

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 primacy 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 about \$1 billion in regulatory grants to the States and Tribes to assist in funding the regulation of active coal mines. Since 1979, OSM has provided about \$3 billion in grants to the States and Tribes to clean up mine sites abandoned before SMCRA's 1977 enactment. More than 180,000 acres of abandoned coal mine sites have been reclaimed under the program.

OSM's fiscal year (FY) 2005 budget is a fiscally responsible proposal that enables OSM to effectively and efficiently implement its mission goals. The total budget proposal requests \$352.8 million in current authority, \$34 million in permanent authority, and 595 FTEs. This represents an increase of \$56.8 million over the FY 2004 enacted budget, adjusted by the two budget rescissions.

Included in the budget is a legislative proposal that extends the authority to collect the abandoned mine land (AML) fee at a reduced rate. As a cornerstone to this request, OSM is seeking a \$53 million increase in AML grants as the first step in returning State share balances to the certified States who have completed all coal reclamation work. This will then allow the remaining \$159 million in AML grants to be focused on those States having the most pressing reclamation needs.

Over 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 Operator Assistance Program grants. OSM will use the balance of the request to provide technical assistance to the States, conduct its oversight responsibilities, implement the 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.

This budget proposal is closely integrated with and is supportive of the Department's Strategic Plan. It serves communities by protecting the lives and property of the citizens living in proximity to the coal fields; it also protects our Nation's resources by improving the health of its watersheds and landscapes that are affected by current and past mining practices. It promotes responsible use of those resources by helping to provide affordable energy while assuring the coal is extracted in an environmentally responsible manner. The budget proposal funds activities that support these mission goal areas through OSM's environmental protection and environmental restoration goals and programs.

This budget proposal supports the Secretary's 4C's – Communication, Consultation, and Cooperation in service of Conservation by working closely with the States and Tribes in administering their regulatory and reclamation programs. It also supports the Secretary's plan for Citizen-Centered Governance and the President's Government-wide management reform agenda by:

- integrating budget and performance measures;
- improving capital asset planning and control;
- improving strategic management of human capital;
- increasing competitive sourcing;
- improving financial performance; and
- expanding electronic government.

(1) AML Reauthorization

OSM's authority to collect the abandoned mine reclamation fee expires on September 30, 2004, the end of FY 2004. The Administration supports extension of the authority to collect the reclamation fee. OSM, working with the Department, is developing legislative changes to accomplish this end. In fashioning a reauthorization, OSM has given great weight to the findings of the Program Assessment Rating Tool (PART) review conducted when preparing the FY 2004 budget.

In preparing a reauthorization proposal, OSM is examining changes that would allow it to refocus program resources to abate abandoned coal mine problems on more of a priority basis. The proposal will allow more receipts to be targeted to abandoned mine reclamation, thus increasing the pace of the overall reclamation. Consistent with SMCRA requirements, the proposal will also address the obligation to return to the certified States the remaining funds in their State share balances over time.

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Other changes contemplated include having the program States assume the responsibility of operating their own emergency programs with increased grant funds. This budget request is consistent with the plans for change in the AML program.

Implementing SMCRA – New Approaches Using Effective Partnerships

In implementing its mission responsibilities, OSM supports the Secretary's 4C's by working closely with the States and Tribes in administering their regulatory and reclamation programs. OSM also recognizes the importance of working with industry and coal field citizens in implementing SMCRA. This budget proposal supports the Secretary's emphasis on using effective partnerships by communicating, consulting, and cooperating with these constituent groups to achieve SMCRA's objectives.

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 the 23 States and 3 Indian Tribes that have reclamation programs, will continue to clean up land and waters degraded by past mining practices. The grant funds assist in the removal of existing health and safety hazards and restoration of areas to productive use. Additionally, OSM has developed funding and operational mechanisms, such as the Clean Streams Initiative and the AML Enhancement Initiative discussed below, to achieve additional reclamation at less cost in a cooperative manner.

Acid mine drainage is the number one water pollutant in the coal fields of the Appalachian area causing major environmental and public health problems. The Clean Streams Initiative will facilitate and enhance State and local partnerships to clean up acid mine drainage and improve the aquatic environment and quality of life for coalfield citizens. Through this initiative, OSM has partnered with over 100 State and Federal agencies, local soil and water conservation districts, national conservation organizations, private foundations, and coalfield residents to formalize 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 either completed, under construction, or in design, with construction to commence soon.

OSM implemented the Watershed Cooperative Agreement Program as part of the Clean Streams Initiative. 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 remining are other examples of approaches that continue to remain OSM priorities. These initiatives foster additional production and reclamation that might otherwise not occur, with reduced cost to the Government. With the AML Enhancement Initiative, more sites are reclaimed by allowing contractors to offset reclamation costs through the removal and sale of coal found incidental to reclamation projects. The cost to the AML

program would, accordingly, be reduced by the value of the coal removed from the site. Remining allows current operators to 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.

The Acid Drainage Technology Initiative (ADTI) is an 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.

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. These programs greatly help the States and Tribes operate their respective regulatory and reclamation programs in fulfilling SMCRA’s requirements.

Government-wide Management Reforms

As previously noted, this budget proposal supports the Administration’s Government-wide management reforms. OSM’s budget proposals have integrated strategic goals and associated measures with its budget structure for the past several fiscal years. This proposal also incorporates the Department’s Strategic Plan into the budget document. OSM has already developed a succession plan to help strategically manage its human resources. Consistent with Administration guidance, OSM updated its Commercial Activity Inventory in FY 2003 and has exceeded required competitive sourcing targets. To address improved financial performance, OSM has made nearly one hundred percent of its financial transfers through electronic funds transfer. Because of OSM’s expanded Electronic Government initiatives, greater opportunities exist for citizens to access OSM provided information.

