



COMMUNITY DEVELOPMENT DIVISION

**Montana Coal Board Impact Grant Program
Application and Guidelines**

Grant Applications Due Quarterly, 45 days before the next regularly scheduled Montana Coal Board Meeting

Meeting dates and application due dates can be found on the Montana Coal Board website:
<https://comdev.mt.gov/Programs-and-Boards/Montana-Coal-Board/Planning-and-Project-Grants>

DOCCDD@MT.GOV

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I. Introduction

The Montana Coal Board, a governor appointed seven-member board, was created in 1975, along with Montana's Coal Severance Tax, through the passage of Senate Bill 87. The Montana Coal Board, referred to the "Coal Board" hereafter, follows Title 90, Chapter 6, Part 2 of the Montana Code Annotated to carry out its responsibilities. The Coal Board is attached to the Montana Department of Commerce (Commerce) for administrative purposes.

As stated in 90-6-201, MCA, the Board's purpose is to assist local governmental units that have been required to expand the provision of public services as a consequence of large-scale development of coal mines and coal-using energy complexes or as a consequence of a major decline in coal mining or in the operation of coal-using energy complexes, to assist in the construction and reconstruction of designated portions of highways that serve the area affected by the large-scale development, to support county land planning, and to support public schools throughout the state.

The Board considers applications and awards Coal Board Impact grants to counties, communities, school districts, Indian Tribes, or other governmental units to assist them in adequately providing governmental services or facilities that are needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal by a coal-using energy complex. The Board is also responsible to award grants to local government for the purpose of paying part or all the credit that the local governmental unit is obligated to give a major new industrial facility that has prepaid property taxes.

The Board meets at least once each quarter, typically during the second week of the third month of each quarter. Additional meetings may be called by the presiding officer or majority of the members (90-6-204, MCA). The Coal Board awards grants pursuant to 90-6-207, MCA, which provides the priorities for grants to counties, communities, school districts, or other governmental units that, as a result of the impact of coal development, has had or expects to have a net increase or decrease in estimated population. The current Coal Impact Area Report, list of designated units, and a map can be found on the Coal Board website: <https://comdev.mt.gov/Boards/Coal>.

These application guidelines explain how an eligible application can apply for Montana Coal Board funding and includes an application and appendices relevant to program requirements. Montana Coal Board program application and guidelines, project administration manual, other relevant information and resources are available on the Montana Department of Commerce (Commerce), Community Development Division (CDD) website at <https://comdev.mt.gov/Boards/Coal>. Interested persons can also e-mail MHPG program staff at DOCCDD@mt.gov or call staff at (406) 841-2770 regarding any questions they may have about the MHPG Program.

Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2770, TDD (406) 841-2702, or the Relay Services number, 711.

The Department of Commerce does not discriminate on the basis of disability in admission to, access to, or operations of its program, services, or activities. Individuals who need aids or services for effective communications or other disability-related accommodations in the programs and services offered are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

II. Eligible Applicants

Applicants eligible to receive financial assistance for the Montana Coal Board include:

- Local governmental units (cities, towns, counties, school districts, water and sewer districts, etc.)
- State agencies
- Governing bodies of federally recognized Indian tribes.

Under 90-6-209, MCA, a grant to an Indian tribe may not be approved by the Coal Board unless:

(a) the governing body of the tribe has agreed:

(i) to waive its immunity from suit on any issue specifically arising from the transaction of a grant obtained under this part; and

(ii) to the adjudication of any dispute arising out of the grant transaction in the district court of the first judicial district of the state of Montana; and

(b) approval of the transaction has been obtained from the secretary of the United States department of the interior whenever approval is necessary.

Under ARM 8.101.306 State Agencies:

(1) An eligible state agency is one that:

(a) is seeking a grant to assist a local governmental unit in providing a service which the local government unit is legally responsible to provide in whole or in part, and such service must be expanded because of coal development or decline impact, and the applicant state agency is either joined in the application by the local governmental unit's governing body or has received letters of support from such authority; or

(b) is applying to provide a direct service to the Coal Board to enable the board to more effectively discharge its statutory responsibilities.

Additional Considerations for Eligible Applicants

Applicants should be familiar with their status of audit compliance and related financial considerations at the time of application, as applicable audit and financial compliance reports are reviewed by Commerce staff as part of the ranking process. Information related to the audit and financial status of a local government applicant is available at any time on the Department of Administration, Local Government Services website at <http://sfsd.mt.gov/LGSB>.

