99 million was provided. The FY2004 budget recommends eliminating federal funding for the National Trust Fund/Endowment.

⁴ All funding for HPF for FY2004 is listed for accounting purposes in the conservation spending category. For more information, see the "Conservation Spending Category" section below.

Table 8. Appropriations for the Historic Preservation Fund, FY2002-FY2004
(\$ in thousands)

Historic Preservation	FY2002 Approp.	FY2003 Approp.	FY2004 Request ^b
Grants in aid to State Historic Preservation Offices ^a	\$39,000	\$33,779	\$34,000
Tribal grants	3,000	2,981	3,000
Save America's Treasures	30,000	29,805	30,000
HBCU's	—	—	-
National Historic Trust Endowment grant/Historic Sites Fund	2,500	1,987	-
Massillon Heritage Foundation	—	—	-
HPF (total)	74,500	68,552	67,000^b

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

^b Funding for the Historic Preservation Fund in the 2004 budget has its major components listed under the “conservation spending category.”

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

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

U.S. Geological Survey. The U.S. Geological Survey (USGS) is the nation's primary science agency in providing earth and biological science information related to natural hazards; certain aspects of the environment; and energy, mineral, water, and biological sciences. In addition, it is the federal government's principal civilian mapping agency and a primary source of data on the quality of the nation's water resources. In the DOI, the USGS focuses its efforts in three areas where science is considered an important cornerstone: resource protection, resource use, and serving communities.

The traditional presentation of the budget for the USGS is in the line item *Surveys, Investigations, and Research*, with six activities falling under that heading: The National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; Biological Research; Science Support; and Facilities. The Administration has proposed a budget of \$895.5 million for the USGS, a decrease of \$23.8 million below the FY2003 level of \$919.3 million. See **Table 9**. Twenty million dollars of USGS proposed funding is being attributed to the Conservation Spending Category. In FY2003, no USGS appropriations were allocated to this category, whereas in FY2002, \$25 million was allocated.

Four of the six activities conducted by the Survey show a decrease in funding in the Administration's FY2004 request. They are: the National Mapping Program; Geologic Hazards, Resources, and Processes; Water Resources Investigations; and Biological Research. However, Science Support and Facilities show increases for FY2004. The Administration emphasizes that the FY2004 USGS budget will "focus on core USGS programs such as water resources, hazards, biology and those programs that directly support science-based land and natural resource management by the Department."⁵ Further, the USGS is expected to concentrate efforts on programs that address invasive species, energy resource assessments, water availability, and coastal landscape change and monitoring.⁶

National Mapping Program. The Administration has requested \$120.5 million for the National Mapping Program for FY2004, a decrease of \$12.7 million below the FY2003 enacted level of \$133.2 million. The National Mapping Program aims to provide access to high quality geospatial data and information to the public. Under this program, decreases amounting to \$7.0 million are proposed for the Cooperative Topographic Mapping Program (CTMP). Within the CTMP, funding for data collection activities are proposed to be \$4.4 million less than the FY2003 enacted level due to a planned transition from data collection to data "organizing" in the National Mapping Program. Land remote sensing, as well as geographic analysis and monitoring activities, have net proposed decreases of \$1.7 million and \$4.0 million, respectively, from FY2003 enacted levels. Within these sub-programs, a decrease of \$1.4 million is proposed as an expected result of the savings from the closure of the Center for Integration of Natural Disaster Information, and a decrease of \$2.7 million is proposed for a reduction in research funds for the Geographic Analysis and Monitoring Program. An increase in \$0.8 million is proposed for mapping and analysis activities of urban dynamics.

Geologic Hazards, Resources, and Processes. For Geologic Hazards, Resources, and Processes activities, the Administration requests \$221.6 million — a decrease of \$11.6 million below the FY2003 enacted level of \$233.2 million. This heading covers programs in three budget sub-activities: Hazard Assessments, Landscape and Coastal Assessments, and Resource Assessments. The largest reduction is seen in mineral resource assessments. A decrease of \$13.4 million is proposed for aggregate and industrial mineral studies, minerals research and assessment activities, and the Alaska Minerals-At-Risk program. Other reductions under this heading are proposed for the Advanced National Seismic System Initiative, The National Cooperative Geologic Mapping program, and monitoring activities of global dust and the Shemya Volcano. An increase of \$4.3 million is proposed for the Earth Surface Dynamics program that would fund interdisciplinary science to meet the needs of the Critical Ecosystem Studies Initiative (CESI) and science activities on DOI lands. The CESI is intended to meet the most important scientific information needs of the Everglades restoration initiative in South Florida. Those needs focus on three components: adaptive management, baseline ecosystem

⁵ U.S. Department of the Interior, U.S. Geological Survey. *President's FY2004 Budget for the USGS Focuses on Invasive Species, Wildlife Health and Enhanced Access to Science Data*, News Release (February 3, 2003).

⁶ *Ibid.*

research, and simulation and decision support modeling. Other proposed increases are for national energy policies and geothermal energy research activities.

Water Resources Investigations. For the Water Resources and Investigations heading, the Administration requested \$200.1 million, which is a decrease of \$7.1 million from the FY2003 enacted level of \$207.2 million. Decreases are being sought for the Toxic Substances Hydrology program, hydrological research and development activities. Specific program decreases below FY2003 include \$2.4 million for the Toxic Substances Hydrology Program, and \$1.7 million for three studies on the Berkeley Pit, Lake Pontchartrain, and the Potomac River Basin. Other proposed decreases include \$0.8 million for monitoring water resources in Hawaii and Lake Champlain.

As was the case with the Bush Administration's FY2002 and FY2003 budget requests, the FY2004 request seeks to discontinue USGS support for Water Resources Research Institutes based on the finding that most institutes have been successful in leveraging sufficient funding for program activities from non-USGS sources. Congress restored funding for the Institutes in FY2003.

The Ground Water Resources program would be increased, and modest increases are sought for National Water Quality Assessment activities, the National Streamflow Information Program, and hydrological network analyses. Increases for specific programs totaling \$4.1 million are proposed for environmental health issues on the U.S – Mexico border, National Water Information Systems, and science on DOI lands.

Biological Research. For FY2004, the Administration requests \$168.9 million for Biological Research activities in the USGS — a decrease of \$0.9 million from the FY2003 enacted level of \$169.8 million. A \$4.1 million funding increase is sought for expanding invasive species research, developing a national management plan for reporting invasive species, and creating a model for a national early warning detection network for invasive plants and animals. Other increases are proposed for science on DOI lands and expanded research on chronic wasting disease, a progressively degenerative and ultimately fatal disease in deer and elk. Proposed funding will be used to conduct studies to determine the transmission of the disease among deer and elk populations. Decreases are proposed for several studies and research related to animals such as the pallid sturgeon, diamondback terrapin, and bear, as well as research on wildfires, Lake Tahoe, and ballast water.

Science Support and Facilities. The USGS retains two additional funding categories in the FY2004 budget request: Science Support and Facilities. Science Support focuses on those costs associated with modernizing the infrastructure for management and dissemination of scientific information. For FY2004, the Administration requests \$91.5 million — an increase of \$6.4 million over the FY2003 enacted level of \$85.2 million. Facilities focuses on the costs for maintenance and repair of facilities. For FY2004, the Administration requests \$92.9 million — an increase of \$2.1 million over the FY2003 enacted level of \$90.8 million.

Within the Science Support heading, there is a proposed increase for narrowband radio conversion. This is expected to allow the USGS to replace existing wideband radios with digital narrowband land mobile radios. An increase is also proposed for the Enterprise Geographical Information System (GIS), which aims to consolidate bureau-wide information, technology, and services into a single organization.

**Table 9. Appropriations for the U.S. Geological Survey,
FY2002-FY2004**
(\$ in millions)

U.S. Geological Survey	FY2002 Appropriations	FY2003 Appropriations	FY2004 Request
National Mapping Program	\$133.3	\$133.2	\$120.5
Geologic Hazards, Resources, and Processes	232.8	233.2	221.6
Water Resources Investigations	205.8	207.2	200.1
Biological Research	166.4	169.8	168.9
Science Support	86.3	85.2	91.5
Facilities	89.4	90.8	92.9
Total Appropriations	914.0	919.3	895.5

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

Minerals Management Service. The Minerals Management Service (MMS) administers two programs: the Offshore Minerals Management (OMM) Program and the Minerals Revenue Management (MRM) Program, formerly known as the Royalty Management Program. OMM administers competitive leasing on outer continental shelf lands and oversees production of offshore oil, gas, and other minerals. MRM collects and disburses bonuses, rents, and royalties paid on federal onshore and Outer Continental Shelf (OCS) leases and Indian mineral leases. MMS anticipates collecting about \$5.8 billion in revenues in FY2004 from offshore and onshore federal leases. Revenues from onshore leases are distributed to states in which they were collected, the General Fund of the U.S. Treasury, and various designated programs. Revenues from the offshore leases are allocated among the coastal states, Land and Water Conservation Fund, the Historic Preservation Fund, and the U.S. Treasury.

The Administration's proposed budget for MMS for FY2004 is \$271.5 million. This proposal includes \$7.1 million for oil spill research, and \$264.5 million for Royalty and Offshore Minerals Management (including \$139.2 million for OMM activities, \$80.4 million for MRM programs, and \$44.8 million for administrative activities). Of the total budget, \$171.3 million would derive from appropriations, and \$100.2 million from offsetting collections that MMS has been retaining from OCS receipts since 1994. The FY2004 request is about even with the total FY2003

appropriation of \$270.5. Offsetting collections are even at \$100.2 million in FY2003 and FY2004.

The MMS mineral leasing revenue estimates are higher for FY2004 than in FY2003. Current revenue estimates for these years are \$5.8 billion and \$5.1 billion respectively. Price fluctuation is the most significant factor in the revenue swings. Over the past decade, royalties from natural gas production have accounted for 40%-45% of annual MMS receipts, while oil royalties accounted for not more than 25%. Below is a discussion of related issues of interest to Congress that have been considered within the context of the appropriations process.

The Outer Continental Shelf Lands Act of 1953 (OCSLA, 43 U.S.C. 1331) requires the Secretary of the Interior to submit a 5-year leasing program that specifies the time, location, and size of lease sales to be held during that period. The current 5-year leasing program (2002-2007) went into effect July 1, 2002. MMS will conduct 20 oil and natural gas lease sales during the 5-year period. Half of those sales will be in the Western or Central Gulf of Mexico (GOM), two in the Eastern GOM, and the remainder around Alaska. Sales in the Eastern GOM are especially controversial. Industry groups contend that the sales are too limited, given what they say is an enormous resource potential, while environmental groups and some state officials argue that the risks to the environment and local economies are too great. The FY2003 appropriations law continued the moratorium in the Eastern Gulf of Mexico except for Lease Sale 181 off the Florida coast.

Controversy over MMS oil and gas leases in offshore California has drawn congressional interest. Under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451), as amended in 1990, development of federal offshore leases must be consistent with state coastal zone management plans. In 1999, MMS extended 36 out of the 40 leases at issue in offshore California by granting lease suspensions, but the State of California contended that it should have first reviewed the suspensions for consistency with the state's coastal zone management plan. In June 2001 the U.S. Court for the Northern District of California agreed with the State of California and struck down the MMS suspensions.

The Bush Administration appealed this decision January 9, 2002, to the U.S. Ninth Circuit Court of Appeals, after the state rejected a more limited lease development plan that involved 20 leases using existing drilling platforms. However, on December 2, 2002, a three-judge panel of the Ninth Circuit upheld the District Court decision. The Department of the Interior did not appeal this decision and is currently working with lessees to resolve the issue. A breach-of-contract lawsuit has been filed against MMS by nine oil companies seeking \$1.2 billion in compensation for their undeveloped leases. The FY2003 appropriations law included a non-binding Sense of the Congress provision barring Interior bill funding for any exploration and development of the 36 leases that had been extended by the MMS.

In May 2002, the Administration announced plans to buy back oil and gas leases from Chevron, Conoco, and Murphy oil companies off Pensacola, Florida, for \$115 million in an area known as Destin Dome. Included in the announcement were oil and gas lease buybacks in the Everglades National Park, Big Cypress National

Preserve, and the Ten Thousand Islands National Wildlife Refuge that would require approval by Congress.