A discussion of OSM’s efforts in implementing the Government-wide reforms follows.

1. Budget and Performance Integration

a) Strategic Plan

This budget proposal supports the Department's Strategic Plan. It serves communities by protecting the lives and property of the citizens living in proximity to the coal fields. It also protects our Nation's resources by improving the health of its watersheds and landscapes that are affected by current and past mining practices. It promotes responsible use of those resources by enhancing the benefits that the public receives by helping to provide affordable energy while assuring the coal is extracted in an environmentally sensitive manner.

OSM has linked performance measures to budget formulation. This budget request describes program needs through draft strategic goals and associated performance measures. It fully integrates the Department's mission areas at the budget activity level.

In FY 1997, OSM began this effort by working with the Appropriation Subcommittees to restructure its appropriation to reflect the intent of the Government Performance and Results Act. OSM's current budget structure reflects its major functions (business lines) needed to implement SMCRA.

OSM then developed a Strategic Plan to carry out its mission, vision, and goals, and developed budget resource requests according to its business lines. The primary business lines are Environmental Protection and Environmental Restoration. They are supported by three additional Business Lines – Technology Development and Transfer, Financial Management, and Executive Direction and Administration.

The FY 2005 budget request is aligned with the new goal structure in the Department's Strategic Plan. The Department developed a new outcome-oriented plan document. The plan is organized around four mission goals which encompass the individual missions of the eight bureaus and offices that form the Department.

In developing the President's Budget, OSM addressed the strategic outcomes and annual performance goals, how it measures and evaluates progress toward those goals, and the resources needed to achieve the annual performance goals.

OSM has also developed an activity based cost accounting system for FY 2004 that allows managers to more specifically identify the costs of work processes, activities and outputs. OSM currently accounts for costs at multiple levels, both at the Government Performance and Results Act (GPRA) segment level and individual managerial activity level. OSM measures the costs of both the activity's cost and effectiveness such as the cost to reclaim an acre of abandoned mine land, and lower level management costs, such as the cost of issuing a grant.

b) Program Assessment Rating Tool (PART)

Improving programs by focusing on results is an integral component of the President's budget and performance integration initiative. The PART is a series of questions designed to provide a

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consistent approach to rating programs throughout the Federal government. Programs are rated in four distinct areas: purpose and design, strategic planning, program management, and program results. The Office of Surface Mining conducted PART reviews of its Abandoned Mine Land Grants Program (FY 2004) and Regulation of Surface Coal Mining Activities (FY 2005). OSM has developed a five year plan for the remaining PART reviews.

The PART review of the Abandoned Mine Lands Grants Program for FY 2004 identified three recommendations for the program. The recommendations and OSM's progress to date are noted below:

- Propose legislative changes to the program's authorization to increase the rate of pre-1977 abandoned coal mine land reclamation;
 - OSM has a legislative proposal to amend SMCRA that is under review.
- Extend the coal fee, which expires on September 30, 2004, to fund the remaining work;
 - This provision is part of a legislative proposal to amend SMCRA that is under review.
- Develop long-term measures that are more outcome oriented and develop at least one efficiency measure.
 - OSM has met with its State and Tribal partners and developed new performance measures. A database to capture the information for the new performance measures has been developed and State and Tribes began entering data in FY 2004.

For the FY 2005 PART review, OSM reviewed the regulation of surface coal mining activities. The principal findings from that review are:

- The purpose of the regulatory program is clear, as articulated in SMCRA.
- An independent auditor has not reviewed the regulatory program. However, States and Indian Tribes assess the program annually through meetings and conferences held throughout the year.
- Measurable outcome-based performance goals are needed to effectively and efficiently guide management of the program.

OSM is implementing the recommendations made in the PART as described under the Environmental Protection business line.

c) Activity-Based Costing (ABC)

To support the Department's ABC efforts, OSM will continue to train managers and analysts on using the ABC modules, particularly the report generation/data extraction module. OSM will work with DOI to refine ABC activity, output and output measure definitions, and to link ABACIS to the Department's ABC modules. OSM will augment the Department's ABC modules to support our specific needs for performance/cost information and participate in the cost forum to refine activities. Funding areas include the purchase and maintenance of the Quick Time for the time and attendance system, travel for bureau and DOI meetings, human capital for items listed above, and funding for publishing reports.

OSM has been using and refining its ABC system for five years. Cost and output data is published for manager's use in managing their programs on an annual basis. Over the years, the system has been revised to better meet OSM management's needs. Cost data from the system has recently been used in making management decisions. One example where this has been used is in making decisions on work force needs. OSM anticipates the need to develop a more technical (scientific) workforce to support its many issues in the field. In doing so, ABC data will be important to illustrate the level of employees necessary to support the various field functions. Specific examples are provided in Program Activity or sub-activity sections.

2. Capital Asset Planning and Control

OSM has instituted a joint business/information technology process, as described in OSM's Capital Planning and Investment Control (CPIC) Guide, to ensure IT investments are aligned with the President's Management Initiatives, DOI and OSM strategic goals and plans, and enterprise architecture; meet public expectations; and provide the best value to the taxpayers. OSM prepares capital asset plans on six mission critical systems annually. OSM intends to use resources as they become available through competitive sourcing to support the CPIC program, including training, and additional work load to attain DOI scorecard goals of reaching Stage 2 of GAO's Information Technology Investment Management (ITIM) Framework; additional work load related to implementing NIST guidelines; increases in training cost related to CISSP certification; Project Management Certification; and security.

