

Rust, David S.

From: Skarphol, Bob J.
Sent: Thursday, January 19, 2012 9:37 AM
To: Rust, David S.
Subject: FW: Coal Impact Grants

Rep. Bob Skarphol
 District 2
 P. O. Box 725
 Tioga, ND 58852

From: Sandness, Sheila M.
Sent: Wednesday, January 18, 2012 3:50 PM
To: Skarphol, Bob J.
Cc: Knudson, Allen H.
Subject: Coal Impact Grants

Representative Skarphol,

This email is to provide the additional information you requested regarding the future value of the impact grants provided to Beulah and Hazen school districts from 1975 to 1982. Based on published and estimated rates of inflation from 1976 through 2011, the current value of the grants provided to Beulah and Hazen school districts from 1975 to 1982 are as follows:

	Coal Impact Grants 1975-1982	Current Value (Estimated)
Beulah School District	\$2,657,446	\$7.7 million
Hazen School District	\$2,542,215	\$7.6 million

Impact grants awarded to political subdivisions from 1975 to 1982 totaled \$28.8 million, with an estimated current value of \$82.8 million.

In addition, you requested information regarding the percent of revenues provided as impact grants. During fiscal years 1975-1983, 35 percent of coal severance tax revenue collected was deposited in the coal impact fund and available for grants and loans. Coal conversion tax revenue was deposited in the general fund (65 percent) and returned to local entities (35 percent). As a percent of total coal revenue (coal severance tax and coal conversion tax), coal impact grant awards ranged from 28 to 29 percent during this period.

If you have any questions or need additional information please feel free to contact me.

Sheila M. Sandness
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 North Dakota Legislative Council
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Rust, David S.

From: Sandness, Sheila M.
Sent: Tuesday, January 17, 2012 2:51 PM
To: Skarphol, Bob J.; Rust, David S.
Cc: Knudson, Allen H.
Subject: Coal Impact Grants and Loans Awarded to the Beulah and Hazen School Districts
Attachments: Appendix E.pdf; Appendix F.pdf

Representatives Skarphol and Rust,

This email is to provide the information you requested regarding coal tax revenue related grants and loans provided to the Beulah and Hazen School districts during years of enrollment growth due to coal activity in the area.

During the 1983 legislative session, the North Dakota Energy Development Impact Office presented its 1981-1983 Biennium Legislative Report to the appropriations committees of the House and the Senate. The report provided information regarding energy development in North Dakota and its impact on the state and a legislative history of the impact aid program from 1975-1982, including details of the grants and loans provided from coal severance tax revenues deposited in the coal development impact fund. Appendix E to the impact office report (attached as a PDF) provides a listing of all grant applications submitted to the Energy Development Impact Office by county and the action taken.

In addition, Appendix F to the impact office report (attached as a PDF) provides a listing of loan applications by county and Land Board action. A representative of the North Dakota Department of Trust Lands (Land Department) indicated that until recently all of these loans were at 6 percent and were guaranteed with the borrower's local share of the coal severance tax. Loans terms varied up to 20 years.

Following is a summary of coal impact grants and loans awarded to the Beulah and Hazen school districts during the 1975-77, 1977-79, and 1979-81 bienniums, and through three of four grant rounds during the 1981-83 biennium:

Beulah Public School District			
Coal Impact Grants		Project	Amount Awarded
	December 1975	Junior High School	\$185,000
	April 1978	Elementary and Physical Ed. Bldg.	780,000
	October 1978	Additional Elementary School Funding	139,008
	January 1979	Bleachers and Lockers	104,264
	April 1980	Equipment Replacement	118,000
	April 1980	Additional Staff	16,000
	November 1980	School Improvements	39,000
	November 1980	Light & Heat Control, Draperies	8,000
	November 1980	Personnel	10,000
	April 1981	Repayment of Plant Taxes	52,000
	April 1981	Additional Personnel	30,000
	April 1981	Remodeling	105,000
	October 1981	Additional Classrooms	600,000
	May 1982	Additional Classrooms	400,000
	November 1982	Additional Personnel	71,174
		Total grants	\$2,657,446
Coal Impact Loans			
	April 1978	Elementary School Construction	\$700,000