In a related effort, several Senators are attempting to remove language in the energy bill pending on the Senate floor (S. 14) that calls for a “comprehensive inventory of OCS oil and natural gas resources.” They argue that this provision could lead to the removal of the leasing moratoria currently in place for much of the U.S. coastline. Supporters contend that this provision is important for enhancing domestic oil and gas supply and reducing foreign imports.

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

Office of Surface Mining Reclamation and Enforcement. The Surface Mining Control and Reclamation Act of 1977 (SMCRA, P.L. 95-87) established the Office of Surface Mining Reclamation and Enforcement (OSM) to ensure that land mined for coal would be returned to a condition capable of supporting its pre-mining land use. SMCRA also established an Abandoned Mine Lands (AML) fund, with fees levied on coal production, to reclaim abandoned sites that pose serious health or safety hazards. Congress’s intention was that individual states and Indian tribes would develop their own regulatory programs incorporating minimum standards established by law and regulations. OSM is required to maintain oversight of state regulatory programs. In some instances states have no approved program, and in these instances OSM directs reclamation in the state.

Congress provided OSM \$295.2 million in the FY2003 appropriations law. The Administration’s request for FY2004 is \$281.2 million. The OSM budget has two components: Regulation and Technology programs and appropriations from the AML fund. For Regulation and Technology, the Administration is seeking \$106.7 million. Included in the FY2004 request is \$10 million in funding for the Appalachian Clean Streams Initiative (ACSI), the same level as in FY2002-2003, and \$10 million for the Small Operators Assistance Program (SOAP). For the AML Fund, the Administration has requested \$174.5 million for FY2004, marginally higher than the Administration requested for FY2003, but a reduction of roughly \$16 million from the \$190.5 million approved for FY2003 by Congress.

Grants to the states from annual AML appropriations are based on states’ current and historic coal production. “Minimum program states” are states with significant AML problems, but with insufficient levels of current coal production to generate significant fees to the AML fund. The minimum funding level for each of these states was increased to \$2 million in 1992. However, over the objection of these states, Congress has appropriated \$1.5 million to minimum program states since FY1996. The FY2003 appropriations provided \$1.5 million to minimum program states and the Administration proposes no change for FY2004.

In general, several states have been pressing in recent years for increases in the AML appropriations. The unappropriated balance of AML collections in the fund is expected to approach \$1.75 billion by the end of FY2004.

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

Bureau of Indian Affairs. The Bureau of Indian Affairs (BIA) provides a 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 FY2003 direct appropriations were \$2.26 billion. For FY2004, the Administration proposes \$2.29 billion, an increase of 1.6% over FY2003. **Table 10** below presents figures for FY2003 enacted and FY2004 proposed appropriations for the BIA and its major budget components; selected BIA programs are shown in italics. Key issues for the BIA, discussed below, include the reorganization of the Bureau, especially its trust asset management functions, and problems in the BIA school system.

BIA Reorganization. The current BIA reorganization arises from issues and events related to trust funds and assets management. Historically, the BIA has been responsible for managing Indian tribes' and individuals' trust funds and trust assets. Trust assets include trust lands and the lands' surface and subsurface economic resources (e.g., timber, grazing lands, or minerals); trust asset management includes real estate services, processing of transactions (e.g., sales and leases), surveys, appraisals, probate functions, land title records activities, and other functions. The BIA had, however, historically mismanaged Indian trust funds and trust assets, especially in the areas of record-keeping and accounting. This led to a legislative reform act in 1994 and an extensive court case in 1996. The 1994 act created the Office of Special Trustee for American Indians (OST) (see below), assigning it responsibility for oversight of trust management reform. Trust fund management was transferred to the OST in 1996, but the BIA still manages trust assets.

Table 10. Appropriations for the Bureau of Indian Affairs, FY2003-FY2004
(\$ in thousands)

	FY2003 Approp.	FY2004 Request	FY2004 Request Compared with FY2003 Appropriations	
			Dollars	Percent
Operation of Indian Programs	\$1,845,246	\$1,889,735	\$44,489	2%
Tribal Priority Allocations	772,481	777,689	5,208	1%
<i>Contract Support Costs</i>	132,343	135,315	2,972	2%
Other Recurring Programs	597,724	602,063	4,339	1%
<i>School Operations</i>	512,562	528,515	15,953	3%
<i>Tribally-controlled colleges</i>	42,838	39,206	(3,632)	(8%)
Non-Recurring Programs	72,485	73,543	1,058	1%
Central Office Operations	69,579	99,361	29,782	43%
<i>Branch of Acknowledgment and Research</i>	1,600	1,100	(500)	(31%)
<i>Information Resources Technology</i>	16,436	48,710	32,274	196%
Regional Office Operations	63,805	64,481	676	1%
Special Programs and Pooled Overhead	269,172	272,598	3,426	1%
<i>Public Safety and Justice</i>	162,306	171,147	8,841	5%
Construction	345,988	345,154	(834)	<(1%)
<i>Education construction</i>	293,795	292,634	(1,161)	<(1%)
Land and Water Claim Settlements and Misc. Payments	60,552	51,375	(9,177)	(15%)
Indian Guaranteed Loan Program	5,457	6,497	1,040	19%
Total BIA	2,257,243	2,292,761	35,518	2%

BIA and OST, together with several offices created by the Secretary of the Interior Norton (Office of Historical Trust Accounting and Office of Indian Trust Transition), are implementing the Secretary's current trust management improvement project. The project includes improvements in trust asset systems, policies, and procedures, historical accounting for trust accounts, reduction of backlogs, and maintenance of the improved system. The current project replaces an earlier High Level Implementation Plan (HLIP) created under the Clinton Administration. While a computerized trust fund accounting system, operated by OST, had been installed successfully under the HLIP in 2000, a new computerized trust asset management system drew much tribal, congressional, and court criticism. That criticism led the current Secretary to have a consultant, Electronic Data Systems, Inc. (EDS), review the trust asset system and the entire trust reform effort.

EDS's 2001 reports included a recommendation for a single executive controlling trust reform. In late 2001, citing this recommendation, the Secretary proposed to split off BIA's trust asset management responsibilities into a new Bureau

of Indian Trust Asset Management (BITAM), and requested approval from both Appropriations Committees for a reprogramming of FY2002 funds to carry out the BITAM reorganization. The Committees did not approve the reprogramming request, instead directing the Secretary to consult with Indian tribes. The consultation process took place during much of 2002 through a joint tribal-DOI Trust Reform Task Force. The great majority of commenting tribes opposed the BITAM proposal and many tribes and tribal organizations offered alternative plans. The BIA's proposed FY2003 budget did not include the BITAM reorganization proposal (or a reprogramming request). The Senate Appropriations Committee's June 2002 report (S.Rept. 107-201) forbade the Secretary to implement the BITAM proposal or to use FY2003 funds for any action that would alter the BIA's tribal or individual trust authority. In the fall of 2002, the tribal members of the Trust Reform Task Force decided that they could not agree with the Department on trust standards and oversight. In December 2002 the head of the BIA announced a new proposed reorganization of BIA and OST trust management structures. Under the plan, the BIA's trust operations at regional and agency levels are being split off from other BIA services, and the OST will have trust officers at BIA regional and agency offices overseeing trust management and providing information to the Indian trust beneficiaries. The BIA and OST began implementing the plan in April 2003. Tribes and tribal organizations have been critical of the new reorganization.

BIA School System. The BIA funds 185 elementary and secondary schools and peripheral dormitories, with over 2,000 structures, educating about 48,000 students in 23 states. Tribes and tribal organizations, under self-determination contracts and other grants, operate 120 of these institutions; the BIA operates the remainder. BIA schools' key problems are low student achievement and, especially, a high level of inadequate school facilities.

Many BIA 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 estimates the backlog in education facility repairs at \$942 million. **Table 10** shows FY2003 education construction appropriations and FY2004 proposed amount.

For further information on education programs of the *Bureau of Indian Affairs*, see its World Wide Web sites at [<http://www.oiep.bia.edu>]. The main BIA World Wide Web site at [<http://www.doi.gov/bureau-indian-affairs.html>] is offline because of a court order in the Cobell litigation (see below under OST).

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

Departmental Offices.

National Indian Gaming Commission. The National Indian Gaming Commission (NIGC) was established by the Indian Gaming Regulatory Act of 1988 (P.L. 100-497) to oversee Indian tribal regulation of tribal bingo and other "Class II" operations, as well as aspects of "Class III" gaming (e.g., casinos and racing). The NIGC may receive federal appropriations but its budget authority consisted chiefly

of annual fees assessed on tribes' Class II operations. As Indian gaming expanded rapidly in the 1990s, Congress decided the NIGC needed a larger budget. The FY1998 Interior Appropriations Act, amending the Indian Gaming Regulatory Act (IGRA), increased the ceiling for total NIGC fees to \$8 million, made Class III as well as Class II operations subject to fees, and increased NIGC's appropriations authorization from \$1 million to \$2 million. However, the NIGC states that in recent years it has experienced a new increase in demand for its oversight resources, especially audits and field investigations. Congress, in the FY2003 appropriations act, increased the NIGC's fee ceiling to \$12 million, but just for FY2004. In the FY2004 budget, the Administration proposes language amending IGRA to create an adjustable, formula-based ceiling on fees instead of the current fixed ceiling. The National Indian Gaming Association, the major national Indian gaming group, does not support an amendment of IGRA's fee ceiling and instead requests consultation on the issue and a more detailed NIGC budget.

During FY1999-FY2003, all NIGC activities were funded from fees, with no direct appropriations. For FY2004, the Administration proposes no direct appropriations for the NIGC.

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

Indian trust funds comprise two sets of funds: (1) tribal funds owned by about 290 tribes in approximately 1,400 accounts, with a total asset value of about \$2.8 billion; and (2) individual Indians' funds, known as Individual Indian Money (IIM) accounts, in about 230,000 accounts with a total asset value of about \$400 million. (Figures are from the OST FY2004 budget justifications.) The funds include monies received both from claims awards, land or water rights settlements, and other one-time payments, and from income from non-monetary trust assets (e.g., land, timber, minerals), as well as investment income.

FY2003 funding for the Office of Special Trustee was \$148.3 million, which included \$140.4 million for federal trust programs — trust systems improvements, settlement and litigation support, historical trust accounting, and trust funds management — and \$7.9 million for the Indian land consolidation pilot project. The purpose of the land consolidation project is to purchase and consolidate fractionated ownerships of allotted Indian trust lands, thereby reducing the costs of managing millions of acres broken up into tiny fractional interests.

The Administration proposes a FY2004 budget of \$295.6 million for the OST, an increase of 99% over FY2003. Included in the FY2004 request are \$274.6 million for federal trust programs (up \$134.3 million, or 96%) and \$21 million for the Indian land consolidation pilot project (up \$13 million, or 163%). The Administration also proposes transferring the land consolidation project from OST to BIA in FY2004. Key issues for OST are its current reorganization, an historical accounting for tribal and IIM accounts, and litigation involving tribal and IIM accounts.

Reorganization. Both OST and BIA have recently begun a reorganization (see above under BIA), one aspect of which is the creation of OST field operations. OST will have fiduciary trust officers and administrators at the level of BIA agency and regional offices. Many Indian tribes disagree with parts of the reorganization and have asked Congress to put it on hold so that OST and BIA can conduct further consultation with the tribes. About \$15.1 million of the proposed FY2004 increase is to fund the new field operations.

Historical Accounting. The historical accounting 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 may date from the 19th century), the large number of IIM accounts, and the very large number of missing account documents, an historical accounting based on actual account transactions is expected to require large and time-consuming projects. Of the large increase proposed for the OST for FY2004, \$112.5 million is for historical accounting.

The Interior Department has proposed an extensive, five-year, \$335-million project to reconcile IIM accounts. Of the FY2004 increase for historical accounting, \$82.5 million is for the IIM historical accounting project. The additional \$30 million for FY2004 is related to the historical accounting of tribal accounts.

Litigation. Following the lead of the IIM account holders, 21 tribes in the last few years have filed claims in federal court related to their trust accounts. OST proposes conducting tribe-specific historical accountings, and also other litigation-support activities, including settlement negotiations.

