

January 18, 2008

FY 2008 NATIONAL REGULATORY GRANTS

The funding level for FY 2008 regulatory grants is approximately \$64.5 million. This is the largest regulatory grant ever appropriated and it represents an increase of almost \$7.8 million (approximately 14%) over the FY 2007 level. The increase is less than \$1 million short of the total need identified by the States and Indian Tribes.

The FY 2008 appropriation will be two-year money. However, OSM will award grants for 12 months. Those grants will be closed out after the first year, and any unexpended funds can be recovered and reused.

The OSM Director committed in two separate meetings with the Interstate Mining Compact Commission, one on May 1, 2007, and one on October 15, 2007, that the increased funding would not be distributed by a standard percentage or a formula. Funds would not be divided between Regions by percentage. In short, we would not simply make the distribution by dividing any increase by the same percentages used last year, but each State's and Tribe's actual needs would be considered on a case by case basis.

To determine this actual need, we began with the 3-month estimates or any more recent information such as an actual application if one had been already received. We worked with the individual programs to determine what funds each needed and could realistically be expected to use. In some cases, that resulted in yet another estimate based upon the discussions between the programs and OSM. This process was not a workload analysis of individual States, but a consistent, targeted analysis of several factors, as discussed below.

The first criterion used was whether the program lapsed any funds from FY 2007. In general, if that were the case, OSM might reasonably conclude that they don't need or can't use more money in FY 2008. There may be an occasion that a state turned back money last year, but with good cause. If that is the case, this should be part of the analysis.

Beyond that, 3 priorities for evaluating a State's or Tribe's need were used.

1. Did the States and tribes have adequate funding to maintain their present staff? We wanted to prevent Reductions in Force actions or mandated reduced hours situations.
2. Did States and Tribes have to overmatch the Federal funds? We want to bring OSM funding back up to 50% (or the required level for Federal lands programs). The overmatch was documented in the discussions.
3. Did the States and Tribes propose increases in staff? Vacancies in established positions were to be considered before new positions.

In addition, we considered unique circumstances, such as State mandated pay raises or special issues, including vehicle replacement, fixed costs, etc. Working with the States and tribes, the Field and Regional offices built a case for the individual States and Tribes.

Once the individual needs of the States and Tribes were determined, the OSM's Regional Directors and the Assistant Director for Program Support met on several occasions to recommend a distribution that most reasonably represented the overall needs of the program. The result was that in some cases, programs received more than the 14% increase in appropriations, some less. In all cases, using the guidelines described above, we ensured that each program was being treated consistently in terms of needs.

FY 2008 Regulatory Grants Distribution

States/Tribes	FY 07 Funding*	FY 08 Funding
Kentucky	11,992,212	13,128,903
Maryland	675,538	716,596
Ohio	1,967,353	2,247,626
Pennsylvania	10,387,573	12,545,785
Virginia	3,394,421	3,925,342
West Virginia	11,199,595	11,791,029
AR Total	\$39,616,692	\$44,355,281
Alabama	1,070,211	1,253,652
Arkansas	134,884	141,123
Illinois	2,375,884	2,646,092
Indiana	1,711,168	1,849,607
Iowa	125,378	83,074
Kansas	109,642	152,200
Louisiana	163,018	189,938
Mississippi	120,821	127,051
Missouri	245,767	255,100
Oklahoma	959,558	1,112,882
Texas	1,283,016	1,833,898
MR Total	\$8,299,347	\$9,644,617
Alaska	186,601	219,164
Colorado	1,903,776	2,322,607
Montana	1,023,335	1,231,449
North Dakota	613,884	644,571
New Mexico	718,290	850,000
Utah	1,698,219	2,029,409
Wyoming	2,064,742	2,318,000
Sub-Total States	8,208,847	9,615,200
Navajo	436,973	677,845
Hopi	169,439	173,977
Crow	29,387	69,360
Sub-Total Tribes	635,799	921,182
WR Total	\$8,844,646	\$10,536,382
TOTALS	\$56,760,685	\$64,536,280

*on 12 month basis - actual FY 07 grants were for less than 12 months for 3 states