III. Eligible Projects

The Coal Board statutes do not specifically prohibit any type of project from eligibility for Coal Board funds. Eligible projects include any governmental services that are needed as a direct consequence of an increase or decrease of coal development or of an increase or decrease in the consumption of coal by a coal-using energy complex. Project types may be construction, equipment purchases, or developing a planning document.

Applicants must document how the project meets the Coal Board statutory criteria (MCA 90-6-206, 90-6-208). Grants must be awarded based on:

- Need;
- Degree of severity of impact from an increase or decrease in coal development or in the consumption of coal by a coal-using energy complex;
- Availability of funds;
- Degree of local effort in meeting these needs.
 - In determining the degree of local effort, the board shall review the millage rates levied for the present fiscal year in relation to the average millage rates levied during the 3 years immediately preceding the year of application for assistance.

- Millage rates for the present fiscal year that are lower than the average millage rate levied during the 3 years immediately preceding the year of application for assistance must be considered by the board to indicate the lack of local effort. The application under these circumstances may be rejected.
- Further, in determining the degree of local effort, the board shall consider the possibility of requiring that local governmental unit to increase its bonded indebtedness to provide all or part of the governmental service or facility that is needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal by a coal-using energy complex.
- To the extent that funds are needed to evaluate and plan for the impact needs caused by the increase or decrease in coal development or in the consumption of coal by a coal-using energy complex, consideration of bond issues and millage levies may be waived.
- To the extent that the applicant has no history of mill levies, the second and third bulleted items do not apply.
- Planning and Management
 - State law (90-6-207(5), MCA) requires the Coal Board to give attention “to the need for community planning before the full impact of coal development or decline is realized.
 - Applicants should be able to show how the request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth or decline problems.” Therefore, pursuant to Sub- Chapter 3 of the Administrative Rules of Montana, ‘planning’ is an additional criterion the Coal Board will apply when reviewing applications.

Coal Board grant funds used for the preparation of plans, studies, analyses, or necessary research for the preparation of a preliminary engineering report must meet the requirements of the most current Uniform Application for Montana Public Facility Projects. Coal impact grant funds used for the preparation of a preliminary architectural report must meet the requirements described in Appendix B.

IV. Funding

Coal Board grant funds are appropriated by the state legislature on a biennial basis. The Montana Coal Board may award Coal Board grants up to, but not more than the amount appropriated by the legislature by fiscal year and biennium. Fiscal updates are provided to the Board and the public on at least a quarterly basis at regularly scheduled Coal Board meetings.

V. Application Submission

To apply for a Coal Board grant, an eligible applicant must complete the required application (Appendix A) and submit by the due date. Applications are due 45 days prior to the Coal Board meeting. Any applications not received or postmarked by the application due date will be reviewed during the subsequent quarter. Due dates and instructions for submitting an application are listed on the Coal Board website:

<https://comdev.mt.gov/Programs-and-Boards/Montana-Coal-Board/Planning-and-Project-Grants..>

Applicants must appear before the Coal Board, in-person or by conference call, when their application is on the agenda for consideration. Applicants will receive a staff review report prior to the meeting date. If a representative is not available to speak on behalf of the application request, the application may be tabled until the next board meeting.

Depending on the type of project, a Preliminary Architectural Report (PAR), Preliminary Engineering Report

(PER) or Technical Memo may be required. Guidance for those items can be found in the appendices of this document.

An applicant may submit a Confidentiality and Non-Disclosure Agreement, to protect any information that the applicant does not want public to see. This may be submitted with the application or at any time during the project timeline. This may not be applicable to all applicants or project types. Please contact Community MT staff at DOCCDD@mt.gov for the Commerce template of these agreements.

VI. Award Process

The Coal Board evaluates and makes decisions on applications as they are submitted at the quarterly Board meeting. The Coal Board may approve, deny or table a grant. The Board may table an application if significant changes or new information are presented during the meeting. The Board may request that an applicant return to the next meeting with additional information and move to table the application until the next meeting. If the application is tabled pending receipt of the requested information, the applicant can make a request that the Board remove the application from the table after submitting further information. The application will be placed on the next Coal Board meeting agenda.

