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United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-248469

May 20, 1992



The Honorable William H. Orton
House of Representatives

Dear Mr. Orton:

Your March 5, 1992, letter asked us to provide information on the Department of the Interior's Bureau of Land Management (BLM) budget and staff allocations for nine western states¹ for fiscal years 1991 and 1992. Specifically, you asked us to focus on seven management programs: oil and gas, coal, rangeland, cultural resources, wilderness, recreation resources, and resource planning.

As agreed with your office, this letter summarizes the process BLM uses to allocate budget and staff resources among its state offices and provides information on fiscal years 1991 and 1992 budget and staff allocations for the nine states broken down by the seven programs. As agreed with your office, we did not attempt to analyze or determine the reasonableness of the allocations.

RESOURCE ALLOCATION PROCESS

BLM's resource allocation process, including its budget development phase, takes place over 3 fiscal years. For example, BLM began working on its fiscal year 1992 budget in fiscal year 1990. The starting point for the development of BLM's budget and, in turn, each BLM state office's budget, is the current budget, adjusted for such things as inflation, administration priorities and initiatives, and estimated overall BLM budget growth or decrease. Over a 3-year period, this budget is reviewed and revised by numerous organizations and individuals within BLM, the Department of the Interior, and the Office of Management and Budget, as

¹The states are Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming. As agreed with your office, Alaska and Oregon were excluded because of unique programs in those states.

GAO/RCED-92-181R BLM Resource Allocation

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well as by the President and the Congress. The final BLM budget, and subsequent allocation of funds to each state office, reflects the priorities and initiatives of each of these organizations and the President. A more detailed explanation of the resource allocation process is included in enclosure I.

BUDGET AND STAFF LEVELS

Budget and staff levels for fiscal years 1991 and 1992 for the nine western states included in our review are shown in table 1. These budget levels include all funds allocated directly to the states, not just the funds related to the seven programs included in this letter. Staff levels include all staff working in the states. The data are current as of March 25, 1992.

Table 1: BLM Budget and Staff Allocations for Nine States, Fiscal Years 1991 and 1992

Dollars in millions

<u>State</u>	<u>Fiscal Year 1991</u>		<u>Fiscal Year 1992</u>	
	<u>Budget</u>	<u>Staff</u>	<u>Budget</u>	<u>Staff</u>
Arizona	\$26.6	496	\$32.6	510
California	50.8	950	53.2	975
Colorado	30.7	660	32.9	660
Idaho	34.1	625	34.7	665
Montana	28.3	620	29.8	620
Nevada	36.2	685	38.9	700
New Mexico	42.0	853	44.3	855
Utah	27.0	585	29.8	605
Wyoming	34.5	780	36.5	780

Note: Staff are in full-time equivalents.

Enclosure II tracks the budget allocation process for the nine states and the seven programs you requested for fiscal years 1991 and 1992.

In performing our work, we discussed BLM's resource allocation process with BLM headquarters officials. We reviewed resource allocation guidance and data for fiscal

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years 1991 and 1992, which were provided to us by these officials.

Please contact me at (202) 275-7756 if you or your staff have any questions. Other staff who worked on this letter are Ralph Lamoreaux and Eileen Cortese of our Resources, Community, and Economic Development Division and Brian Eddington of our Denver Regional Office.

Sincerely yours,

A handwritten signature in black ink that reads "James Duffus III". The signature is written in a cursive style with a large, looping initial "J".

James Duffus III
Director, Natural Resources
Management Issues

Enclosures - 2

BLM'S RESOURCE ALLOCATION PROCESS

The resource allocation process within the Bureau of Land Management (BLM) takes place over 3 fiscal years: the program year, the budget year, and the current year. The program year begins 2 fiscal years before and the budget year begins 1 fiscal year before the current fiscal year. For example, fiscal year 1992 is the program year for fiscal year 1994 and the budget year for fiscal year 1993.

PROGRAM YEAR

BLM's goal during the program year is to develop an initial budget request that is consistent with the Department of the Interior's and the President's priorities and initiatives. At the beginning of the program year, each BLM state office submits to BLM headquarters its overall budget plan, which identifies the programs it would like to emphasize and specifies a cost target for each program. To assist in this effort, BLM's headquarters budget office provides guidance regarding the funding level each state should use in developing its budget plan. The amount of funding provided in the guidance is generally based on each state's current budget, adjusted for such things as inflation and administration priorities and initiatives, plus an estimate of overall budget growth or decrease. Each state office subsequently determines a proposed distribution of this funding among its programs.

