

BUDGET JUSTIFICATIONS
and Annual Performance Plan
Fiscal Year 2002

U.S. Department of the Interior
Office of Surface Mining Reclamation and Enforcement

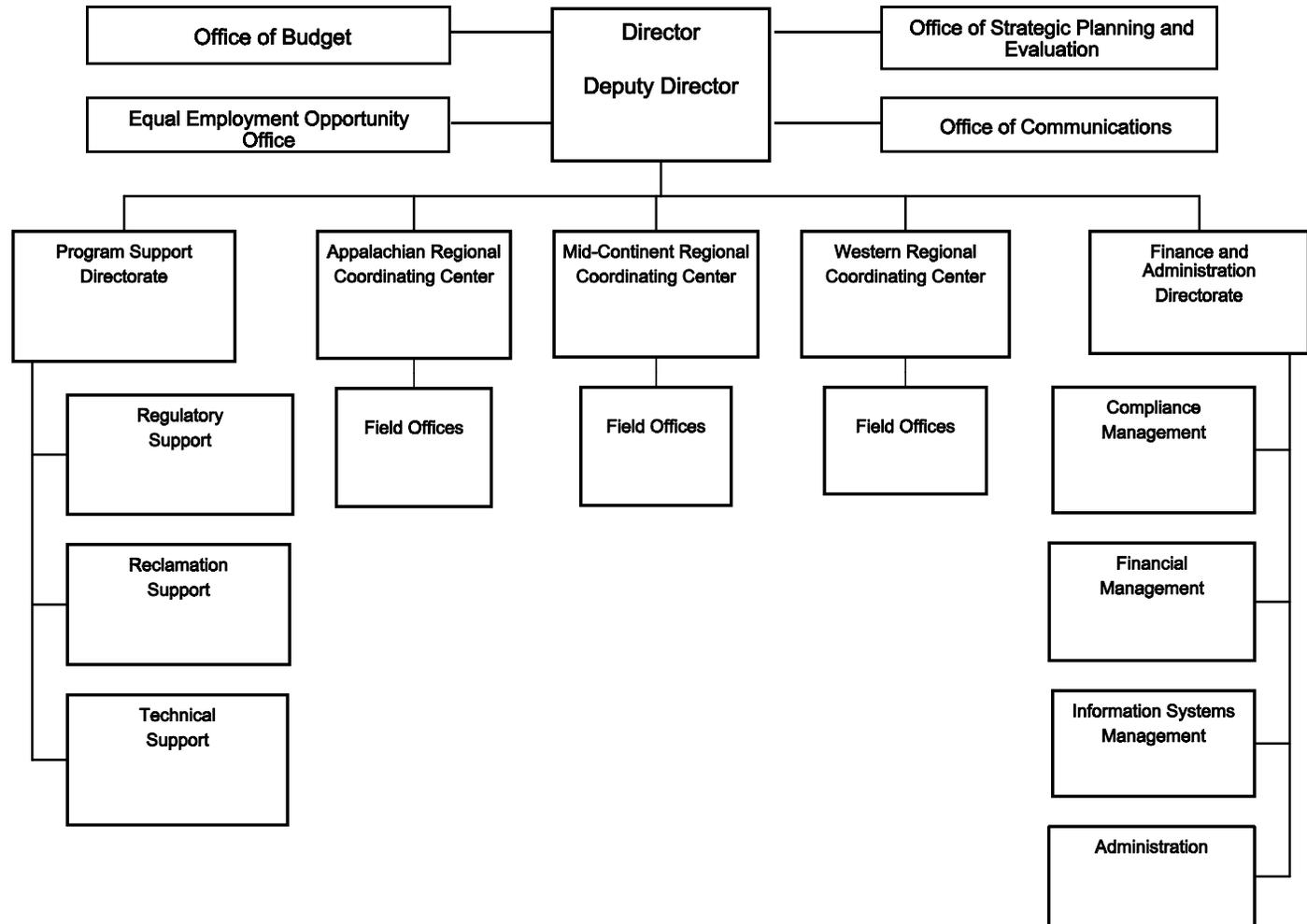
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OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT



GENERAL STATEMENT

The Office of Surface Mining Reclamation and Enforcement (OSM) was established with the passage of the Surface Mining Control and Reclamation Act (SMCRA) of 1977, Public Law 95-87, August 3, 1977.

