

Wooley, Virginia

EXHIBIT 2

DATE Jan. 28, 2015

HB Dean Rude

From: Smith, Jacqueline <Smith.Jacqueline@epa.gov>
Sent: Monday, December 22, 2014 2:34 PM
To: Wooley, Virginia
Cc: Rude, Dean; Butler-Triem, Christina
Subject: RE: State of Montana DEQ SFY 2016 Indirect Rate Application

Sensitivity: Confidential

Categories: PGM 10

Thanks! I will enter the proposal into EPA's system and will contact Dean or Christina, if I have any questions.

Happy Holidays,
Jacqueline Sugrue Smith
U.S. Environmental Protection Agency
State and Local Rate Negotiator
Mail Code 3802R
(202) 564-5055
(202) 565-2553 (Fax)

From: Wooley, Virginia [<mailto:VWooley@mt.gov>]
Sent: Monday, December 22, 2014 3:12 PM
To: Smith, Jacqueline
Cc: Rude, Dean; Butler-Triem, Christina
Subject: State of Montana DEQ SFY 2016 Indirect Rate Application
Importance: High
Sensitivity: Confidential

Hi Jackie,

I am sending the documents to you electronically for your use as needed. They have been placed in the outgoing mail through the US Post Office today as well.

Please contact Dean Rude at 406-444-4632 or Christina Butler-Triem at 406-444-4256 if you have any questions about this submittal.

Virginia Wooley
Budget Analyst
406-444-2567
vwooley@mt.gov



December 22, 2014

Jackie Smith, Rate Negotiator (3802R)
Financial Analysis and Oversight Service Center
U. S. Environmental Protection Agency
Ariel Rios
1200 Pennsylvania Avenue, NW
Washington, DC 20460-0001

Dear Ms. Smith:

Enclosed is the Montana Department of Environmental Quality's (MDEQ) indirect cost rate proposal for state fiscal year 2016 with supporting schedules. Our proposed indirect rate is 23.59% on personal services and 4% on allowed operating costs. State Legislature imposed a 24% cap on personal services and a 4% cap on operating costs.

These rates are based on SFY 16 budgeted figures submitted to the Budget Office and included in the Governor's Budget for the Legislative session to be held from January through April 2015. During the 2007 session, MDEQ presented a new methodology which was unanimously approved by Legislature which authorized DEQ to charge a percentage on personal services and a percentage on operating costs. The operating costs have had a cap of \$4,000 per fiscal year on the first \$100,000 on contracts. For SFY 2016, MDEQ's request was approved to increase that cap to \$6,000 per fiscal year on the first \$150,000 on contracts.

These rates are not being applied to equipment and capital expenditures per Circular A-87.

If you have any questions, please call me at (406) 444-4632 or Virginia Wooley at (406) 444-2567 or fax any requests to (406) 444-4386. Thank you.

Sincerely,

Dean Rude
Acting Deputy Director
Montana Department of Environmental Quality

CERTIFICATE OF INDIRECT COSTS

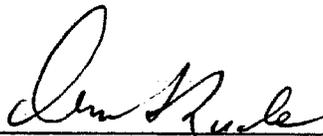
This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

- (1) All costs included in this proposal on December 22, 2014 to establish cost allocations or billings for July 1, 2015 – June 30, 2016 are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provisions of this Part. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.
- (2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal government will be notified of any accounting changes that would affect the rate.

I declare that the foregoing is true and correct.

Governmental Unit: State of Montana Department of Environmental Quality

Signature: _____



Name of Official: Dean A. Rude

Title: Acting Deputy Director

Date of Execution: December 22, 2014

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Indirect Cost Proposal for FY2016

