



September 24, 2021

## Offshore Energy Agency Appropriations, FY2022

Three entities in the Department of the Interior (DOI) share responsibility for managing the nation’s ocean energy resources on almost 2.5 billion acres of the U.S. outer continental shelf (OCS). The Bureau of Ocean Energy Management (BOEM) administers offshore energy leasing and mineral development; the Bureau of Safety and Environmental Enforcement (BSEE) oversees offshore operational safety and environmental protection; and the Office of Natural Resources Revenue (ONRR) manages public revenues from federally regulated offshore and onshore energy and natural resource projects. BOEM, BSEE, and ONRR receive appropriations in the annual Interior, Environment, and Related Agencies appropriations bill. Issues include determining the aggregate and program-level appropriations for each entity.

On July 6, 2021, the House Committee on Appropriations reported an FY2022 Interior appropriations bill, H.R. 4372 (H.Rept. 117-83), with funding for BOEM, BSEE, and ONRR. On July 29, 2021, the House passed H.R. 4502, a consolidated appropriations bill with the same amounts for the three entities.

Total budget authority for BOEM and BSEE includes both discretionary appropriations and *offsetting collections* derived from a portion of OCS rental receipts, cost-recovery fees, and (for BSEE) inspection fees. The discretionary appropriations for each fiscal year are reduced by the amount of eligible fees and receipts collected, so that the final amount appropriated to each agency is the net of those collections. Discussions of account- and activity-level funding in the sections below refer to total budget authority, regardless of offsets. ONRR’s funding does not include offsetting collections.

### BOEM Appropriations

The Biden Administration requested \$227.8 million in total budget authority for BOEM for FY2022. This was an 18%

increase over the total FY2021 budget authority of \$192.8 million provided in P.L. 116-260, the Consolidated Appropriations Act, 2021. House-passed H.R. 4502 would provide \$223.9 million in total FY2022 budget authority for BOEM, 16% more than FY2021 and 2% less than requested by the Administration (**Table 1**). The total budget authority consists of discretionary appropriations and offsetting collections (see below).

BOEM’s funding is contained in a single budget account, titled Ocean Energy Management. Within this account, the **Conventional Energy** budget activity (\$60.5 million FY2021; \$62.3 million FY2022 request; \$58.5 million House-passed H.R. 4502) funds administration of oil and gas leasing, including the development of forward-looking five-year leasing programs. BOEM sought a funding increase primarily to support fixed costs such as health and retirement benefits.

The **Renewable Energy** activity (\$28.5 million FY2021; \$45.8 million FY2022 requested; \$45.8 million House-passed H.R. 4502) supports BOEM’s management of renewable ocean energy resources. BOEM requested added funding to boost its workforce capacity and invest in research and stakeholder engagement, among other purposes. The House committee report expressed support for BOEM’s “commitment” and “urge[d] BOEM to continue its engagement with states, local communities, and other stakeholders in this process.”

The **Environmental Assessment** activity (\$75.9 million FY2021; \$86.8 million FY2022 requested; \$86.8 million House-passed H.R. 4502) supports BOEM’s responsibilities for assessing the environmental impacts of ocean energy activities to inform planning and policy decisions. BOEM’s requested funding increase mainly would support its Environmental Studies Program.

**Table 1. BOEM, BSEE, and ONRR Appropriations, FY2021 and FY2022**  
(\$ millions)

Agency	FY2021 Enacted (P.L. 116-260)	FY2022 Request	House-Passed H.R. 4502	House Bill % Change from FY2021
BOEM Total Budget Authority	192.8	227.8	223.9	+16%
BOEM Net Appropriation	127.8	184.8	180.9	+42%
BSEE Total Budget Authority	198.7	253.4	228.4	+15%
BSEE Net Appropriation	125.1	195.4	170.4	+36%
ONRR Total Appropriation	148.5	169.6	153.5	+3%

**Source and Notes:** Data from House Committee on Appropriations. Net appropriations reflect estimated reductions to discretionary appropriations based on offsetting collections. Table does not reflect an additional \$1.0 million for the “Decommissioning BOEM Account,” provided in relation to a general provision in H.R. 4502.

The *Marine Minerals* activity (\$10.8 million FY2021; \$15.0 million FY2022 requested; \$15.0 million House-passed H.R. 4502) supports management of offshore non-energy minerals, particularly sand and gravel, as well as BOEM's assessment of critical minerals on the OCS. The House committee report stated that its funding increase was to support BOEM's National Offshore Sand Inventory, "a key component of coastal mitigation efforts and an increasingly important resource for states."