SMCRA was enacted to ensure that coal mine surface activities are operated in a manner that protects citizens and the environment during mining, to assure that the land is restored to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines. SMCRA provides the means for restoring abandoned coal mines through collection of a tonnage-based reclamation fee assessed on current coal production.

OSM's mission goals are to : (1) Provide a cleaner and safer environment by reclaiming and restoring land and water degraded by past mining, and (2) Protect people and the environment during current mining operations and to ensure that the land is restored to beneficial use after mining has ceased.

Currently, 24 States have regulatory programs in place and OSM continues to work with Indian Tribes to enable them to assume primacy. Twenty-three States and three Tribes administer approved abandoned mine land reclamation programs. The primacy States are successfully implementing their approved regulatory and reclamation programs. OSM's role has evolved to establishing policy direction and guidance, providing grants to primacy States and Tribes, conducting oversight activities in accordance with SMCRA, and administering and operating programs on Federal and Tribal lands and in States that have not assumed primacy.

Since 1977 OSM has provided more than \$900 million in regulatory grants to the States and Tribes to assist in funding the regulation of active coal mines. Since 1979 OSM has provided over \$2.9 billion in grants to the States and Tribes to clean up mine sites abandoned before SMCRA's 1977 enactment. More than 140,000 acres of abandoned coal mine sites have been reclaimed under the program.

OSM's fiscal year (FY) 2002 budget is a fiscally responsible proposal that enables OSM to effectively and efficiently implement its mission goals. This proposal identifies certain operational efficiencies resulting in savings that permit funding of other program priorities.

The FY 2002 President's Budget requests \$268.9 million in current authority, \$92 million in permanent authority, and 637 FTEs. Almost three quarters of OSM's current funding request will be passed to the States and Indian Tribes in the form of regulatory, reclamation, or Small Operators Assistance Program grants or will be used for emergency and high priority projects. OSM will use the balance of the request to provide technical assistance to the States, conduct its oversight responsibilities, implement a Federal Reclamation Program, and carry out its fiscal responsibilities for collecting revenues and awarding grants. OSM implements these programs through three regional

and ten field offices.

OSM continues to emphasize the importance of protecting the environment during and after coal mining operations. OSM oversees SMCRA's implementation in 24 primacy States through an oversight process where OSM assists the States in the administration, implementation and maintenance of their approved regulatory programs. Under this approach, performance agreements are worked out by consensus with each State, with the development of State-specific evaluation plans tailored to the unique conditions of each State's program.

OSM, in cooperation with 23 States and three Indian Tribes that have reclamation programs, will continue to clean up land and waters degraded by past mining practices and abandoned. The grant funds provided help them to remove existing health and safety hazards and restore the areas to productive use. Additionally, OSM has developed funding and operational mechanisms, such as the Clean Streams Program and the Enhanced Reclamation Initiative as discussed below, to achieve additional reclamation at less cost in a cooperative manner.

Implementing SMCRA – New Approaches Using Effective Partnerships

OSM will continue its focus on developing new approaches in implementing SMCRA. These initiatives include an emphasis on State and local partnerships to clean up acid mine drainage and improve the aquatic environment and quality of life for coalfield citizens including the Clean Streams Program. Acid mine drainage is the number one water pollutant in the coal fields of the Appalachian area causing major environmental and public health problems. Through this Program, over 100 State and Federal agencies, local soil and water conservation districts, national conservation organizations, private foundations, and coalfield residents have formalized their commitment to work together through a Statement of Mutual Intent.

Many of the demonstration projects that have received funding since program inception are now completed, under construction, or in design, with construction to commence soon.

Similarly, OSM implemented the new Watershed Cooperative Agreement Program as part of the Clean Streams Program. This program allows OSM to award AML funds from the federal share directly to private not-for-profit agencies to undertake local acid mine drainage projects.

Advancing AML enhancement and re-mining are additional examples of these new approaches and continue to remain OSM priorities. These initiatives foster additional production and reclamation that might otherwise not occur, with reduced cost to the Government. Enhancing AML Reclamation allows more sites to be reclaimed by allowing contractors to offset reclamation costs by removing and selling coal found incidental to reclamation projects. Re-mining allows current operators to mine previously mined sites. Re-mining operators mine the now economical coal left by previous operations, as part of their current operations, and reclaim the entire site as part of their post-mining reclamation responsibilities. These operations may resolve many environmental problems created

by past mining, and reduce the Federal requirement costs for reclamation.