Summary of Under (Over) Recovery by Year

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
(a) Fixed Rate Per Negotiation:												
Rate on Personal Services	18.16%	16.72%	19.50%	18.92%	20.70%	20.30%	22.15%	22.13%	22.60%	22.00%	24.00%	22.35%
Rate on Operating Costs												
Direct Salaries & Wages	11,407,270	11,984,011	11,056,273	11,257,656	13,043,608	13,352,180	14,340,538	14,972,315	17,085,563	17,081,312	18,270,476	18,252,199
Direct Operating Costs less Unallowable												
Indirect Cost Pool:												
Departmental Costs	1,782,782	1,678,060	2,000,000	1,819,069	2,564,139	2,462,710	3,274,485	3,444,981	4,066,446	3,964,693	4,452,958	4,423,253
Adjustments to Costs	0	0	0	0	0	0	0	(220,976)	(99,231)	312,686	45,851	45,851
SWCAP	127,107	127,107	75,819	87,702	77,398	77,398	76,969	93,843	93,843	104,840	104,840	(94,012)
Carry-Forward	161,435	199,035	79,176	223,526	55,499	170,992	(175,029)	(3,762)	(200,223)	(166,166)	252,724	(94,012)
Total Pool	2,071,324	2,004,202	2,154,995	2,130,297	2,697,036	2,711,100	3,176,425	3,314,086	3,860,835	4,111,213	4,856,373	4,375,092
(b) Actual Costs Negotiated:												
Direct Salaries & Wages	10,903,411	11,257,655	11,442,929	12,703,424	13,128,253	13,418,908	14,221,740	15,950,860	18,047,192	17,133,044	18,047,192	20,120,697
Direct Operating Costs less Unallowable												
Actual Indirect Cost Pool:												
Departmental Costs	1,917,180	1,819,069	2,131,676	2,263,252	2,410,051	2,455,441	3,031,074	3,277,344	4,189,987	3,845,004	4,059,815	4,462,274
SWCAP	129,620	87,702	75,819	87,702	76,969	93,843	93,843	93,843	(21,545)	(2,199)	(8,496)	(80,650)
Unallowable Costs								(3,361)	(200,223)	(166,166)	252,724	(94,012)
Carry-Forward	161,435	199,035	79,176	223,526	55,499	170,992	(175,029)	(3,762)	(200,223)	(166,166)	252,724	(94,012)
Total Pool	2,208,235	2,105,806	2,286,671	2,574,480	2,542,519	2,720,276	2,949,888	3,364,064	3,968,219	3,676,639	4,408,863	4,392,376
(c) Carry-Forward Computation:												
Recovered												
Fixed Rate x Actual S&W Base	1,980,059	1,882,280	2,231,371	2,403,488	2,717,548	2,724,038	3,150,111	3,529,930	3,715,494	3,770,650	4,414,666	4,470,828
Should Have Recovered												
Actual Indirect Costs	2,208,235	2,105,806	2,286,671	2,574,480	2,542,519	2,720,276	2,949,888	3,363,764	3,968,219	3,676,639	4,408,863	4,392,376
Adjustment for Fund Balance Reduction												
Under (Over) Recovery	79,176	223,526	55,499	170,992	(175,029)	(3,762)	(200,223)	(166,166)	252,725	(94,012)	(5,803)	(78,452)
Under (Over) Recovery from prior agency	(149,000)											

NOTE: Excluded RAR expenses - OTO

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Indirect Cost Proposal for FY2016

Summary of Under (Over) Recovery by Year

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
(a) Fixed Rate Per Negotiation:									
Rate on Personal Services	22.50%	21.00%	23.23%	21.88%	21.34%	21.12%	22.96%	23.25%	23.59%
Rate on Operating Costs	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Direct Salaries & Wages	21,905,132	22,162,563	27,309,974	27,171,882	28,444,361	27,714,611	28,700,462	28,561,525	31,647,979
Direct Operating Costs less Unallowable	17,269,515	15,482,421	23,289,106	16,463,468	29,046,435	29,170,002	31,804,482	26,136,578	27,400,701
Indirect Cost Pool:									
Departmental Costs	5,814,246	5,449,522	4,652,228	4,731,123	5,095,614	4,935,456	5,383,643	5,148,455	6,257,438
Adjustments to Costs	145,242	145,242	1,927,172	1,704,660	1,939,673	2,048,757	2,301,407	2,032,208	2,331,379
SWCAP		32,774							
Carry-Forward	(5,803)	(78,452)	492,637	275,650	(203,634)	35,887	(27,393)	122,498	(27,393)
Total Pool	5,808,443	5,549,086	7,072,037	6,711,433	6,831,653	7,020,100	7,861,292	7,303,161	8,551,424
(b) Actual Costs Negotiated:									
Direct Salaries & Wages	21,905,132	22,162,563	27,309,974	27,171,882	27,427,531	27,105,540	27,441,960	28,561,525	31,647,979
Direct Operating Costs less Unallowable	17,269,515	15,482,421	23,289,106	16,463,468	19,741,795	19,786,885	21,262,882	26,136,578	27,400,701
Actual Indirect Cost Pool:									
Departmental Costs	5,814,246	5,594,764	6,579,400	6,435,783	6,850,356	6,896,120	7,122,264	7,180,663	8,551,424
SWCAP		32,774							
Unallowable Costs	(5,803)	(78,452)	492,637	275,650	(203,634)	35,887	(27,393)	122,498	(27,393)
Carry-Forward	5,808,443	5,549,086	7,072,037	6,711,433	6,846,722	6,932,007	7,094,872	7,303,161	8,551,424
(c) Carry-Forward Computation:									
Recovered									
Fixed Rate x Actual S&W Base	5,315,806	5,273,436	7,275,671	6,675,546	6,674,114	6,512,700	7,122,264	7,686,018	8,551,424
Should Have Recovered									
Actual Indirect Costs	5,808,443	5,549,086	7,072,037	6,711,433	6,846,722	6,932,007	7,094,872	7,303,161	8,551,424
Adjustment for Fund Balance Reduction						(296,809)			
Under (Over) Recovery	492,637	275,650	(203,634)	35,887	(27,393)	122,498	(27,393)	(382,857)	(19,382)
Under (Over) Recovery from prior agency									

