

Energy Infrastructure and Impact Office

Presentation to The Budget Section

- A Division within the Office of the Commissioner of University and School Lands
Board of University and School Lands (Land Board) has authority to award and distribute infrastructure and impact grants from the Oil and Gas Impact Grant Fund (OGIGF)
- Land Board is made up of:
 - Governor
 - Secretary of State
 - State Treasurer
 - Attorney General
 - Superintendent of Public Instruction
- Mission – to assist local political subdivisions hosting energy activity as they deal with the impacts being realized
- Coal Development Impact Loans
 - Board is authorized to make loans to coal development impacted political subdivisions
 - Loan is from the Coal Development Trust Fund
- Grant program for oil and gas impacted political subdivisions (cities, counties, school districts, other taxing districts) and non-political subdivisions with exemptions to NDCC 57-62
- Impacted means actual or anticipated extraordinary expenditures caused by energy development and associated growth
- Powers and duties of energy infrastructure and impact office director
 - Develop a plan to assistance counties, cities, school districts, and other political subdivisions in oil and gas development areas through grants
 - Establish procedures and forms for political subdivisions to apply for impact grants
 - Reimburse counties, cities, school districts, and other taxing districts for the costs related to the grants awarded by the Land Board
 - Consider other sources of revenue that the entities receive when determining grants
- Funding is from 1% of the 5% of Gross Production Tax Collections
- \$139.3 million was appropriated for energy impact grants 2015-2017 biennium, although revised forecasts indicate much less will be available
- Annual total grants limited to 60% of appropriation

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- Legislative allocations and amounts awarded to HB 1176 grant categories

Allocation Focus	HB 1176 Allocation Amount	Sub-Allocation Provided by SB 2199 & SB 2284	Amount Awarded	When Awarded	Canceled or Reductions	Remaining of Allocations	Notes
Airports	\$48,000,000		\$3,531,497	July 2015, Oct 2015	\$530,722	\$44,999,225	Hub City Allocations identified in SB 2015. Williston-\$39 Million, Dickinson-\$5.8 Million, No Local Match. Collaboration with ND Aeronautics Commission.
K-12 Schools	\$30,000,000		\$15,000,193	July 2015	\$11,992	\$15,011,799	Half awarded July 2015
Law Enforcement Agencies	\$10,000,000		\$7,842,580	July 2015	\$63,711	\$1,221,131	Remaining Reduced by Human Trafficking and Sexual Assault Examiner Required Allocation. Collaboration with Bureau of Criminal Investigation.
Human Trafficking		\$750,000	\$750,000	Jan 2016, Apr 2016		\$0	Required. From Law Enforcement \$10 Million, Fully Awarded
Sexual Assault Examiner		\$250,000	\$247,767	Jan 2016		\$2,233	Required. From Law Enforcement \$10 Million
Critical Access Hospitals	\$10,000,000		\$5,000,000	Dec 2015		\$5,000,000	Jan 2017 Required Distribution. Collaboration with Dept. of Human Services
Bowman & Divide Counties	\$8,000,000					\$8,000,000	
EMS	\$6,000,000		\$3,696,195	July 2015	\$11,298	\$2,315,103	
Eligible 7 Counties: Golden Valley, Slope, Mercer, McLean, Ward, McHenry & Renville	\$5,000,000					\$5,000,000	Applications accepted, grant round placed on hold due to results of Feb 2016 revised revenue forecast
Nursing Homes, Basic Care	\$4,000,000					\$4,000,000	
Fire Districts	\$3,000,000		\$3,000,000	Oct 2015	\$9,001	\$9,001	Fully Awarded.
Providers to the Developmentally Disabled	\$2,000,000		\$1,000,000	Dec 2015		\$1,000,000	Jan 2017 Required Distribution. Collaboration with Dept. of Human Services
Domestic Violence	\$2,000,000					\$2,000,000	Grant Round Completed, Awards Held due to Results of Feb 2016 Revised Revenue Forecast. Collaboration with Dept. of Commerce.
Local District Health Units	\$2,000,000		\$2,000,000	Oct 2015		\$0	Fully Awarded. Collaboration with Dept. of Health
City of Stanley	\$1,700,000					\$1,700,000	
City of Kenmare	\$500,000					\$500,000	
City of Berthold	\$200,000					\$200,000	
City of Burlington	\$100,000					\$100,000	
Un-Allocated	\$6,800,000		\$500,000	Oct 2015		\$6,300,000	Emergency Request, Missouri Ridge Twp
Appropriated for Grants	\$139,300,000		\$42,568,232		\$626,724	\$97,358,492	

On Advice of Counsel, Required to be Awarded

Awarded \$42,568,232 - Cancellations \$626,724 = **\$41,941,508 in Current Obligations**

Current Obligations \$41,941,508 + Required Future Awards \$6,002,233 = **\$47,943,741 Total Program Obligations**

Suspended grants have not been removed from Awarded or Obligations as the commitment still exists

- Plans and schedules were developed and grant rounds started July 1, 2015. Grants totaling \$42.6 million were approved early in the biennium
- The revised revenue forecast release in February 2016 indicated that the grant fund was to receive \$28.6 million vs. \$140 million appropriated
- With total of awarded exceeding projected revenue, Land Board stopped grant round activity and suspended \$7.3 million in grants on projects not started and without contract commitments