OSM recognizes the importance of working with the States and Indian Tribes, industry and coal field citizens in implementing SMCRA. To this end, OSM is committed to continue to work together with its partners to better implement the surface mining program. The above reference groups have been working in concert to develop sound policies and implement procedures which not only enhance the environment for all Americans but also support the coal industry as economical, progressive, and responsible. As an example, OSM and the States revised OSM's approach to oversight from a process review to measuring on-the-ground results.

The Acid Drainage Technology Initiative (ADTI) is a primary example of another effective partnership at work. The ADTI is a partnership-based joint venture, which includes OSM, coal producing States, academia, industry, and other Government agencies and groups. Its purpose is to identify, evaluate, and develop "best science" practices to predict the likelihood of acid mine drainage discharges prior to mining, and to identify successful remediation practices for existing sources of acid mine drainage. Two manuals, one focusing on reclamation techniques and the other on prediction, have been issued to date.

OSM will continue its efforts to establish partnerships to improve and increase outreach efforts that allow full participation from its stakeholders in addressing common problems. These initiatives will assist OSM in forging a bond and partnership with its stakeholders that will endure well into the 21st century.

To better serve its partners and the public, OSM continues to improve its abandoned mine site databases by working with other agencies to include all abandoned mine sites, both coal and non-coal, in a unified inventory. OSM expanded its electronic permitting program to reduce paperwork and save time and money for both the States and industry. OSM's website contains comprehensive information on regulatory and reclamation matters and even accepts requests from citizens for Freedom of Information Act requests.

As mining and engineering information technology continues to grow rapidly, OSM continues to lead by providing and enhancing the most up-to-date information, technical training, technical assistance, and technology transfer. OSM believes these programs greatly help the States and Tribes operate their respective regulatory and reclamation programs in fulfilling SMCRA's requirements

OSM Initiatives to Effectively Manage Resources:

OSM has enhanced integration of the Chief Financial Officer's Act with Government Performance and Results Act (GPRA). The linkage between planning, the budget process, performance and the actual available resources has facilitated overall management efficiencies. For FY 2000, OSM again received a clean opinion on its financial statements from the Inspector General, confirming OSM's sound internal controls and accurate accountability for all transactions.

OSM is using technology to improve efficiency and to benefit the coal industry. For example, OSM worked with the coal industry to build and test a successful method for operators to electronically file their quarterly Coal Reclamation Fee Reports. In FY 2002, OSM seeks to expand the system's use and improve its efficiency.

To achieve systems security, OSM has improved safeguards such as implementing a security directive to reduce the risk of threats from both outside and internal sources, conducting risk assessments for automated systems, providing security training, and installing security hardware and software.

Additionally, OSM is implementing reforms that will result in a citizen-based focus that is results oriented. OSM is a strong proponent of E-Government. In addition to encouraging mine operators to report electronically, OSM will also emphasize the electronic format where appropriate. Efforts to delayer management levels will be pursued. OSM has committed to using performance-based work statements in its service contracts to the maximum extent practicable. Finally, OSM is addressing issues in Office of Management and Budget Circular A-76 concerning inherently government functions and commercial activities. The Annual Performance Plan appended to the Budget Justification addresses these issues in more detail.

OSM continues its effort to increase its workforce diversity by participating in a targeted recruitment program in cooperation with other Departmental Personnel and Equal Employment Opportunity offices. To maximize resources, OSM and other Interior bureaus have each taken the lead on a portion of the program initiative. OSM is coordinating recruitment efforts. Efficiencies achieved through automating the human resources process have resulted in reducing recruitment and staffing time by twenty-five percent and increased the diversity of its application pool. Quick Hire, a web-based recruitment and application package, is an example of such efficiencies, as is OSM's software classification package.

Government Performance and Results Act:

Core GPRA requirements are to improve planning, eliminate duplicative processes, and involve stakeholders. OSM deals with both State and Federal agencies, is responsible for both Federal and private lands, reclaiming and protecting diverse sites, and enhancing technology transfer among many constituents. Although a small bureau, OSM is positioned to lead such efforts, particularly those related to implementing that part of a comprehensive energy strategy involving coal mining in an economically and environmentally viable manner.

