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SPECIAL REPORT:

Interior Appropriations for FY 2005 (House Version) and California Implications

-- August 19, 2004

On June 17, 2004, the House of Representatives passed the FY2005 Appropriations for the Department of Interior and Related Agencies (H.R. 4568) by a vote of 334-86. The Committee Report to accompany the bill is H.Rpt. 108-542.

The following is a quick analysis of the Appropriations from a California perspective, prepared by the California Institute. We apologize for errors or omissions in our discussion, and would appreciate any input or feedback on how to make improvements. The ordering of items generally reflects their appearance in the bill and does not imply relative importance.

This appropriations analysis is available at <http://www.calinst.org/pubs/int05h.htm> and in printable pdf format at <http://www.calinst.org/pubs/int05h.pdf>.

DEPARTMENT OF INTERIOR

BUREAU OF LAND MANAGEMENT

A total of \$840,401,000 is recommended for management of lands and resources, \$2,939,000 more than the budget request and \$553,000 above the FY04 enacted level.

Resource Protection and Maintenance

Of \$83,087,000 allotted for resource protection and maintenance, which is \$1,909,000 above the President's budget request and \$1,797,000 above the 2004 enacted level, \$1,000,000 is set aside for California desert rangers.

WILDLAND FIRE MANAGEMENT

The Committee recommends \$743,099,000 for wildland fire management, equal to the budget request. After adjusting for supplemental appropriations provided during last year's fire season for wildland fire management, there is an increase of \$57,922,000 above the FY04 enacted level.

OREGON AND CALIFORNIA LAND GRANTS

The Committee report provides for \$111,557,000 for the Oregon and California grant lands, \$4,501,000 below the budget request and \$6,200,000 above the FY04 enacted level.

Changes to the budget request include reductions of \$1,501,000 for forest management and \$3,000,000 for resource management planning.

LAND ACQUISITION

The Committee recommends \$4,500,000 for land acquisition, a decrease of \$19,500,000 below the budget request and \$13,870,000 below the FY04 level. This amount includes \$1,000,000 for emergencies and hardships, \$500,000 for land exchanges and \$3,000,000 for acquisition management.

The Committee Report expressed concern over the delay in the transfer of land at Fort Ord from the Department of the Army to the Department of the Interior, Bureau of Land Management. It requests that the Bureau of Land Management report back to the Committee within 60 days of enactment of the budget on the exact remedial actions required to be completed at the Fort Ord site prior to final conveyance from the Army.

UNITED STATES FISH AND WILDLIFE SERVICE RESOURCE MANAGEMENT

The Committee recommends \$970,494,000 for resource management, an increase of \$19,507,000 above the budget request and \$14,011,000 above the FY04 level.

Ecological Services

The Committee recommends \$244,840,000 be available for ecological services. This is an increase of \$7,817,000 above the budget request. However, the Committee Report includes a decrease of \$5,225,000 for the Upper Klamath Basin restoration program (CA, OR).

CONSTRUCTION

The Committee recommends \$48,400,000 for construction, a decrease of \$11,408,000 below the fiscal year 2004 level and an increase of \$26,289,000 above the budget request. Of this funding, the Klamath Basin NWR Complex will receive \$1,000,000 the amount requested, for Water Supply and Management.

LAND ACQUISITION

A total of \$107,500,000 is recommended for land acquisition and State assistance, a decrease of \$70,624,000 below the budget request and \$28,094,000 below the FY04 enacted level.

GEOLOGICAL SURVEY

The Committee allocates \$944,498,000 for surveys, investigations, and research, an increase of \$24,710,000 above the budget request and \$6,513,000 above the fiscal year 2004 enacted level.

Water Resources Investigations

The Klamath Basin initiative (CA, OR) will receive \$500,000 less than the requested amount.

NATIONAL PARK SERVICE

The Committee proposed \$1,686,067,000 for operation of the National Park System, the same as the budget request and an increase of \$76,507,000 above the FY04 level. The Committee

redirected increases in the budget request in order to provide an additional \$32,654,000 for across the board park base increases. Combined with \$22,012,000 in specific park operating increases in the budget request, the parks will have an additional \$54,666,000 for fiscal year 2005, meaning park units will have \$1.02 billion available for park operations.