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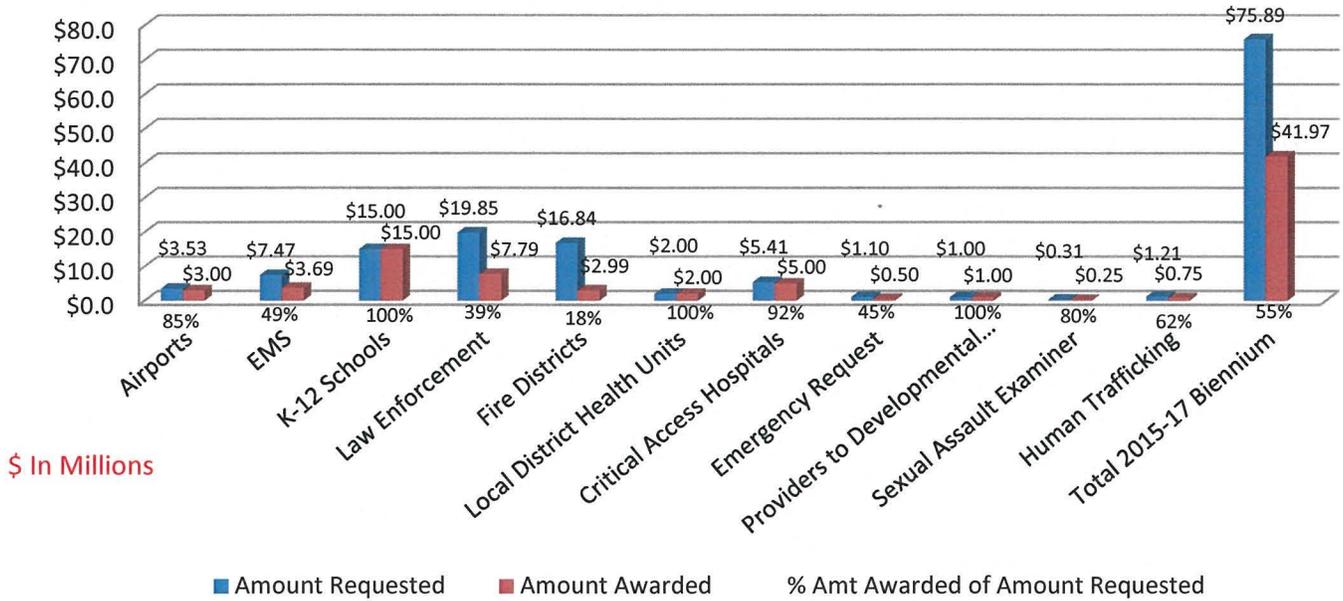
- The Department's legal counsel has identified allocations for Human Trafficking, Sexual Assault Examiner, Critical Access Hospitals and Service Providers to Developmentally Disabled as required:
 - \$2,233 - Sexual Assault Examiner Programs
 - \$5 million - Critical Access Hospitals, January 2017 Distribution
 - \$1 million - Providers serving Developmental Disabilities, January 2017 Distribution
- Current grant obligations \$41,941,508 plus required future awards \$6,002,233 equal total program grant obligations of \$47,943,741
- July 2016 updated state revenue forecast projected the fund to receive \$73.4 million
- Funding received through September 2016 - \$38,419,273.41
- Amount received compared to the July 2016 updated revenue projection:
 - July projection \$2.15 million, actual \$3.15 million
 - August projection \$2.47 million, actual \$4.1 million
 - September projection \$3.87 million, actual \$3.56 million
- As of September 16, 2016, \$29.3 million has been reimbursed, or **spent**
- **Funding received is \$9.54 million short of total program grant obligations**
- Oil and Gas Impact Grant Funds available September 16, 2016 \$39.2 million:
 - \$30.4 million past biennium
 - \$8.8 million current biennium
- Once current biennium funding received meets total program grant obligations, the \$7.3 million of grant suspensions are expected to be lifted
- Once tax collections received and distributed to the fund exceed total program grant obligations, the Board will evaluate allocating additional funds to Legislative funding allocations as identified in HB 1176
- Domestic Violence Shelter Grants were next to receive grants at the time grant rounds were stopped in February 2016
- Grant projects addressing safety issues are expected to be a primary focus for any additional grant consideration.
- \$24.8 million in additional awards may be possible based on most recent revenue forecast. Estimate of total awards for the 2015/2017 biennium would be \$72.7 million
- \$60.3 million in Legislative designations are projected to go unfunded.
- **\$20 million is projected to be carried over into the 2017-2019 biennium of awarded but unreimbursed** oil and gas impact grant funds from the 2015-2017 biennium (excludes past biennium carryover)

Web address: www.nd.gov/energyimpact

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Amount Requested vs Amount Awarded Oil and Gas Impact Grant Fund - 2015-17 Biennium



Applications Received vs Awards Made Oil and Gas Impact Grant Fund - 2015-17 Biennium