OSM sees its role as a policy leader and coordinator with its partners in carrying out the responsibilities of SMCRA. OSM is an innovator in promoting the effective administration of the Surface Mining Program and maximizing land and water restoration with limited funds.

The FY 2002 President's Budget request describes its needs through strategic goals and associated performance measures. OSM identified its major

functions, or Business Lines. OSM then developed a Strategic Plan to carry out its mission, vision, and goals and developed budget resource requests accordingly. The Business Lines are:

- C Environmental Restoration;
- C Environmental Protection;
- C Technology Development & Transfer;
- C Financial Management; and
- C Executive Direction and Administration.

The individual Business Line sections in this document begin with a brief description of the program activities within the Business Line. They then discuss the strategic outcomes and FY 2002 annual performance goals, how OSM will measure and evaluate progress toward the goals, and the resources needed to achieve the annual performance goals. The remaining part of each section describes the resources of the program activities supporting the Business Line goals.

The Annual Performance Plan appended at the end of the Budget Justification provides comprehensive information on OSM's mission and goals and the strategies OSM is using to achieve them. Summary level information is also presented in each Business Line discussion in the Budget Justification.

Budget Highlights:

OSM requests \$268,958,000 and 637 FTE to achieve its FY 2002 annual performance goals. An additional \$92 million in permanent authority (\$70 million for FY 2002, and \$22 million for prior year adjustments) is available to provide health benefits through the United Mine Workers of America to coal miners and their dependents as authorized by the Energy Policy Act of 1992 and SMCRA.

The FY 2002 discretionary request represents a \$143.3 million decrease from the FY 2001 enacted level. Excluding a FY 2001 one-time payment of \$96.8 million to the United Mine Workers Combined Benefit Fund, the reduction is \$46.5 million. This budget proposal provides for a:

- \$12.5 million reduction for a one-time earmark for funds primarily for the State of Pennsylvania's anthracite region.;
- \$35 million reduction for reclamation grants to States; and a
- \$0.5 million increase for fee compliance activities.

This request also provides \$2.25 million for uncontrollable cost increases. An additional \$531,000 in uncontrollable costs will be absorbed through administrative and program efficiencies.

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This budget proposes appropriation language changes to allow OSM to remove the funding and 25 percent limitation on the amount of emergency program funding that can be spent in any one State.

The following summary compares the FY 2002 request level to the FY 2001 enacted level.

**2000 - 2002 Resource Comparison
(Dollar Amounts in Thousands)**

		FY 2000 Actual	FY 2001 Enacted	FY 2002 Request	Difference from FY 2001 Enacted (+/-)
Regulation and Technology	\$	105,861 ^{/1}	100,854	102,175	1,321
	<i>FTE</i>	<i>415</i>	<i>415</i>	<i>415</i>	<i>0</i>
Abandoned Mine Recl. Fund	\$	195,873	214,565	166,783	-144,569
UMWACBF <i>one-time payments</i>		68,000	96,787		
	<i>FTE</i>	<u><i>221</i></u>	<u><i>222</i></u>	<u><i>222</i></u>	<u><i>0</i></u>
TOTAL, OSM	\$	369,734	412,206	268,958	-143,248
	<i>FTE</i>	<i>636</i>	<i>637</i>	<i>637</i>	<i>0</i>

Note: Includes actual and estimated civil penalty collections in addition to appropriated amounts.

FY 2001 figures include effects of the rescission.

/1 Includes FY 2000 emergency supplemental of \$9.8 million for West Virginia.

Description and Summary of Program Changes in FY 2002 Budget

The total request for OSM's current appropriations is \$268,958,000 for FY 2002. Funding is requested from two appropriations as summarized below.

Regulation and Technology

This appropriation finances the regulatory functions of SMCRA as administered by the States and OSM. Federal activities related to the administration and monitoring of State regulatory programs and OSM's technical training, assistance, and transfer activities related to environmental protection are also financed by this appropriation. The total request is \$102,175,000 (including an estimated \$275,000 in civil penalty collections); a net increase of \$1.3 million over the FY 2001 enacted level. The budget proposes:

- An increase of \$0.100 million for the external audit of OSM's financial statement,
- A decrease of \$0.245 million for program efficiencies, and
- C Uncontrollable increases of \$1.466 million, with absorbed uncontrollables of \$344,000.

