

**PROPOSED RESOLUTION BEFORE THE BOARD
TO AUTHORIZE A REIMBURSEMENT FOR
ADMINISTRATIVE COSTS**

RESOLUTION OF THE
COAL AND CLAY MINE SUBSIDENCE INSURANCE BOARD (THE BOARD)

WHEREAS, Section 10 of the Act of August 23, 1961, P.L. 1068, No. 484, as amended, 52 P.S. §3210(c), provides:

The Board shall keep an accurate account of the money paid in premiums by the subscribers and the disbursements on account of damages to the premises thereof, and if at the expiration of any year there shall be a balance remaining after deducting such disbursements, the unearned premiums on undetermined risks and the percentage of premiums paid or payable to create or maintain the surplus provided herein, and after setting aside an adequate reserve, so much of the balance as the Board may determine to be safely distributable may either be allocated to the cost of administering the Fund or be distributed among the subscribers

WHEREAS, the Board, at a meeting held on November 18, 2002, determined that the sum of Two Million Nine Hundred Forty-one Thousand and Fourteen Dollars (\$2,941,014), as identified in the attached budget document, would be adequate to defray the administrative costs of the Coal and Clay Mine Subsidence Insurance Program during Fiscal Year 2003-2004.

WHEREAS, the Board, at that same meeting, determined that an adequate surplus would remain in the Coal and Clay Mine Subsidence Insurance Fund should the estimated amount of administrative costs be expended.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the Department of Environmental Protection to expend up to Two Million Nine Hundred Forty-one Thousand and Fourteen Dollars (\$2,941,014) from the Coal and Clay Mine Subsidence Insurance Fund for the administration of the Coal and Clay Mine Subsidence Insurance Program during Fiscal Year 2003-2004.

**COAL AND CLAY MINE SUBSIDENCE
INSURANCE BOARD:**

Joseph Pizarchik
Director
Bureau of Mining and Reclamation
Department of Environmental Protection
Designated Board Chairman

Honorable Barbara Hafer
State Treasurer
Board Member

Randy Rohrbaugh
Deputy Insurance Commissioner for the Office of Rate and Policy
Insurance Department
Designated Board Member

DATED:

**BUREAU OF MINING & RECLAMATION
BUDGET FOR FY 03/04
MINE SUBSIDENCE INSURANCE FUND
GENERAL OPERATIONS APPROPRIATION 291**

100 FUNDS	\$	1,301,013	Total Salaries 29 Filled Positions
	\$	135,369	3 Vacant Positions
	\$	40,422	Salary Adjustment Factor
	\$	132,000	Six Temporary MSI Reps.
	\$	24,000	Four Interns
	\$	45,000	Other Personnel Costs (overtime, out of class pay, etc.)
	\$	1,677,804	Total all positions
		-	General Salary Increase (TBD)
	\$	446,421	Benefits @ 26.54%
	\$	9,775	Out Service Training
	\$	(420,000)	ACDS/AMIS Activity
	\$	1,714,000	TOTAL MO 100 FUNDS
300 FUNDS	\$	358,200	Operating Expenses
	\$	56,000	Equipment under \$5,000/item
	\$	50,000	Consulting Contract Wilkes Barre
	\$	50,000	Consulting Contract McMurray
	\$	50,000	Consulting Contract - Actuarial Study
	\$	15,000	Comptroller Charges
	\$	5,000	Photo Development Contract - McMurray
	\$	2,500	Photo Development Contract - Wilkes Barre
	\$	15,000	Public Outreach Program
	\$	200,000	Marketing
	\$	801,700	TOTAL MO 300 FUNDS
400 FUNDS	\$	75,300	Computer and related equipment
	\$	75,300	TOTAL MO 400 FUNDS
800 FUNDS	\$	350,000	Estimated charges for DEP mainframe computer
	\$	350,000	TOTAL MO 800 FUNDS
GRAND TOTAL	\$	2,941,000	MINE SUBSIDENCE GENERAL OPERATIONS APPROP.

MO 400 EQUIPMENT LIST MSI APPROP. 291

1 Software	\$ 30,000
1 Computer Projector	\$ 6,000
1 Work Station	\$ 20,000
TOTAL	\$ 56,000

MO 300 EQUIPMENT UNDER \$5,000 PER UNIT

Software, hardware, misc. office equip.	\$ 28,000
1 Laptop	\$ 2,800
1 Video Camera	\$ 4,500
Desktop Computers	\$ 40,000
TOTAL	\$ 75,300