Budget office and program staff at BLM headquarters review the states' submissions and compile them into a comprehensive BLM budget broken down by program. At this point, the state directors meet with the BLM Director, the Deputy Director, and the Assistant Director for Management Services to discuss how each state's priorities and initiatives compare with the Director's priorities and initiatives and, in turn, Interior's and the President's priorities and initiatives. On the basis of this meeting, BLM's headquarters budget office and program staff develop BLM's initial budget request, which is submitted to Interior for internal review. This request is program--but not state--specific.

Interior reviews BLM's budget to ensure that it is consistent with Interior's priorities and initiatives. Interior then provides BLM with a final cost target, which BLM subsequently uses in developing its final budget request. BLM provides this final request to Interior at the end of the program year, and the request is incorporated into an Interior-wide budget request to the Office of Management and Budget (OMB).

BUDGET YEAR

During the budget year, Interior's budget request is reviewed, revised, and approved by OMB, the President, and the Congress. At the beginning of the budget year, Interior's budget request is considered during OMB's budget decision process to ensure its consistency with cost targets for the federal budget. BLM's budget, which is broken out by program but not by state, is included as a part of Interior's budget. OMB can make adjustments at the BLM program level. At the end of OMB's decision process, OMB provides BLM's headquarters budget office with the final budget figures BLM is to use in the federal budget the President will submit to the Congress.

By law, the President must submit his budget to the Congress between the first Monday in January and the first Monday in February. This budget is accompanied by narrative justification for each program. Again, BLM's portion of this budget is not state-specific. The BLM Director testifies on behalf of the agency's budget at congressional hearings held over the next few months. During the congressional budget process, the Congress can change funding levels, modify or eliminate programs, or add new ones not requested by the President.

By August of the budget year, BLM is usually fairly certain about the funding it will receive in the appropriations bill for the next fiscal year, and the process of allocating these funds to the states begins. The BLM Director issues guidance to the state offices asking them to submit a Proposed Annual Work Plan (PAWP) for each program. Included in this guidance is an initial funding allocation for each state for each program. This allocation has been developed by BLM's four assistant directors¹ and their staffs on the basis of the funding expected in the appropriations bill. State offices submit their PAWPs, which include narrative statements detailing what work can be accomplished with the level of funding initially allocated, to BLM headquarters. Furthermore, each state office can request additional funds and provide information to justify the need for these funds. Requests are typically due to BLM headquarters by the beginning of the fiscal year. BLM's four assistant directors then decide on the level of funding to be allocated to each state on the basis of the states'

¹The four assistant directors are responsible for the areas of Lands and Renewable Resources, Energy and Minerals, Management Services, and Support Services.

requests and consultations with BLM's Deputy Director and Budget Officer.

CURRENT YEAR

When an appropriations bill has been enacted and BLM is certain of the level of funds available for allocation, the four assistant directors and officials from BLM's headquarters budget office meet with associate directors from all the states to review each program and make final state allocations. According to BLM's Assistant Director for Management Services, few changes are made to the allocation decisions made by the assistant directors at the end of the budget year; instead, the numbers are simply "tweaked on the margin." The Assistant Director also told us that reaching a consensus on the allocations is usually not difficult because the officials involved have a single vision of what BLM, as an agency, is trying to accomplish. Changes can take place, however, as a result of congressional changes to the enacted level of appropriations. Furthermore, a BLM mid-year review process allows for some minor adjustments to be made to the allocations during the current fiscal year.

Because staff numbers are budget-driven, staff allocations are determined after the budget allocation process has been completed. OMB provides a staff ceiling to Interior, which, in turn, provides a staff ceiling to BLM. BLM state offices include a request for staff as part of their PAWPs and have an opportunity to make their request final after the budget allocations have been made. BLM's headquarters budget office reviews these final requests and determines the level of staffing each state office will receive. The budget office considers the state's prior use of staff, any significant changes in budget allocations, and new program initiatives as criteria. BLM sets staff levels for each state but does not specify the number of staff for each program within a state. State offices have the authority to move staff among programs.

