



Updated May 17, 2024

Offshore Energy Agency Appropriations, FY2024

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 and considering certain Biden Administration proposals.

P.L. 118-42, the Consolidated Appropriations Act, 2024, was enacted on March 9, 2024, with FY2024 appropriations for BOEM, BSEE, and ONRR. Because appropriations were not enacted by the start of the fiscal year, several continuing resolutions had earlier provided appropriations at FY2023 levels. Earlier House and Senate bills with FY2024 appropriations for the three entities included H.R. 4821 (H.Rept. 118-155), passed by the House on November 3, 2023, and S. 2605 (S.Rept. 118-83), reported by the Senate Committee on Appropriations on July 27, 2023.

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 \$268.2 million in total budget authority for BOEM for FY2024 (**Table 1**). This would have been a 22% increase over total FY2023 budget authority of \$220.0 million. P.L. 118-42 provided \$211.2 million in total FY2024 budget authority for BOEM, 4% less than the FY2023 total budget authority and 21% less than requested by the Administration. House-passed H.R. 4821 would have provided \$182.0 million, and Senate committee-reported S. 2605 contained \$220.0 million.

BOEM’s funding is contained in a single budget account, titled Ocean Energy Management. Within this account, the **Conventional Energy** activity (\$61.5 million FY2023; \$72.3 million FY2024 requested; \$59.0 million enacted) funds administration of oil and gas leasing, including development of five-year leasing programs. The joint explanatory statement for P.L. 118-42 directs BOEM to use at least \$2.0 million from the Conventional Energy and Environmental Assessment budget activities for work on geologic carbon sequestration and directs BOEM to prioritize finalizing regulations on this topic.

The **Renewable Energy** activity (\$42.8 million FY2023; \$64.5 million FY2024 requested; \$41.1 million enacted) supports BOEM’s management of renewable ocean energy resources. BOEM had requested increased funding to grow permitting workforce capacity, initiate renewable energy leasing activities offshore of U.S. territories, and automate information management.

The **Environmental Assessment** activity (\$82.4 million FY2023; \$92.8 million FY2024 requested; \$79.1 million enacted) supports BOEM’s responsibilities for assessing the environmental impacts of ocean energy activities to inform planning and policy decisions. BOEM had requested increases for its Environmental Studies Program, for development of an offshore carbon sequestration program, for a team to address renewable energy environmental reviews, and for tribal co-stewardship.

Table 1. BOEM, BSEE, and ONRR Appropriations, FY2023 and FY2024 (\$ millions)

Agency	FY2023 Enacted (P.L. 117-328)	FY2024 Request	House-Passed H.R. 4821	Senate-Reported S. 2605	FY2024 Enacted (P.L. 118-42)	% Change from FY2023
BOEM Total Budget Authority	220.0	268.2	182.0	220.0	211.2	-4%
BOEM Net Appropriation	183.0	212.2	126.0	164.0	155.2	-15%
BSEE Total Budget Authority	229.0	270.6	225.1	229.0	220.4	-4%
BSEE Net Appropriation	172.0	198.6	159.1	163.0	154.4	-10%
ONRR Total Appropriation	174.9	185.4	157.4	174.9	167.9	-4%

Sources and Notes: H.Rept. 118-155, S.Rept. 118-83, and joint explanatory statement for P.L. 118-42. Net appropriations reflect estimated reductions to discretionary appropriations from offsetting collections.

BOEM's *Marine Minerals* activity (\$14.4 million FY2023; \$16.4 million FY2024 requested; \$13.8 million enacted) supports management of offshore non-energy minerals, particularly sand and gravel, as well as BOEM's assessment of critical minerals on the OCS. BOEM had requested increased funds for its National Offshore Sand Inventory.

The *Executive Direction* activity (\$18.9 million FY2023; \$22.3 million FY2024 requested; \$18.1 million enacted) covers leadership, budgeting, technology, and related activities. The requested increase was primarily to enhance program support for the Administration's clean energy priorities.

