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## 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. On October 18, 2021, the Senate Appropriations Committee chair released a majority draft bill, later introduced as S. 3034, with FY2022 funding for BOEM, BSEE, and ONRR. Because FY2022 appropriations were not enacted by the start of the fiscal year, a continuing resolution, P.L. 117-43, provides appropriations at FY2021 levels through December 3, 2021, or until full-year appropriations are enacted.

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 BOEM budget authority for FY2022 (**Table 1**). 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. S. 3034 would provide BOEM with total budget authority of \$227.8 million, the same as the request and 18% more than FY2021. 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 and S. 3034; \$58.5 million 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 request, S. 3034, and 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. The House committee report “urge[d] BOEM to continue its engagement with states, local communities, and other stakeholders.” A draft explanatory statement from the Senate committee directed “consulting early and often with the commercial fishing industry” and others.

**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	Senate S. 3034	Senate Bill % Change from FY2021
BOEM Total Budget Authority	192.8	227.8	223.9	+16%	227.8	+18%
BOEM Net Appropriation	127.8	184.8	180.9	+42%	184.8	+45%
BSEE Total Budget Authority	198.7	253.4	228.4	+15%	252.7	+27%
BSEE Net Appropriation	125.1	195.4	170.4	+36%	194.7	+56%
ONRR Total Appropriation	148.5	169.6	153.5	+3%	169.6	+14%

**Source:** Data from House and Senate Committees on Appropriations.

**Notes:** 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 and S. 3034. The **Environmental Assessment** activity (\$75.9 million FY2021; \$86.8 million FY2022 request, S. 3034, and 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.

The **Marine Minerals** activity (\$10.8 million FY2021; \$15.0 million FY2022 request, S. 3034, and 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, and the Senate committee stated that BOEM’s critical minerals assessment should continue at “no less than enacted levels.”

The **Executive Direction** activity (\$17.2 million FY2021; \$17.9 million FY2022 request, S. 3034, and 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 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 and Senate bills also reflect lower estimated offsetting collections. The net amount in S. 3034 is the same as in the request, and is \$180.9 million in H.R. 4502, 2% less than requested and 42% more than FY2021.

Separately, BOEM proposed and the House and Senate bills included a general provision (Section 126) establishing a new offshore decommissioning account for BOEM. Both bills 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 (**Table 1**). 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. S. 3034 would provide \$252.7 million in total budget authority for BSEE, less than 1% below the request and 27% more than FY2021.

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 request, S. 3034, and 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. BSEE requested increased funding to support its offshore renewable energy program.

The **Environmental Enforcement** activity (\$4.8 million FY2021; \$5.5 million FY2022 request, S. 3034, and 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 request and H.R. 4502; \$19.5 million S. 3034) and **Executive Direction** (\$18.1 million FY2021; \$18.4 million FY2022 request, S. 3034, and 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. While S. 3034 would provide the requested amount, H.R. 4502 would provide only \$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, S. 3034, and 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 appropriation after offsetting collections was \$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. S. 3034 would provide \$194.7 million, less than 1% below the request and 56% above 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. S. 3034 would provide the requested amount. 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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