

National Petroleum Reserve - Alaska Impact Grant Program FY2012 Request: \$5,399,679
Reference No: 38948

AP/AL: Appropriation with Allocations **Project Type:** Life / Health / Safety
Category: Development **Recipient:** various
Location: North Slope Borough **House District:** Arctic (HD 40)
Impact House District: Arctic (HD 40) **Contact:** JoEllen Hanrahan
Estimated Project Dates: 07/01/2011 - 07/01/2016 **Contact Phone:** (907)465-2506

Brief Summary and Statement of Need:

This amendment corrects the dollar amount in the language section of the capital appropriation bill to read \$5,399,679 and updates the project description by adding the FY2012 National Petroleum Reserve - Alaska (NPR-A) recommended awards to communities.

The National Petroleum Reserve - Alaska (NPR-A) program provides 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 NPR-A. 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:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
NPR Fund	\$5,399,679						\$5,399,679
Total:	\$5,399,679	\$0	\$0	\$0	\$0	\$0	\$5,399,679

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
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:

National Petroleum Reserve - Alaska (NPR-A) program provides 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 NPR-A. The department annually issues a Request for Procurement from eligible communities for projects. This process is not completed by the release date of the Governor's Budget in December and allocations have historically been included in the budget amendments.

FY2012 NPR-A Recommended Awards

Community	Project	Recommended Funding
North Slope Borough	Permit Tracking System	\$242,000
North Slope Borough	Monitoring the Subsistence Fisheries in the Elson Lagoon and Kuk Inlet	\$109,000
Barrow	Local Government Operations and Maintenance	\$1,600,000
North Slope Borough	Meade River School Counselor	\$270,177
North Slope Borough	Land Management and Enforcement Continuation	\$750,000
North Slope Borough	School Counselor Program	\$282,502
North Slope Borough	Mayor's Job Program	\$300,000
Nuiqsut	Youth Center Operations & Maintenance	\$194,000
Nuiqsut	Local Government Operations and Maintenance	\$595,000
Atqasuk	Local Government & Youth Program	\$300,000
Barrow	City Archival Project	\$60,000
North Slope Borough	Workforce Development for Essential Services	\$452,000
Wainwright	Wainwright Local Government Operations	\$245,000
Wainwright	Wainwright Youth Program	\$0
		\$5,399,679

Anticipated Funding for FY12 NPR-A Grants: \$5,400,000

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 NPR-A. In accordance with 42 U.S.C. § 6508, 50% 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 AS 37.05.530, 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 grant assistance to alleviate the impact. Grant applications are considered 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.

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- 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% to the principal of the Alaska Permanent Fund; (2) .5% 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
FY11	\$ 19,481,681	SLA 10, Ch 43, Pg 159, Ln 16 SLA 10, Ch 43, Pg 160, Ln 16	\$ 19,906,517
FY10	\$ 15,967,840	SLA 09, Ch 15, Sec 16(a)	\$ 16,235,761
FY09	\$ 5,246,473	SLA 08, Ch 29, Sec 38(a)	\$ 5,246,474
FY08	\$ 10,563,218	SLA 06, Ch 30, Sec 30(a)	\$ 12,772,299
FY07	\$ 4,278,502	SLA 06, Ch 82, Sec 22(a)	\$ 4,473,163
FY06	\$ 24,706,539	FSSLA 05, Ch 3, Sec 10(a)	\$ 31,594,594
FY05	\$ 2,530,586	SLA 04, Ch 159, Pg 57, Ln 22	\$ 2,530,586
FY04	\$ 25,011,457	SLA 03, Ch 82, Pg 86, Ln 20	\$ 34,556,469
FY03	\$ 1,686,100	SLA 02, Ch 1, Pg 108, Ln 20	\$ 1,686,104
FY02	\$ 1,683,900	SLA 01, Ch 61, Pg 124, Ln 3	\$ 1,683,849
FY00	\$ 20,000,000	SLA 99, Ch 2, Pg 28, Ln 5	\$ 40,298,622