The 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. In 1999, in the first stage of the case, the court found that the Interior and Treasury Departments had breached trust duties regarding the document retention and data gathering necessary for an accounting, and regarding the business systems and staffing to fix trust management. The final stage of the IIM lawsuit will determine the amount of money owed to the plaintiffs. The current stage relates to the historical accounting method that should be used to determine the amount owed the plaintiffs.

In FY2001 and FY2002, Appropriations committee and conference reports directed DOI to develop a sampling methodology for IIM accounting, but required submission of the plan, with a cost-benefit analysis, to Congress prior to implementation and prohibited allocation of funds for an historical accounting before submission of the plan and report. The requested report was transmitted to the Appropriations Committees in July 2002 by the DOI's Office of Historical Trust

Accounting. The plaintiffs in the lawsuit object to an historical accounting methodology and, using a different methodology based on comparisons with federal and state leasing returns, have estimated that they are owed about \$137 billion.

Recently, the district court held the Secretary of the Interior and the Assistant Secretary — Indian Affairs in contempt for continuing problems in trust management reform (following a trial on the contempt issues). While the court did not grant the plaintiffs' request that it appoint a receiver to take over reform of IIM accounts management, it did direct both defendants and plaintiffs to submit plans for future trust management and historical accounting, which both parties did on January 6, 2003. Currently the judge is conducting a trial to decide what historical accounting plan to use in estimating the IIM accounts' proper balances.⁷

The House Appropriations Committee has expressed its concern that the IIM lawsuit was jeopardizing DOI trust reform implementation. Congress, in the FY2003 appropriations act, required a summary for Congress of a full historical accounting performed for 5 of the plaintiffs, capped the compensation of two court-appointed officials monitoring trust reform, directed that a new OST advisory board be appointed in accordance with the 1994 act, and authorized the Interior Secretary to help employees pay for legal costs related to the IIM suit.

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

Insular Affairs. The Office of Insular Affairs (OIA) provides financial assistance to the U.S. territories (Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands) as well as three former insular areas (Republic of the Marshall Islands (RMI), Federated States of Micronesia (FSM), and Palau), manages relations between these jurisdictions and the federal government, and attempts to build the fiscal and government capacity of units of local government. Funding for the OIA consists of two parts: (1) permanent and indefinite appropriations that do not require action by the 108th Congress or the Administration, and (2) discretionary and current mandatory funding subject to the appropriations process.

Congress and President Bush approved almost \$350 million in both permanent and discretionary funding for FY2003. The President requested \$387 million for FY2004, an increase of almost 11% due to anticipated increases in permanent appropriations for the coming fiscal year. However, discretionary funding in FY2004 would decrease under the request by almost 10%, from \$96.8 million in FY2003 to \$87.5 million requested.

Permanent and indefinite appropriations historically constitute roughly 70% to 80% of the OIA budget and consist of two parts. For FY2003 they total \$252.4 million, as follows:

⁷ *Cobell v. Norton* (Civil No. 96-1285) (D.D.C.). Updated information is available on the plaintiffs' website: [<http://www.indiantrust.com/>].

- \$146.4 million total to three freely associated states (RMI, FSM, and Palau) formerly included in the Trust Territory of the Pacific Islands under conditions set forth in the respective Compacts of Free Association; and,
- \$106.0 million in fiscal assistance to the U.S. Virgin Islands for estimated rum excise and income tax collections, and to Guam for income tax collections.

The budget justification that accompanied the President's FY2004 request projects an increase in the financial assistance to be provided under proposed legislation that would amend the Compacts of Free Association for the next twenty years.⁸ Under these legislative provisions, funding for FY2004 would increase to approximately \$300 million as follows: \$165.4 million to RMI and FSM, \$12.1 million to Palau, and \$122 million to the U.S. Virgin Islands and Guam.

Discretionary and current mandatory funds that require annual appropriations constitute the remaining balance (roughly 20% to 30%) of the OIA budget. FY2003 discretionary appropriations of \$96.8 million were approved by the 107th Congress. Discretionary funding comprises two accounts. Funding for the Assistance to Territories account has been set at \$75.9 million; for the Compact of Free Association (CFA) assistance account, \$20.9 million has been appropriated. The FY2004 request would reduce funding for Assistance to Territories to \$71.3 million and for CFA assistance to \$16.1 million, for an FY2004 request of about \$87.5 million.

Little debate has occurred in recent years on funding for the territories and the OIA. In general, Congress continues to monitor economic development and fiscal management by government officials in the insular areas. Debate may occur on issues that have received some congressional action in the past, notably compact aid to Guam and Hawaii as well as infrastructure improvements in the U.S. Virgin Islands.

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

CRS Report RS21399. *Trust Responsibility of Federal Government for Indian Tribes: Recent Cases*, by M. Maureen Murphy.

Title II: Related Agencies and Programs

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

⁸ Portions of the Compact of Free Association with the FSM and the RMI expired in the fall of 2001 and are being renegotiated. 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.

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

U.S. Forest Service. The Forest Service (FS) budget request for FY2004 is \$4.06 billion in discretionary appropriations, \$107.1 million (3%) more than was appropriated for FY2003 (\$3.95 billion) — excluding the \$636 million supplemental funds for FY2002 firefighting enacted in the FY2003 Consolidated Appropriations Act — but \$72.4 million (2%) less than was appropriated for FY2002 (\$4.13 billion).

Forest Fires and Forest Health. Fire funding and fire protection programs were among the most controversial issues confronted during consideration of the FY2003 Interior appropriations bill. In fact, during the 107th Congress, the Senate did not pass an Interior appropriations bill largely due to disputes about fire funding and a new program for wildfire protection. The ongoing discussion includes 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 activities.

National Fire Plan. The FY2004 funding debate is likely to continue the increased attention in recent years to wildfires and the damage they cause. The severe fire seasons in the summers of 2000 and 2002 prompted substantial debates and proposals related to fire control and fire protection. The 2000 fire season led the Clinton Administration to propose a new program, called the National Fire Plan, which applied to BLM lands as well as to Forest Service lands, with \$1.8 billion to supplement the \$1.1 billion requested before the fire season began. The National Fire Plan comprises the Forest Service wildland fire program and fire fighting on DOI lands; the DOI wildland fire monies are appropriated to the BLM. Congress largely enacted the proposal for FY2001, adding money to the FY2001 request for wildfire operations, fuel reduction, burned area restoration, fire preparedness, and programs to assist local communities. Total appropriations for the FY2001 National Fire Plan, covering BLM and FS fire funds, were \$2.89 billion. The higher wildfire funding has generally been continued.

FY2004 Appropriations. For FY2004, the Bush Administration proposes to fund the National Fire Plan at \$2.24 billion, \$219.4 million (11%) more than the FY2003 level, excluding \$825 million of FY2002 firefighting funding enacted in Division N of the FY2003 Consolidated Appropriations Act, and excluding \$30.4 million in fire assistance included under Forest Service State and Private Forestry. (See **Table 11.**)

**Table 11. Federal Wildland Fire Management Appropriations,
FY2000-FY2004**
(\$ in millions)

	FY2000	FY2001	FY2002	FY2003	FY2004 Request
Forest Service	\$618.0	\$1,457.7	\$1,294.3	\$1,371.0	\$1,541.8
<i>Operations</i>	139.2	319.3	255.3	418.0	604.6
<i>Emergency Funding</i> ^{a/}	[390.0]	[425.1]	[266.0]	[636.0]	[0.0]
<i>Preparedness</i>	408.8	611.1	622.6	612.0	609.7
<i>Other Operations</i>	70.0	527.2	416.4	341.0	327.4
BLM	391.0	777.5	624.4	650.2	698.7
<i>Operations</i>	158.1	153.1	127.4	159.3	195.3
<i>Emergency Funding</i> ^{a/}	[200.0]	[199.6]	[54.0]	[189.0]	[0.0]
<i>Preparedness</i>	165.8	314.7	280.8	275.4	282.7
<i>Other Operations</i>	67.0	309.7	216.2	215.4	220.7
Total	1,008.9	2,235.2	1,918.8	2,021.1	2,240.5
<i>Operations</i>	297.3	472.4	382.7	577.3	799.9
<i>Emergency Funding</i> ^{a/}	[590.0]	[624.6]	[320.0]	[825.0]	[0.0]
<i>Preparedness</i>	574.6	925.9	903.4	887.4	892.5
<i>Other Operations</i>	137.0	836.9	632.6	556.4	548.1

^{a/} Emergency supplemental and contingent appropriations not included in agency totals.

The FS and BLM wildland fire line items include funds for fire suppression (fighting fires), preparedness (equipment, training, baseline personnel, prevention, and detection), and other operations (rehabilitation, fuel treatment, research, and state and private assistance). The FY2004 budget request for suppression is significantly higher than the enacted FY2003 appropriations, but includes no separate contingent or emergency firefighting funds. (See **Table 11**.) Specifically, the appropriation includes \$195.3 million for the BLM for fire suppression, 23% above FY2003, and \$604.6 million for FS fire suppression, 45% above FY2003.

For BLM fire preparedness, the FY2004 budget request is \$282.7 million, \$7.3 million (3%) more than the FY2003 level. For FS fire preparedness, the request is \$609.7 million, down \$2.3 million (less than 1%) from the FY2003 level. For other BLM fire operations, the FY2004 budget request is \$220.7 million, an increase of \$5.3 million (2%) from the FY2003 appropriation. For other FS fire operations, the request is \$327.4 million, down \$15.2 million (4%) from the FY2003 appropriation. This decline would come by eliminating funding in this account for fire facilities, rehabilitation and restoration, and economic assistance, and cutting in half the funding for forest health management (insect and disease control) on nonfederal lands. (These programs are funded in other Forest Service accounts.)

State and Private Forestry. While funding for wildfires has been the center of debate, the President has proposed numerous significant changes in FY2004 funding of FS programs. Many of the changes are in State and Private Forestry (S&PF) — the programs that provide financial and technical assistance to states and to private forest owners. One significant change, enacted in the 2002 Farm Bill (P.L. 107-171), is the creation of a new Forest Land Enhancement Program to supplant the Stewardship Incentives and Forestry Incentives Programs. The new program has mandatory spending, replacing the annual appropriations required for the previous two programs. (The Forestry Incentives Program was funded through the Natural Resources Conservation Service, in the Agriculture appropriations acts.) In addition, the Administration is proposing to fund most of the cooperative forestry programs (forest stewardship, forest legacy, and urban and community forestry) from the Land and Water Conservation Fund. (For more information, see the *Land and Water Conservation Fund* section below.)

The FY2004 budget request again includes an Emerging Pest and Pathogens Fund, to rapidly control invasive species problems since early aggressive efforts can reduce or eliminate a problem while it is still small. The request is again for \$12.0 million, but in FY2003, Congress chose to allocate the additional funds to forest health management (insect and disease control) on federal and cooperative (nonfederal) lands instead of funding this new account.

For FY2004, the Administration has proposed \$65.6 million for the S&PF Forest Stewardship Program, which provides technical assistance for managing private forests; this is more than double the FY2003 appropriation of \$32.0 million. The Administration has also proposed \$90.8 million in FY2004 for the Forest Legacy Program, under which the Forest Service purchases title or easements for lands threatened with conversion to nonforest uses, *e.g.*, residences; this is \$22.4 million (33%) above the FY2003 appropriation of \$68.4 million.

The Administration has again proposed terminating the S&PF Economic Action Program (EAP), which includes rural community assistance and wood recycling, and the Pacific Northwest economic assistance program. The FY2003 appropriations law contained \$26.3 million for EAP, with about \$5 million more for EAP in the Wildfire Management account — a total of \$31.3 million.

Infrastructure. The Administration also has proposed terminating separate funding for Infrastructure Improvement. These funds, totaling \$45.6 million in FY2003, have been used to reduce the agency's backlog of deferred maintenance, estimated at \$6.5 billion as of October 2002. Instead, the Administration proposes to increase capital improvement and maintenance funds for roads and trails by \$23.1 million. Nonetheless, with the small decrease proposed for facilities, the total funding for FS Capital Improvement and Maintenance is \$524.6 million, \$23.9 million (4%) below the FY2003 appropriations of \$548.5 million.