Abandoned Mine Reclamation Fund

This appropriation supports the reclamation program functions carried out by the States and OSM. The Fund is derived from a fee levied on coal production sales, use and transfers. The bulk of the appropriation finances grants to States to implement reclamation programs. The Fund also supports Federal activities related to the administration and monitoring of State programs, as well as OSM's technical training, assistance, and transfer activities related to environmental reclamation including the Small Operator Assistance Program. Excluding the decrease for the one-time earmark of \$96.8 million for the United Mine Workers' Combined Benefit Fund, the total request is \$166,783,000 a decrease of \$47.8 million from the FY 2001 enacted level. The budget proposes:

- A decrease of \$12.572 million resulting from the termination of FY 2001 one time funding specifically earmarked for the State of Pennsylvania;
- A decrease of \$35 million for State and Tribal reclamation grants;
- A decrease of \$1.3 million for Federal high priority reclamation projects; and
- A technical adjustment of \$0.5 million from reclamation program administrative operations to technology transfer and development administration;

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- A decrease of \$0.293 million for program efficiencies;
 - An increase of \$0.099 million for external audit activities,
 - An increase of \$0.5 million for fee compliance activities, and
- C An increase of \$0.784 million for uncontrollable cost increases.

Proposed Appropriation Language Changes:

Regulation and Technology

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; [\$100,801,000] ^ \$101,900,000
Provided, That the Secretary of Interior, pursuant to regulations, may use directly or through grants to States, moneys collected in fiscal year [2001] ^ 2002
for civil penalties assessed under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: Provided further, That appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining reclamation and Enforcement sponsored training. (Department of the Interior and Related Agencies Appropriations Act, [2001])

Abandoned Mine Reclamation Fund

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not more than 10 passenger motor vehicles for replacement only, [\$202,438,000]^\underline{\hspace{10em}} \$166,783,000

to be derived from the receipts of the Abandoned Mine Reclamation Fund and to remain available until expended; of which up to \$10,000,000

to be derived from the Federal Expenses share of the Fund, shall be for supplemental grants to States for the reclamation of abandoned sites with acid mine rock drainage from coal mines, and for associated activities through the Appalachian Clean Streams Initiative; Provided, That grants to minimum program States will be \$1,600,000 per State in fiscal year [2001]^: 2002

[Provided further, That funds herein provided up to \$18,000,000 by Section 410 of Public Law 95-87, as amended, of which no more than 25 per centum shall be used for emergency reclamation projects in any one State and funds for federally-administered emergency reclamation projects under this proviso shall not exceed \$11,000,000] Provided further, That prior year unobligated funds appropriated for the emergency reclamation program shall not be subject to the 25 per centum limitation per State and may be used without fiscal year limitation for emergency projects; Provided further, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 per centum from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That funds made available under title IV of Public Law 95-87 may be used, for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or

mine drainage from abandoned mines: Provided further, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: Provided further, That the State of Maryland may set aside the greater of \$1,000,000 or 10 percent of the total of the grants made available to the State under title IV of the Surface Mining Control and Reclamation Act of 1977, as amended (30 U.S.C. 1231 et seq.), if the amount set aside is deposited in an acid mine drainage abatement and treatment fund established under a State law, pursuant to which law the amount (together with all interest earned on the amount) is expended by the State to undertake acid mine drainage abatement and treatment projects, except that before any amounts greater than 10 percent of its title IV grants are deposited in an acid mine drainage abatement and treatment fund, the State of Maryland must first complete all Surface Mining Control and Reclamation Act priority one projects. (Department of the Interior and Related Agencies Appropriation Act, [2001.]

Justification of Language Changes

Regulation and Technology:

No legislative changes are proposed for this account.

Abandoned Mine Reclamation Fund:

Changes proposed appropriations amount available for emergencies and proposes removal of the twenty-five percent cap on emergency spending per State.