The *Executive Direction* activity (\$17.2 million FY2021; \$17.9 million FY2022 requested; \$17.9 million House-passed H.R. 4502) covers leadership, budgeting, technology, and related activities. The requested increase was primarily for fixed costs and to implement a DOI-wide Diversity, Equity, Inclusion, and Accessibility Initiative.

Net of estimated offsetting collections, the FY2022 request was \$184.8 million, 45% more than the net appropriation of \$127.8 million for BOEM in FY2021. The greater percentage change from last year in the net versus total request reflects that BOEM anticipates less in offsetting rental receipts and cost-recovery fees for FY2022 than were collected in FY2021. The House-passed bill also reflects lower estimated offsetting collections in FY2022 than in FY2021. Net of offsetting collections, H.R. 4502 would provide \$180.9 million for BOEM, 42% more than enacted for FY2021 and 2% less than requested.

Separately, BOEM proposed and the House included in H.R. 4502 a general provision (Section 126) establishing a new offshore decommissioning account for BOEM. H.R. 4502 would appropriate \$1.0 million for this account.

## BSEE Appropriations

The Administration requested \$253.4 million in total budget authority for BSEE for FY2022, a 28% increase over the FY2021 total budget authority of \$198.7 million in P.L. 116-260. House-passed H.R. 4502 would provide BSEE with total FY2022 budget authority of \$228.4 million, 10% less than the request and 15% more than the FY2021 total budget authority (**Table 1**).

BSEE's funding is appropriated under two budget accounts, Offshore Safety and Environmental Enforcement (OSEE) and Oil Spill Research. Under the OSEE account, the *Operations, Safety, and Regulation* activity (\$152.8 million FY2021; \$164.1 million FY2022 requested; \$164.1 million House-passed H.R. 4502) supports BSEE's development of regulations and safety standards, review and approval of OCS operating permits, inspections of facilities and equipment, and oversight of operator safety programs, among other activities. The House committee report stated that the increased funding was to support BSEE's development of an offshore renewable energy program, per the agency's request.

The *Environmental Enforcement* activity (\$4.8 million FY2021; \$5.5 million FY2022 requested; \$5.5 million

House-passed H.R. 4502) supports BSEE's compliance with environmental statutes and its oversight and enforcement of environmental compliance by operators on the OCS. BSEE stated that the requested FY2022 increase was for its renewable energy program.

The activities for *Administrative Operations* (\$18.2 million FY2021; \$20.2 million FY2022 requested; \$20.2 million House-passed H.R. 4502) and *Executive Direction* (\$18.1 million FY2021; \$18.4 million FY2022 requested; \$18.4 million House-passed H.R. 4502) fund a range of administrative services as well as BSEE's executive offices. BSEE's FY2022 request included funding for zero-emission vehicles and the DOI-wide Diversity, Equity, Inclusion, and Accessibility Initiative, among others.

BSEE also proposed a new budget activity under the OSEE account, titled *Offshore Decommissioning*. BSEE requested \$30.0 million to "properly" decommission orphaned well and pipeline infrastructure. H.R. 4502 would provide \$5.0 million. The House committee report stated that it "strongly disagrees that the ultimate responsibility for these activities should fall to the American taxpayer." The committee would require a briefing on BSEE's plans for obtaining financial assurance from operators regarding infrastructure decommissioning.

The second BSEE account, *Oil Spill Research* (\$14.9 million FY2021; \$15.1 million FY2022 request; \$15.1 million House-passed H.R. 4502), funds research and planning for oil spill responses and supports Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility. BSEE stated that the added funding for FY2022 would go toward research on the safety and sustainability of renewable energy operations.

BSEE's requested net appropriations after offsetting collections were \$195.4 million, 56% more than the FY2021 net appropriations of \$125.1 million. Net of offsetting collections, H.R. 4502 would provide \$170.4 million, 13% less than the request and 36% more than FY2021.

## ONRR Appropriations

ONRR, which manages revenues from both offshore and onshore energy, is funded within the broader appropriation for DOI's Department-Wide Programs. For FY2022, the Administration requested \$169.6 million for ONRR, an increase of 14% over the FY2021 funding of \$148.5 million (**Table 1**). The requested increase was mainly for information technology (IT) modernization. House-passed H.R. 4502 would provide \$153.5 million, 3% more than the FY2021 amount and 10% less than the request.

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