The Board may prioritize projects at each meeting based on availability of funds or other statutory criteria. Once awarded, contracts will be routed for execution with grantees in the order of prioritization, if applicable, and when revenues are sufficient for awards.

VII. Project Administration

Please see the Project Administration Manual on the Commerce website for information on how to administer a Coal Board project.

Appendix A: Coal Board Application

THE COAL IMPACT GRANT APPLICATION FORM SUBMITTED BY (NAME OF APPLICANT)

CERTIFICATION

The chief elected official or executive officer of the applicant must sign the application certifying that to the best of the official's knowledge and belief, the information provided in the application and the attached documents is true and correct.

The chief elected official or executive officer of the applicant must also certify that, in accordance with Section 90-6-205, MCA, the applicant is eligible for a Coal Impact Grant and has the authority to administer and make expenditures to provide for the proposed service or facility.

CERTIFICATION

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

In accordance with Section 90-6-205, MCA, the applicant is eligible for Coal Board grants and has the statutory authority to make expenditures to provide for the particular service or facility.

Name:

Title:

Signature:

Date:

SUMMARY INFORMATION

1. NAME OF APPLICANT(S):
Enter the name(s) of the entity submitting the application

2. AMOUNT OF COAL IMPACT GRANT REQUESTED \$ _____
3. TOTAL PROJECT COST: \$ _____

4. NAME OF PROJECT:

5. TYPE OF PROJECT:
Enter the type of public facility project or service, such as water, wastewater, solid waste, first responder equipment purchase, public building/school/hospital repair or expansion, road repair, planning studies, or other type of project.

6. CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE:
Enter the name and title of the chief elected official or authorized representative of the applicant. Include the mailing address, business telephone, and e-mail address.

7. PRIMARY ENTITY CONTACT PERSON:

Provide the name, mailing address, business telephone, and e-mail address.

Number of the person or people within the community designated as the primary contact person for the project. This person should be knowledgeable about the project and be authorized to speak on behalf of the applicant regarding the application.

8. OTHER CONTACT PERSONS:

If applicable and available, provide the name, mailing address, business telephone and e-mail address of any other appropriate contacts (e.g., Public Works Superintendent, project engineer, grant/loan administrator, legal counsel, bond counsel, clerk/chief financial officer, accountant, etc.)

9. MILLAGE RATES:

10. AMOUNT OF COAL GROSS PROCEEDS TAX:

Please provide the following details:

- Total amount of Coal Gross Proceeds taxes the applicant has received during the last two years
 - o How those monies are allocated (i.e., to general fund, etc.)
- How does the applicant decide the use of the gross proceeds tax?

11. MAPS:

Each application must include a legible map showing the boundaries of the proposed project area and the locations of all proposed project activities, such as land to be acquired or public facilities to be constructed or improved.

12. BRIEF PROJECT SUMMARY:

The project summary should briefly provide some background information including:

- the age of the system, facility, equipment, building;
- the date, type and cost of the last major improvements to the system, facility, equipment, building; and

- The project summary should also clearly state the specific problem(s) with the public facility and how the proposed project will solve the problem(s).

Applications for Coal Board assistance for public services or programs such as community planning, economic development, etc. should provide similar background information regarding the nature of the problem and the proposed solution.

13. PROJECT BUDGET AND IMPLEMENTATION SCHEDULE:

A. Project Budget Form:

The proposed project budget **must** include a breakdown of all major project costs, and a description of the proposed source and use of all funds. Designate the total budget of any proposed project as either “Administrative/Financial Costs” or “Activity Costs: (such as engineering or construction). Administrative Costs may not exceed 10% of the total project cost. Refer to the description of expenditure categories shown below that outline the expenditures that may be part of the budget. The Administrative/Financial Costs cover the expenses of administering a local project, including the cost of local government personnel involved with managing the project; the cost of the local project audit; and other contractual costs for professional services (such as hiring a project manager) that may be associated with administration of the program.

Administrative/Financial Costs must be reasonable and appropriate to ensure cost-effective and proper management of the project.

Any proposed Administrative/Financial Costs must be eligible, fully supported, and adequately explained. Applicants which propose to contract for project management assistance with a consultant or other entity must specifically itemize this amount in the Administrative Budget and explain it.