FUNDING LEVELS FOR SEVEN BLM PROGRAMS
FOR FISCAL YEARS 1991 AND 1992

This enclosure provides funding information on the seven BLM management programs you asked us to focus on: oil and gas, coal, rangeland, cultural resources, wilderness, recreation resources, and resource planning. Each figure depicts the level of funding allocated to a program, by state, for fiscal years 1991 and 1992. The corresponding tables trace the funding for each state at the following decision points during the budget allocation process: (1) initial allocation by BLM's four assistant directors and their staffs in the Proposed Annual Work Plan guidance; (2) request by each state after receiving its initial allocation from BLM headquarters; (3) decision by the four assistant directors on the basis of states' requests and consultations with BLM's Deputy Director and Budget Officer; and (4) final allocation, agreed to by BLM's four assistant directors, BLM's headquarters budget staff, and the states' associate directors, after the appropriations bill has been enacted.

Figure II.1: BLM Funding Allocation for Oil and Gas, Fiscal Years 1991-92

Dollars in thousands

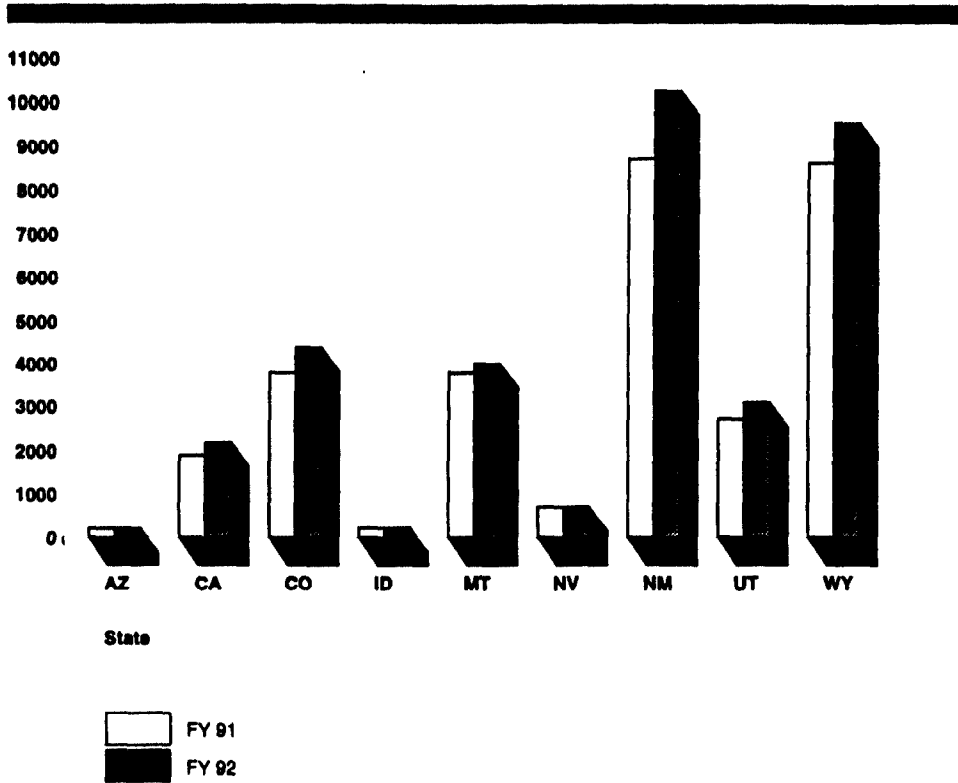


Table II.1: BLM Allocation Process for Oil and Gas, Fiscal Years 1991-92

Dollars in thousands

State	Fiscal year	(1) Initial allocation	(2) State request	(3) Asst. Dir. decision	(4) Final allocation
Arizona	91	\$ 197	\$ 197	\$ 197	\$ 197
	92	196	225	196	196
California	91	1,741	2,065	1,879	1,879
	92	2,171	2,401	2,181	2,181
Colorado	91	3,665	3,912	3,785	3,785
	92	4,346	4,481	4,366	4,366
Idaho	91	192	202	202	202
	92	201	218	201	201
Montana	91	3,690	4,279	3,786	3,786
	92	3,935	4,526	3,992	3,992
Nevada	91	574	946	694	694
	92	691	836	691	691
New Mexico	91	7,876	9,095	8,696	8,696
	92	10,112	11,325	10,214	10,244
Utah	91	2,554	2,831	2,704	2,704
	92	3,042	3,352	3,082	3,082
Wyoming	91	7,806	8,910	8,597	8,597
	92	9,427	10,227	9,538	9,508