NOTE: Excluded RAR expenses - OTO

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Indirect Cost Proposal for FY2016 Indirect Rate Computation For the Fiscal Year Ending June 30, 2014

	Actual Expenditures FY 14		Appropriated Budget FY 16	
[a] Fixed Rate Per Negotiation	Personal Services (2) Operating	22.96% 4.00%	Personal Services (4) Operating	23.59% 4.00%
(1) Direct Base (Personal Svcs) Adjustments to Direct Costs	27,441,960		30,147,979 1,500,000 (2) Non HB2 31,647,979	
Direct Base (Operating) County Contracts Anticipated Non HB2 operating expenditures Adjustments for contracts exceeding \$150,000	43,193,103 21,930,220 21,262,882		22,543,732 995,390 (3) Accounts 66X 10,000,000 (2) Non HB2 (6,138,421) (6) 27,400,701	
Total Direct Base	\$ 48,704,842		59,048,679	
Indirect Pool Costs:				
(1) Total Department Costs	5,544,826		\$6,257,438	
Adjustments to Cost Pool				
OIT Budgeted Equipment Allocation	0		70,564 (4)	
OIT Amigo Cloud	0		35,000	
Allocation for Projected Retirement Payouts	125,831		416,854 (5)	
Unallowable Costs	214		0	
Business Process Re-engineering	0		100,000 (4)	
SWCAP Amount	83,500		104,375	
Building Grounds	90,616		62,295	
Rent	1,178,317		1,414,686	
Student Interns	11,426		18,035 (4)	
MT Prime	87,534		99,570	
Under (Over) Recovery prior rate package	(27,393)		2,321,379 (18,467)	
Total Pool Costs:	\$ 7,094,872		\$ 8,560,350	
[b] Actual negotiated costs				
Actual Base		48,704,842		59,048,679
Actual Indirect Pool Costs:				
Department Costs	7,122,264		8,578,817	
Adjustments to Cost Pool	214		0	
Under (Over) Recovery	(27,393)		(18,467)	
Total Pool Costs:	\$ 7,095,085		\$ 8,560,350	
[c] Under (Over) Recovery Calculation:				
(2) Amount recovered:		7,113,553	Calc Rate of 23.59% on PS Cap of 4.00% on OP	7,465,758 1,096,028 \$ 8,561,786
Should have recovered: (Total Pool Costs)		7,095,085		8,560,350
Under (Over) recovery	\$ (18,467)		\$ (1,436)	

Notes:

- (1) The state budgeting system (MBARS) returned the budget to a required 6% vacancy savings for 2014/2015.
- (2) HB 2 is the main budget bill for the State of Montana. Non HB2 expenses and indirect cost recovery are a vital portion of the indirect rate calculation.
- (3) County Contracts were added to the base for the operating indirects in SFY 2014. They are included again this SFY.
- (4) These costs will allow DEQ to respond to the needs of the Department and the State and were not part of the base budget.
- (5) Payout of retirement costs for all of DEQ paid through the Proprietary Fund are included in the base budget for SFY 2016.
- Legislature approved the DEQ indirect rate for FY 2014/15 at a maximum of 24% for personal services and 4% for operating costs. Beginning in SFY 2015 DEQ requested the Operating Services Cap increased from \$100,000 per contract to \$150,000 per contract.
- (6)