	February 1982	Additional Elementary Classrooms	400,000
		Total loans	\$1,100,000

Hazen Public School District			
Coal Impact Grants		Project	Amount Awarded
	November 1975	Junior-Senior High School	\$456,000
	May 1977	Equipment for Junior High School	150,000
	January 1978	Equipment/Property Improvements	67,000
	May 1978	Multi-purpose Physical Ed. Bldg.	230,400
	December 1978	Bleachers	79,443
	October 1979	Remodel Old Junior High School	30,000
	October 1979	Remodel Lunch Facility	65,000
	April 1980	Remodeling	108,458
	April 1980	Junior High Building Repair	31,740
	April 1980	Additional Staff	18,000
	November 1980	Playground Equipment and Facilities	8,000
	November 1980	Improve Elementary School	40,000
	November 1980	Personnel for Special Education District	20,000
	November 1980	Parking Lot	5,000
	April 1981	Junior High Remodeling	85,000
	April 1981	Equipment and Play Area	9,000
	April 1981	Additional Personnel	27,000
	October 1981	Additional Classrooms	600,000
	May 1982	Additional Classrooms	400,000
	November 1982	Equipment for New School Addition	25,000
	November 1982	Additional Personnel	10,000
	November 1982	Expansion of Kitchen	40,000
	November 1982	Rental for Overflow Classrooms	6,000
	November 1982	Impact Mitigation Coordinator	4,174
	November 1982	Part-time Personnel	27,000
		Total grants	\$2,542,215
Coal Impact Loans			
	June/Sept 1978	Multipurpose Physical Ed. Complex	\$700,000
	February 1982	Additional Elementary Classrooms	400,000
	April 1982	Additional Elementary Classrooms	450,000
		Total loans	\$1,550,000

In addition, a representative of the Land Department indicated that in 1995, the Beulah Public School District received a \$2.6 million coal impact loan and a \$925,000 loan from the school construction loan program for a new middle school.

Please note that a number of other school districts affected by coal development also received coal impact grants and loans as identified in Appendix E and Appendix F attached.

If you have any questions or need additional information please feel free to contact me.

Sheila M. Sandness
Fiscal Analyst
North Dakota Legislative Council

Grants	Beulah	Hazen	Center	Glen Uilin	Zap	Stanton	Washburn Reeder	Golden Valley	Underwood	Wilton	Dodge		
05/14/82			\$10,000	\$11,000									
11/05/82	\$1,071,174	\$1,112,174			\$148,432	\$191,300	\$206,000						
10/01/81							\$20,000						
04/20/81	\$378,000		\$115,500	\$30,000	\$326,500		\$69,500	\$50,994					
04/25/81						\$38,300							
05/20/81		\$447,198											
11/03/80									\$225,000	\$30,000	\$6,000		
10/26/78						\$8,000							
12/11/78		\$376,843											
01/04/79	\$1,023,272												
10/31/78							\$59,357						
06/21/78									\$125,265				
10/29/76						\$281,000							
05/13/77		\$606,000											
12/02/75	\$185,000												
04/15/77							\$465,000						
03/19/76									\$170,580				
06/17/77										\$190,000			
Total	\$2,657,446	\$2,542,215	\$125,500	\$41,000	\$474,932	\$518,600	\$799,857	\$20,000	\$50,994	\$520,845	\$220,000	\$6,000	\$7,977,389
Loans	Beulah	Hazen	Center	Glen Uilin	Zap	Stanton	Washburn Reeder	Golden Valley	Underwood	Wilton	Dodge		
June, 1978									\$40,000				
April, 1978	\$700,000												
June/Sept, 78		\$700,000											
June, 1980			\$238,000										
Nov, 1982									\$50,000				
Feb, 1982	\$400,000	\$400,000											
Aug, 1982			\$90,000										
April, 1982		\$450,000											
Total	\$1,100,000	\$1,550,000	\$328,000	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$3,068,000