Figure II.2: BLM Funding Allocation for Coal, Fiscal Years 1991-92

Dollars in thousands

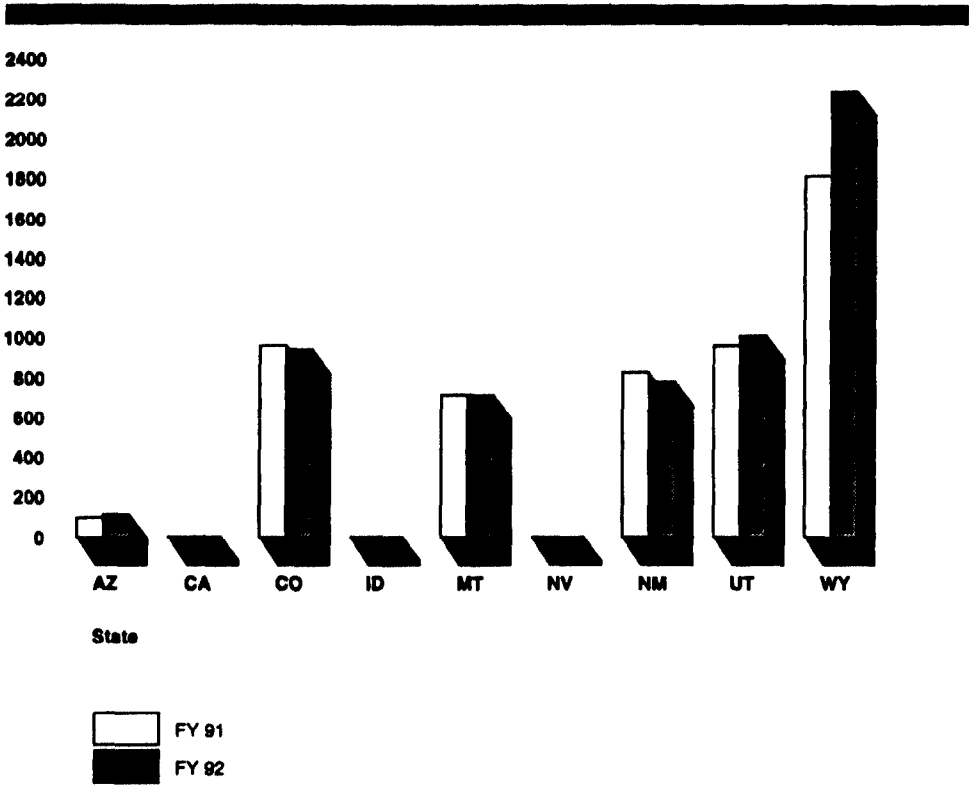


Table II.2: BLM Allocation Process for Coal, Fiscal Years 1991-92

Dollars in thousands

State	Fiscal year	(1) Initial allocation	(2) State request	(3) Asst. Dir. decision	(4) Final allocation
Arizona	91	\$ 74	\$ 95	\$ 94	\$ 94
	92	110	139	110	110
California	91	3	3	3	3
	92	3	3	3	3
Colorado	91	940	1,030	960	960
	92	962	1,050	962	938
Idaho	91	0	0	0	0
	92	0	0	0	0
Montana	91	715	890	715	715
	92	715	900	715	715
Nevada	91	0	0	0	0
	92	0	0	0	0
New Mexico	91	796	1,078	826	826
	92	832	930	810	780
Utah	91	945	1,051	960	960
	92	1,010	1,030	1,010	1,010
Wyoming	91	1,571	2,116	1,808	1,808
	92	1,908	2,399	2,158	2,237