<u>PROJECT BUDGET</u>					
ADMINISTRATIVE COSTS	SOURCE:	SOURCE:	SOURCE:	SOURCE:	TOTAL:
Grant Administration	*				
	\$	\$	\$	\$	\$
Office Costs	\$	\$	\$	\$	\$
Professional Services	\$	\$	\$	\$	\$
Legal Costs	\$	\$	\$	\$	\$
Travel & Training	\$	\$	\$	\$	\$
<u>TOTAL ADMINISTRATIVE COSTS</u>	\$	\$	\$	\$	\$
ACTIVITY COSTS:					
Equipment Cost	\$	\$	\$	\$	\$
Construction Cost	\$	\$	\$	\$	\$
Architectural/Engineering Design	\$	\$	\$	\$	\$
Product Completion (PER's, studies, etc.)	\$	\$	\$	\$	\$
Contingency	\$	\$	\$	\$	\$
TOTAL ACTIVITY COSTS	\$	\$	\$	\$	\$
TOTAL PROJECT COSTS	\$	\$	\$	\$	\$

B. Project Budget Narrative:

Include a narrative justification for the specific proposed project construction activities and related administrative/ financial costs. Explain the cost estimates for each item in the proposed budget in the narrative.

C. Implementation Schedule:

Each applicant must submit an implementation schedule that describes the overall schedule for project completion.

<u>IMPLEMENTATION SCHEDULE</u>												
	QUARTERS 20XX				QUARTERS 20XX				QUARTERS 20XX			
TASK	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
<u>PROJECT START-UP</u>												
A. Sign contract with Coal Board												
B. Secure approval of other funding												
C. Submit progress reports and drawdown request. (Progress reports quarterly if no reimbursements submitted)												
<u>PROJECT CONSTRUCTION</u>												
A. Engineering/Architectural Design												
B. Conduct pre-construction conference												
C. Construction or purchase and installation of equipment												
D. Monitor Progress												
E. Final Inspection												
<u>PROJECT CLOSE-OUT</u>												
A. Submit project completion report.												

14. DESCRIPTION OF RELATIONSHIP TO COAL BOARD STATUTORY GRANT CRITERIA

The Coal Board bases awards on the following four statutory criteria (90-6-206, MCA). In addition, State law (90-6-207(5), MCA) requires attention be given to the need for community planning before the full impact of coal development or decline is realized.

A. Need

Explain how the assistance that is required to eliminate or reduce a direct and obvious threat to the public health, safety, or welfare that has been caused as a direct result of coal development or decline. (90-6-206, MCA)

1. Does a serious deficiency exist in a basic or necessary community public facility or service? Examples include emergency services such as police, fire or ambulance services. Describe the nature and frequency of occurrence and provide supporting documentation.
2. Have serious public health or safety problems that are clearly attributable to a deficiency occurred, or are they likely to occur, such as illness, disease outbreak, substantial property loss, environmental pollution, safety problems, hazards, or health risks? Describe the nature and frequency of occurrence and provide supporting documentation.
3. Is there clear documentation that the current condition of the public facility or service (or lack of a facility or service) violates, or may potentially violate, a state or federal health or safety standard? If yes, describe the standard being violated. If the proposed project is necessary to comply with a court order or a state or federal agency directive, describe the directive and attach a copy of it.
4. Describe how the need for the expansion or improvement to the public facility or public service is attributable to coal-related impacts and provide supporting documentation. Include the nearest coal development areas or coal-using energy complexes to your community and the road miles from your community.

B. Degree of Severity of Impact from an Increase or Decrease in Coal Development or In the Consumption of Coal by A Coal-Using Energy Complex

Explain the rapidity of growth or decline and subsequent development of the problem and the number of people affected. (90-6-205(4)(a), MCA) and 8.101.301(2)(b), ARM.

- I. Describe the severity of the coal-related impacts including how coal is affecting rates of change in community statistics (e.g., population, employment, property taxes) and provide supporting documentation.
 2. Is the entire community, or a substantial percentage of the residents of the community, seriously affected by the deficiency or at risk, as opposed to a small percentage of the residents? Describe the number or percentage of people and households affected by the problem and that would be served by the project.

C. **Availability of Funds**

- 1. Amount requested from the Coal Board: \$_____

- 2. Explain why a coal impact grant is necessary to make the project feasible and affordable.

- 3. What are the other proposed funding sources for the project?

