

**PUBLIC SERVICE COMMISSION**  
**Reclamation Division**

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**Memorandum**

**TO:** Commissioners Wefald, Cramer and Clark  
Illona Jeffcoat-Sacco

**FROM:** Jim Deutsch, Reclamation Division

**DATE:** April 16, 2008

**SUBJECT:** 2009 Administration and Enforcement Grant for the coal regulatory program,  
Case No. RC-08-161

The 2009 Administration and Enforcement Grant Application for the coal regulatory program is ready to submit to the Office of Surface Mining. This grant application is for the federal funds that the Reclamation Division needs for the next fiscal year that runs from July 1, 2008 to June 30, 2009.

The total amount of the grant application, including the state share, is \$991,648. This includes both direct and indirect costs. Of the total, the federal share will be \$644,571 and the state share is \$347,077. The amount of federal funds being requested in the grant application is the total amount that OSM allocated to us for the grant period. The federal/state funding split will remain 65%/35% based on OSM's federal lands funding formula. This formula considers the federal coal acreage in existing permits and pending applications that will permit new acreage.

The operating items in the 2009 grant budget are slightly more than half of the operating funds that were budgeted for the Reclamation Division for the 2007-2009 biennium. Salary levels were increased to reflect an average 4% increase that the legislature has authorized starting July 1<sup>st</sup> of this year. An indirect cost rate of 39.98% is the rate that has been approved for this biennium by the Office of the Inspector General.

Attached is a motion for the April 23<sup>rd</sup> Commission meeting to submit the grant application to OSM.

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cc: Gloria Geiger

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**Staff Memo**

Public Service Commission

Jim Deutsch