3. Strategic Management of Human Capital

OSM faces challenges in managing the attrition in its talent pool that is expected to occur in the next few years.

OSM is coordinating its workforce planning effort by using the Department's Workforce Planning Template. OSM is identifying and compiling competencies required to do the required mission related work now and in the future. Based on these competencies, OSM will survey each employee to determine current and future skill gaps. Using information from these surveys (Supply Analysis) and the information gained from management about the future competencies (Demand Analysis), OSM will be able to identify the skill gaps it will be facing. As work

progresses, OSM will develop solutions and ways to implement solutions through recruitment, training, retention, and competitive sourcing. Data will be updated to review competencies and revise the workforce plan as necessary (Evaluation).

Completion of OSM's human resources strategic planning, supply analysis, and demand analysis during Fiscal Years 2003 and 2004 will require use of certain software tools. These include Quick Classification software program, which is critical for supplying information concerning what work is performed and the competencies required to do that work. The Quickhire software program is required to survey the employees and collect the information necessary to determine the current competencies and future gaps. The processing contract is critical to support the effort by collecting and compiling data concerning each employee.

As solutions are derived, the processing contract will increase in importance to effect changes in the workforce either through new hires, reclassification, training, reassignment, reorganization, data update, record review and verification. Each manager must review his or her work force operation and competency mix to assure effective and efficient operation. Training will be conducted to fill gaps within existing training budgets. OSM staff will also attend job fairs and recruitment forums as necessary through their existing travel budgets. Management will continue to use pay flexibilities including recruitment bonuses, retention allowances and student loan repayments in FY 2005. This will include solutions for recruitment of diverse candidates, restructuring of positions, combining competencies, and the placement of employees where competencies can be effectively and efficiently utilized. All of the above efforts will assist OSM and its workforce planning efforts to become a more efficient and citizen centered organization.

4. Competitive Sourcing

In accordance with OMB and Departmental guidance, OSM updated its Commercial Activity Inventory in FY 2003. Fifty-five FTEs were identified under the commercial activity component in the FY 2003 inventory. These FTEs are primarily in the Information Technology area and various types of administrative support services.

For FY 2002, federal agencies were to complete competition, either through A-76 cost comparison processes or direct conversion, of not less than 5 percent of the FTEs listed in their FY 2000 FAIR Act inventory. In FY 2002, OSM converted 3 FTEs to contract. In FY 2003, OSM completed a study on 25 additional FTEs to determine whether conversion to contract is the best strategy for achieving best value. This study was conducted by the NISH organization under the Javits-Wagner-O'Day preferred procurement source program at no cost to OSM. The total of 28 FTEs studied and/or converted to contract will exceed OSM's anticipated 50 percent long-term competitive sourcing goal.

In 2004, OSM will begin a transitional conversion process over a multi-year period so that functions determined to be commercial may be converted to contract as they become vacant, if found to be the best alternative.

5. Financial Performance

OSM has received an unqualified opinion for 13 years and achieved an overall “green light” score in the first year of the financial management scorecard. OSM has also achieved a level 10 “Best Practices” in three criterion areas on the Financial Management scorecard. The FY 2000, FY 2001, and FY 2002 audits included an unqualified opinion on Reports of Internal Controls and Compliance with laws and regulations. OSM has already initiated an activity-based cost accounting system and has a management information system that provides timely budgetary and financial and cost accounting information to managers on a daily basis.

OSM is making improvements in its financial management processes and systems to meet accelerated dates and more frequent reporting requirements for future financial statements. As an example, the performance dates for the States and Tribes were accelerated by three months in order to meet OSM’s accelerated financial reporting dates. We are also asking program managers to provide financial status information (like goods received but not yet invoiced by the vendor) on a quarterly or monthly basis so that we can more accurately reflect our costs.

OSM makes over 96 percent of its payments by Electronic Funds Transfer (EFT) and 99.6 percent of the money is paid by EFT. In FY 2004, OSM’s core financial application is scheduled to be converted to the new Departmental Financial and Business Management System (FBMS). As part of this conversion, OSM needs to interface its subsidiary applications with the new Departmental system.

6. Expanding Electronic Government

OSM continues to make progress in each of the four E-government areas: Government to Citizen, Government to Business, Government to Government, and Internal Efficiency and Effectiveness.

OSM Home Page - This web site contains a large variety of information that is used extensively by the public and OSM customers and resulted in efficiencies in OSM staff utilization and associated cost avoidances.

Reclamation Fee Reporting - OSM continues its program giving coal operators the opportunity to use a web-based application to electronically file their OSM-1, Coal Reclamation Fee Report. The web-site pre-fills recurring information which minimizes reporting time, automatically calculates coal moisture deductions, and fees due. The system allows companies to make payment on-line, through a seamless interface with Treasury’s Pay.Gov system and provides receipt acknowledgement when payments are received. Companies can access data on-line as well as the payer handbook through a secured site and print a record of data filed. Currently companies use the system to report on over 1,000 permits, and over 31 percent of the reclamation fees were paid electronically in the 4th quarter of 2003.

Web-based Abandoned Mine Land Inventory System - OSM initiated a web-based version of the Abandoned Mine Land Inventory System (AMLIS) in FY 2003. The system allows States,

Indian Tribes, and OSM to electronically update and maintain data regarding AML reclamation programs and their progress.