Figure II.3: BLM Funding Allocation for Rangeland, Fiscal Years 1991-92

Dollars in thousands

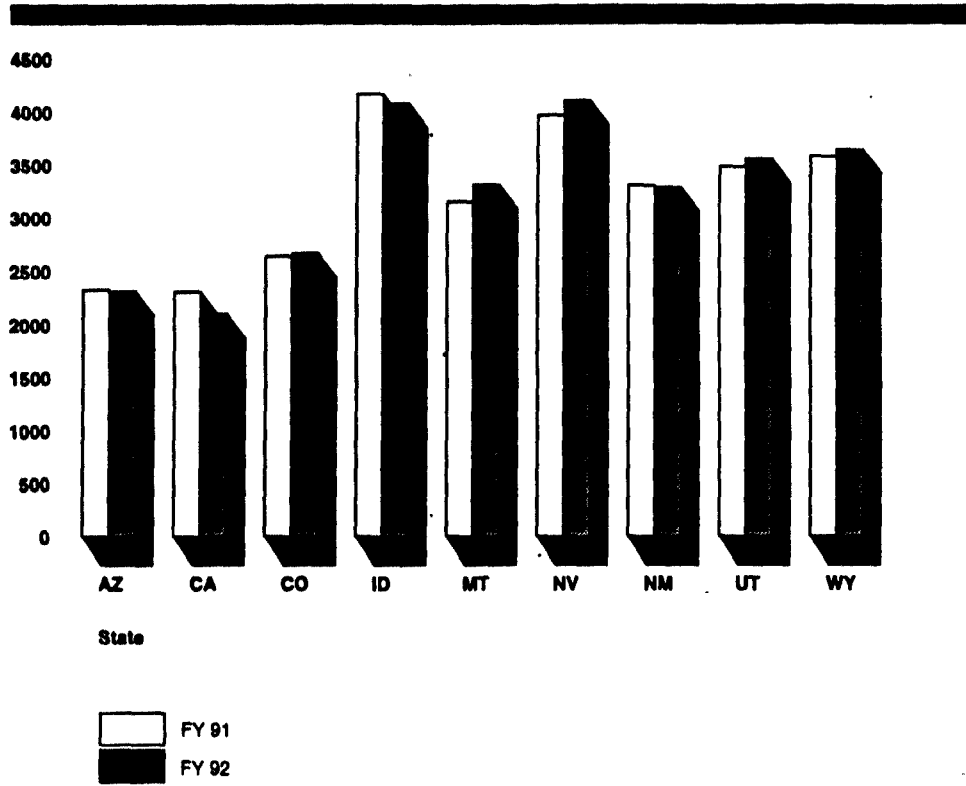


Table II.3: BLM Allocation Process for Rangeland, Fiscal Years 1991-92

Dollars in thousands

State	Fiscal year	(1) Initial allocation	(2) State request	(3) Asst. Dir. decision	(4) Final allocation
Arizona	91	\$2,071	\$2,571	\$2,321	\$2,321
	92	2,165	2,886	2,306	2,306
California	91	2,105	2,371	2,302	2,302
	92	2,016	2,242	2,100	2,100
Colorado	91	2,369	2,849	2,641	2,641
	92	2,524	2,922	2,666	2,666
Idaho	91	3,715	3,901	4,167	4,167
	92	3,874	4,229	4,078	4,078
Montana	91	2,880	3,208	3,157	3,157
	92	3,085	4,198	3,318	3,318
Nevada	91	3,571	4,234	3,952	3,973
	92	3,823	4,808	4,108	4,108
New Mexico	91	3,028	3,654	3,311	3,311
	92	3,127	3,580	3,291	3,291
Utah	91	3,152	3,696	3,483	3,483
	92	3,300	3,817	3,557	3,557
Wyoming	91	3,265	4,117	3,581	3,581
	92	3,361	4,505	3,601	3,651

Figure II.4: BLM Funding Allocation for Cultural Resources, Fiscal Years, 1991-92

