

# FINANCIAL MANAGEMENT AND ADMINISTRATION

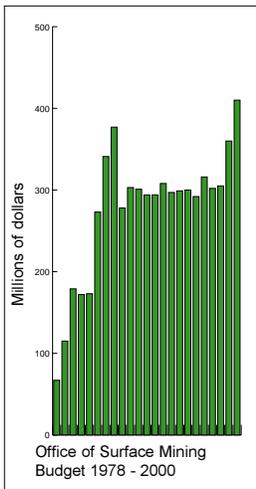
## A REPORT ON THE BUDGET, MANAGEMENT, AND OPERATIONS OF THE OFFICE OF SURFACE MINING

The measure of successful reclamation is the suitability of the land for long-term uses. At this Ohio site the farm was mined and reclaimed and in a few years operating just as it had before mining. Coal mining was a temporary use of the land. The disturbed areas have been reclaimed, topsoil replaced, vegetation replanted, and ponds constructed. A few years ago this scene was an active mine site; today it is difficult to distinguish from the surrounding rural landscape.



Office of Surface Mining financial management consists of three program activities: fee compliance, grants management, and revenue management. Fee compliance covers the collection, accounting, audit, and investment of abandoned mine reclamation fees. Grants management includes accounting for and reporting on grants awarded to states and tribes for Abandoned Mine Land and regulatory purposes. Revenue management involves the accounting and collection of revenue other than reclamation fees, such as civil penalties assessed under federal citations of mining violations and federal performance bonds forfeited by coal mine permittees.

**Budget and Appropriations**



The Department of the Interior and Related Agencies Appropriations Act of 2000 (Public Law 106-113) appropriated \$95,585,000 from the General Fund for the Office of Surface Mining’s regulation and technology activities (\$2,552,500 more than 1999). The Emergency Supplemental Appropriation Act, (Public Law 106-246) provided an additional \$9,821,000 to respond to

concerns that West Virginia lacked adequate funds to carry out its regulatory responsibilities under the Surface Mining Law. Of this sum, \$6,222,000 is (no-year, non-matching funding) for enhancing program capabilities. The remaining \$3,599,000 is provided to address the state’s staffing deficiencies and requires the state to match this sum. In addition, \$195,873,000 was made available for obligation from the Abandoned Mine Reclamation Fund (\$10,481,500 more than 1999). And, as authorized by Public Law 102-468, \$108,959,942 of interest (\$27,193,617 more than 1999) was transferred to the United Mine Workers of America Combined Benefit Fund.

The 2000 Regulation and Technology appropriation included the following provisions:

■ Where the Office of Surface Mining is the regulatory authority, proceeds of performance bonds

forfeited under Section 509 of Surface Mining Law can be used to reclaim lands where the mine operator did not meet all the requirements of the Law and the permit. In 2000, one performance bond forfeiture resulted in revenue collections of \$2,868.

■ Federal civil penalties and related interest collected under Section 518 of Surface Mining Law can be used to reclaim coal mine lands abandoned after August 3, 1977. In 2000, a total of \$31,500 of civil penalties (base penalty and interest) was deposited into the Civil Penalty Fund for reclamation purposes. During 2000, \$108,644 from this fund was obligated for post-Surface Mining Law reclamation projects.

■ State regulatory program grants were funded at \$52,156,000 which was \$1,500,000 more than 1999. These grants are used to fund state regulatory program payroll and other operational costs.

The Abandoned Mine Land appropriation included the following provisions:

■ State reclamation grants were funded at \$154,802,000, which was \$9,550,000 more than in 1999.

At this Southern Indiana reclaimed coal mine the soil was removed and replaced to prime farmland depths (48 inches), even though most of the site was on non-prime farmland and could have been replaced at the required 12-inch depth. The operator’s commitment to extra soil replacement has restored the land to a level capable of supporting a wide variety of future agricultural uses.



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■ Expenditures up to \$8,000,000 were authorized for supplemental grants to states for the reclamation of abandoned sites with acid mine drainage through the Appalachian Clean Streams Initiative.

■ Up to \$18,000,000 was authorized for the emergency program associated with section 410 of the Surface Mining Law, of which no more than 25 percent shall be used for emergency reclamation projects in any one state.

■ Federally administered emergency reclamation project expenditures were limited to \$11,000,000, which was the same amount appropriated in 1999.

■ Prior year unobligated funds appropriated for the emergency reclamation program are not subject to the 25 percent limitation per state and may be used without fiscal year limitation for emergency projects.

All appropriations provisions were met.