Acquisition - Currently, OSM is required to use the Interior Department Electronic Acquisition System (IDEAS). IDEAS interfaces with OSM's financial system, which electronically updates financial information at the time procurement information is captured for required reporting at the Departmental and Federal levels.

OSM plans to expand its use of IDEAS by implementing IDEAS-EC. The goal is to provide industry vendors an opportunity to gain free electronic access to OSM requests for proposals, invitations for bids, and requests for quotations. Additionally, there are plans for OSM to enhance industry/vendor outreach by distributing IDEAS-EC information at procurement trade fairs, workshops, and conferences for small, disadvantaged, and women-owned small businesses.

OSM also plans to use the National Institutes of Health contractor performance system. This system will be a single entry point for OSM contracting officers to search prospective contractors' performance record. It will also serve industry vendors. This will facilitate contracting officers' responsibility determinations, and industry vendors will benefit by a faster, easier and less costly awards process.

Internal E-government initiatives include the following:

- Employee Quickhire – online job application system, reduce total time to fill job vacancies.
- Employee Electronic Conflict of Interest Filing - streamline process/time to submit annual statement.
- Inspection and Enforcement Database - Electronic Filing of OSM Inspection Reports and Enforcement Actions.
- Development of Mobile Computing Technology for permitting, inspection, and AML design.

OSM is also participating in various efforts with the Department to achieve efficiencies under E-government Quicksilver Projects. This includes participation in:

- E-Travel - government-wide web-based service to consolidate travel functions, provide improved services to government employees, and minimize costs.
- E-Authentication - secure, easy-to-use, consistent method of proving identity to the government minimizes the burden on businesses, the public, and government.
- E-Training - simplified process to learn about training opportunities with one-stop access to e-products and services.

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- Business Gateway - assist businesses to find, understand, and comply with applicable laws and regulations by improving access to information, providing on-line tools, and accessible and easy-to-use forms. One specific way that OSM is working in this area is in its partnership with the Interstate Mining Compact Commission, the Mine Safety and Health Administration, the Internal Revenue Service, and Pennsylvania to determine the feasibility to establish an electronic single source coal reporting form. A study conducted by the partner agencies concluded it would be cost-effective to develop a consolidated single source coal reporting system. The Single Source Coal Reporting e-Form was test piloted as part of the Small Business Administration's Business Compliance One-Stop. From a volunteer group of 20 coal companies, 80 percent reported time savings. OSM will continue its work with the partner agencies and the Small Business Gateway initiative.
- Integrated Acquisition Environment - facilitate the cost-effective acquisition of goods and services, while eliminating inefficiencies in the current acquisition process.
- E-Rulemaking - create Regulations.gov, a government-wide docket system to provide a single Internet access point to regulatory material.
- E-Rulemaking Transition - Funding requested for transition to an electronic system to facilitate the Department's ability to comply with statutory requirements, ensuring public access to regulatory materials and to expand capabilities for partners and the public to comment on proposed rules.

Performance Summary:

OSM strives 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 serves 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 available funds.

OSM's budget proposal supports the Department in three mission goal areas: Resource Protection, Resource Use and Serving Communities. The budget proposal provides funding requirements and associated performance measurements in accordance with the plan. A funding table is provided which portrays the budget request consistent with these mission areas.

Additionally, this budget request describes its needs through strategic goals and associated performance measures through the traditional budget structure. OSM's Business Lines are:

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

This budget has integrated OSM's performance goals and measures in support of its Business lines and the Department's goals. Each of the following chapters, arranged by Business Line, contains the detailed relationship of OSM's funds, goals, and performance to the Department of the Interior mission goals. The following table is an overview of the Surface Mining goals and targeted measures for FY 2005.

Data Validation and Verification

OSM is confident that the data presented in this report are reliable for use as a decision-making tool and showing program performance over time. Data validation and verification is accomplished through a three prong approach using: 1) audits by external staff from the Office of the Inspector or the Administration's Program Assessment Rating Tool; 2) periodic reviews coordinated by OSM's Office of Planning, Analysis, and Budget; and 3) an annual self-assessment by program managers.

The annual self-assessment by program managers complies with the Department of the Interior's Data Validation and Verification Guidance. The assessment covers the major area of data validation and five areas within data verification. The five areas dealing with data verification are: standards and procedures; data entry and transfer; data security and integrity; data quality and limitations; and oversight and certification. This assessment will be valuable in testing for potential weaknesses or gaps, and will elevate data validation and verification systems to ensure an acceptable functional level.

OSM collects information through various information systems primarily from multiple internal operations and from the 24 States and 4 Indian Tribes participating in OSM programs. Abandoned Mine Land Program information is generally collected through the Abandoned Mine Land Inventory System (AMLIS). AMLIS is a computer database used by the State Reclamation Programs and maintained by OSM. In accordance with the requirements of SMCRA, AMLIS contains data for known Priority 1 and 2, pre-SMCRA coal reclamation problems. Data collection methods are conducted in accordance with an agency policy directive, which was developed in cooperation with the States.

Regulatory Program data collection methods are also conducted in accordance with an agency policy directive, which was developed in cooperation with the States. The data is collected from OSM field offices through an internet-based system.

Customer service information for the Technology Development and Transfer programs are based on customer survey forms approved by OMB and class training records.

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OSM recognizes that data must serve their intended purposes and stand up to independent, objective external inspection, as well as to internal control reviews and audits. OSM is committed to demonstrating that data meets the guidelines established.