Dollars in thousands

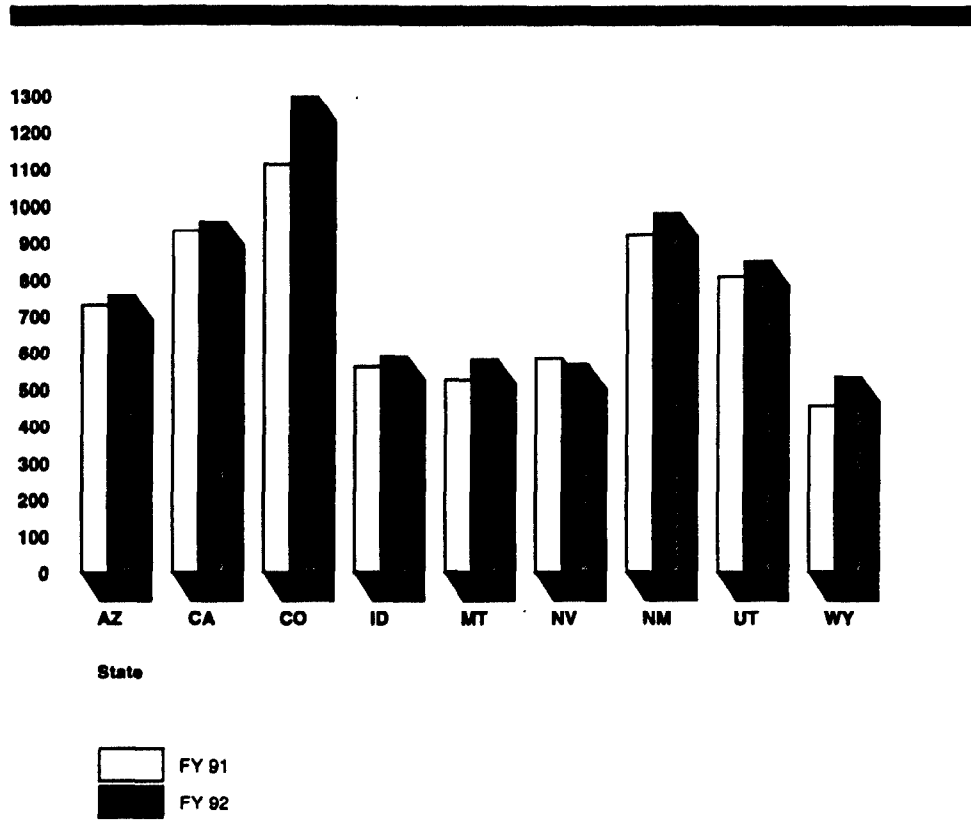


Table II.4: BLM Allocation Process for Cultural Resources, Fiscal Years 1991-92

Dollars in thousands

State	Fiscal year	(1) Initial allocation	(2) State request	(3) Asst. Dir. decision	(4) Final allocation
Arizona	91	\$ 662	\$ 822	\$ 728	\$ 728
	92	738	910	754	754
California	91	865	971	932	932
	92	932	1,117	957	957
Colorado	91	1,037	1,352	1,112	1,112
	92	1,120	1,548	1,245	1,295
Idaho	91	525	550	560	560
	92	560	685	589	589
Montana	91	489	504	524	524
	92	544	764	579	579
Nevada	91	536	673	582	582
	92	544	776	564	564
New Mexico	91	830	880	919	919
	92	949	1,044	979	979
Utah	91	746	821	807	807
	92	827	927	847	847
Wyoming	91	405	479	453	453
	92	491	611	530	530