**Summary of FY 2001 Appropriations and FY 2002 Budget Changes
By Appropriation and Business Line**

Regulation & Technology	FY 2001 Enacted	FY 2002 Proposed	Change
Environmental Restoration	431	435	4
Environmental Protection	76,274	76,741	467
Tech Dev Transfer	11,820	12,151	331
Financial Management	536	477	(59)
Executive Direction	11,793	12,371	578
Total Appropriation	100,854	102,175	1,321

Abandoned Mine Reclamation Fund	FY 2001 Enacted	FY 2002 Proposed	Change
Environmental Restoration	199,270	149,926	-49,344
Environmental Protection	0	0	0
Tech Dev Transfer	3,591	4,136	545
Financial Management	5,402	6,070	668
Executive Direction	6,302	6,651	349
Total Appropriation	214,565	166,783	-47,782

* Figures are in thousands of dollars.

DEPARTMENT OF THE INTERIOR Table 1 - Summary of Requirements (in thousands of dollars)

APPROPRIATION:	REGULATION AND TECHNOLOGY				ABANDONED MINE RECLAMATION FUND				
SUMMARY OF UNCONTROLLABLE AND RELATED CHANGES:									
Adjustment for Pay Raise - Jan 01		[292] /1				[159]			
Adjustment for Pay Raise - Jan 02		866				464			
Adjustment for CSRS/FERS		222				118			
Adjustment for Worker's Compensation		-64				-34			
Adjustment for Unemployment Compensation		-139				-75			
Adjustment for GSA space rent rate		335				180			
Adjustment for one extra pay day		111				59			
Adjustment for Employer Share of Fed Health Benefit Plans		[52]				[28]			
Adjustment for Working Capital Fund		<u>135</u>				<u>72</u>			
		1,466		1,466		784		784	
TOTAL Adjustment for Uncontrollables									
/1 Adjustment for Pay Raise - FY 01 is non-add.									
TOTAL REQUIREMENTS (2002 BUDGET REQUEST)				415	102,175			222	166,783

Comparison by Business Lines		REGULATION AND TECHNOLOGY					ABANDONED MINE RECLAMATION FUND					TOTAL		Inc(+ or Dec(-) From 2001
		2000 Actuals	2001 Enacted	Uncontrl' s & Related Changes	Program Change	2002 Request	2000 Actuals	2001 Enacted	Uncontrl' s & Related Changes	Program Changes	2002 Request	2001 Enacted	2002 Request	
Environmental Restoration	\$\$	424	431	4	0	435	181,019	199,270	321	-49,665	149,926	199,701	150,361	-49,340
	FTE	1	1	0	0	1	111	111	0	0	111	112	112	0
Environmental Protection	\$\$	72,049	76,274	641	-174	76,741	0	0	0	0	0	76,274	76,741	467
	FTE	225	225	0	0	225	0	0	0	0	0	225	225	0
Technology Dev. Development and Transfer	\$\$	11,491	11,820	331	0	12,151	3,536	3,591	45	500	4,136	15,411	16,287	876
	FTE	117	117	0	0	117	15	16	0	0	16	133	133	0
Financial Management	\$\$	521	536	12	-71	477	5,205	5,402	168	500	6,070	5,938	6,547	609
	FTE	4	4	0	0	4	58	58	0	0	58	62	62	0
Executive Dir. & Administration	\$\$	11,375	11,793	478	100	12,371	6,113	6,302	250	99	6,651	18,095	19,022	927
	FTE	68	68	0	0	68	37	37	0	0	37	105	105	0
TOTAL	\$\$	95,860	100,854	1,466	-145	102,175	195,873	214,565	784	-48,566	166,783	315,419	268,958	-46,461
	FTE	415	415	0	0	415	221	222	0	0	222	637	637	0

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Uncontrollable Cost Changes
(in thousands of dollars)

Appropriation: Regulation and Technology

Additional Cost in 2002 of January Pay Raises

	2001	2002
	<u>Estimate/Change</u>	
2001 Pay Raises	\$1,364	[+\$292]

	2001	2002
	<u>Estimate/Change</u>	
2002 Pay Raises	\$0	+\$866

These adjustments are for an additional amount needed in 2002 to fund the remaining 3-month portion of the estimated cost of the, on average, 3.7 percent pay increases effective in January 2001 and the additional costs of funding an estimated 3.6 percent January 2002 pay raise for GS-series employees and the associated pay rate changes made in other pay series. Adjusting for such reforms as delayering organizations, contracting out work more appropriately done in the private sector,

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reexamining position grades, management streamlining, and program FTE streamlining will be used to offset a portion of the added costs.