HISTORIC PRESERVATION FUND

The Committee recommends \$71,533,000 for historic preservation fund programs, a decrease of \$2,050,000 below the FY04 enacted level and a decrease of \$6,000,000 below the budget request.

CONSTRUCTION

A total of \$297,628,000 is marked for construction, a decrease of \$32,251,000 from the FY04 level and \$32,252,000 less than the budget request. The following projects will receive funding in the amounts indicated, in thousands of dollars:

| | |
|---|--------|
| Lassen Volcanic NP, CA | 10,051 |
| Point Reyes NS, CA (Marina Railway) | 1,885 |
| Point Reyes NS, CA (watershed restoration) | 2,077 |
| San Francisco Maritime NHP, CA (Sala Burton Maritime Museum)..... | 4,183 |

PAYMENTS IN LIEU OF TAXES (PILT)

The Committee recommends \$226,000,000 for PILT, the same as the budget request and \$1,304,000 above the fiscal year 2004 level.

GENERAL PROVISIONS

Section 118 continues a provision authorizing a cooperative agreement with the Golden Gate National Parks Association to provide fee-based education, interpretive and visitor service functions within the Crissy Field and Fort Point areas of the Presidio.

Section 131 allows the National Indian Gaming Commission to collect \$12,000,000 in fees for fiscal year 2006.

Section 132 makes funds appropriated for fiscal year 2005 available to the tribes within the California Tribal Trust Reform Consortium and others on the same basis as funds were distributed in fiscal year 2004, and separates this demonstration project from the Department of the Interior's trust reform reorganization.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

Forest and Rangeland Research

Of \$280,654,000 recommended for forest and rangeland research, equal to the budget request and \$14,267,000 above the 2004 funding level, the Committee has budgeted \$2,500,000 for Sudden Oak Death research.

STATE AND PRIVATE FORESTRY

The Committee recommends \$282,446,000 for State and private forestry, \$11,942,000 below the budget request and \$46,751,000 below the 2004 funding level.

Cooperative Lands Forest Health Management

Sudden Oak Death control and management are to be provided no less than \$2,000,000. The Forest Service is advised by the Committee to use appropriate funding sources elsewhere in the Department of Agriculture authorized to provide urgent protective funding if emergency situations arise for this or other pests.

Cooperative Fire Protection

A total of \$41,827,000 is proposed for cooperative fire protection, \$11,722,000 above the request but \$21,447,000 below the 2004 funding level (In FY04 funding included \$24,853,000 in emergency funding for the urgent situation in southern California).

State Fire Assistance

The Committee recommends \$36,384,000 for State fire assistance, \$11,322,000 above the requested level and \$3,000,000 above the enacted level. Within this increase the Committee has provided \$5,000,000 above the normal allocation to provide treatments in the mountains of southern California, especially on State and private lands near the San Bernardino NF, where a terrible pest outbreak has created an extremely dangerous situation. An additional \$5,000,000 of the increase is provided to fund, on a cost-share basis, community wildfire protection plans.

Forest Legacy Program

The Committee allocated a total of \$43,119,000 in new funding for the forest legacy program, \$56,900,000 below the budget request and \$21,015,000 below the enacted level. The recommendation includes the following distribution of funds for the forest legacy program:

| | | |
|--------------------------------|-----------|-------------------------------|
| CA Six Rivers to the Sea | 2,300,000 | (500,000 less than requested) |
| CA Ridgewood Ranch | 400,000 | (100,000 less than requested) |

Economic Action Programs

The Committee recommends \$10,000,000 for economic action programs, \$15,606,000 below the FY04 level. Within the economic action program the Committee recommends \$500,000 be allocated to complete the MTBE study at South Lake Tahoe. It also provides \$2,000,000 for the Education and Research Consortium (ERC) of Western NC environmental education effort. The funds for the ERC are for the on-going educational programs provided by the ERC and the expansion of the national earth and environmental education initiative in Pennsylvania and northern California.

NATIONAL FOREST SYSTEM

The Committee Report allocates \$1,399,599,000 for the National forest system, \$10,000,000 above the budget request, if the requested transfer of funding of \$266,238,000 for the hazardous fuels program (which is rejected by the Committee) is not counted. The request proposed moving the hazardous fuels program from wildland fire management to this account.

The Committee Report includes the full funding requested by the Administration for the Quincy Library Group project.