Office of Surface Mining Program Performance Measures

Resource Protection End Outcome Goal 1.1: Improve Health of Watersheds, Landscapes, and Marine Resources							
Measures:	FY 2002 Actual	FY 2003 Actual	FY 2004 Plan	FY 2004 Revised Final Plan	FY 2005 Plan	Change in Performance 2004 to Planned 2005	Long-term Target (2008)
Number of land acres reclaimed or mitigated from the effects of degradation from past mining. (Calculated equivalent acres) (SP)	8,606	6,539	6,900	6,900	8,200	1,300 +19%	8,200
Number of stream-miles for which degradation from past surface coal mining has been improved (SP)	UNK	UNK	150	150	175	25 +17%	175
Number of surface acres of water for which degradation from coal mining has been improved. (SP)	UNK	UNK	150	150	175	25 +17%	175
Number of active partnering and leveraging agreements. (PART)	UNK	UNK	56	56	56	0	56
The amount of increased funds derived from active partnering and leveraging agreements. (PART)	UNK	UNK	70,000	70,000	70,000	0	70,000
Resource Use End Outcome Goal 2.1: Manage or influence resource use, and ensure optimal value.							
Percent of active sites that are free of off-site impacts. (SP)	92.8%	92.8%*	94%	93%	93%	0	93%
Number of acres where reclamation goals are achieved as evidenced by release from Phase III Performance Bonds. (SP)	73,407	60,641*	70,000	70,000	70,000	0	70,000
Number of acres released from Phase I & II Performance Bonds. (PART)	106,136	106,197*	100,000	100,000	100,000	0	100,000
Serving Communities End Outcome Goal 4.1: Protect lives, resources and property.							
Number of people with reduced exposure potential to safety risks from abandoned mine lands. (SP)	UNK	UNK	10,000	10,000	11,000	1,000 +10%	11,000
Percentage of declared emergencies abated within six months. (PART)	UNK	UNK	92%	92%	95%	0	95%
Number of people directly affected (emergency abatements).** (PART)	UNK	7,065	8,250	8,250	8,250	0	8,250
Percent of AML grant funds obligated nationally by States and Tribes. (PART)	UNK	UNK	90%	90%	90%	0	90%
* Figures are annual estimates based on 9 months of actual data. ** The figures for this measure represent Federal emergencies. A baseline for State emergencies will be established after FY 2004 data is collected and future reports will include both Federal and State emergencies.							
SP = DOI Strategic Plan Measure; PART = Program Assessment Rating Tool Measure; BG = Bureau Measure; UNK = data is unavailable							

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Budget Highlights:

OSM requests \$352.8 and 595 FTEs to achieve its FY 2005 annual performance goals. An additional \$34 million will be provided in permanent authority for supporting 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 2005 discretionary request represents a \$56.8 million increase over the FY 2004 enacted level of \$296 million. OSM proposes a \$53 million increase in State reclamation grants to return State share balances to those States that have certified that they have completed all their coal related reclamation work. The budget requests \$0.4 million for the Federal emergency program to address emergencies in States where OSM is the regulatory authority. It provides a \$1.15 million increase for State regulatory grants to permit primacy States to meet their increased fixed costs. The proposal provides for a \$2.3 million increase for a system redesign of the fee collection and billing system (FEEBACS) to update the system in concert with the AML reauthorization proposal. This budget proposal also seeks to enhance the technology transfer activities afforded the States and Indian Tribes. It seeks increases of \$0.4 million for the National Technical Training Program, \$0.4 million for the Technical Innovation and Professional Services Program, and \$0.3 million for applied sciences. Additionally, the proposal requests increases of \$0.4 million for enterprise services network and \$0.3 million for the Department's external audit.

The budget proposes certain reductions to help offset these increases. OSM will absorb a \$2.7 million reduction in the watershed cooperative agreement program and a \$1.1 reduction for high priority projects. OSM is able to take these reductions as there are sufficient carryover funds available to address these programs. OSM is also reducing its civil penalty authority by \$0.173 million and expects \$0.04 million savings in its fleet management activities.

This request also provides \$2.1 million for uncontrollable cost increases.

This budget proposes appropriation language changes to allow OSM to:

--clarify the authority for OSM to pay for OSM sponsored training for State and Tribal employees and to transfer ownership of computer hardware, software and other technical equipment to State and Tribal regulatory and reclamation programs, and

--provide for the partial disposition of State share funds to those States that have certified they have completed all coal related reclamation.

Program/Project Support of Bureau, Department, and Government-wide Costs

Funding under the Executive Direction and Administration section of OSM's budget request is identified for Executive Direction, Administrative Support and General Services. The total funding for this business line in the FY 2005 request is \$22.2 million.

The Executive Direction activity provides executive direction and leadership, and policy and program management guidance for all areas of responsibility for OSM. It includes the Director's Office staff and all Staff Offices located in Washington, D. C. The Administration activity includes all the administrative functions necessary to support program activities. It includes four organization areas: Administration, Human Resources, Information Systems Management and Administrative Financial Management. The General Services activity includes essential fixed costs to support OSM's program missions such as rent, telecommunications, the DOI working capital fund, and service contracts. OSM does not compute separate overhead charges, deductions, reserves or holdbacks to fund these activities; rather, they are identified as a business line within the budget presentation. Further information on specific elements of each activity can be found in the Executive Direction and Administration program justification.

Within the Executive Direction and Administration business line, OSM includes external administrative costs to include amounts paid to the Department to support Departmental or Government-wide costs. Itemized lists of the budget for activities included in the DOI Working Capital Fund that are centrally billed, fee for service and directly billed are included in the Budget Exhibits.

