NPR-A Impact Grant Program **FY2009 Request: $5,300,000**
Reference No: 38948

AP/AL: Appropriation
Category: Development
Location: Barrow
House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2008 - 06/30/2013

Project Type: Construction
Recipient: Various
Contact: Tara Jollie
Contact Phone: (907)465-7959

Brief Summary and Statement of Need:
Grants to communities for public facilities and services. Priority is given to those communities directly or severely impacted by the leases and development of oil and gas within the National Petroleum Reserve. This program contributes to the Department's mission of promoting a healthy economy and strong communities by providing economic growth in the communities it serves.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
NPR Fund	$5,300,000						$5,300,000
Total:	$5,300,000	$0	$0	$0	$0	$0	$5,300,000

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☐ Phased - underway ☑ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:
Refer to funding matrix in the detailed description.

Project Description/Justification:
As authorized December 12, 1980, by 42 U.S.C. Chapter 78, Sections 6501-6508, the Federal Government, through the U.S. Department of the Interior, Bureau of Land Management (BLM) manages and allows the exploration and development of oil and gas within the National Petroleum Reserve-Alaska (NPR-A). In accordance with 42 U.S.C. § 6508, fifty percent of the money received by the federal government from the "sales, rentals, bonuses, and royalties on leases issued . . . " within the NPR-A is paid to the State of Alaska.

As required by Alaska Statute (AS) 37.05.530, Alaska Administrative Code (AAC) 3 AAC 150.010 – 150.090 was adopted, establishing the NPR-A Impact Program which allow municipalities impacted by oil and gas development in the NPR-A to apply for assistance (grants) to alleviate the impact. In accordance with:

- AS 37.05.530(c), participation is limited to municipalities.
- AS 37.05.530(c), (d), and (e), municipalities must demonstrate present impact or the need to determine or plan for future impact.
- AS 37.05.530(c), priority is given to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development.
- AS 37.05.530(e), municipalities may use the funds to alleviate the impact of the oil and gas development only for the following activities and services: (1) planning; (2) construction, maintenance, and operation of essential public facilities by the municipality; and (3) other necessary public services provided by the municipality.
- AS 37.05.530(f), funds may not be used for the retirement of municipal debt.
- 3 AAC 150.050(c), *impact* is defined as an effect reasonably attributable to NPR-A oil and gas activities under 42 U.S.C. § 6508 on (1) population; (2) employment; (3) finances; (4) social and cultural values; (5) air and water

quality; (6) fish and wildlife habitats; (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and (8) other things of demonstrable importance to the applicant or the applicant's residents.

As required by Alaska Statute (AS) 37.05.530(g) NPR-A funds received that are not appropriated for the NPR-A Impact Program are deposited as follows: (1) 25 percent to the principal of the Alaska Permanent Fund; (2) .5 percent to the Public School Trust Fund (AS 37.14.110); and (3) the remaining amount may be appropriated to the Power Cost Equalization and Rural Electric Capitalization Fund (AS 42.45.100).

Funding History: This appropriation is routinely authorized in the language section of the capital bill.

Year	Amount	Legislation	Cash Received
FY2000	20,000,000	SLA 99 Ch 2 Page 28 Line 25	$ 40,298,622
FY2002	1,683,900	SLA 01 Ch 61 Page 124 Line 3	$ 1,683,849
FY2003	1,686,100	SLA 02 Ch 1 Page 108 Line 20	$ 1,686,104
FY2004	25,011,457	SLA 03 Ch 82 Page 86 Line 20	$ 34,556,469
FY2005	2,530,586	SLA 04 Ch 159 Page 57 Line 22	$ 2,530,586
FY2006	24,706,539	FSSLA 05 Ch 3 Sec 10(a)	$ 31,594,594
FY2007	4,278,502	SLA 06 Ch 82 Sec 22(a)	$ 4,478,163
FY2008	10,563,218	SLA 06 Ch 30 Sec 30(a)	$ 12,277,299