### Debt Collection

When unpaid Abandoned Mine Land reclamation fees are identified, or civil penalties are assessed for mine site violations, the Office of Surface Mining takes appropriate collection actions. Delinquent debt information is retained in the Applicant/Violator System. When necessary, and after all of the agency debt collection avenues have been exhausted, delin-

**Table 14: Collections Management**

Category	Amount Collected	Balance Owed
AML Fees	\$274,297,102	\$4,365,498
Civil Penalties	35,022	1,276,424
Administrative	0	0
<b>Total</b>	<b>\$274,332,124</b>	<b>\$5,641,922</b>

**TABLE 13: APPROPRIATIONS<sup>1</sup>**

	2000	1999
<b>Regulation &amp; Technology</b>		
Environmental Restoration	133,732	144,000
Environmental Protection	71,948,404	70,440,000
Regulatory Grants	(52,156,000)	(51,156,000)
Technology Dev. & Transfer	11,746,031	11,050,000
Financial Management	520,562	511,000
Executive Dir. & Admin	11,236,271	10,887,500
Executive Direction	(2,224,000)	(2,172,525)
Administrative Support	(3,838,271)	(3,644,975)
General Services	(5,174,000)	(5,070,000)
Subtotal:	95,585,000	93,032,500
West Virginia Emergency Supplemental	9,821,000	0
<b>Abandoned Mine Reclamation Fund</b>		
Environmental Restoration	180,799,000	167,716,784
Reclamation Grants	(154,802,000)	(144,802,677)
Environmental Protection	0	0
Technology Dev. & Transfer	3,756,000	5,896,216
Financial Management	5,205,000	5,860,000
Executive Dir. & Admin	6,113,000	5,918,500
Executive Direction	(1,233,000)	(1,188,935)
Administrative Support	(2,090,000)	(1,997,565)
General Services	(2,790,000)	(2,732,000)
Subtotal:	195,873,000	185,391,500
Transfer to United Mine Workers Fund	108,959,942	81,766,325
<b>Total</b>	<b>410,238,942</b>	<b>360,190,325</b>

1. The appropriation figures for both years include reprogramming and rescissions.

quent accounts are referred to the Department of Treasury for additional collection efforts, or to the Interior Department's Solicitor's Office for appropriate legal action or bankruptcy proceedings. The current accounts receivable balance is \$5.6 million. The Office of Surface Mining has referred \$3.1 million of this amount to the Office of the Solicitor for legal action, \$1.5 million under bankruptcies, and \$1.6 million for litigation. Another \$1.4 million has been referred to the Department of Treasury for collection, and the remaining \$1.1 million is being pursued internally by the Office of Surface Mining. Table 14 shows 2000 collections and year-end debt balances.

### Financial Systems: Electronic Improvements

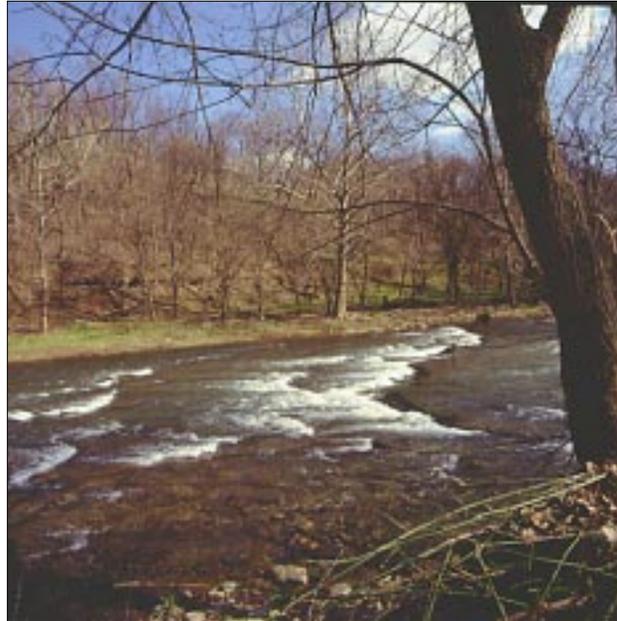
The Office of Surface Mining is pursuing the following initiatives to improve its financial and administrative management. Added improvements in 2000 include:

■ **Financial Statements/Accounting Standards.** The Office of Surface Mining's managerial cost accounting program made advances in 2000. Cost accounting information was produced for each of the major program activities and distributed to managers. The information links expenditures to productivity, so that costs and outputs can be compared. The 2000 data establishes a baseline that can be used to evaluate trends and efficiency in future years.