	2001	2002
	<u>Estimate/Change</u>	
CSRS/FERS Retirement Costs.....		\$427/+\$222

The adjustment is for changes in estimated retirement costs paid by the bureau. It results from changes in the relative proportion of FERS employees in the work force.

	2001	2002
	<u>Estimate/Change</u>	
Workers' Compensation Payments		\$224/\$-\$64

The adjustment is actual changes from 2001 in the costs of compensating injured employees and dependents of employees who suffered accidental deaths while on duty. Costs for 2002 are for the 12 months ending June 2000 and will reimburse the Department of Labor Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.

	2001	2002
	<u>Estimate/Change</u>	
Unemployment Compensation payments.....		\$160/- \$139

This adjustment is for changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund,

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pursuant to Public Law 96-499.

	2001	2002
	<u>Estimate/Change</u>	
Rental Payments to GSA.....		\$2,915/+\$335

The adjustment is for changes in the costs payable to General Services Administration resulting from changes in rates for office and non-office space as estimated by GSA.

	2001	2002
	<u>Estimate/Change</u>	
Departmental working capital fund changes.....		\$718/+\$135

This change reflects expected changes in the charges for Department services and other services through the working capital fund.

	2001	2002
	<u>Estimate/Change</u>	
One Additional Pay Day		\$0/+\$111

This adjustment reflects the fact that there is one more pay day in FY 2002 than in FY 2001.

	2001	2002
	<u>Estimate/Change</u>	
Employer Share of Federal Health Benefit Plans		\$0/[52]

The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees. This cost is being absorbed.

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Total: Regulation and Technology \$5,808/+\$1,466

DEPARTMENT OF THE INTERIOR

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Uncontrollable Cost Changes

(in thousands of dollars)

Appropriation: Abandoned Mine Reclamation Fund

Additional Cost in 2002 of January Pay Raises

	2001	2002
	<u>Estimate/Change</u>	
2001 Pay Raises.....		\$713[+\$159]

This cost is a non-add.

	2001	2002
	<u>Estimate/Change</u>	
2002 Pay Raises		\$0/+\$464

These adjustments are for an additional amount needed in 2002 to fund the remaining 3-month portion of the estimated cost of the, on average, 3.7 percent pay increases effective in January 2001 and the additional costs of funding an estimated 3.6 percent January 2002 pay raise for GS-series employees and the associated pay rate changes made in other pay series. Adjusting for such reforms as delayering organizations, contracting out work more appropriately done in the private sector, reexamining position grades, management streamlining, and program FTE streamlining will be used to offset a portion of the added costs.

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2001 2002

Estimate/Change

CSRS/FERS Retirement Costs.....\$252/+\$118

This adjustment is for changes in estimated retirement costs paid by the bureau. It results from changes in the relative proportion of FERS employees in the work force.

2001 2002

Estimate/Change

Workers' Compensation Payments.....\$121/- \$34

The adjustment is actual changes from 2001 in the costs of compensating injured employees and dependents of employees who suffered accidental deaths while on duty. Costs for 2002 are for the 12 months ending June 2000 and will reimburse the Department of Labor Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.

2001 2002

Estimate/Change

Unemployment Compensation Payments.....\$86/- \$75

This adjustment is for changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.

2001 2002

Estimate/Change

Rental Payments to GSA.....\$1,570/+\$180

This adjustment is for changes in the costs payable to General Services Administration resulting

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from changes in rates for office and non-office space as estimated by GSA.

	2001	2002
	<u>Estimate/Change</u>	
Departmental working capital fund changes.....		\$387/\$72

The change reflects expected changes in the charges for Department services and other services through the working capital fund.

	2001	2002
	<u>Estimate/Change</u>	
One Additional Pay Day.....		\$0/+\$59

	2001	2002
	<u>Estimate/Change</u>	
Employer Share of Federal Health Benefit Plans		\$0/[28]

The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees. This cost is being absorbed.

Total: Abandoned Mine Reclamation Fund \$3,129/+\$784