OSM also has support functions at the regional and field offices that ensure various activities are integrated so the mission is accomplished. The majority of these costs are comprised of the salary and benefits for field office directors, regional directors and their administrative staff. These costs are not identified under Executive Direction and Administration, rather they are included in the program funding requested. OSM provides allocations to its regions based on the overall program activities and does not identify separate funding for support functions. If the Subcommittee is interested in quantifying costs at a regional level, OSM can work with the Subcommittee to provide this information.

(3) Activity Based Costing allows OSM to internally track indirect costs associated with various organizational units and program activities. This is important to determine the full cost of program activities for evaluation purposes. One way in which some indirect costs are associated with program activities is based on FTE consumption. This method is based on the assumption that labor hours correlate to the consumption of these costs using a ratio of FTE per each program activity to total OSM FTEs. Data using this method is made available to managers for program evaluation; however, OSM does not request funding at this level of detail.

(4)

Office of Surface Mining Reclamation and Enforcement

The following summary compares the FY 2005 request level to the FY 2004 enacted budget.

**2003 - 2005 Resource Comparison
(Dollar Amounts in Thousands)**

		FY 2003 Actual	FY 2004 Estimate	FY 2005 Request	Difference from FY 2004 (+/-)
Regulation and Technology	\$	104,504	105,384	108,905	+3,521
	<i>FTE</i>	<i>401</i>	<i>396</i>	<i>387</i>	<i>-9</i>
Abandoned Mine Recl. Fund	\$	190,499	190,592	243,863*	+53,271
	<i>FTE</i>	<i>216</i>	<i>214</i>	<i>208</i>	<i>-6</i>
TOTAL	\$	295,003	295,976	352,768	+56,792
	<i>FTE</i>	<i>617</i>	<i>610</i>	<i>595</i>	<i>-15</i>

(5) Note: FY 2003 includes actual civil penalty collections (\$96,413) and FY 2004 and 2005 include estimated civil penalty collections (\$271,000 and \$100,000 respectively). FTE reductions proposed reflect actual usage.

*\$53 million is pending approval of proposed legislation to reauthorize collection of reclamation fees.

Description and Summary of Program Changes in FY 2005 Budget

The total request for OSM's current appropriations is \$352,768,000 for FY 2005. 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 request is \$108,905,000 (including an estimated \$100,000 in civil penalty collections); a net increase of \$3.521 million over the FY 2004 enacted budget. The budget proposes:

- An increase of \$1.15 million for State regulatory grants to help States meet their uncontrollable cost increases,
- An increase of \$0.26 million for the National Technical Training Program,
- An increase of \$0.195 million for applied science activities,
- An increase of \$0.26 million for the Technical Innovation and Professional Services Program,
- An increase of \$0.259 million for enterprise services network,
- An increase of \$0.216 million for the Department's external audit,
- An increase of \$0.036 million for E-GOV Quicksilver Projects,
- A decrease of \$0.026 million for fleet management savings,
- A decrease of \$0.033 million for a technical adjustment,
- A decrease of \$0.173 million in civil penalty authority, and
- Uncontrollable increases of \$1.377 million.

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. The request is

Office of Surface Mining Reclamation and Enforcement

\$243,863,000, an increase of \$53.271 million over the FY 2004 enacted budget. The budget proposes:

- An increase of \$53 million for State reclamation grants to return State share balances to the certified States,
- An increase of \$2.3 million to redesign the fee billing and collection system (FEEBACS) to support fee extension by properly accounting for fees collected,
- An increase of \$0.410 for Federal emergencies for those States where OSM is the regulatory authority,
- An increase of \$0.14 million for the National Technical Training Program,
- An increase of \$0.105 million for applied science activities,
- An increase of \$0.14 million for the Technical Innovation and Professional Services Program,
- An increase of \$0.139 million for enterprise services network,
- An increase of \$0.116 million for the Department's external audit,
- An increase of \$0.02 million for E-GOV Quicksilver Projects,
- A decrease of \$0.017 million for fleet management savings,
- A decrease of \$0.018 million for a technical adjustment,
- A decrease of \$2.7 million for watershed cooperative agreements,
- A decrease of \$1.092 million for high priority projects, and
- Uncontrollable cost increases of \$0.737 million.

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, as amended, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; [\$106,424,000] ^ Provided, That the Secretary of the Interior, pursuant to regulations, may use directly or through grants to States, moneys collected in fiscal year [2004] ^ 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.

\$108,805,000

2005

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, [\$192,969,000] 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 \$1,500,000 per State in fiscal year 2004: Provided further,] That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent 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 abatement of acid 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:

\$190,863,000

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.

Provided further, That amounts provided under this heading may be used for the travel and per diem expenses of State and tribal

Office of Surface Mining Reclamation and Enforcement

personnel attending
Office of Surface
Mining Reclamation
and Enforcement
sponsored training.

Pending approval of proposed legislation to reauthorize collection of reclamation fees.

For carrying out title IV
of the Surface Mining
Control and
Reclamation Act of
1977, Public Law 95-
87, as amended,
\$53,000,000 of
balances in the Fund
that were not
appropriated as of
September 30, 2004,
shall be available for
States and Indian tribes
that have been certified
as of September 30,
2004, under section
411(a) of the Act as
having completed the
reclamation of their
coal mining related
abandoned mine land
sites.

Administrative Provisions

With funds available for the Technical Innovation and Professional Services program in this Act, the Secretary may transfer title for computer hardware, software and other technical equipment to State and Tribal regulatory and reclamation programs.

Justification of Language Changes

Regulation and Technology:

No changes.

Abandoned Mine Reclamation Fund:

Proposes removal of the \$1.5 million funding limitation for the minimum program. This removal will allow for a minimum program level of \$2 million according to SMCRA.

