

AP/AL: Appropriation
 Category: Development
 Location: Barrow
 House District: Arctic (HD 40)
 Estimated Project Dates: 07/01/2006 - 06/30/2011

Project Type: Construction
 Recipient: Various
 Contact: Michael Black
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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:	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total
NPR Fund	\$4,500,000						\$4,500,000
Total:	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$4,500,000

<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:

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

Commerce is anticipating the receipt of approximately \$4,500.0 in NPR-A monies from the 1999, 2002 and 2004 oil leases issued by the federal government -- the actual monies will be received in November 2005 and May 2006. In anticipation of these monies, Commerce issued a Request For Grant Applications in September 2005 and has just received the applications and is currently performing the evaluation and review process. Grant awards will be issued in July 2006 at the beginning of fiscal year 2007.

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

Year	Amount	Legislation	Cash Received
FY 2000	20,000,000	SLA 99 Ch 2 Page 28 Line 25	\$ 40,298,622
FY 2002	1,683,900	SLA 01 Ch 61 Page 124 Line 3	\$ 1,683,849
FY 2003	1,686,100	SLA 02 Ch 1 Page 108 Line 20	\$ 1,686,104
FY 2004	25,011,457	SLA 03 Ch 82 Page 86 Line 20	\$ 34,556,469
FY 2005	2,530,586	SLA 04 Ch 159 Page 57 Line 22	\$ 2,530,586
FY 2006	24,706,539	FSSLA 05 Ch 3 Page 101 Line 30	\$ 31,594,594