

MEMORANDUM

TO: Oil and Gas Research Council
FR: Karlene Fine, Industrial Commission Executive Director
DT: August 4, 2009
RE: 2009-2011 OGRF allocations

The 2009 Legislature increased the amount to be deposited in the Oil and Gas Research Fund from \$3,000,000 to \$4,000,000. During the 2007-2009 biennium the Commission adopted the Oil and Gas Research Council's recommendation and allocated the funding as follows:

Research	77%	\$2,495,000
Education	10%	\$ 300,000
Pipeline Authority	10%	\$ 175,000*
Administration	3%	<u>\$ 90,000</u>
		\$3,060,000

*\$125,000 was carried over from the prior biennium so the total for the Authority was \$300,000.

As you noted earlier when reviewing the financial statements, there are no uncommitted dollars in the Research and Education allocations. There is approximately \$25,000 of uncommitted dollars that will be carried over to the next biennium for the Pipeline Authority. There will be unused administrative dollars that can be used in the 2009-2011 biennium but I don't have an exact amount right now. Using the \$4,000,000 as the base here are a couple of options for consideration:

Option A

Places more dollars in research and administration and maintains education and the Pipeline Authority at the same dollar amount:

Research	82.0%	\$3,280,000
Education	7.5%	\$ 300,000
Pipeline Authority	7.5%	\$ 300,000
Administration	3.0%	<u>\$ 120,000</u>
		\$4,000,000

Option B

Option B maintains the same percentages as the prior biennium.

Research	77%	\$3,080,000
Education	10%	\$ 400,000
Pipeline Authority	10%	\$ 400,000
Administration	3%	<u>\$ 120,000</u>
		\$4,000,000

Karlene