Land Acquisition. The Administration has proposed \$44.1 million for Land Acquisition — \$27.7 million for land purchases and \$16.4 million for acquisition management. The total is \$88.8 million (67%) less than the FY2003 appropriation, which includes a \$1.5 million (10%) increase for acquisition management and a \$90.3 million (76%) decrease for land purchases. The Bush Administration is

proposing to use the Land and Water Conservation Fund, which is the principal source of funding for Forest Service land acquisition, for various State and Private Forestry programs instead of for land acquisition.

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

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

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

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

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

CRS Report RS20985. *Stewardship Contracting for the National Forests*, by Ross W. Gorte.

CRS Report RL31679. *Wildfire Protection: Legislation in the 107th Congress and Issues in the 108th Congress*, by Ross W. Gorte.

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

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

Fossil Energy Research, Development, and Demonstration. The Bush Administration's FY2004 budget request of \$514.3 million for fossil energy research and development is 17% less than the appropriated amount for FY2003 (\$620.8 million) and 5% higher than the FY2003 request (\$489.3 million). Much of the difference in funding between the enacted level and the Administration's request continues to be in fuel cells, transportation fuels, and natural gas and petroleum production technologies.

The Administration requested \$130.0 million for the Clean Coal Power Initiative (CCPI) for FY2004 as part of a \$2 billion, 10-year commitment. The program is designed for "funding advanced research and development and a limited number of joint government-industry-funded demonstrations of new technologies that can enhance the reliability and environmental performance of coal-fired power generators," according to DOE. The CCPI is along the lines of the Clean Coal Technology Program (CCTP), which has completed most of its projects and has been subject to rescissions and deferrals since the mid-1990s. The CCTP eventually will be phased out. The Administration once again seeks to consolidate the CCPI with

coal R&D programs under Fossil Energy Research and Development. It was unsuccessful in its efforts in the previous budget cycle.

Under the Administration's request, research and development (R&D) on natural gas would be cut by 44% to \$26.5 million, and R&D on petroleum would be cut by two-thirds to \$15.0 million. The bulk of the proposed cuts in petroleum R&D would be in the exploration and production category (from \$23.2 million in FY2003 to \$2.0 million in FY2004). The Administration wants to refocus the program's research on enhanced oil recovery and carbon dioxide injection. The Administration's request would phase out funding for the fuels program, including R&D on ultra-clean fuels technology, reducing the request to \$5.0 million for FY2004 from a funding level of \$31.2 million in FY2003. Existing activities would be transferred to the natural gas program.

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

Strategic Petroleum Reserve. The Strategic Petroleum Reserve (SPR), authorized by the Energy Policy and Conservation Act (P.L. 94-163) in late 1975, consists of caverns formed out of naturally occurring salt domes in Louisiana and Texas in which nearly 600 million barrels of crude oil are stored. The purpose of the SPR is to provide an emergency source of crude oil which may be tapped in the event of a presidential finding that an interruption in oil supply, or an interruption threatening adverse economic effects, warrants a drawdown from the Reserve. Volatility in oil prices since the spring of 1999 prompted calls from time-to-time for drawdown of the Reserve, but the Clinton and Bush Administrations did not think circumstances warranted it.

In mid-November 2001, President Bush ordered that the SPR be filled to capacity (700 million barrels) using royalty-in-kind (RIK) oil. This is oil turned over to the federal government as payment for production from federal leases. Acquiring oil for the SPR by RIK avoids the necessity for Congress to make outlays to finance direct purchase of oil; however, it also means a loss of revenues to the Treasury in so far as the royalties are paid in wet barrels rather than in cash. Deliveries of RIK oil began in the spring of 2002. The fill rate has varied depending upon geopolitical and market conditions. Deliveries scheduled for late 2002 and the first months of 2003 were delayed due to tightness in world oil markets. With the end of the military phase of the war with Iraq, deliveries of RIK oil to the SPR are ramping up again during the spring and will likely approach 190,000 barrels per day in June 2003.

The FY2003 appropriation provided a total of \$179.6 million for the SPR. This consisted of \$171.7 million for facilities, operation, and management; \$1.9 million in new money for the SPR Petroleum Account, reflecting a level of \$7.0 million for transportation of RIK oil, less a \$5.0 million rescission of unobligated prior-year funds; and \$6.0 million for the Northeast Home Heating Oil Reserve, reflecting lower costs for leasing of the storage facilities. The FY2003 law reauthorized the SPR through FY2008. On April 11, 2003, the House passed comprehensive energy legislation (H.R. 6) which would require that the SPR be filled to its current capacity of roughly 700 million barrels as soon as practicable, and would also authorize \$1.5 billion for expansion of the SPR to 1 billion barrels. The bill would also permanently

authorize the Reserve. S. 14, currently being debated in the Senate, would also permanently authorize the SPR, but does not seek to expand it.

The FY2004 budget request for the SPR is \$175.1 million. The request has two components. It includes \$159.0 million for storage facilities development and operations management, and \$16.1 million for management of the SPR sites. For FY2003, Congress appropriated \$2.0 million to the SPR Petroleum Account, after a rescission of \$5.0 million in previously appropriated funds. The costs of transporting RIK oil to SPR sites are now borne by the contractors, so no new money is being requested for this account for FY2004.

The Northeast Home Heating Oil Reserve (NHOR), established by the Clinton Administration, houses 2 million barrels of home heating oil in above-ground facilities in Connecticut, New Jersey, and Rhode Island. Savings in the cost of leasing these facilities has reduced the cost of maintaining the NHOR; the Administration has requested \$5.0 million for FY2004, whereas \$6.0 million was appropriated for FY2003.

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

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

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

This leaves in the Naval Petroleum Reserves program two small oil fields in California and Wyoming, which will generate estimated revenue to the government of roughly \$6.9 million during FY2003. The request to maintain the Naval Petroleum Reserves (NPR) for FY2004 is \$16.5 million, of which \$5.6 million is for environmental remediation at NOSR-3, transferred to the Department of the Interior in 1999. Under terms of the transfer, DOE remained responsible for remediation. The FY2004 request is a decrease of \$1.2 million from the FY2003 appropriation (\$17.7 million).

In settlement of a long-standing dispute between California and the federal government over the state's claim to Elk Hills as "school lands," the California Teachers' Retirement Fund is to receive 9% of the Elk Hills sale proceeds after the costs of sale have been deducted. The agreement between DOE and California provided for five annual payments of \$36.0 million beginning in FY1999, with the balance due to be paid in equal installments in FY2004 and FY2005. The FY2003 budget request included an advance appropriation of \$36.0 million for the Elk Hills

School Lands Fund, to be paid at the start of FY2004. This was enacted in the FY2003 appropriations law. The FY2004 budget request currently seeks an appropriation of \$36 million, pending the completion of divestment activities and calculation of the remaining balance owed to the California Teachers' Retirement Fund.

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

Energy Conservation. The FY2004 budget request stresses that the Administration's energy efficiency programs can improve economic growth, energy security, and the environment. Specifically, the Administration states that the Hydrogen Fuel Initiative would accelerate the use of hydrogen-powered fuel cell vehicles that would reduce oil use, and the National Climate Change Technology Initiative would cut greenhouse gas emissions (Budget Appendix, p. 378). Also, the Administration states that the budget was fashioned with R&D Investment Criteria and the Program Assessment Rating Tool that guide agencies in the selection of projects for federal research dollars. The criteria call on R&D managers to show that their programs conduct research that is relevant, of high quality, and yields results (Budget, p. 107). Further, the request presents a new budget structure that reflects the recent reorganization of the Office of Energy Efficiency and Renewable Energy (EERE) (DOE Budget Highlights, p. 100). The new structure is presented in **Table 12**.

DOE proposes to decrease conservation funding under DOE's EERE from \$891.8 million in FY2003 to \$875.8 million in FY2004. The FY2004 request would increase the Fuel Cell Technologies program from \$55.1 million to \$77.5 million, a \$22.4 million, or 41%, increase. DOE asserts that this program would support the President's proposed FreedomCAR and Hydrogen Fuels Initiative by demonstrating fuel cell technologies for transportation and stationary applications by 2015. The Department anticipates that fuel cells' use of hydrogen-based fuels would displace motor gasoline and thereby help reduce foreign oil dependence. Also, DOE states that fuel cells' small size and low pollutant levels would enable them to improve electric power infrastructure security and reliability, while slowing the growth of greenhouse gas emissions.

Funding for the Weatherization grant program (included in the Intergovernmental line above) would grow from \$223.5 million to \$288.2 million, an increase of \$64.7 million, or 29%. DOE's request states that Weatherization makes homes more energy efficient, which reduces energy bills and improves energy affordability for low-income families who could not otherwise afford these improvements. The Administration also asserts that this program helps stabilize housing stock in low-income neighborhoods and supports technical jobs in local home energy businesses. Also, DOE proposes \$9.5 million for the President's National Climate Change Technology Initiative (NCCTI). The program would promote innovative applied research through open competitive solicitations that could help reduce greenhouse gas emissions, according to DOE.

**Table 12. Appropriations for DOE Energy Conservation,
FY2002-FY2004**
(\$ in millions)

DOE Energy Conservation	FY2002 Approp.	FY2003 Approp.	FY2004 Request	Change from FY2003 to FY2004	Percent Diff.
Vehicle Technologies	\$181.4	\$177.3	\$157.6	-\$19.7	-11%
Fuel Cell Technologies	46.7	55.1	77.5	22.4	41%
Intergovernmental	324.2	314.4	357.0	42.5	14%
<i>Weatherization Grants</i>	<i>230.0</i>	<i>223.5</i>	<i>288.2</i>	<i>64.7</i>	<i>29%</i>
Distrib. Energy Resources	55.1	61.1	51.8	-9.4	-15%
Building Technologies	63.1	59.4	52.6	-6.8	-11%
Industrial Technologies	100.9	98.6	64.4	-34.1	-35%
Biomass / Biorefinery	24.8	24.6	8.8	-15.8	-64%
Federal Energy Mgmt.	18.9	19.3	20.0	0.7	3%
Program Management	81.4	77.0	76.7	-0.3	0%
Energy Eff. Sci. Initiative	0.0	5.0	0.0	-5.0	—
Climate Tech. Initiative	—	0.0	9.5	9.5	—
Rescissions & Transfers	16.3	0.0	0.0	0.0	0%
R&D Subtotal	621.5	623.5	548.8	-74.7	-12%
Grants Subtotal	275.0	268.2	327.0	58.8	22%
Total Appropriations	\$912.8	\$891.8	\$875.8	-\$16.0	-2%

To offset these increases, the FY2004 request also proposes several decreases. Compared to the FY2003 appropriation, the FY2004 request would cut overall funding by \$16.0 million, or 2%, not accounting for inflation. R&D funding would decline from \$623.5 million to \$548.8 million, a drop of \$74.7 million, or 12%. This includes cuts of \$36.4 million for Industries of the Future - Specific (including elimination of the Petroleum Vision program), \$19.2 million for Advanced Combustion Technology (in the Vehicles Program), \$15.8 million for Biomass / Biorefinery R&D, \$12.8 million for Fuels Technology (Vehicles), \$9.5 million for Emerging Technologies (Buildings), \$9.4 million for Distributed Energy Resources, \$4.4 million for Clean Cities (Intergovernmental), and \$2.7 million to terminate the National Industrial Competitiveness through Energy, Environment, and Economics (NICE³) program (Industrial Technologies).

For FY2003, the reports of the Appropriations Committees recommended actions to improve measurement of EERE program performance, increase competition in procurement, and elaborate on requested budget changes. Specifically, the FY2003 report of the House Committee on Appropriations proposed \$1.0 million in new funding for DOE to “do a better job of measuring potential program success” through program reviews by the National Academy of Sciences to help decide whether to expand or scale-back programs. The FY2003 law allocated \$500,000 for this purpose. Also, the House report directed that EERE adopt a procurement practice to “allow full and open competition to occur, when appropriate.” Additionally, the FY2003 report of the Senate Committee on Appropriations directed EERE to “revise and restructure” the budget request documents for FY2004, noting that they often lack a complete explanation of recommended funding changes. The conference report did not add any further provisions.