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Indirect Cost Proposal for FY2016
 SCHEDULE OF ACTUAL EXPENDITURES
 For the Fiscal Year Ending June 30, 2014

Program Name	Total Costs	Unallowable Costs	Personal Svcs	Operating Costs
10 Central Management	\$ 8,935,183	\$ 214	\$ 4,958,882	\$ 3,976,088
20 Planning, Prevention & Assistance	9,332,928		6,187,778	3,145,151
30 Enforcement	1,205,868		950,988	254,880
40 Remediation	37,222,619		5,255,687	31,966,932
50 Permitting & Compliance	20,524,750		13,945,624	6,579,126
90 Petroleum Board	538,213		378,538	157,675
Total Department Costs	77,757,540	214	31,677,496	46,079,831
Total Costs		\$ 214	\$ 31,677,496	\$ 46,079,831
<i>Less: DEQ Indirect Pool Costs (Schedules A & B)</i>	<i>\$ (7,122,264)</i>		<i>\$ (4,235,536)</i>	<i>\$ (2,886,728)</i>
Total Direct Costs	\$ 70,635,276	\$ 214	\$ 27,441,960	\$ 43,193,103

Schedule A: Total Costs, Central Management (Program 10)

Org Unit Name	Org Unit #	Indirect Pool Expenses	Direct Expenses	Total
Board of Environmental Review	110110	-	16,793	16,793
Director's Office & Governors Initiatives	110220-110236;110290;110295	688,631	-	688,631
Oil & Gas Development Coordinator	110237	73,239	-	73,239
DEQ Photocopy Pool	110299	54,514	-	54,514
DEQ Retirement Costs	110410 - 110490	125,831	-	125,831
Legal Services	120440	332,183	-	332,183
Personnel Services	110330/110340/110345	390,508	-	390,508
Unallowable Costs	110230/110235/110236	-	-	-
Attorney Pool	120510 - 120590	-	616,767	616,767
Financial Services & Business Process Re-engineering	130130-130132, 140610,140699	3,485,687	-	3,485,687
Information Technology	160710 - 160760	1,971,671	-	1,971,671
Information Technology (Federal Grants)	170789 - 170813	-	278,813	278,813
ERRA (Environmental Rehabilitation & Response)	116246 - 116296	-	84,226	84,226
MEPA	180810-180992	-	816,087	816,087
Total Expenditures Program 10		7,122,264	1,812,685	8,934,950

Schedule B: Personal Svcs, Central Management (Program 10)

Org Unit Name	Org Unit #	Indirect Pool Expenses	Direct Expenses	Total
Board of Environmental Review	110110	-	-	-
Director's Office & Governors Initiatives	110220-110236;110290;110295	547,238	-	547,238
Oil & Gas Development Coordinator	110237	71,301	-	71,301
DEQ Photocopy Pool	110299	-	-	-
DEQ Retirement Costs	110410 - 110490	125,831	-	125,831
Legal Services	120440	323,623	-	323,623
Personnel Services & Safety	110330/110340/110345	341,776	-	341,776
Unallowable Costs	110230/110235/110236	-	-	-
Attorney Pool	120510 - 120590	-	582,301	582,301
Financial Services & Business Process Re-engineering	130130-130132, 140610,140699	1,136,298	-	1,136,298
Information Technology	160710 - 160760	1,689,471	-	1,689,471
Information Technology (Federal Grants)	170789 - 170813	-	5,776	5,776
ERRA (Environmental Rehabilitation & Response)	116246 - 116296	-	-	-
MEPA	180810-180992	-	135,268	135,268
Total Expenditures Program 10		4,235,636	723,345	4,958,882

Schedule C: Other Costs, Central Management (Program 10)

Org Unit Name	Org Unit #	Indirect Pool Expenses	Direct Expenses	Total
Board of Environmental Review	110110	-	16,793	16,793
Director's Office & Governors Initiatives	110220-110236;110290;110295	141,393	-	141,393
Oil & Gas Development Coordinator	110237	1,939	-	1,939
DEQ Photocopy Pool	110299	54,514	-	54,514
DEQ Retirement Costs	110410 - 110490	-	-	-
Legal Services	120440	8,560	-	8,560
Personnel Services & Safety	110330/110340/110345	48,732	-	48,732
Unallowable Costs	110230/110235/110236	-	-	-
Attorney Pool	120510 - 120590	-	34,466	34,466
Financial Services & Business Process Re-engineering	130130-130132, 140610,140699	2,349,389	-	2,349,389
Information Technology	160710 - 160760	282,201	-	282,201
Information Technology (Federal Grants)	170789 - 170813	-	273,037	273,037
ERRA (Environmental Rehabilitation & Response)	116246 - 116296	-	84,226	84,226
MEPA	180810-180992	-	680,819	680,819
Total Expenditures Program 10		2,886,728	1,089,340	3,976,068