WILDLAND FIRE MANAGEMENT

The Committee recommends \$1,734,865,000 for wildland fire management. This is \$39,741,000 above the budget request once the hazardous fuels funding of \$266,238,000 is added.

Hazardous fuels funding was requested in the National Forest system account but the Committee has rejected this proposed transfer. The overall recommendation is \$328,249,000 above the FY04 funding level not counting the \$299,224,000 in emergency suppression funds which were provided in fiscal year 2004 to partially repay previous emergency fire suppression expenditures and the \$24,853,000 in emergency funds provided for southern California hazardous fuels and rehabilitation work.

Hazardous Fuels

The Committee has provided \$266,238,000 for hazardous fuels reduction work, equal to the budget request (which was in the NFS account) and an increase of \$32,758,000 above the non-emergency funds provided in fiscal year 2004 level. The Committee believes that the hazardous fuels funding should remain in the wildland fire management account to maintain accountability and continuity with previous years, as well as with similar work in the Department of the Interior. The Committee expects that the urgent and dangerous situation on the San Bernardino NF, CA, and surrounding areas, caused by drought and a catastrophic bark beetle outbreak, will be a top priority for allocation of fuels funding.

State and Volunteer Fire Assistance

The Committee has provided \$40,000,000 for State fire assistance, \$5,755,000 above the request and \$11,063,000 below the enacted level. The increase above the request is for general program delivery. This funding is in addition to the \$36,384,000 provided under the State and private forestry heading. The Committee expects that funds will be used to support and expand the Fire Safe Councils in California and that the Forest Service will use this innovative program as a model for other States.

CAPITAL IMPROVEMENT AND MAINTENANCE

The Committee recommends \$522,940,000 for capital improvement and maintenance, \$21,881,000 above the request and \$32,287,000 below the FY04 enacted level.

Facilities

The Committee recommends \$196,355,000 for facilities maintenance and capital improvement, \$5,017,000 above the budget request and \$18,011,000 below the fiscal year 2004 level. Facility maintenance requests have been fully funded. A total of \$2,000,000 is earmarked for San Bernardino NF, CA recreational infrastructure projects.

The Committee encourages the Department of the Interior and the Forest Service to work jointly to secure funding under the Southern Nevada Land Management Act to construct the Tahoe Mountain Lake Research Center at Fallen Leaf Lake near Lake Tahoe as part of the Lake Tahoe Environmental Improvement Plan. The Committee expects that a process will be developed to routinely transfer funds for environmental improvement projects at Lake Tahoe to the Forest Service from the Bureau of Land Management. Furthermore, the Committee notes that it is important to use the Land Management Act to maintain funding for Forest Service land improvement activities and water quality protection in the Lake Tahoe Basin, as well as for erosion control grants within the Lake Tahoe watershed.

Trails

Of \$76,774,000 recommended for trails maintenance and capital improvement, \$1,000,000 is allocated for construction and \$500,000 for operations at the Pacific Crest National Scenic Trail (CA, OR, WA).

LAND ACQUISITION

The Committee recommends \$234,000, as requested, for acquisition of lands to complete land exchanges under the Act of December 4, 1967 (16 U.S.C. 484a).

DEPARTMENT OF ENERGY

The Committee recommends \$601,875,000 for fossil energy research and development, a decrease of \$70,895,000 below the fiscal year 2004 level and \$33,924,000 below the budget request.

ELK HILLS SCHOOL LANDS FUND

The Committee recommends \$36,000,000 for the Elk Hills school lands fund, as a seventh installment payment that is part of a 1996 settlement agreement associated with the sale of Naval Petroleum Reserve Number 1, authorized by section 3415 of Public Law 104-106, which is equal to the amount available for FY04. The Committee recommends these funds be made available on October 1, 2005.

PRESIDIO TRUST

Presidio Trust Fund

The Committee suggests \$20,000,000 be allocated for the Presidio Trust fund, the same as the budget request and \$445,000 below the enacted level.

GENERAL PROVISIONS

Section 334 authorizes the conveyance of land within the San Bernardino National Forest.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH FACILITIES

The Committee recommends \$405,048,000 be allocated to Indian health facilities, an increase of \$13,697,000 above the fiscal year 2004 level and \$50,600,000 above the budget request. Up to \$2,700,000 of hospital and clinic construction funds will be available for the purchase of land for the northern and southern California youth regional treatment centers. Funding will be used for planning and design of two centers.