For further information on the *Energy Conservation Budget*, see the Web site at [<http://www.cfo.doe.gov/budget/04budget/>]. For further information on *Energy Conservation Programs*, see the Web site at [<http://www.eren.doe.gov/>].

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

CRS Report RS21442. *Hydrogen and Fuel Cell Vehicle R&D: FreedomCAR and the President’s Hydrogen Fuel Initiative*, by Brent D. Yacobucci.

Department of Health and Human Services: Indian Health Service.

For further information on the Indian Health Service see the agency’s Internet site at [<http://www.ihs.gov/>].

Indian Health Service. The Indian Health Service (IHS) carries out the federal responsibility of assuring comprehensive medical and environmental health services for approximately 1.5 million to 1.7 million American Indians and Alaska Natives (AI/AN) who belong to over 560 federally recognized tribes located in 35 states. Health care is provided through a system of federal, tribal, and urban Indian operated programs and facilities that serve as the major source of health care for AI/AN. IHS provides direct health care services through 36 hospitals, 63 health centers, 4 school health centers, 44 health stations, and 5 residential treatment centers. Tribes and tribal groups, under IHS contracts, operate another 13 hospitals, 158 health centers, 3 school health centers, 249 health stations, including 170 Alaska Native village clinics and 28 residential treatment centers. IHS, tribes, and tribal groups also operate 11 regional youth substance abuse treatment centers and more than 2,200 units of staff quarters.

IHS funding is separated into two Indian health budget categories: services and facilities. The President requests a total of \$2.89 billion in appropriations for FY2004, \$40.0 million or 1.4% over the FY2003 appropriation of \$2.85 billion. Of the total IHS appropriations request, \$2.50 billion or 87% would be used for health services, and \$387.3 million or 13% for the health facilities program. IHS 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. IHS estimates that it will collect \$567.6 million in reimbursements in FY2004, a 26% increase over the estimated amount of \$450.0 million for FY2003.

The IHS health services budget has several subcategories: clinical services, preventive health services, and other services. Clinical services include basic primary care for inpatient and outpatient services at IHS hospitals and clinics. For FY2004, the Administration requests \$1.99 billion, \$13.4 million or 0.7% over the FY2003 level of \$1.97 billion. Within this request, \$1.19 billion or 60% of the funding would go to support programs for hospitals and clinics. Also within this request, dental health would receive \$105.6 million; mental health, \$54.0 million; substance abuse treatment, \$140.0 million; and contract health services, \$493.0 million. The requested amount for contract health services is 3.8% over the FY2003 appropriation of \$475.0 million. Contract health services are services purchased from local and community health care providers when IHS cannot provide medical care and specific services through its own system.

The preventive health services request for \$108.3 million is 5.5% over the FY2003 appropriation of \$102.6 million. The request includes funding for public health nursing (\$43.1 million), health education in schools and communities (\$11.9 million) and immunizations (\$1.6 million). It also includes the community health representatives program (\$51.6 million) which is a tribally administered program that supports community members who work to prevent illness and disease in their communities.

For other health related activities, the President has asked for a total of \$407.0 million in funding to support health related activities in off-reservation urban health projects (\$31.6 million), scholarships to health care professionals (\$35.4 million), funding for costs associated with providing tribal management grants to tribes (\$2.4 million), administration and management costs (\$56.6 million - direct operations), self-governance (\$10.3 million), and contract support costs (\$270.7 million). Contract support costs are awarded to tribes for administering programs under contracts or compacts authorized under the Indian Self-Determination Act (P.L. 93-638, as amended). They include costs for expenses tribes incur for financial management, accounting, training, and program start-up. The budget request reflects that most tribes and tribal organizations are participating in new and expanded self-determination contracts and self-governing compacts. For FY2003, Congress enacted \$401.5 million for other health related activities.

The IHS's facilities category includes money for the construction, maintenance, and improvement of health and sanitation facilities. The President's FY2004 request of \$387.3 million is \$13.5 million or 3.6% increase over the FY2003 appropriation of \$373.7 million.

Office of Navajo and Hopi Indian Relocation. The Office of Navajo and Hopi Indian Relocation (ONHIR) was reauthorized for FY1995-2000 by P.L. 104-301. The 1974 relocation legislation (P.L. 93-531, as amended) was the end result of a dispute between the Hopi and Navajo tribes involving land originally set aside by the federal government for a reservation in 1882. Pursuant to the 1974 act, lands were partitioned between the two tribes. Members of one tribe who ended up on the

other tribe's land were to be relocated. ONHIR classifies families as relocated when they occupy their replacement home. Most relocatees are Navajo. A large majority of the estimated 3,477 Navajo families formerly on the land partitioned to the Hopi already have relocated under the Act, but the ONHIR estimates that 215 Navajo families have yet to complete relocation, including about 19 families still on Hopi partitioned land (some of whom refuse to relocate). The remaining Navajo families are not on Hopi partitioned land but are in various stages of acquiring replacement housing. ONHIR's chief activities consist of housing acquisition and construction, land acquisition, and certification of families' eligibility for relocation benefits.

For FY2003, ONHIR received appropriations of \$14.4 million. For FY2004, the Administration proposes \$13.5 million, a decrease of \$865,000, or 6%.

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

The Hopi Tribe has called for enforcement of relocation against Navajo families without leases. Like the FY1997-FY2002 Interior appropriations acts, the FY2003 appropriations law would forbid 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 during FY2003 since the ONHIR has a large backlog of relocatees who are approved for replacement homes but have not yet received them. These relocatees would have priority in receiving replacement homes. The settlement agreement approved by P.L. 104-301, however, allows the Hopi Tribe under certain circumstances to begin actions against the United States after February 1, 2000, for failure to give the Hopi "quiet possession" of all Hopi-partitioned lands if Navajo families on these lands have not either relocated or entered into accommodation agreements with the Hopi Tribe. The Hopi Tribe has not yet filed such a quiet possession claim against the United States. The Tribe has agreed to wait while the U.S. pursues legal actions against Navajo who have neither signed agreements nor relocated, but has asserted that evictions should have already started.

Smithsonian Institution, National Endowment for the Arts, and National Endowment for the Humanities. One of the perennial issues addressed by Congress concerning the cultural programs and agencies delineated below is whether federal government support for the arts, humanities, and culture

is an appropriate federal role, and if it is, what should be the shape of that support. If the continued federal role is not appropriate, might the federal commitment be scaled back such that greater private support or state support would be encouraged? Each program has its own unique relationship to this overarching issue.

Smithsonian Institution. The Smithsonian Institution (SI) is a museum, education, and research complex of 16 museums and galleries, the National Zoo, and research facilities throughout the United States and around the world. Nine of its museums and galleries are located on the Mall between the U.S. Capitol and the Washington Monument. The SI is responsible for over 400 buildings with approximately 8 million square feet of space.

The Smithsonian Institution is estimated to be 70% federally funded. A federal commitment to fund the Institution was established by legislation in 1846. Today, the Smithsonian Institution receives both federal appropriations and various types of trust funds.

Appropriations. The FY2004 Bush Administration budget for the Smithsonian Institution is \$566.5 million, a 4.0% increase over the FY2003 appropriation of \$544.9 million. For Smithsonian Institution's Salaries and Expenses, the FY2004 budget would provide \$476.6 million, an increase of \$30.4 million above the FY2003 final appropriation of \$446.1 million and a \$38.5 million increase above the FY2003 request. See **Table 13**.

Facilities Capital. The FY2003 appropriation provided \$82.9 million for "repair, restoration, and alteration of facilities." The FY2004 Administration budget has shifted this function to a new category entitled "Facilities Capital," with a total request of \$90.0 million, comprised of revitalization, construction, and facilities planning and design. The FY2004 budget estimate for the line item of "revitalization" is \$71.7 million. This line item would address the cases of "advanced deterioration" in SI buildings, help meet the needs of routine maintenance and repair in all Smithsonian Institution facilities, and make critical repairs.

A study by the National Academy of Public Administration (NAPA), *A Study of the Smithsonian Institution's Repair, Restoration and Alteration of Facilities Program (2001)*, confirms what the Institution had already concluded: that funding for repair and renewal of SI's facilities has not kept pace with need, resulting in increased deterioration of the physical plant. The NAPA report recommends that the Smithsonian Institution spend \$1.5 billion over the next decade to fully repair, renovate, and modernize its facilities.

National Museum of the American Indian (NMAI). The FY2004 Administration budget requests no new federal funds for completion of the Mall museum's construction, as compared to an FY2003 appropriation of \$15.9 million. However, the FY2004 budget would provide \$38.6 million for operations of the NMAI to help support the Museum's opening. The NMAI was at first controversial. Opponents of constructing a new museum argued that the current Smithsonian Institution museums needed renovation, repair, and maintenance more than the public needed another museum on the Mall. Proponents argued that there had been too long a delay in providing a museum in Washington to house the Indian collection. Based

on a new estimate of \$219.3 million for construction of the Indian museum, the Smithsonian Institution indicated that trust funds would be used to cover opening costs. The groundbreaking ceremony for the NMAI took place September 28, 1999 and the projected opening is September of 2004.

Smithsonian Institution Center for Materials Research and Education (SCMRE). The direction of SI's research priorities is of concern to Congress. A recent controversy involved the proposed closing of the Smithsonian Institution Center for Materials Research and Education (SCMRE), which the Smithsonian Institution decided to retain. The FY2002 Interior Appropriations law had provided that an independent "blue ribbon" Science Commission would be established and meet before any final decision about closing the SCMRE. The Commission's report of January, 2003 noted that science programs of the Smithsonian Institution have eroded over time due to a "long-term trend in declining support for mandatory annual salary increases." The FY2004 Administration budget proposes level funding for the SCMRE (\$3.54 million).

Trust Funds. In addition to federal appropriations, the Smithsonian Institution receives trust funds to expand its programs. The SI trust fund includes contributions from private sources, and government grants and contracts from other agencies. General trust funds include investment income and business revenues from "business ventures" including the Smithsonian magazine, retail shops, restaurants, concessions, catalogs, and entertainment initiatives. There are also trust funds that are private donor designated funds, which include gifts, grants, and contributions from individuals, foundations, and corporations that specify and direct the purpose of funds. In FY2003, such contributions for designated projects were estimated at \$63.0 million. Finally, government grants and contracts (separate from the regular appropriation) are provided by various government agencies and departments for projects specific to the Smithsonian Institution because of its expertise in certain fields including science, history, art, and education. For FY2003, government grants and contracts were projected to be \$87.0 million. Most of this funding (\$72.0 million) is available to the Smithsonian Institution's Astrophysical Observatory for research and development.

Tracking of the Smithsonian Institution's Trust fund expenditures has been of concern to the Congress. In FY2003, the Senate Committee on Appropriations recommended instituting a plan that the Smithsonian Institution has now developed to track trust fund budget proposals and expenditures. According to the Inspector General of the Smithsonian Institution, there was a discrepancy between what the Board of Regents approved compared to actual expenditures. This matter has been resolved.

Table 13. Smithsonian Institution Appropriations, FY2002-2004
(\$ in thousands)

Smithsonian Institution (SI)	FY2002 Approp.	FY2003 Approp.	FY2004 Request
Salaries and Expenses	\$420,960 ^a	\$446,096	\$476,553
Repair, Restoration, and Alteration of Facilities	67,900	82,883	—
Facilities Capital	—	—	89,970
Construction	30,000	15,896	—
SI total	518,860^a	544,875	566,523

^a Includes \$21,707,000 contained in the FY2002 Emergency Supplemental Appropriation, P.L. 107-117, for SI's Anti-Terrorism funding.

For further information on the *Smithsonian Institution*, see its World Wide Web site 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), and the Institute of Museum Services (IMS), now constituted as the Institute of Museum and Library Services (IMLS) with an Office of Museum Services (OMS). The authorizing act, the National Foundation on the Arts and the Humanities Act, was last reauthorized in 1990 and expired at the end of FY1993, but NEA and NEH have since been operating on temporary authority through appropriations law. The 104th Congress established the Institute of Museum and Library Services and created the Office of Museum Services (P.L. 104-208).