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Indirect Cost Proposal for FY2016
SCHEDULE OF ACTUAL EXPENDITURES BY FUND TYPE
For the Fiscal Year Ending June 30, 2014

Description	Total Expenditures	01100 General Fund Expenditures	State Special Fund Expenditures	Federal Special Fund Expenditures	Proprietary Fund Expenditures	Other Funds Expenditures
Total Expenditures	77,759,327	4,520,976	24,213,441	18,673,914	7,122,264	23,228,731
% of Total Expenditures		5.8%	31.1%	24.0%	9.2%	29.9%
Personal Svcs	31,677,496	3,271,826	13,623,382	9,367,650	4,235,536	1,179,103
% of Total Expenditures		10.3%	43.0%	29.8%	13.4%	3.7%
Operating Costs	46,081,831	1,249,151	10,590,059	9,306,265	2,886,728	22,049,628
% of Total Expenditures		2.7%	23.0%	20.2%	6.3%	47.8%

Federal Expenditures by Agency			
Federal Agency Name	Total Expenditures	Personal Services	Other Operating Expenditures
DOE	325,329	178,623	146,705
DOI (BLM, OSM & National Parks)	3,896,082	1,547,953	2,348,129
EPA	16,862,055	7,641,073	9,220,982
HOMELAND (FEMA)	0	0	0
USDA	0	0	0
Total	21,083,466	9,367,650	11,715,816

Percent of Federal Expenditures by Agency			
Federal Agency Name	Total Expenditures	Personal Services	Other Expenditures
DOE	1.5%	1.9%	1.3%
DOI (BLM, OSM & National Parks)	18.5%	16.5%	20.0%
EPA	80.0%	81.6%	78.7%
HOMELAND SECURITY (FEMA)	0.0%	0.0%	0.0%
USDA	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Indirect Cost Proposal for FY2016
 Schedule of Budgeted Expenditures
 For the Fiscal Year Ending June 30, 2016

Program Name	Total Costs		Personal Services	Operating Costs
10 Central Management	9,989,457	(220,955)	5,830,897	4,279,514
20 Planning, Prevention & Assistance	10,509,899	(70,740)	6,964,319	3,616,120
30 Enforcement	1,231,767	-	1,094,729	137,038
40 Remediation	11,388,340	(3,062,557)	4,842,801	9,608,086
50 Permitting & Compliance	21,333,550	(2,784,169)	18,052,698	8,065,021
90 Petroleum Tank Release Compensation Board	555,695	-	398,027	157,668
Total Department Costs	55,008,508	(6,138,421)	35,263,472	25,883,457
<i>Less: DEQ Indirect Pool Costs (Schedules A, B & C)</i>	<i>(8,455,218)</i>	<i>-</i>	<i>(5,135,493)</i>	<i>(3,319,725)</i>
Total Direct Costs	\$ 46,553,290	\$ (6,138,421)	\$ 30,147,979	\$ 22,543,732

Schedule A: Total Central Management Budget (Program 10)

Org Unit Name	Reporting Level #	Indirect Pool Expenses	Direct Expenses	Total
Board of Environmental Review	RL 01	-	15,791	15,791
Director's Office	RL 02	871,151	-	871,151
Personnel Services	RL 03	485,985	-	485,985
Legal Services	RL 04	348,880	-	348,880
Financial Services	RL 05	4,589,802	-	4,589,802
Information Technology	RL 06	2,159,400	-	2,159,400
Attorney Pool	RL 07	-	675,047	675,047
Montana Environment Policy Act (MEPA) Svcs	RL 08	-	909,926	909,926
CMP Federal Grant Projects (IT Related)	RL 09	-	154,429	154,429
Total Expenditures Program 10		8,455,218	1,755,193	10,210,411

Schedule B: Personal Services Budget, Central Management (Program 10)

