National Petroleum Reserve - Alaska Impact Grant Program **FY2017 Request: $3,502,626**
Reference No: 38948

AP/AL: Appropriation
Category: Development
Location: North Slope Borough
Impact House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2016 - 06/30/2021

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

Brief Summary and Statement of Need:
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. Funding comes from the federal government as a share of the funds received on leases issued within NPR-A.

Funding:	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
1063 NPR Fund	$3,502,626	$3,502,626	$3,502,626	$3,502,626	$3,502,626	$3,502,626	$21,015,756
Total:	$3,502,626	$3,502,626	$3,502,626	$3,502,626	$3,502,626	$3,502,626	$21,015,756

☐ 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

Prior Funding History / Additional Information:
Sec24 Ch38 SLA2015 P38 L14 SB 26 $3,502,626
Sec29 Ch18 SLA2014 P112 L26 SB 119 $4,005,621
Sec24 Ch16 SLA2013 P125 L18 SB 18 $3,876,868
Sec18 Ch17 SLA2012 P176 L4 SB 160 $4,896,872
Sec22 Ch5 SLA2011 P160 L3 SB 46 $5,399,679
Sec26 Ch43 SLA2010 P159 L16 SB 230 $19,481,681
Sec16 Ch15 SLA2009 P63 L6 SB 75 $15,967,840

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.
- 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).