The FY2004 Bush Administration budget for NEA is \$100.5 million plus \$17.0 million for the Challenge America Arts fund, a separate account, for a total of \$117.5 million. This is an increase of \$1.8 million over the FY2003 appropriation for NEA (\$115.7 million, which included \$16.9 million for the Challenge America Arts Fund). See **Table 14**. NEA's direct grant program currently supports approximately 1,600 grants. State arts agencies are now receiving over 40% of grant funds, with 1,000 communities participating nationwide, particularly from under-represented areas. The NEA now administers the Challenge America Arts Fund, a program of matching grants for arts education, outreach and community arts activities for rural and underserved areas. The NEA is required to submit a detailed report to the House and Senate Appropriations Committees describing the use of funds for the Challenge America program.

The FY2004 Administration Budget for NEH is \$152.0 million, an increase of \$27.1 million over the FY2003 appropriation (\$124.9 million). The FY2004 budget

adds \$25.0 million for a new program entitled “We the People Initiative grants.” These grants will include model curriculum projects for schools to improve course offerings in the humanities — American history, culture, and civics. 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. NEH also supports a Challenge Grant program to stimulate and match private donations in support of humanities institutions.

Effective with FY2003, the appropriation for the Office of Museum Services moved from the Interior and related agencies appropriations bill to the appropriations bill for the Departments of Labor, Health and Human Services (HHS), and Education (ED) and related agencies. The rationale for this transfer was that the Office of Library Services, the larger of the two components of IMLS, is already under Labor-HHS-Ed appropriations, and having one single funding stream would be simpler. The FY2004 request for IMLS is \$242.0 million, including \$30.3 million for OMS. The FY2003 appropriation was \$243.9 million for both libraries and museums. The Office of Museum Services provides grants in aid to museums in the form of leadership grants, museum conservation, conservation project support, museum assessment, and General Operating Support (GOS) to help over 400 museums annually to improve the quality of their services to the public.

Among the questions Congress continually considers is whether funding for the arts and humanities is an appropriate federal role and responsibility. Some opponents of federal arts funding argue that NEA and NEH should be abolished altogether, contending that the federal government should not be in the business of supporting arts and humanities. Other opponents argue that culture can and does flourish on its own through private support. Proponents of federal support for arts and humanities contend that the federal government has a long tradition of support for culture, beginning as early as 1817 with congressional appropriations for works of art to adorn the U.S. Capitol. Some representatives of the private sector say that they are unable to make up the gap that would be left by the loss of federal funds for the arts. Others argue that abolishing NEA and NEH would curtail or eliminate the programs that have national significance and purpose (such as national touring theater and dance companies, radio and television shows, and traveling museum exhibitions.)

Previous NEA Controversies. Although there appears to be an increase in congressional support for the NEA, debate often recurs on previous questionable NEA grants when appropriations are considered, despite attempts to resolve these problems through previous statutory provisions. The debate involved whether or not some of the grants given were for artwork that might be deemed obscene. To date, no NEA projects have been judged obscene by the courts. On November 5, 1996, a federal appeals court upheld an earlier decision, *NEA v. Finley*, ruling that applying the “general standards of decency” clause to NEA grants was “unconstitutional.” However, in anticipation of congressional reaction to NEA’s individual grants, NEA eliminated grants to individuals by arts discipline with some exceptions. On June 25, 1998, the Supreme Court reversed the federal appeals court decision for *NEA v. Finley* (CA9, 100F.3d 671) by a vote of 8 to 1, stating that the NEA “can consider general standards of decency” when judging grants for artistic merit, and that the

decency provision does not “inherently interfere with First Amendment rights nor violate constitutional vagueness principles.”

Congress enacted NEA reforms in past appropriations laws. The FY2003 law retained language in previous laws related to funding priorities and restrictions on grants, including that no grant may be used generally for seasonal support to a group; and no grants may be for individuals except for literature fellowships, National Heritage fellowships, or American Jazz Master fellowships.

Table 14. Arts and Humanities Funding, FY2002-FY2004
(\$ in thousands)

Arts/ Humanities Funding	FY2002 Approp.	FY2003 Approp.	FY2004 Request
NEA	\$98,234	\$115,732 ^a	\$100,480
Challenge America Arts Fund	17,000	{16,889} ^a	17,000
Subtotal NEA	115,234	115,732	117,480
NEH grants and administration	108,382	108,919	135,878
NEH matching grants	16,122	16,017	16,122
Subtotal NEH	124,504	124,936	152,000
OMS/IMLS	26,899	^b	^b

^a The total for NEA grants and administration includes the Challenge America program.

^b Beginning with FY2003, the Office of Museum Services as part of IMLS is included in the appropriations bill for the Departments of Labor-HHS-Ed and Related Agencies.

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

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

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

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

Cross-Cutting Topics

The Land and Water Conservation Fund (LWCF). The four principal 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 presentations about each of those agencies earlier in this report identify funding levels for their land acquisition activities. The LWCF also funds

acquisition and recreational development by state and local governments through a state grant program administered by the National Park Service. In recent years, Congress also has appropriated money from the LWCF to fund some related activities that do not involve land acquisition. Appropriations for federal acquisitions generally are earmarked to specific management units, such as a National Wildlife Refuge, while the state grant program rarely is earmarked. Funds may not be spent without an appropriation. The LWCF is authorized at \$900 million annually through FY2015.

Through FY2003, the total amount that could have been appropriated from the LWCF since its inception was \$26.3 billion. Actual appropriations have been \$13.1 billion. In recent years, until FY2003, appropriators had provided generally increasing amounts from the Fund for federal land acquisition and the state grant program. The total had more than quadrupled, rising from a low of \$138 million in FY1996 to \$573 million in FY2002. The FY2003 appropriation was \$410 million, a decrease of \$163 million, and the FY2004 request totaling \$348 million would reduce funding by an additional \$62 million. **Table 15** shows LWCF appropriations for FY2000 through FY2003, and the Bush Administration requests for FY2002 through FY2004.

Table 15. LWCF Funding for Federal Land Acquisition and State Grants, FY2000-FY2004
(\$ in millions)

Agency	FY2000 Approp.	FY2001 Approp.	FY2002 Request	FY2002 Approp.	FY2003 Request	FY2003 Approp.	FY2004 Request
BLM	\$48	\$56	\$48	\$50	\$45	\$33	\$24
FWS	62	121	104	99	70	73	41
NPS Federal Acquisitions	139	125	107	130	86	74	79
NPS Administered State Grants	41	90	450	144	200 ^a	97	160
FS	160	156	131	150	131	133	44
Total	450	548	840	573	532^b	410	348

Source: Data for FY2000 and FY2001 compiled by the Department of the Interior Budget Office; data for FY2002 from Interior Appropriations Conference Report (H.Rept. 107-234); data for FY2003 and FY2004 from Appropriations Committees' documents.

Note: In some recent years, Congress has appropriated LWCF Funds to federal agencies for purposes other than land acquisition and stateside grants. These funds for other purposes are not included in the table. This started when Congress provided \$72 million for other purposes in the FY1998 Interior appropriations law. In FY1999, no funding was appropriated for other purposes. Since then, funding for other purposes has included \$15 million in FY2000, \$456 million in FY2001, \$135 million in FY2002, and \$197 million in FY2003. The FY2004 budget request includes \$554 million for other conservation programs.

^a This figure includes \$50 million for a new Cooperative Conservation Initiative, which was not funded by either the House or the Senate, but was appropriated at \$14.9 million in the FY2003 appropriations law.

^b This total does not include \$3.0 million sought by DOI for the Shivaist Indian Water Settlement Act of 1999, which authorizes LWCF funds for the Paiute Tribe in Utah.

It is unclear whether Congress will choose to follow the Administration's FY2004 request and continue to lower LWCF appropriations, as it last did in the early and mid 1990s as part of efforts to address the federal budget deficit. In addition, other priorities have become more pressing in the wake of 9/11. The lower FY2003 appropriation request of \$532 million for land acquisition from the Bush Administration contrasted with its request for full funding for FY2002, and was less than the \$573 million that Congress provided in FY2002. The decline continued chronologically with each step in the FY2003 legislative process; the House passed less funding (\$528 million) than the Administration requested, then the Senate approved less funding (\$464 million) than the House. The amount enacted into law — \$410 million — is \$118 million less than the House-passed total and \$54 million less than the Senate-passed total. With the total lower than in FY2002, the amounts for each of the five component accounts also were reduced.

In FY2004, the Administration is requesting the largest amount yet for other purposes, \$554 million. In recent years, some of the Fund has been appropriated for other programs, as identified in the note following table 15, but this would be the largest amount. This amount is divided between the Forest Service's State and Private Forestry programs (\$194 million) and Department of the Interior programs (\$360 million). Specific programs that would be funded using the LWCF include: Forest Service's Forest Stewardship Program (\$65.6 million), Forest Legacy Program (\$90.8 million), and Urban and Community Forestry Program (\$37.9 million); the Department of the Interior's interagency Cooperative Conservation Initiative (\$113.2 million); and Fish and Wildlife Service's State and Tribal Wildlife Grants (\$60.0 million), Landowner Incentive Grants (\$40.0 million), Stewardship Grants (\$10.0 million), Cooperative Endangered Species Grants (\$86.6 million), and North American Wetlands Conservation Fund Grants (\$49.6 million).

The Administration continues to seek funding for the Cooperative Conservation Initiative, one of the programs listed above. This Initiative promotes conservation through partnerships that match BLM, NPS, and FWS funds with local contributions. In FY2003, The Bush Administration had first proposed this Initiative, and sought \$100 million. Half this total was to come from the state grant program portion of the LWCF, and the remainder would have come from the operating accounts of the three DOI land management agencies. Congress appropriated \$14.9 million to this Initiative. In contrast to the FY2003 request, the entire FY2004 request of \$113.2 million is to come from the LWCF.

Conservation Spending Category. Congress created the Conservation Spending Category (CSC), as an amendment to the Balanced Budget and Emergency Deficit Control Act of 1985, in the FY2001 Interior appropriations law. The CSC combines funding for more than 2 dozen resource protection programs including the LWCF. (It also includes some coastal and marine programs funded through Commerce appropriations). This action was in response to both the Clinton Administration request for substantial funding increases in these programs under its Lands Legacy Initiative, and congressional interest in increasing conservation funding through legislation known as the Conservation and Reinvestment Act (CARA), which passed the House in the 106th Congress. The CSC law authorized

that total spending under the category would grow each year by \$160 million, from \$1.6 billion in FY2001 (of which \$1.2 billion would be through Interior Appropriations laws) to \$2.4 billion in FY2006. All funding each year is subject to the appropriations process. (Also, scoring matters — the Administration and the Appropriations Committee staffs disagree on whether all or portions of funding for some programs, such as the Cooperative Conservation Initiative, should be credited to the CSC.) The appropriations history is as follows.

- The FY2001 laws exceeded the target of \$1.6 billion by appropriating a total of \$1.68 billion; \$1.20 billion for Interior appropriations programs and \$0.48 billion for Commerce appropriations programs. (Totals for Interior and Commerce funding were both increases from the preceding year of \$566 and \$160 million, respectively.)
- The FY2002 request totaled \$1.54 billion for this group of programs, and Congress appropriated \$1.75 billion, thus almost reaching the target of \$1.76 billion. The appropriation for the Interior portion was \$1.32 billion, reaching the authorized target amount.
- The FY2003 request totaled \$1.67 billion for this group of programs, a decrease from FY2002 funding, and below the target of \$1.92 billion. Congress appropriated a total of \$1.51 billion. For the Interior portion, Congress provided \$1.03 billion, less than the authorized target of \$1.44 billion.
- The FY2004 request totals \$1.33 billion, according to estimates compiled by Appropriations subcommittee staff. This amount is below the target of \$2.08 billion. For the Interior portion, the request is \$1.00 billion, and the target is \$1.56 billion. (The Administration has an alternative estimate that increases the total FY2004 request to \$1.22 billion for Interior programs, but it is based on some different assumptions about which programs to include.)

For further information on CSC, see **Table 18** at the end of this report.

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

CRS Report RS20471. *The Conservation Spending Category: Funding for Natural Resource Protection*, by Jeffrey Zinn.

CRS Report RS21503. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

Everglades Restoration. Restoration activities in the South Florida ecosystem, which includes the Everglades, are conducted under several laws. However, the Water Resources Development Act of 2000 (WRDA 2000; P.L. 106-541), which authorized the Comprehensive Everglades Restoration Plan (CERP, in Title VI) is considered the seminal law for Everglades restoration.

