

PUBLIC SERVICE COMMISSION
Reclamation Division

Memorandum

TO: Commissioners Fedorchak, Christmann and Kalk
Darrell Nitschke
Illona Jeffcoat-Sacco

FROM: Jim Deutsch, Reclamation Division

DATE: April 14, 2016

SUBJECT: 2017 Administration and Enforcement Grant for the coal regulatory program,
Case No. RC-16-162

In February the Office of Surface Mining announced the allocation of federal funds for the federal share of state coal regulatory programs for the next grant periods. We were allocated more than enough federal funds for the next fiscal year that runs from July 1, 2016 to June 30, 2017. The 2017 Administration and Enforcement Grant Application for the coal regulatory program has been prepared and is ready to submit to the OSM.

The total amount of the grant application, including the state share, is \$1,512,456. This includes both direct and indirect costs. Of this total, the federal share is \$967,972 and the state share is \$544,484. The federal/state funding split will be 64% federal and 36% state based on OSM's federal lands funding formula. This formula considers the federal coal acreage in existing permits and applications that will permit new acreage.

The operating items proposed in the 2017 grant budget are around half of the total operating funds that were budgeted for the Reclamation Division for the 2015-2017 biennium. Also, salary levels were increased to reflect the average three percent increase that the legislature has authorized starting July 1st of this year. The approved indirect cost rate of 29.68 % is used in the grant application.

Attached is a motion for the April 20th Commission meeting to submit the grant application to OSM.

Attachment