Net of estimated offsetting collections, BOEM's FY2024 request was \$212.2 million, 16% more than the net appropriation of \$183.0 million for BOEM in FY2023. P.L. 118-42 provided \$155.2 million as the net appropriation, 15% less than FY2023. The greater percentage decrease from FY2023 in the net appropriation (-15%) versus the total budget authority discussed above (-4%) reflects that BOEM anticipates more in offsetting rental receipts for FY2024 than were collected in FY2023.

BSEE Appropriations

The Administration requested \$270.6 million in total budget authority for BSEE for FY2024, an 18% increase compared with the FY2023 total budget authority of \$229.0 million (**Table 1**). P.L. 118-42 provided BSEE with total FY2024 budget authority of \$220.4 million, 4% less than FY2023 and 19% less than requested. House-passed H.R. 4821 would have provided \$225.1 million, and Senate committee-reported S. 2605 contained \$229.0 million.

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 (\$166.9 million FY2023; \$178.5 million FY2024 requested; \$160.3 million enacted) 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 had sought a funding increase to build its carbon sequestration program, as authorized in the Infrastructure Investment and Jobs Act (P.L. 117-58).

The *Environmental Enforcement* activity (\$5.9 million FY2023; \$7.4 million FY2024 requested; \$5.6 million enacted) supports BSEE's compliance with environmental statutes and its oversight and enforcement of environmental compliance by operators on the OCS. A portion of BSEE's requested increase was for tribal engagement.

The activities for *Administrative Operations* (\$19.3 million FY2023; \$19.2 million FY2024 requested; \$18.5 million enacted) and *Executive Direction* (\$18.8 million FY2023; \$20.4 million FY2024 requested; \$18.0 million enacted) fund a range of administrative services as well as BSEE's executive offices. BSEE's request had included increased

funding for zero-emission vehicles and information technology enhancements.

BSEE's *Offshore Decommissioning* activity (\$3.0 million FY2023; \$30.0 million FY2024 requested; \$2.9 million enacted) was established as a separate line item in FY2022, supporting closure and removal of offshore energy infrastructure when leases reach the end of their lifetimes. BSEE had requested \$30.0 million for FY2024 to "properly plug and abandon" orphaned wells and pipelines for which no liable party is available to decommission. In the past, appropriators have expressed opposition to decommissioning costs being borne by taxpayers.

The second BSEE account, *Oil Spill Research* (\$15.1 million FY2023, FY2024 requested, and enacted), funds research and planning for oil spill responses and supports Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility.

BSEE's requested net appropriation after offsetting collections was \$198.6 million, 15% more than the FY2023 net appropriation of \$172.0 million. P.L. 118-42 provided \$154.4 million as the net FY2024 appropriation, 10% less than FY2023.

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 FY2024, the Administration requested \$185.4 million for ONRR, a 6% increase over the FY2023 funding of \$174.9 million (**Table 1**). The requested increase was mainly to strengthen auditing and compliance and expand solicitor staff. P.L. 118-42 provided \$167.9 million, 9% less than requested and 4% less than FY2023.

General Provisions

P.L. 118-42 included a general provision (Section 123) establishing a new Treasury account for bond forfeitures, bankruptcy distributions, and settlements related to offshore decommissioning, which both BOEM and BSEE may use as mandatory spending (i.e., "without further appropriation or fiscal year limitation") to perform decommissioning work. BOEM had requested the account's establishment to facilitate the transfer of decommissioning funds between BOEM and BSEE.

BSEE's budget proposed a general provision that would raise inspection fees to adjust for inflation and would change facility inspection fees from a per-year to a per-visit basis. P.L. 118-42 did not include the requested changes.

Additional Reading

For a broader overview of FY2024 Interior appropriations, see CRS Report R47664, *Interior, Environment, and Related Agencies: Overview of FY2024 Appropriations*.

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