The alterations of the natural flow 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 the South Florida ecosystem. In 1996, Congress authorized the U.S. Army Corps of Engineers (Corps) 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 — CERP, completed in 1999 — provides for federal involvement in the restoration of the ecosystem. Congress authorized the Corps to implement CERP in WRDA 2000. Based on CERP and other previously authorized restoration projects, the federal government, along with state, local, and tribal entities, is currently engaged in a collaborative effort to restore the South Florida ecosystem.

The principal objective of CERP is to redirect and store “excess” freshwater currently being discharged to the ocean via canals, and use it to restore the natural hydrological functions of the South Florida ecosystem. CERP seeks to deliver sufficient water to the natural system without impinging on the water needs of agricultural and urban areas. The federal government is responsible for half the cost of implementing CERP, and the other half is borne by the State of Florida, and to a lesser extent, local tribes and other stakeholders. CERP consists of 68 projects that are expected to be implemented over approximately 36 years, with an estimated total cost of \$7.8 billion; the total federal share is estimated at \$3.9 billion.⁹

From FY1993 to FY2003, federal appropriations for projects and services related to the restoration of the South Florida ecosystem have exceeded \$1.9 billion dollars, and state funding has topped \$3.6 billion.¹⁰ The average annual federal cost for restoration activities in Southern Florida in the next 10 years is expected to be approximately \$286 million/year.¹¹ For FY2004, the Administration is requesting \$311.0 million for restoration efforts in the Everglades, \$46.9 million above the FY2003 enacted level of \$264.1 million.¹² Of this total, \$48.0 million is requested for the implementation of CERP.

Appropriations for restoration projects in the South Florida ecosystem have been included in several annual appropriations laws. The Department of the Interior 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 FY2004, the Administration requests a total of \$112.3 million for the DOI for CERP and non-CERP activities related to restoration in the South Florida ecosystem. Of this total, the NPS requests \$86.4 million for land acquisition, construction, and research activities; the FWS requests \$12.9 million for land acquisition, refuges, ecological

⁹ CERP is the first stage in a three stage process to restore the Everglades. The estimated total cost of the entire restoration effort in the Everglades (i.e., all three stages) is estimated at \$14.8 billion.

¹⁰ These figures represent an estimated cost of all CERP and non-CERP related costs for restoration in the South Florida ecosystem.

¹¹ This figure is based on CERP and non-CERP related restoration activities in South Florida.

¹² This figure is based on the contributions of all federal agencies.

services, and other activities; the USGS requests \$12.6 million for research, planning, and the Critical Ecosystem Studies Initiative; and the BIA requests \$0.4 million for water projects on Seminole and Miccosukee Tribal lands. For conducting activities authorized by CERP, the DOI has requested \$8.9 million. See **Table 16**.

Table 16. Appropriations for Everglades Restoration in the DOI Budget, FY2002-FY2004
(\$ in thousands)

Agencies requesting funding for Everglades Restoration	FY2002 Approp.	FY2003 Approp.	FY2004 Request
National Park Service			
CERP	\$5,544	\$5,513	\$5,555
Park Operations ^a	23,635	23,874	24,194
Land Acquisition	15,000	14,924	40,000
Modified Water Delivery	35,199	9,935	12,990
Critical Ecosystem Studies Initiative	4,000	3,974	0
South Florida Ecosystem Task Force	1,325	1,320	1,332
Everglades Acquisitions Management	2,800	2,782	2,300
NPS Total	87,503	62,322	86,371
Fish and Wildlife Service			
CERP	3,351	3,329	3,351
Land Acquisition	8,500	2,484	1,964
Ecological Services	2,554	2,537	2,554
Refuges and Wildlife	3,706	3,682	4,306
Law Enforcement	636	632	636
Fisheries	100	99	100
FWS Total	18,847	12,763	12,911
U.S. Geological Survey			
Research, Planning and Coordination	8,636	8,580	8,636
Critical Ecosystem Studies Initiative ^a	0	0	4,000
USGS Total	8,636	8,580	12,636
Bureau of Indian Affairs			
Stormwater treatment on Seminole Tribal lands	396	393	396
DOI TOTALS	115,382	84,058	112,314

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

Source: South Florida Ecosystem Task Force, FY2004 Cross-Cut Budget at: [<http://www.sfrestore.org/documents/cc2004/index%2004.htm>], accessed May 21, 2003.

Appropriations for other restoration projects in the South Florida ecosystem have been provided to the Corps (Energy and Water Development Appropriations),

National Oceanic and Atmospheric Administration (NOAA) (Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations), U.S. Environmental Protection Agency (EPA) (VA, HUD, and Related Agencies Appropriations), and U.S. Department of Agriculture (U.S. Department of Agriculture and Related Agencies Appropriations).¹³

The Administration's request for funding DOI restoration activities in the Everglades in FY2004 is \$28.2 million more than the FY2003 enacted level of \$84.1 million. The primary increase in funding is for the acquisition of mineral rights underlying Big Cypress National Preserve (*e.g.*, from \$14.9 million to \$40.0 million under the land acquisition heading of the NPS). The Collier Resources Company has mineral rights and has reached an agreement in principle to sell them to the DOI.¹⁴ Forty million dollars would cover a portion of the cost of the mineral rights, estimated at \$120 million.

The Modified Water Delivery Project is proposed to have an increase of \$3.1 million above its FY2003 enacted level. The Administration again proposes to fund the Critical Ecosystem Studies Initiative in the USGS at \$4.0 million. The CESI is intended to meet the scientific information needs of restoration in the Everglades, including adaptive management, baseline ecosystem research, and simulation and decision support modeling. For other restoration activities, the Administration has requested funding for FY2004 at levels similar to those enacted for FY2003.

One potential area of controversy that may affect decisions related to FY2004 appropriations for Everglades restoration could originate from a Florida State Law (Chapter 2003-12) that was enacted on May 20, 2003. This law amends 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 is generally thought to be caused by agricultural runoff. Excessive levels of phosphorus and other nutrients stimulate the conversion of native sawgrass marshes and sloughs to vegetation stands dominated by cattails. This has resulted in less habitat for wading birds and other wildlife as well as fewer stands of native plant species. Some critics argue that this new law extends previously established phosphorus mitigation deadlines for the Everglades, and may compromise efforts to restore the Everglades, as well as jeopardize federal appropriations for CERP. Proponents of the law argue that the new plan represents a realistic strategy for curbing phosphorus. On April 29, 2003, six Members of the U.S. House, including Chairman of the Appropriations Committee C.W. Bill Young,

¹³ Funding requested for other agencies conducting restoration activities in the South Florida ecosystem include \$145 million for the Corps' construction projects in the region, \$4.1 million for the U.S. Department of Commerce (National Oceanic and Atmospheric Administration), \$4.7 million for the U.S. Environmental Protection Agency, and \$45.5 million for the U.S. Department of Agriculture.

¹⁴ The Collier family is the primary holder of mineral rights under the Big Cypress Preserve, and their mineral rights were established before the creation of the preserve. It is estimated that there are 40 million barrels of recoverable oil under the Big Cypress Preserve.

had issued a joint statement that encouraged the Governor to veto the bill.¹⁵ The letter expressed concerns that the bill could lead to lower appropriations for restoration activities in the Everglades because Florida could be perceived by Congress as lowering its commitment for restoring the Everglades. A bill that passed the Florida State Legislature on May 27, 2003 (S 00054-A) and awaits the signature of the Governor may address some of these concerns.

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

CRS Report RL31621. *Florida Everglades Restoration: Background on Implementation and Early Lessons*, by Pervaze A. Sheikh.

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

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

¹⁵ The letter is available at: [http://www.house.gov/appropriations/news/108_1/04everglades.htm], accessed May 21, 2003.

For Additional Reading

Title I: Department of the Interior

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

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

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

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

CRS Report RL31621. *Florida Everglades Restoration: Background on Implementation and Early Lessons*, by Pervaze A. Sheikh.

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

CRS Report RS21503. *Land and Water Conservation Fund: Current Status and Issues*, by Jeffrey Zinn.

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

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

CRS Report RS20902. *National Monument Issues*, by Carol Hardy Vincent.

CRS Issue Brief IB10093. *National Park Management and Recreation*, by Carol Hardy Vincent, coordinator.

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

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

Land Management Agencies Generally

CRS Report RS20471. *The Conservation Spending Category: Funding for Natural Resource Protection*, by Jeffrey Zinn.

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

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

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

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

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

Title II: Related Agencies

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

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

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

CRS Report RS21442. *Hydrogen and Fuel Cell Vehicle R&D: FreedomCAR and the President's Hydrogen Fuel Initiative*, by Brent D. Yacobucci.

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

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

CRS Report RS20985. *Stewardship Contracting for the National Forests*, by Ross W. Gorte.

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

CRS Report RL31679. *Wildfire Protection: Legislation in the 107th Congress and Issues in the 108th Congress*, by Ross W. Gorte.

Selected World Wide Web Sites

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

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

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

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

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

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

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

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

Title I: Department of the Interior

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

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

Bureau of Land Management (BLM).
[<http://www.blm.gov/nhp/index.htm>]

Fish and Wildlife Service (FWS).
[<http://www.fws.gov/>]

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

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

Minerals Management Service (MMS).

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

National Park Service (NPS).

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

Office of Surface Mining Reclamation and Enforcement (OSM).

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

Office of Special Trustee for American Indians.

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

U.S. Geological Survey (USGS).

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

Title II: Related Agencies

Departments.

Agriculture, Department of (USDA).

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

Department of Agriculture: U.S. Forest Service.

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

USDA Strategic Plan.

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

Energy, Department of (DOE).

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

DOE Strategic Plan.

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

Energy Conservation Budget

<http://www.mbe.doe.gov/budget/03budget/>

Energy Conservation Programs

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

Fossil Energy.

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

Naval Petroleum Reserves.

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

Strategic Petroleum Reserve.

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

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

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

Agencies.

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

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

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

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

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

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

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

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

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

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

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

Table 17. Department of the Interior and Related Agencies Appropriations, FY2002-FY2004
(in thousands)

Bureau or Agency	FY2002 Approp.	FY2003 Approp.	FY2004 Request
Title I: Department of the Interior			
Bureau of Land Management	\$1,872,597	\$2,060,463	\$1,700,521
U.S. Fish and Wildlife Service	1,276,424	1,243,533	1,285,227
National Park Service	2,380,074	2,239,430	2,361,873
U.S. Geological Survey	914,002	919,272	895,505
Minerals Management Service	156,772	170,312	171,321
Office of Surface Mining Reclamation and Enforcement	306,530	295,179	281,168
Bureau of Indian Affairs	2,212,876	2,257,243	2,292,761
Departmental Offices	367,144	406,039	775,285
General Provisions	—	—	—
Total, Title I	9,486,419	9,591,471	9,763,661
Title II: Related Agencies			
U.S. Forest Service	4,130,416	4,586,839	4,057,972
Department of Energy	1,766,470	1,740,532	1,703,837
Clean Coal Technology	-40,000	-87,000	—
Fossil Energy R & D	582,790	620,837	514,305
Alternative Fuels Production (rescission)	-2,000	—	—
Naval Petroleum and Oil Shale Reserves	17,371	17,715	16,500
Elk Hills School Lands Fund	36,000	36,000	36,000
Energy Conservation	912,805	891,769	875,793
Economic Regulation	1,996	1,477	1,047
Strategic Petroleum Reserve (SPR)	179,009	171,732	175,081
SPR Petroleum Account	—	1,954	—
Northeast Home Heating Oil Reserve	—	5,961	5,000
Energy Information Administration	78,499	80,087	80,111
Indian Health Service	2,759,101	2,849,661	2,889,662
Office of Navajo and Hopi Indian Relocation	15,148	14,397	13,532
Institute of American Indian and Alaska Native Culture and Arts Development	4,490	5,454	5,250
Smithsonian Institution	518,860	544,875	566,523
National Gallery of Art	85,335	92,842	100,449
John F. Kennedy Center for the Performing Arts	38,310	33,690	32,560
Woodrow Wilson International Center for Scholars	7,796	8,433	8,604
National Endowment for the Arts	98,234	115,732	100,480
National Endowment for the Humanities	124,504	124,936	152,000

Bureau or Agency	FY2002 Approp.	FY2003 Approp.	FY2004 Request
Institute of Museum and Library Services	26,899	^a	^a
Challenge America Arts Fund	17,000	^b	17,000
Commission of Fine Arts	1,224	1,216	1,422
National Capital Arts and Cultural Affairs	7,000	6,954	5,000
Advisory Council on Historic Preservation	3,400	3,643	4,100
Natl Capital Planning Comm.	8,011	7,206	8,230
Holocaust Memorial Museum	36,028	38,412	39,997
Presidio Trust	23,125	21,188	20,700
Total, Title II: Related Agencies	9,671,351	10,196,010	9,727,318
Title VII: United Mine Workers of America Combined Benefit Fund			
United Mine Workers of America Combined Benefits Fund	—	—	
Grand Total (in Bill) ^c	19,157,770	19,787,481 ^d	19,490,979

Source: House Appropriations Committee and *Congressional Record*.