This language would clarify the authority for OSM to pay for travel and per diem expenses of State and Tribal personnel to OSM sponsored training. This language is the same as that currently available under the Regulation and Technology appropriation.

This language would return State share funds to those States that have certified that they have completed all coal related reclamation work.

Administrative Provision:

This administrative provision will allow OSM to transfer title for limited equipment under the Technical Innovation and Professional Services Program.

**Summary of FY 2004 Appropriations and FY 2005 Budget Changes
By Appropriation and Business Line**

Regulation & Technology	FY 2004 Estimate	FY 2005 Proposed	Change
Environmental Restoration	432	261	-171
Environmental Protection	78,481	79,953	1,472
Tech Dev Transfer	12,593	13,487	894
Financial Management	485	492	7
Executive Direction	13,393	14,712	1,319
Total Appropriation	105,384	108,905	3,521

(6)

Abandoned Mine Reclamation Fund	FY 2004 Estimate	FY 2005 Proposed	Change
Environmental Restoration	173,467	223,229*	49,762
Environmental Protection	0	0	0
Tech Dev Transfer	4,133	4,542	409
Financial Management	6,183	8,565	2,382
Executive Direction	6,809	7,527	718
Total Appropriation	190,592	243,863	53,271

*\$53 million is pending approval of proposed legislation to reauthorize collection of reclamation fees.

Office of Surface Mining Reclamation and Enforcement

DEPARTMENT OF THE INTERIOR SUMMARY OF REQUIREMENTS (in thousands of dollars)

APPROPRIATION:	REGULATION AND TECHNOLOGY				ABANDONED MINE RECLAMATION FUND			
	FTE	\$\$	FTE	\$\$	FTE	\$\$	FTE	\$\$
FY 2004 ESTIMATE			387	105,384			208	190,592
UNCONTROLLABLE & RELATED CHANGES:								
Adjustment for Pay Raise - Jan 04		146				74		
Adjustment for Pay Raise - Jan 05		422				227		
Adjustment for Worker's Compensation		-1				-1		
Adjustment for Unemployment Compensation		18				10		
Adjustment for GSA space rent rate		546				297		
Adjustment for Empl'r Share of Fed Hlth Benft Plans		211				111		
Adjustment for One Less Pay Day		-148				-79		
Adjustment for Working Capital Fund		<u>183</u>				<u>99</u>		
TOTAL Adjustment for Uncontrollables		1,377				737		
				1,377				737
Program Changes				2,144				52,534
Total Requirements (2004 request)			387	108,905			208	243,863

		REGULATION AND TECHNOLOGY					ABANDONED MINE RECLAMATION FUND					TOTAL		Inc/ Dec (-/+) From 2004
Comparison by Business Lines		2003 Actual	2004 Estimate	Uncontrl & Related Changes	Program Change	2005 Request	2003 Actual	2004 Estimate	Uncontrl & Related Changes	Program Changes	2005 Request	2004 Estimate	2005 Request	
Environmental Restoration	\$\$	257	432	2	-173	261	173,561	173,473	162	49,600	223,235*	173,899	223,496	49,591
	FTE	1	1	0	0	1	108	106	-4	0	102	107	103	-4
Environmental Protection	\$\$	78,644	78,484	341	1,131	79,956	0	0	0	0	0	78,481	79,956	1,472
	FTE	217	212	-7	0	205	0	0	0	0	0	212	205	-7
Technology Dev. & Transfer	\$\$	12,511	12,592	179	715	13,486	4,137	4,133	24	385	4,542	16,726	18,028	1,303
	FTE	113	112	-2	0	110	16	15	0	0	15	127	125	-2
Financial Management	\$\$	482	485	7	0	492	6,139	6,183	87	2,295	8,565	6,668	9,057	2,389
	FTE	4	4	0	0	4	56	56	-2	0	54	60	58	-2
Executive Dir. & Admin.	\$\$	12,610	13,391	848	471	14,710	6,662	6,803	464	254	7,521	20,202	22,231	2,037
	FTE	66	67	0	0	67	36	37	0	0	37	104	104	0
TOTAL	\$\$	104,504	105,384	1,377	2,144	108,905	190,499	190,592	737	52,534	243,863	295,976	352,768	56,792
	FTE	401	396	-9	0	387	216	214	-6	0	208	610	595	-15

*\$53 million is pending approval of proposed legislation to reauthorize collection of reclamation fees.

Revised on March 1, 2004.

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

Appropriation: Regulation and Technology

Additional Operational Costs from 2003 and 2004 of January Pay Raises

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
2004 Pay Raises	\$356	\$356	+146
Amount of pay raise absorbed.....	[+\$418]	[+1,231]	[+\$237]
			2005 <u>Change</u>
2005 Pay Raises			\$0/+\$422
Amount of pay raise absorbed.....			[+\$0]

These adjustments are for an additional amount needed in 2005 to fund the remaining 3-month portion of the estimated 4.1 percent pay increases effective in January 2004 and the additional costs of funding for an estimated 1.5 percent of the January 2005 pay increase for GS-series employees and the associated pay rate changes made in other pay series.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Workers Compensation Payments	\$ 193	\$0	-\$1

The adjustment is actual changes through June 2002, in the costs of compensating injured employees and dependents of employees who suffered accidental deaths while on duty. Costs for 2004 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.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Unemployment Compensation payments.....	\$19	\$0	+\$18

This adjustment is for estimated 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.

