

PUBLIC SERVICE COMMISSION
Reclamation Division

Memorandum

TO: Commissioners, Kroshus, Fedorchak, and Christmann
Steve Kahl
Illona Jeffcoat-Sacco & John Schuh

FROM: *DKM*
Dean K. Moos, Reclamation Division

DATE: April 25, 2019

SUBJECT: 2020 Administration and Enforcement Grant for the coal regulatory program,
Case No. RC-19-141

The Office of Surface Mining (OSM) recently announced the federal grant allocations for the states. For the July 1, 2019 to June 30, 2020 grant period, OSM has allocated \$996,442 for our coal regulatory program. This is slightly more than our current grant (approximately \$1800 more) and less than our earlier budget projection of \$1,015,110 (\$20,472 less) provided to OSM. Although the amount of money allocated is less than our earlier projection, I feel that the actual allocation amount will be satisfactory but will leave us with very little "cushion" in our budget. The 2019 Administration and Enforcement Grant Application for the coal regulatory program has been prepared based on the OSM grant allocation and is ready to submit to OSM.

The total amount of the grant application, including the state share, is \$1,556,941. This includes both direct and indirect costs. Of this total, the federal share is \$996,442 and the state share is \$560,499. 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 pending applications that will permit new acreage.

The operating items proposed in the 2020 grant budget are about half of the total operating funds that were budgeted for the Reclamation Division for the 2019-2021 biennium. The proposed 2019-20 biennium indirect cost rate of 31.75% was used in the grant application.

Attached is a motion for the May 1st Commission meeting to submit the grant application to OSM.

Attachment

Minedata/OSM/Grant&Budget/2020Grant/2020_A&E_grant_memo_4-25-19

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Public Service Commission Staff

Dean Moos