^a Beginning with FY2003, the Office of Museum Services as part of the IMLS is included in the appropriations bill for the Departments of Labor-HHS-Education and Related Agencies.

^b Funding (\$16.9 million) for Challenge America Arts Fund is included in the total for the National Endowment for the Arts for FY2003.

^c Figures do not reflect scorekeeping adjustments.

^d FY2003 enacted figures include an across-the-board cut of 0.65% in the FY2003 consolidated appropriations law (P.L. 108-7). The total includes \$825.0 million for wildland fire emergencies, consisting of \$189.0 million for BLM and \$636.0 million for the Forest Service. These funds are to repay amounts transferred from other accounts for fire fighting in FY2002.

Table 18. Conservation Spending Category: Interior Appropriations
(\$ in millions)^{a b}

Subcategory/Appropriations Account	FY2001 Approp.	FY2002 Approp.	FY2003 Request	FY2003 Approp.	FY2004 Request
LWCF, Federal and State					
BLM Federal Land Acquisition	\$47.3	\$49.9	\$44.7	\$33.2	\$23.7
FWS Federal Land Acquisition	121.2	99.1	70.4	72.9	40.7
NPS Federal Land Acquisition	124.8	130.1	86.1	74.0	78.6
FS Federal Land Acquisition	150.9	149.7	130.5	132.9	44.1
NPS Stateside Grants and Administration	90.3	144.0	200.0 ^c	97.4	160.0
<i>Subtotal, Federal and State</i>	<i>534.5</i>	<i>572.9</i>	<i>531.7^d</i>	<i>410.4</i>	<i>347.2</i>
LWCF, Other					
FWS State Wildlife Grants ^e	49.9	85.0 ^e	60.0	64.6	60.0
FWS Incentive Grant Programs	–	40.0 ^f	50.0	(0.3)	40.0
FWS Stewardship Grants Program	–	10.0 ^f	10.0	9.9	10.0
FWS Cooperative Endangered Species Conservation Fund	104.7	96.2	91.0	80.5	86.6
FWS North American Wetlands Conservation Fund	39.9	43.5	43.6	30.3	49.6
FS, Forest Legacy	59.9	65.0	69.8	68.4	90.8
FS, NFS Inventory and Monitoring	20.0	–	–	–	–
<i>Subtotal, Other LWCF funded Conservation Programs^{g h}</i>	<i>274.4</i>	<i>339.7</i>	<i>324.4</i>	<i>253.4</i>	<i>337.0</i>
Total LWCF	808.9	912.6	856.1	663.8	684.2
Conservation Programs					

Subcategory/Appropriations Account	FY2001 Approp.	FY2002 Approp.	FY2003 Request	FY2003 Approp.	FY2004 Request
BLM MLR Cooperative Conservation Initiative	–	–	10.0	14.9 ⁱ	36.1 ⁱ
FWS RM Cooperative Conservation Initiative	–	–	18.0	–	–
NPS ONPS Cooperative Conservation Initiative	–	–	22.0	—	—
USGS State Planning Partnerships	24.9	25.0	13.6	20.0	20.0
<i>Subtotal Conservation Programs</i>	<i>24.9</i>	<i>25.0</i>	<i>63.6</i>	<i>34.9</i>	<i>56.1</i>
Urban and Historic Preservation Programs					
NPS Historic Preservation Fund	94.1	74.5	67.0	68.6	67.0
NPS Urban Parks and Recreation Recovery Grants	29.9	30.0	0.3	0.3	0.3
FS Urban and Community Forestry	35.6	36.0	36.2	36.0	37.9
BLM Youth Conservation Corps	1.0	1.0	1.0	1.0	1.0
FWS Youth Conservation Corps	1.0	2.0	2.0	2.0	2.0
NPS Youth Conservation Corps	2.0	2.0	2.0	2.0	2.0
FS Youth Conservation Corps	2.0	2.0	2.0	2.0	2.0
<i>Subtotal Urban and Historic Preservation Programs</i>	<i>165.7</i>	<i>147.5</i>	<i>110.5</i>	<i>111.8</i>	<i>112.2</i>
Payments in Lieu of Taxes, BLM	49.9	50.0	15.0	59.6	50.0
<i>Subtotal PILT</i>	<i>49.9</i>	<i>50.0</i>	<i>15.0</i>	<i>59.6</i>	<i>50.0</i>
Federal Infrastructure Improvement Programs					
BLM - Management of Lands & Resources	24.9	28.0	29.0	30.8	29.4
FWS - Resource Management	24.9	29.0	58.0	49.4	62.4

Subcategory/Appropriations Account	FY2001 Approp.	FY2002 Approp.	FY2003 Request	FY2003 Approp.	FY2004 Request
NPS - Construction	49.9	66.9	82.2	28.5	0.0
FS - Capital Improvement and Maintenance	49.9	61.0	50.9	45.6	0.0
<i>Subtotal Federal Infrastructure Improvement Programs</i>	<i>149.6</i>	<i>184.9</i>	<i>220.1</i>	<i>153.7</i>	<i>91.8</i>
Total	1,199.0	1,320.0	1,265.3	1,032.2^j	1,001.3^k

Source: House Appropriations Committee.

^a The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) as amended established 3 discretionary spending categories. Title VIII of P.L. 106-291 established a fourth category of discretionary spending – for “conservation.” That law also identified the specific activities that would be included within the “conservation spending category.” The category essentially includes those activities, identified by Congress, in particular budget accounts (or portions thereof) providing appropriations to preserve and protect lands, habitat, wildlife, and other natural resources; to provide recreational opportunities; and for other purposes. This table presents the current and proposed distribution of these conservation funds. Dashes indicate that the funding is understood to be zero, either because nothing was provided or sought, or because the account did not exist. Further, several programs in this category have not received separate funding under conservation spending for FY2001-FY2003 or as proposed in the FY2004 budget will not receive separate funding. They include Competitive Grants for Indian Tribes, FWS Neotropical Migratory Birds, FS Stewardship Incentive and FS Stewardship, Departmental Management (BIA Water Settlement), and National Wildlife Refuge fund, FWS.

In FY2003, the House, Senate, and appropriations law (P.L. 108-7) did not contain calculations of funding for the CSC. The joint explanatory statement of the conference report on the enacted measure stated that no funds in the law are derived from the CSC, but that most of the programs previously funded under that category are continued in FY2003.

^b Subtotals and totals may not add due to rounding.

^c \$50.0 million of this total is part of a new Cooperative Conservation Initiative, and the remaining \$150.0 million would be distributed to states using an allocation formula developed by the administration for the traditional land acquisition and site development activities of states.

^d Departmental Management /BIA Water Settlement is not listed because it was a one-time request in FY2003 for \$3.0 million. The FY2003 request for \$3.0 million is not included in the total.

^e For FY2001, an additional \$50.0 million was appropriated for formula grants which were authorized in Title IX of the FY2001 Commerce appropriations law. Further, the FY2002 enacted amount does not reflect a proposed rescission of \$25.0 million.

^f The FY04 appropriations history indicates that the rescission in FY2002 was not adopted, i.e. that the Incentive Grant programs and Stewardship grants programs were sustained in FY2002.

^g The State and other conservation programs subgroup also includes the FWS Migratory Bird Fund and the FWS Multinational Species fund. The FY2003 funding for these was \$3.0 million for migratory birds and \$4.8 million for multinational species, and the FY04 request was \$0 and \$7.0 million respectively.

^h Funds for FS, Forest Stewardship were not considered part of the CSC in FY2001 and FY2002 so the table does not reflect funds for this program. It was proposed to be funded in the FY2003 request at \$49.5 million, but did not receive funding.

ⁱ The FY03 appropriations and FY04 request is a total for BLM, FWS, and NPS.

^j The final total includes \$7.8 million derived from the FWS Migratory Bird Fund (\$3.0 million) and FWS Multinational species fund(\$4.8 million)

^k The FY04 request of \$7 million for the FWS Multinational Species Fund is reflected in the FY04 request final total for the CSC.

Table 19. Historical Appropriations Data, from FY2000 to FY2003
(\$ in thousands)

Agency or Bureau	FY2000	FY2001	FY2002	FY2003
Department of the Interior				
Bureau of Land Management	\$1,231,402	\$2,147,182	\$1,872,597	\$2,060,463
U.S. Fish and Wildlife Service	875,093	1,227,010	1,276,424	1,243,533
National Park Service	1,803,847	2,135,219	2,380,074	2,239,430
U.S. Geological Survey	813,376	882,800	914,002	919,272
Minerals Management Service	116,318	139,221	156,772	170,312
Office of Surface Mining Recl. and Enforce.	291,733	302,846	306,530	295,179
Bureau of Indian Affairs	1,869,052	2,187,613	2,212,876	2,257,243
Departmental Offices ^a	319,869	352,519	367,144	406,039
General Provisions	—	12,572	—	—
Total for Department	7,320,690	9,386,982	9,486,419	9,591,471
Related Agencies				
U.S. Forest Service	2,819,933	4,435,391	4,130,416	4,586,839
Department of Energy	1,226,393	1,453,644	1,766,470	1,740,532
Indian Health Service	2,390,728	2,628,766	2,759,101	2,849,661
Office of Navajo and Hopi Indian Relocation	8,000	14,967	15,148	14,397
Inst. of Amer. Indian and Alaska Culture & Arts Dev.	2,125	4,116	4,490	5,454
Smithsonian Institution	438,130	453,854	518,860	544,875
National Gallery of Art	67,590	75,485	85,335	92,842
JFK Center for the Performing Arts	33,871	33,925	38,310	33,690
Woodrow Wilson International Center for Scholars	6,763	12,283	7,796	8,433
National Endowment for the Arts	97,628	97,785	98,234	115,732
National Endowment for the Humanities	115,260	119,994	124,504	124,936
Institute of Museum and Library Services	24,307	24,852	26,899	^b
Challenge America Arts Fund	—	6,985	17,000	^c
Commission of Fine Arts	1,021	1,076	1,224	1,216
National Capital Arts and Cultural Affairs	6,973	6,985	7,000	6,954
Advisory Council on Historic Preservation	2,989	3,182	3,400	3,643
National Capitol Planning Commission	6,288	6,486	8,011	7,206
Holocaust Memorial Museum	33,161	34,363	36,028	38,412
Presidio Trust	44,300	33,327	23,125	21,188
Total for Related Agencies	7,325,460	9,447,466	9,671,351	10,196,010
Grand Total for All Agencies	14,911,650	18,892,320	19,157,770	19,787,481^d

^a Departmental Offices includes Insular Affairs and Office of the Special Trustee for American Indians.

^b Beginning in FY2003, the Office of Museum Services as part of the IMLS is included in the appropriations bill for the Departments of Labor-HHS-Education and Related Agencies.

^c Funding (\$17.0 million) for Challenge America Arts Fund is included in the total figure for the National Endowment for the Arts.

^d Figures in this column reflect an across-the-board cut of 0.65% in the FY2003 consolidated appropriations law (P.L. 108-7). The total also includes \$825.0 million for wildland fire emergencies, consisting of \$189.0 million for BLM and \$636.0 million for the Forest Service. These funds are to repay amounts transferred from other accounts for fire fighting in FY2002.