Office of Surface Mining Reclamation and Enforcement

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Rental Payments to GSA.....	\$3,924	\$0	+\$546

The adjustment is for changes in the costs payable to General Services Administration and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Departmental Working Capital Fund Changes.....	\$704	\$0	+\$183

The amount requested reflects expected changes in the charges for Department services and other services through the working capital fund. These charges are displayed and explained in the Budget Justification for Department Management.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Employer Share of Federal Health Benefit Plans	\$157	\$0	+\$211

The adjustment is for changes in the Federal Government's share of the cost of health insurance coverage for Federal employees.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
One Less Pay Day.....			\$-148
Amount of pay raise absorbed.....			[\$0]

This adjustment reflects the decreased costs resulting from the fact that there is one less payday in FY 2005 than in FY 2004.

Total, Regulation and Technology	\$5,263	\$356	+\$1,377
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DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Uncontrollable Cost Changes
(in thousands of dollars)

Appropriation: Abandoned Mine Reclamation Fund

Additional Operational Costs from 2003 and 2004 of January Pay Raises

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
2004 Pay Raises	\$189	\$189	\$+74
Amount of pay raise absorbed.....	[+\$222]	[+\$654]	[+\$135]
			<u>2005 Change</u>
2005 Pay Raises			\$0/+227
Amount of pay raise absorbed.....			[+\$0]

These adjustments are for an additional amount needed in 2005 to fund the remaining 3-month portion of the estimated 4.1 percent pay increases effective in January 2004 and the additional costs of funding for an estimated 1.5 percent of the January 2005 pay increase for GS-series employees and the associated pay rate changes made in other pay series.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Workers Compensation Payments	\$ 103	\$0	-\$1

The adjustment is actual changes through June 2002, in the costs of compensating injured employees and dependents of employees who suffered accidental deaths while on duty. Costs for 2004 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.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Unemployment Compensation Payments.....	\$10	\$0	+\$10

This adjustment is for estimated 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.

Office of Surface Mining Reclamation and Enforcement

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Rental Payments to GSA.....	\$1,832	\$0	+\$297

The adjustment is for changes in the costs payable to General Services Administration and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Departmental working capital fund changes.....	\$380	\$0	+\$99

The change reflects expected changes in the charges for Department services and other services through the working capital fund. These charges are displayed and explained in the Budget Justification for Department Management.

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
Employer Share of Federal Health Benefit Plans	\$86	\$0	+\$111

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

	2004 Budget <u>Change</u>	2004 Revised <u>Change</u>	2005 <u>Change</u>
One Less Pay Day.....			\$-79
Amount of pay raise absorbed.....			[\$0]

This adjustment reflects the decreased costs resulting from the fact that there is one less payday in FY 2005 than in FY 2004.

Total, Abandoned Mine Reclamation Fund	\$2,600	\$189	\$737
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Office of Surface Mining Reclamation and Enforcement

Budget Crosswalk

OSM's Budget resources are distributed by business line across the DOI Strategic Plan goal areas. The new goal structure is organized around four Department-wide mission goals -- *Resource Protection, Resource Use, Recreation, and Serving Communities* -- and 12 underlying outcomes or results to be achieved. OSM's funding relates to three of those four goals as identified in the summary chart below.

Budget Request by DOI Mission Component
(Dollars in Thousands)

	FY 2004 Estimate	FY 2005 Request	Change
Resource Protection	64,637	80,876*	16,239
Resource Use	107,921	111,682	3,761
Recreation	0	0	0
Serving Communities	123,418	160,210*	36,792
Total	295,976	352,768	56,792

*\$53million (\$35 million under Serving Communities and \$18 million under Resource Protection)
is pending approval of proposed legislation to reauthorize collection of reclamation fees.

OSM's 2005 funding request will provide resources for the improvement of lands and waters degraded by past mining; promote responsible mineral extraction practices; and safeguard communities from adverse impacts from past and current mining. The table on the following page illustrates how OSM's 2005 budget request supports the Department's Strategic Plan.

Office of Surface Mining Reclamation and Enforcement

FISCAL YEAR 2005

Bureau: Office of Surface Mining Reclamation and Enforcement

Budget Allocation Table By Strategic Plan Goal Areas

(dollars in thousands)

DOI Mission Goal Areas:	Resource Protection			Resource Use		Recreation			Serving Communities					
Account Activity	Improve health of watersheds, landscapes and Marine Resources	Sustain biological communities	Protect cultural and heritage resources	Manage or influence resource use to enhance public benefit, promote responsible use, and ensure optimal value	Deliver water and power in an environmentally responsible and cost efficient manner	Ensure access to recreation	Ensure quality of recreation	Receive and provide fair value in recreation	Protect lives and property	Advance knowledge through scientific leadership	Fulfill trust responsibilities	Advance quality communities for Tribes and Islands	Remaining Funds	Total
Regulation and Technology														
Environmental Restoration	261													261
Environmental Protection				79,953										79,953
Technology Development & Transfer				13,487										13,487
Financial Management				492										492
Executive Direction & Administration	44			14,668										14,712
Subtotal, R&T	305			108,600										108,905
Abandoned Mine Reclamation Fund														
Environmental Restoration*	67,534								155,695					223,229
Technology Development & Transfer	2,214			2,328										4,542
Financial Management	8,565													8,565
Executive Direction & Administration	2,258			755					4,515					7,527
Subtotal, AML	80,571			3,083					160,210					243,863
OSM TOTAL	80,876			111,682					160,210					352,768

*\$53million (\$35 million under Serving Communities and \$18 million under Resource Protection) is pending approval of proposed legislation to reauthorize collection of reclamation fees.