Figure II.5: BLM Funding Allocation for Wilderness, Fiscal Years 1991-92

Dollars in thousands

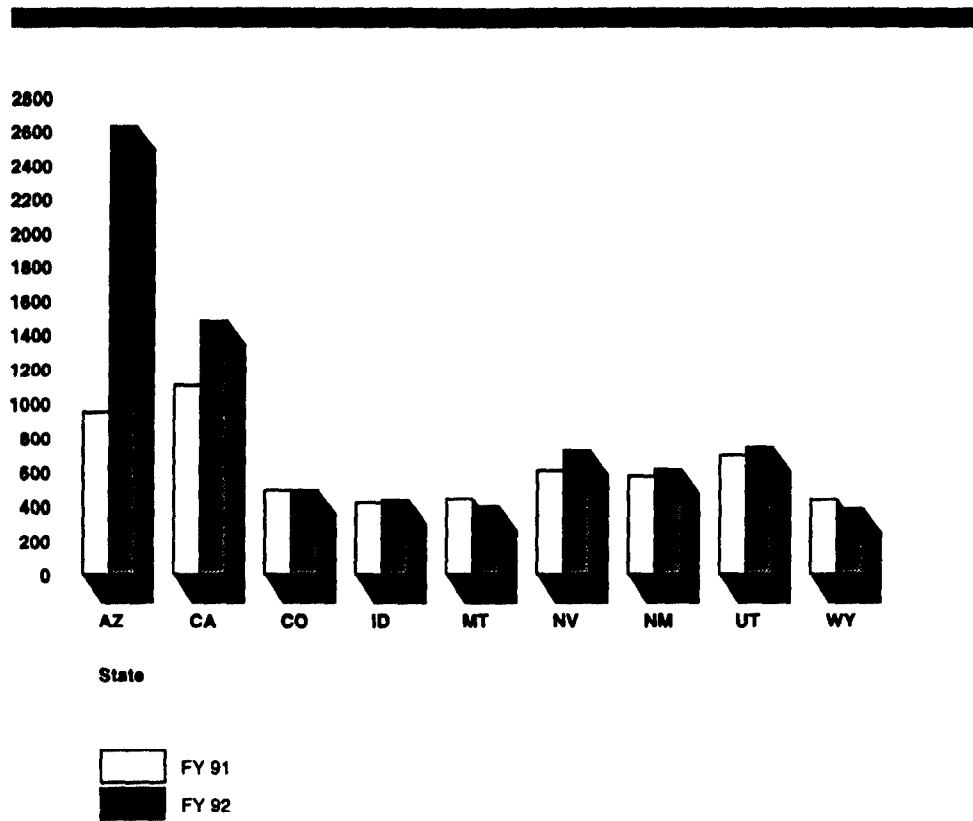


Table II.5: BLM Allocation Process for Wilderness, Fiscal Years 1991-92

Dollars in thousands

State	Fiscal year	(1) Initial allocation	(2) State request	(3) Asst. Dir. decision	(4) Final allocation
Arizona	91	\$ 929	\$1,221	\$ 946	\$ 946
	92	2,624	2,999	2,624	2,624
California	91	1,066	1,311	1,101	1,101
	92	1,475	1,691	1,475	1,475
Colorado	91	435	579	493	493
	92	479	686	492	492
Idaho	91	394	418	418	418
	92	434	586	434	434
Montana	91	440	456	440	440
	92	395	457	395	395
Nevada	91	559	633	603	603
	92	721	763	721	721
New Mexico	91	523	623	573	573
	92	612	673	612	612
Utah	91	673	724	695	695
	92	741	775	741	741
Wyoming	91	435	466	435	435
	92	380	460	380	380

Figure II.6: BLM Allocation for Recreation Resources, Fiscal Years 1991-92

Dollars in thousands

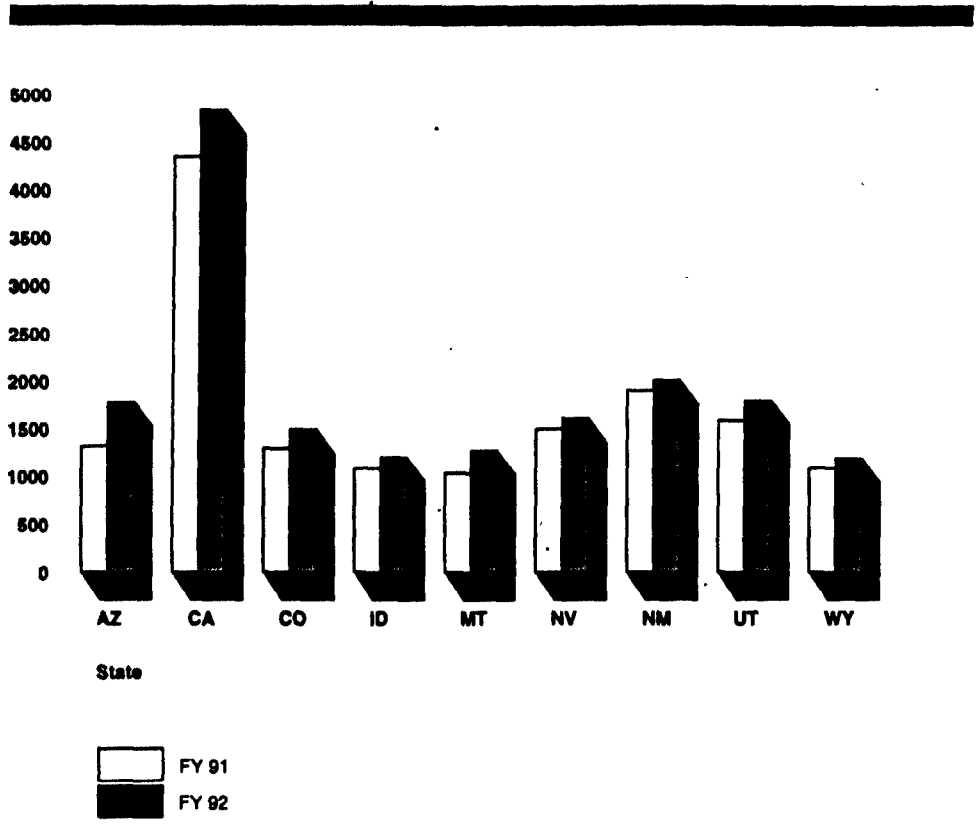


Table II.6: BLM Allocation Process for Recreation Resources, Fiscal Years 1991-92