<u>FUNDING SOURCES SUMMARY</u>				
Source	Type of Fund	Amount	Status of Commitment	Loan Rates & Terms

4. If a particular proposed source of funding is not obtained, how will the applicant proceed?

Explain how the funding strategy will change if each proposed funding source is not received. (Discuss how the loss of each of the proposed funding sources would affect the completion of the project. For instance, will the applicant wait and re-apply to the funding source, will the applicant be willing to increase the amount of debt it will incur, or will the project not move forward?)

D. Degree of Local Effort in Meeting Needs

1. Provide the current fiscal year millage rates and those for the three years immediately preceding the year of application. Please state the mill value for each of those three years. Specifically list how many mills and each year's total mill value. If current millage rates given are lower than the average rates levied during the previous three years, briefly explain why they are lower.
2. Describe any local efforts to meet the public facility or public service needs by providing financial contributions to the project to the extent possible, such as local funding, donations of land, absorbing some or all-administrative costs. For non-profit organizations, describe fund- raising efforts or other in-kind assistance to the proposed project as well as usual program fund-raising efforts.
3. Describe past operation and maintenance budgets and practices over the long-term, including any reserves for repair and replacement.
4. If there are indications that the problem is not of recent origin or has developed because of inadequate operation and maintenance practices in the past, explain the circumstances and describe the actions that management will take in the future to assure that the problem will not reoccur.

5. If the project involves water, wastewater or solid waste, provide the current and projected monthly household user charges, including operation and maintenance:
- What is the current monthly household user charge? \$ _____
 - What is the projected monthly user charge (including operation and maintenance) when the project is complete? \$ _____

6. What are your current debt obligations?

List current debt obligations. If the applicant is a water, wastewater, solid waste, or other system, which relies on rates and charges for its financial support, only debt related to that system needs be entered. If the applicant is a city, county, or district that relies on general taxing authority for its financial support, or is a not-for-profit organization, debt related to the general obligations of the city, county, district, or not-for-profit organization should be entered.

<u>CURRENT DEBT SUMMARY FOR -----</u>								
Year Issued	Purpose	Type of Bond/ Security	Amount	Maturity Date (mo./yr.)	Debt Holder	Coverage Required	Annual Payment Amount	Outstanding Balance

7. What are your current assets?

List all current assets including endowments, cash, investments, certificates of deposit, accounts receivable, and any other current assets not specifically indicated. Indicate whether assets are obligated for a specific purpose and what that purpose is (i.e., Certificate of Deposit, \$100,000 - reserve requirement for SRF loan, Investments, \$200,000 – \$100,000 of it is needed to purchase line inspection equipment in 2005).

8. Is the applicant in compliance with the auditing and annual financial reporting requirements provided for in the Montana Single Audit Act, 2-7-501 to 522, MCA? (Tribal governments must comply with auditing and reporting requirements provided for in OMB Circular A-133).

Yes ___ No ___ Date of last completed audit or financial report _____

9. If there have been audit findings within the last five years, have they been satisfactorily addressed?
10. Additional information supporting the DEGREE OF LOCAL EFFORT IN MEETING NEEDS.

E. Planning & Management

State law (90-6-207(5), MCA) requires the Coal Board to give attention “to the need for community planning before the full impact of coal development or decline is realized. Applicants should be able to show how the request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth or decline problems.” Therefore, pursuant to Sub-Chapter 3 of the Administrative Rules of Montana, Planning is an additional criterion the Coal Board will apply when judging applications.

1. Describe how your grant request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth or decline problems related to coal impacts.
2. Describe how the proposed project is consistent with current plans.
Plans may include a local capital improvements plan, growth policy, transportation plan, comprehensive economic development plan, or any other applicable plan.

APPENDIX B

For guidance on the required elements of any of the below report types, please follow the links. Equipment purchases do not require any of these report types.

Depending on the type of project application being submitted and components/complexity of the problems and proposed solutions, your application may be required to provide one of these following reports:

- [Preliminary Architectural Report \(PAR\)](#)
- [Preliminary Engineering Reports \(PER\)](#)
- Technical Memorandum (see below)

Technical Memo Requirements

NOTE: a technical memo is a shortened version of a standard Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR). The complexity of the proposed project will determine which of the three documents may be apply to the project. Please contact staff.

Required Elements

- 1) Project Overview (problem definition)
- 2) Alternatives considered
- 3) Cost benefit analysis
- 4) Discussion
- 5) Conclusions