■ **Financial Management Systems.** The Comprehensive On-Line Document Reconciliation System, which is a sub-system for processing the integrated credit card centrally-billed transactions continues to be improved. In 2000, over 96 percent of all transactions were processed through this system. The cardholder inputs transactions which are matched against the invoice downloaded from the Bank of America to allow daily payment of the invoice. Unmatched transactions are automatically paid against default accounts selected by the user. The system is fully integrated with the accounting system and permits the cardholder to adjust the accounting information at any time. The system also has a selection of reports available to monitor usage and data accuracy.

■ **The Management Accounting and Performance System** was upgraded during 2000. This system is an on-line reporting tool that utilizes a parallel data source that is the core accounting and reporting system for the Office of Surface Mining. The system provides information on the status of funds, labor and payroll, grant, and personnel management. The upgrades include adding reports for personnel data and budgetary monitoring were added, and system security was upgraded. This system will continue to be enhanced each year based on customer requests so it will become more effective.

■ **Electronic Filing of Coal Reclamation Fee Reports.** During 2000, two methods were developed to allow coal companies to file Coal Reclamation Fee Reports electronically. Companies that report on less than 20 permits will be able use the internet to file quarterly reports on-line. Companies that



The Surface Mining Law requires careful planning to prevent off-site degradation of surface water resources. At this Pennsylvania site, a remining operation located along the banks of the river, there was not any environmental degradation or violations throughout the mining and reclamation process.

report on large numbers of permits will be able to transmit an electronic file. The intent of this project is to reduce the reliance on paper, increase efficiency, and give companies a convenient electronic alternative for reporting reclamation fee information. Testing of electronic filing will extend into 2001, and electronic filing will be available for companies to use on a pilot basis in January 2001.

■ **Payments and Business Methods.** Prompt Payment Act interest was reduced from 0.26 percent in September 1999 to a cumulative rate of 0.15 percent in September 2000. The aggressive policy to comply with the Electronic Funds Transfer provisions of the Debt Collection Improvement Act of 1996 continued during 2000. Vendor compliance ranged from 73.5 percent to 87.7 percent, averaging 81.5 percent for 2000, and travel payments increased from 99.5 to 99.8 percent. In 2000, 99.9 percent of all dollars paid by the Office of Surface Mining were paid by electronic transfer.

■ *Use of the Purchase Cards* continued to increase dramatically during 2000. Total transactions paid by credit card increased from 17,995 transactions in 1999 to 24,929 in 2000. Dollars spent increased from \$3,544,363 in 1999 to \$4,359,282 in 2000. Dollars spent using the credit card amounted to 25.8 percent of all dollars obligated in 2000.

**Audited Financial Statements**

Since 1990, the Office of Surface Mining has prepared an Annual Financial Statement after the close of each fiscal year, as required by the Chief Financial

Wildlife habitat has a particularly rich and diverse ecology. Creation or reestablishment of wetlands on reclaimed mine land is a high priority in many areas of the country where the post-mining use is suitable. At this Alabama site, the mine operator established the wetland during the reclamation of a large sediment pond.



Officers Act of 1990 (Public Law 101-576). The statements are audited by the Department of the Interior’s Office of Inspector General to ensure that financial results are fairly stated and conform with generally-accepted accounting principles for federal agencies. In 2000, the Office of Surface Mining received its tenth consecutive “clean” audit opinion.

**Information Technology**

The Office of Surface Mining uses information technology to be more efficient, support program functions, and provide better information access for other federal agencies, coal industry, states, tribes, and the public. A telecommunications network is maintained to electronically transmit and receive information from sources both inside and outside of the agency.

During 2000, improved safeguards and increased security of automated systems have been implemented. With increased security threats from both internal and external sources, a security directive was developed and risk assessments conducted for automated systems. This ensures that any security weaknesses in automated systems are identified and eliminated.

The expansion and improvement of the Wide Area Network continued. This expanded network provides improved telecommunications support to accommodate the increased volume of electronic transactions. Both public and private sources connecting to the Office of Surface Mining via the Internet benefit from the increased processing speed of the expanded network.

**Human Resources Management**

During 2000, the automated recruitment, rating, and ranking system was put into use. This system has reduced the time and resources needed to determine highly-qualified applicants. The system is Web based, allowing applicants to apply on-line, and providing a list of eligible candidates almost immediately after a vacancy has closed. The system also provides historical information concerning applicant pools and responses so that successful and unsuccessful recruitment efforts can be measured. The Office of Surface Mining on-line job application web site can be accessed at [www.osmre.gov/applyforjobs.htm](http://www.osmre.gov/applyforjobs.htm).

As part of the Succession Planning process, data from the national survey is being used to analyze workload and workforce requirements. Using this data, determinations on projected retirement dates, skill levels of current employees, and skills required for future employees are being made.