Dollars in thousands

State	Fiscal year	(1) Initial allocation	(2) State request	(3) Asst. Dir. decision	(4) Final allocation
Arizona	91	\$ 958	\$1,357	\$1,314	\$1,314
	92	1,332	1,762	1,773	1,773
California	91	3,904	4,449	4,427	4,337
	92	4,650	5,350	4,832	4,832
Colorado	91	1,027	1,216	1,263	1,293
	92	1,352	2,039	1,487	1,487
Idaho	91	821	862	1,074	1,074
	92	1,110	2,610	1,196	1,196
Montana	91	750	1,173	1,017	1,027
	92	1,039	2,389	1,266	1,266
Nevada	91	1,074	1,408	1,490	1,490
	92	1,512	1,998	1,600	1,600
New Mexico	91	1,437	2,107	1,899	1,899
	92	1,915	2,760	2,005	2,005
Utah	91	1,126	1,471	1,580	1,580
	92	1,702	1,940	1,793	1,793
Wyoming	91	772	1,128	1,061	1,081
	92	1,105	1,415	1,186	1,186

Figure II.7: BLM Funding Allocation for Resource Planning,
Fiscal Years 1991-92

Dollars in thousands

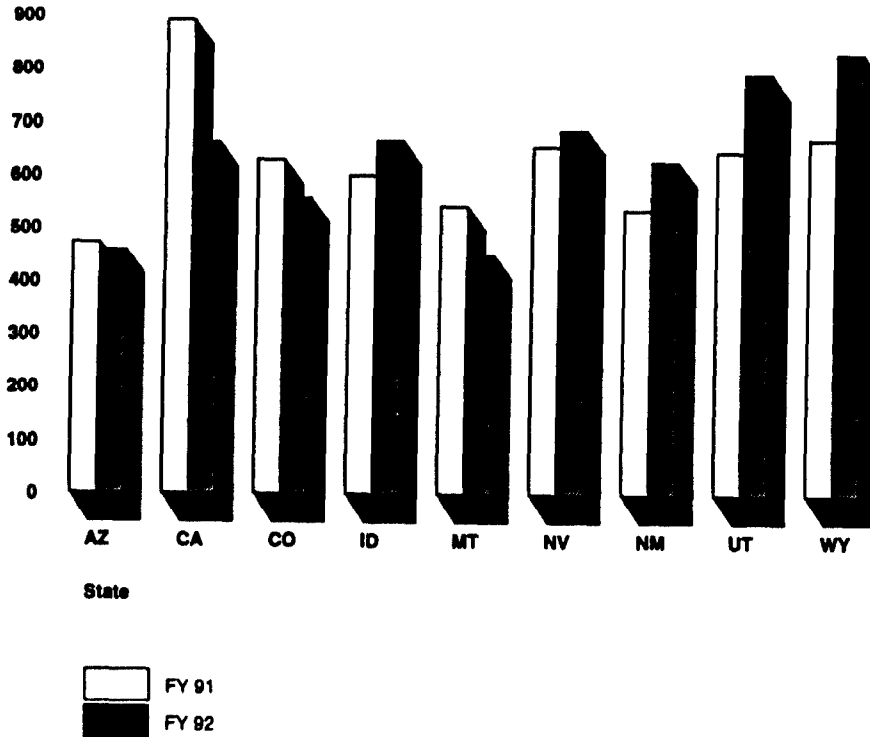


Table II.7: BLM Allocation Process for Resource Planning, Fiscal Years 1991-92

Dollars in thousands

State	Fiscal year	(1) Initial allocation	(2) State request	(3) Asst. Dir. decision	(4) Final allocation
Arizona	91	\$408	\$532	\$472	\$472
	92	492	675	458	458
California	91	844	884	890	890
	92	631	661	661	661
Colorado	91	557	782	629	629
	92	507	717	556	556
Idaho	91	586	613	600	600
	92	703	791	665	665
Montana	91	536	654	542	542
	92	403	505	452	452
Nevada	91	620	724	655	655
	92	620	770	686	686
New Mexico	91	536	746	489	536
	92	578	636	627	627
Utah	91	598	686	646	646
	92	810	910	792	792
Wyoming	91	592	667	619	672
	92	781	831	752	832

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