Org Unit Name	Reporting Level #	Indirect Pool Expenses	Direct Expenses	Total
Board of Environmental Review	RL 01	-	-	-
Director's Office	RL 02	674,656	-	674,656
Personnel Services	RL 03	437,275	-	437,275
Legal Services	RL 04	340,324	-	340,324
Financial Services	RL 05	1,805,915	-	1,805,915
Information Technology	RL 06	1,877,323	-	1,877,323
Attorney Pool	RL 07	-	640,605	640,605
Montana Environment Policy Act (MEPA) Svcs	RL 08	-	154,799	154,799
CMP Federal Grant Projects (IT Related)	RL 09	-	-	-
Total Expenditures Program 10		5,135,493	795,404	5,930,897

Schedule C: Operating Budget, Central Management (Program 10)

Org Unit Name	Reporting Level #	Indirect Pool Expenses	Direct Expenses	Total
Board of Environmental Review	RL 01	-	15,791	15,791
Director's Office	RL 02	196,495	-	196,495
Personnel Services	RL 03	48,710	-	48,710
Legal Services	RL 04	8,556	-	8,556
Financial Services	RL 05	2,763,867	-	2,763,867
Information Technology	RL 06	282,077	-	282,077
Attorney Pool	RL 07	-	34,442	34,442
Montana Environment Policy Act (MEPA) Svcs	RL 08	-	755,127	755,127
CMP Federal Grant Projects (IT Related)	RL 09	-	154,429	154,429
Total Expenditures Program 10		3,319,725	959,789	4,279,514

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Indirect Cost Proposal for FY2016
Allocation of Budgeted Indirect Costs by Program
For the Fiscal Year Ending June 30, 2016

Program Name	Total Indirect Costs	Total Department Costs	Total Personal Services	Total Operating Costs	Direct Personal Services & Operating
Agency Indirect Costs	8,455,218				
Direct Program Allocation					
10 Central Management	278,655	9,989,457	5,930,897	4,279,514	1,534,239
20 Planning, Prevention & Assistance	1,906,819	10,509,699	6,964,319	3,616,120	10,509,699
30 Enforcement	223,719	1,231,767	1,094,729	137,038	1,231,767
40 Remediation	2,068,402	11,388,340	4,842,801	9,608,096	11,388,340
50 Permitting & Compliance	3,874,695	21,333,550	16,052,698	8,065,021	21,333,550
90 Petroleum Tank Release Compensation Board	100,928	555,695	398,027	157,668	555,695
Total	8,455,218	55,008,508	35,283,472	25,863,457	46,553,290

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Indirect Cost Proposal for FY2016
SUMMARY OF INDIRECT AND DIRECT ACTUAL COSTS BY PROGRAM
For the Fiscal Year Ending June 30, 2014

Program Name	Agency Total Costs		Personal Svcs		Total Pers. Serv. Costs	Other Operating		Total Other Operating Costs	Total Agency Costs
	Indirect Costs	Direct Costs	Indirect Costs	Direct Costs		Indirect Costs	Direct Costs		
10 Central Management (See Note)	8,934,950	723,345	4,235,536	723,345	4,958,882	2,886,728	1,089,340	3,976,068	
20 Planning, Prevention & Assistance	9,332,928	6,187,778		6,187,778	6,187,778		3,145,151	3,145,151	
30 Enforcement	1,205,868	950,988		950,988	950,988		254,880	254,880	
40 Remediation	37,222,619	5,255,687		5,255,687	5,255,687		31,966,932	31,966,932	
50 Permitting & Compliance	20,524,750	13,945,624		13,945,624	13,945,624		6,579,126	6,579,126	
90 Petroleum Board	536,213	378,538		378,538	378,538		157,675	157,675	
Total Department Costs	77,757,327	27,441,960	4,235,536	27,441,960	31,677,496	2,886,728	43,193,103	46,079,831	
Statewide Cost Allocation Plan	0						0	0	
Total	77,757,327	27,441,960	4,235,536	27,441,960	31,677,496	2,886,728	43,193,103	46,079,831	

**MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 Indirect Cost Proposal for FY2016
 Schedule of Fringe Benefits**

	Method of Calculations	Rate
FICA	Gross Salary	6.20%
MDCR	Gross Salary	1.45%
Retirement Contributions	Gross Salary	7.170%
Workers Compensation (varies by job category)	Gross Salary	.85/1.25/1.48
Group Health Insurance	\$/yr per FTE	\$8,796
State Unemployment Tax	Gross Salary	0.30%
 Average Rate per Total Personal Services	 Gross Salary	 25.00%