

City of Nuiqsut - Local Government Operations and Maintenance

FY2017 Request: \$502,508
Reference No: AMD 57337

AP/AL: Allocation
Category: Development
Location: Nuiqsut
Impact House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2016 - 06/30/2021
Appropriation: National Petroleum Reserve - Alaska Impact Grant Program

Project Type: Life / Health / Safety
Recipient: City of Nuiqsut
House District: Arctic (HD 40)
Contact: Catherine Reardon
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

This request amends the original Governor’s FY2017 capital budget request by adding allocation level funding of \$502,508. This change is due to the timing of approval of individual National Petroleum Reserve – Alaska grants. This project will provide continued funding for local government operations and maintenance for the city of Nuiqsut. Grant funds are requested for labor, fringe benefits, equipment purchase, materials, supplies, travel, training, maintenance, repair, communications, utilities, fuel, insurance, and legal.

Funding:	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
1063 NPR Fund	\$502,508						\$502,508
Total:	\$502,508	\$0	\$0	\$0	\$0	\$0	\$502,508

<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 checked="" 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	0
Totals:	0	0

Prior Funding History / Additional Information:

Approved for grant under National Petroleum Reserve-Alaska Impact Grant Program under AS 37.05.530(a). See appropriation for prior funding history.

Project Description/Justification:

As authorized December 12, 1980, by 42 USC Chapter 78, Sections 6501-6508, the federal government, through the US 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 USC § 6508, 50 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 AS 37.05.530, regulations (3 AAC 150.010 – 150.090) were 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.

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- 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 USC § 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).