The Office of Surface Mining continued to provide personnel policy guidance and operational services to the Bureau of Indian Affairs, Washington, D.C. This included managing a large transfer of function of Bureau of Indian Affairs employees from Albuquerque, New Mexico to Reston, Virginia.

During 2000, Quality of Worklife Seminars were held on income tax preparation, breast cancer, prostate cancer, census 2000, retirement, and self-defense.

**Monitoring Potential Conflicts of Interest**

Sections 201(f) and 517(g) of the Surface Mining Law prohibit any federal or state employee “performing any function or duty under this Act” from having “direct or indirect financial interests in underground or surface coal mining operations.” The Office of Surface Mining monitors compliance to prevent conflicts with an employee’s official duties. In 1999<sup>1</sup>, 633 Office of Surface Mining, 989 other federal, and 3,308 state employees filed financial disclosure statements. Five violations were identified and resolved by the head of the state regulatory authority.

**Labor-Management Partnership**

The Office of Surface Mining maintains two labor-management partnerships, created in response to Executive Order 1287. The first was established in 1994 at Washington, D.C., headquarters with the National Federation of Federal Employees, Local 1993. Since June 1995, Local 2148 of the National Federation of Federal Employees and the Albuquerque Field Office have also maintained a partnership.

There are three other exclusive recognitions, although partnerships have not yet been established. They are located at the Casper Field Office (Wyoming); Lexington Field Office (Kentucky); and Division of Compliance Management-Region II (Lexington, Kentucky).

The Office of Surface Mining, under a Memorandum of Agreement with the Bureau of Indian Affairs, continues to provide labor relations support throughout the Bureau of Indian Affairs. The results of a 1999 election to determine Bureau of Indian Affairs



Coal mining at this North Dakota site was a temporary use of the land. In the first step of the mining operation, the topsoil was removed. During reclamation the soil was restored, and today is the land is as productive as it was before mining.

employee representatives was contested by the National Federation of Federal Employees. In May 2000, the Federal Labor Relations Authority rendered a decision on the outcome of this election and named the Indian Education Federation as the exclusive representative.

**Equal Opportunity**

The Office of Surface Mining is in its third year of implementing its Strategic Plan for Improving Diversity. The Plan contains objectives to address the recruitment of women, minorities, persons with disabilities, reasonable accommodation issues, employee development, retention, zero tolerance of discrimination, quality of work life, management training and accountability. Even though success was achieved in the recruitment and employee development initiatives, there was no significant change in the representation of women and minorities due to the large number of separations (35) during 2000.

The Office of Surface Mining hired 26 new employees during 2000. These new employees included 15 women (11 men) and 12 minorities (14 non-minorities). However, significant gains were achieved by improving diversity through internal actions. For example, there were 62 promotions in

1. Data for 1999 are reported here because 2000 federal statistics will not be available until January 2001 and state statistics until May 2001.

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2000, women received 44 (18 men) and minorities received 21 (41 non-minorities) of the promotions. It is also significant that women and minorities received 8 of the 13 promotions at the GS-13 and 14 grade levels. In addition, two disabled students were hired through the Defense Department's summer program.

Effective January 1, 2000, the changes to the Complaints Processing Regulation, 29 CFR Part 1614, dictated that all agencies must have an established Alternative Dispute Resolution program in place. The Office of Surface Mining along with the Bureau of Land Management, and the Minerals Management Service, and the Office of the Secretary, developed the Land and Minerals Mediation Program. Under this program, there were four mediations, and all of them were settled prior to the employee filing a formal complaint. Alternative Dispute Resolution is a timely and cost effective preference to the more conventional processes of resolving disputes.

During 2000, 11 discrimination complaints were filed. This was a decrease of 2 complaints from the previous year and represents the third consecutive year that the number of complaints filed in the Office of Surface Mining has decreased. At the end of the year, there were 18 complaints being processed, a decrease of 12 complaints (40 percent) over the previous year. These 18 complaints include: 7 pending investigations and 11 pending hearings by the Equal Employment Opportunity Commission. This was the second consecutive fiscal year with no complaints over 180 days old without the issuance of a Report of Investigation.

One of the basic objectives of the Surface Mining Law is to see that operators return mined land to its original condition so it can support the pre-mining land use or a higher alternative use. This Kentucky mine was reclaimed to farm land that is completely integrated into the existing agricultural landscape. Slopes were graded to provide gently rolling hay fields draining into a permanent impoundment that is stocked with fish. This is the quality of reclamation envisioned by the architects of the Surface Mining Law.

