

PUBLIC SERVICE COMMISSION
Reclamation Division

Memorandum

TO: Commissioners, Kroshus, Fedorchak, and Christmann
Executive Secretary, Steve Kahl
General Counsel, John Schuh

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

DATE: April 13, 2020

SUBJECT: 2021 Administration and Enforcement Grant for the coal regulatory program,
Case No. RC-20-173

The Office of Surface Mining (OSM) recently announced the federal grant allocations for the states. For the July 1, 2020 to June 30, 2021 grant period, OSM has allocated \$1,016,025 for our coal regulatory program. This is approximately \$19,600 more than our current grant but less than our earlier budget projection of \$1,045,841 (nearly \$29,900 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 2021 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 budget amount for the July 1, 2020 to June 30, 2021 period, including the state share, is \$1,587,539. This includes both direct and indirect costs. Of this total, the federal share is \$1,016,025 and the state share is \$571,514. 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 2021 grant budget are about half of the total operating funds that were budgeted for the Reclamation Division for the 2020-2021 biennium. The proposed 2020-21 biennium indirect cost rate of 31.75% was used in the grant application.

Attached is a motion for the April 15th Commission meeting to submit the grant application to OSM.

Attachment

Minedata/OSM/Grant&Budget/2021/2021_A&E_grant_memo_4-13-20

1 **RC-20-173** Filed: 4/13/2020 Pages: 1
Memorandum

Public Service Commission Staff
Dean Moos