

AP/AL: Allocation
Category: Development
Location: Barrow
Impact House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2019 - 06/30/2024
Appropriation: National Petroleum Reserve - Alaska Impact Grant Program

Project Type: Life / Health / Safety
Recipient: City of Utqiagvik
House District: Arctic (HD 40)
Contact: April Wilkerson
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

This request amends the original Governor's budget request by adding allocation-level funding. This change is due to the timing of approval of individual National Petroleum Reserve - Alaska grants. This project is to continue operations including: city council; administration; recreation and maintenance department; business licensing; motor vehicle registration and licensing; taxicab administration and commission; distribution center; concessions; summer youth program; scholarship expenses; little dribblers; and ice rink. Grant funds are requested for labor, fringe benefits, audit, training/travel, supplies, and equipment.

Funding:	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>Total</u>
1063 NPR Fund	\$785,000						\$785,000
Total:	\$785,000	\$0	\$0	\$0	\$0	\$0	\$785,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input 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:

The NPR-A Application Selection Committee recommended funding this project at \$785,000 for the Recreation Department, since FY2019 NPR-A grant funds were already appropriated for this purpose.

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).