

National Petroleum Reserve - Alaska Impact Grant Program FY2013 Request: \$4,896,872
Reference No: AMD 38948

AP/AL: Appropriation **Project Type:** Life / Health / Safety
Category: Development **Recipient:** various
Location: North Slope Borough **House District:** Arctic (HD 40)
Impact House District: Arctic (HD 40) **Contact:** Jo Ellen Hanrahan
Estimated Project Dates: 07/01/2012 - 06/30/2017 **Contact Phone:** (907)465-2506

Brief Summary and Statement of Need:

This amendment to the FY2013 Governor's capital budget updates the estimated funding level and adds the FY2013 National Petroleum Reserve - Alaska (NPR-A) recommended awards to communities. The 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. 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 comes from the federal government as a share of the funds received on leases issued within NPR-A.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
NPR Fund	\$4,896,872	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$31,896,872
Total:	\$4,896,872	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000	\$31,896,872

<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
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

Refer to funding matrix in the detailed description.

Project Description/Justification:

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.

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, 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 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).

NPRA FY2013 Awards

Community	Project	Amount
North Slope Borough	Permit Tracking System	\$ 242,000.00
North Slope Borough	Mayor's Job Program	\$ 366,636.00
North Slope Borough	Monitoring the Subsistence Fisheries in the Elson Lagoon and Kuk Inlet	\$ 109,000.00
North Slope Borough	Meade River School Counselor	\$ 243,819.00
North Slope Borough	School Counselor Program	\$ 287,296.00
Atqasuk	Local Government & Youth Program	\$ 493,940.00
Barrow	Local Government Operations and Maintenance	\$ 1,600,000.00
North Slope Borough	Land Management and Enforcement Continuation	\$ 350,000.00
Nuiqsut	Local Government Operations and Maintenance	\$ 718,163.00
Wainwright	Wainwright Local Government Operations	\$ 228,000.00

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Nuiqsut	Youth Center Operations & Maintenance	\$ 258,018.00
		\$ 4,896,872.00

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

Year	Amount	Legislation	Cash Received
FY2012	5,399,700	FSSLA 11, Ch 5, Sec 22	\$ 3,032,458
FY2011	15,118,700	SLA 10, Ch 43, Sec 26	\$ 19,906,517
FY2010	15,967,800	SLA 09, Ch 15, Sec 16	\$ 16,235,761
FY2009	5,300,000	SLA 08, Ch 29, Sec 38	\$ 5,246,474
FY2008	10,563,200	SLA 06, Ch 30, Sec 30	\$ 12,772,299
FY2007	4,278,500	SLA 06, Ch 82, Sec 22	\$ 4,473,164
FY2006	24,706,500	FSSLA 05, Ch 3, Sec 10	\$ 31,594,594
FY2005	2,530,600	SLA 04, Ch 159, Sec 6	\$ 2,530,586
FY2004	25,011,500	SLA 03, Ch 82, Sec 11	\$ 34,556,469
FY2003	1,686,000	SSSLA 02, Ch 1, Sec 29	\$ 1,686,104
FY2002	1,683,900	SLA 01, Ch 61, Sec 85	\$ 1,683,849