

Coastal Impact Assistance Program (CIAP)

FY2010 Request: \$58,000,000

Reference No: 41648

AP/AL: Appropriation

Project Type: Economic Assistance

Category: Natural Resources

Location: Statewide

Contact: Leta Simons

House District: Statewide (HD 1-40)

Contact Phone: (907)465-2400

Estimated Project Dates: 07/01/2009 - 12/31/2013

Brief Summary and Statement of Need:

The Division of Coastal and Ocean Management is the lead state agency to administer the approximately \$29 million annually in Coastal Impact Assistance Program (CIAP) funding disbursed under the Energy Policy Act of 2005 (R.R. 6). As required by law, 35% of these funds will be paid to the coastal districts of the state, and the remaining 65% will be allocated as identified in the approved program. The \$58 million reflected in the FY 2010 amount includes the amount allocated but not yet received in FY 2009, as well as the FY 2010 amount.

Funding:	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>
Fed Rcpts	\$58,000,000						\$58,000,000
Total:	\$58,000,000	\$0	\$0	\$0	\$0	\$0	\$58,000,000

<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:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA08/CH29 \$3,000,000.00

SLA07/CH30 \$3,000,000.00

SLA06/CH82 \$3,000,000.00 Grant closed

Project Description/Justification:

The Energy Policy Act of 2005 (Act) amends the Outer Continental Shelf Lands Act to provide for the disbursement of \$250,000,000 each year between 2007 and 2010 to producing states and coastal political subdivisions. A producing state is a coastal state with "a coastal seaward boundary within 200 nautical miles of the geographic center of a leased tract within any area of the outer Continental Shelf." Interestingly, the Act excludes from the definition of "producing state" any coastal state where the majority of the coastline is subject to a leasing moratorium, unless production was occurring on January 1, 2005 from a lease within 10 nautical miles of the state's coastline. Coastal political subdivisions are any political subdivisions of a coastal state within the coastal zone (as defined under the Coastal Zone Management Act) on the date of the enactment of the Energy Policy Act and not more than 200 nautical miles from the geographic center of any leased tract.

To receive its share of the \$250,000,000, a producing state must have an approved Coastal Impact Assistance Plan which describes how the states and the coastal political subdivisions will use the

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funds. CIAP funds can only be used for one or more of the following purposes: projects and activities for the conservation, protection, or restoration of coastal areas; mitigation of damage to fish, wildlife, or natural resources; planning assistance and the administrative costs of complying with this section; implementation of a federally-approved marine, coastal, or comprehensive conservation management plan; mitigation of the impact of outer Continental Shelf activities through funding of onshore infrastructure projects and public service needs.

Funds will be allocated to producing states based on the ratio of the amount of qualified revenues generated off the state's coastline to the total revenues generated. For cases where more than one state is located within 200 miles of the lease tract, allocations will be "inversely proportional to the distance between the nearest point on the coastline of the producing state and the geographic center of the leased tract." All producing states will receive a minimum of one percent of the total funds available for disbursement. Thirty-five percent of each producing state's allocation is to be paid directly to the coastal political subdivisions in each state.

Due to an increase in outer continental shelf revenues generated by the recent Chukchi Lease Sale 193, MMS has estimated that the state of Alaska's annual CIAP allocation will increase from approximately \$2.5 million in 2007 and 2008 to be between \$29 million and \$41.2 million for 2009 and 2010.

The Division of Ocean and Coastal Management (DCOM) will amend the Final CIAP Plan based on the ranges provided. The amended plan must be approved by the United States Mineral Management Service in order for the funds to be made available. The Governor's Ocean Policy Cabinet and DNR have established a process by which it will select projects to be included in the amended plan. Approximately 70 percent of the funds that go directly to the state will be used for state initiated projects. The remaining 30 percent will be available to fund projects initiated by state agencies and the public that address specific themes. DCOM is currently working on an application packet. A multi-agency Project Review Committee will assist DCOM in the review and ranking of projects for approval by the Ocean Policy Cabinet

Why is this Project Needed Now?

CIAP puts federal funding in local economies, and promotes responsible development of coastal uses and resources for economic investment and diversity within the coastal districts. This balancing of resource management and development benefits local communities and the State.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION
Personal Services	\$696,000	1 FT – Project Coordinator, 1 FT Grants Administrator – 1 PT Admin Officer, 1 PT Natural Resource Spec III – (est. - \$174.0 per year)
Travel	\$ 35,000	Workshops; meetings & training

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Services	\$31,221	Training fees; % of operating core services; indirect
Commodities	\$ 10,000	Office supplies
Grants	\$57,227,779	Pass through grants to other state agencies.

Project Support:

Broad support is anticipated from the state agencies and coastal districts.