

Oil and Gas Research Fund  
Financial Statement  
**2017-2019 Biennium**  
May 2, 2018 Oil and Gas Research Council Meeting

	<u>Cash Balance</u>
July 1, 2017 Balance	\$ 6,525,541.73
Revenues through March 31, 2018 (2% State's share of oil taxes)	\$ 9,770,189.04
Revenues from interest income & grant applications	\$ 6,151.26
Returned cash	\$ 0.00
Transfer to the Pipeline Authority Fund	\$ (50,000.00)
Expenditures through March 31, 2018 (project payments)	\$ (1,769,835.88)
Adm. Expenditures through March 31, 2018 (including Leg Study)	<u>\$ (85,744.62)</u>
	<b>\$14,396,301.53</b>
Outstanding Administration Commitment as of March 31, 2018	\$ (276,856.64) Proposed
Outstanding Pipeline Authority Fund transfer	\$ (275,000.00) Proposed
Outstanding Project Commitments as of March 31, 2018*	<u>\$(6,683,201.64)</u>
Balance	<b>\$ 7,161,243.25</b>

Oil and Gas Research Fund  
Continuing Appropriation Authority  
2017-2019 Biennium

Uncommitted Balance July 1, 2017	\$ 1,579,424.13
Carried Over Legislative 2015-2017 Project Funding	\$ 50,000.00
Carried Over Unused Administration Allocation	\$ 312,601.26
Income from Project Applications & Interest	\$ 0.00
Returned Commitments	\$ 0.00
Revenues (2% of State's Share of Oil Tax Revenues)	<u>\$10,000,000.00</u>
	\$11,942,025.39
Transfer to Pipeline Authority	\$ (325,000.00) Proposed
Administration Commitment	\$ (312,601.26) Proposed
Carried Over Legislative 2015-2017 Project Fund	\$ (50,000.00)
Approved Project Commitments 2017-2019	\$ (500,000.00)
Carried over Project Commitments for 2017-2019*	<u>\$ (3,450,000.00)</u>
<b>Available Funding</b>	<b>\$ 7,304,424.13</b>

**57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.**

*There is established a special fund in the state treasury to be known as the oil and gas research fund. Before depositing oil and gas gross production tax and oil extraction tax revenues in the general fund, property tax relief sustainability, strategic investment and improvements fund or the state disaster relief fund, two percent of the revenues must be deposited monthly into the oil and gas research fund, up to ten million dollars per biennium. All moneys deposited in the oil and gas research fund and interest on all such moneys are appropriated as a continuing appropriation to the council to be used for purposes stated in chapter 54-17.6.*

\*This includes \$3,450,000 of the remaining \$4,450,000 of the \$6,000,000 commitment to Contract G-040-080 (Bakken Optimization 2.0) to be expended in the 2017-2019 with \$1,000,000 to be expended in the 2019-2021 biennium.



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum  
Governor

Wayne Stenehjem  
Attorney General

Doug Goehring  
Agriculture Commissioner

## MEMORANDUM

TO: Oil and Gas Research Council  
FR: *Karlene Fine*, Industrial Commission Executive Director  
DT: April 25, 2018  
RE: 2017-2019 OGRF allocations

Attached is a spread sheet for the allocation of the \$10,000,000 of funding that will be available in the Oil and Gas Research Fund for the 2017-2019 biennium. Please note that \$3,450,000 of that funding has already been committed by prior actions of the Council/Commission when you approved funding for Contract G-40-080 (BPOP2). The spread sheet shows the carried over uncommitted funds from the prior biennium in the amount of \$1,579,424. I have kept the allocations of those dollars the same as they were for the prior biennium.

The attached spreadsheet proposes the following allocation of \$10,000,000 as follows:

Research	78.25%	\$ 7,825,000
Education	13.5%	\$ 1,350,000
Pipeline Authority	3.25%	\$ 325,000
Legislative Directive	5.0%	<u>\$ 500,000</u>
		\$10,000,000

I did not include a percentage for Administration as there was \$312,601 of the 2015-2017 Allocation that carried over to the 2017-2019 biennium.

**It is my recommendation that the Council recommend this allocation as noted above to the Industrial Commission.**

Karlene

Attachment

Priorities	%	2017-2019		Carried Over Commitment to 2017-2019 biennium*	Returned Commitments	Grant Round 43			Grant Rounds 44/45/46			2017-2019			2017-2019		
		Biennium New Monies	Carried Over Uncommitted Funds			Available Funds 7/1/17	Industrial Commission Award 6/1/17	2017-2019 Available Funds 11/1/17	Applications	Industrial Commission Award 5/18	2017-2019 Available Funds 6/1/18	Industrial Commission Award 6/1/18	2017-2019 Available Funds 11/1/18	Industrial Commission Award 11/1/18	2017-2019 Available Funds 6/1/19	Industrial Commission Award 6/1/19	
Research	78.25%	7,825,000	1,374,914	3,450,000		5,749,914	435,433	0	5,749,914	5,094,960							
Education	13.50%	1,350,000	204,510	0		1,554,510	0	0	1,554,510	0							
Subtotal	91.75%	9,175,000	1,579,424	3,450,000		7,304,424	435,433	0	7,304,424	5,094,960							
Pipeline	3.25%	325,000	0	0		325,000											
Leg Study	5.00%	500,000		0		500,000	500,000	500,000	0								
Admin.	0.00%	0	312,601	0		312,601											
Total	100.00%	10,000,000	1,892,025	3,450,000		8,442,025	935,433	500,000	7,942,025	5,094,960							
4/25/2018																	
*The Grant Round 40 application awarded to the EERC anticipates payments of \$1,550,000 during the 2015-2017 biennium with \$3,450,000 to be disbursed the 2017-2019 biennium and \$1,000,000 to be disbursed in the 2019-2021 biennium.																	