

VII. Disbursement of Federal Offshore Revenue

Total disbursements of OCS revenue since 1955 amount to \$109 billion (see table 79). About 79 percent of total disbursements of OCS revenue has gone to the U.S. Treasury General Fund. However, in 1995, only about 67 percent of OCS revenue, about \$2.4 billion, went directly into the U.S. Treasury General Fund. In addition to this fund, MMS distributes OCS revenue to the Land and Water Conservation Fund (LWCF), the National Historic Preservation Fund (NHPF), and coastal States. In 1995, about 25 percent of OCS revenue went into the LWCF.

In accordance with Section 8(g) of the OCSLA Amendments of 1978, coastal States must receive some of the revenue from the leasing and development of offshore areas that contain oil and gas fields that straddle Federal and State jurisdictional boundaries.

Because the States and the Federal Government could not reach an agreement on a formula for dividing these revenues, the subject monies went into a Section 8(g) escrow fund beginning in August 1979. Revenues from the Beaufort Sea in Alaska went into a second escrow fund under Section 7 beginning in December 1979.

Congress resolved the dispute in the OCSLA Amendments of 1985, Public Law 99–72. The law provides to the States the following distribution of Section 8(g) funds:

- Escrow funds to be disbursed in FY 1986 and 1987;
- A series of annual payments disbursed to the States between FY 1987 and 2001; and
- Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues from Section 8(g) leases.

Congress passed a second law, Public Law 100–102, to distribute the Section 7 Beaufort Sea escrow funds to the State of Alaska in FY 1988 (see table 79). In 1995, MMS disbursements to the States amounted to \$75.5 million.

As amended, the LWCF Act of 1965 requires the National Park Service, since 1978, to keep at least \$900 million in the LWCF each fiscal year (FY). Before FY 1978, the amount was \$300 million. Money for the LWCF comes from surplus property sales held by the General Services Administration, motorboat fuel taxes collected by the U.S. Treasury, and recreation use fees collected by the U.S. Department of the Interior and the U.S. Department of Agriculture. Any difference between these combined receipts and the \$900 million total is made up from OCS revenue.

Since 1971, OCS revenue has provided more than 70 percent of LWCF monies, and in some of those years more than 90 percent (see table 79). In 1995, the LWCF received \$896 million.

The States and Federal Agencies use LWCF grants to buy parks and recreation areas and to help plan, acquire, and develop land and water areas for recreation use. Since 1965, the LWCF has distributed about \$3.2 billion to States and \$5 billion to Federal Agencies.

Revenue from Federal offshore mineral leases sustains the NHPF. The National Historic Preservation Act of 1986, as amended, limits OCS revenue payments into the NHPF to \$150 million. The Act specifies how annual appropriations of the NHPF support matching grants to the States and Territories and to the National Trust for Historic Preservation. Each State or Territory in turn must award 10 percent of its annual NHPF allocation to certified local governments as subgrants. Projects funded by the NHPF include, among others, the following:

- Identifying and nominating properties to the National Register of Historic Places (NRHP);
- Protecting NRHP-listed properties and districts affected by federally funded or licensed construction projects;
- Reviewing and recommending to the NPS historic preservation certifications under the Economic Recovery Tax Act of 1981; and
- Setting up rehabilitation standards for public or private properties.

Table 81 shows the amount of monies distributed by the LWCF and NHPF to the States and U.S. Territories and Possessions in FY 95.

Table 79. Mandated Disbursement by Fiscal Year of Mineral Revenue from Federal OCS Leases, 1955–95

Fiscal Year	U.S. Treasury, General Fund		Land & Water Conservation Fund (\$)	National Historic Preservation Fund (\$)	States (\$)	Total Disbursement ¹ (\$)
	Bonus & Rental Payments (\$)	Royalty Payments (\$)				
1955	142,404,630	0	0	0	0	142,404,630
1956	111,171,041	52,814	0	0	0	111,223,855
1957	(55,457,867)	9,352,889	0	0	0	(46,104,978)
1958	2,630,090	10,686,064	0	0	0	13,316,154
1959	1,145,720	2,266,484	0	0	0	3,412,204
1960	226,616,838	2,839,980	0	0	0	229,456,818
1961	1,716,161	5,588,525	0	0	0	7,304,686
1962	6,006,936	5,605,230	0	0	0	11,612,166
1963	359,370,510	7,443,921	0	0	0	366,814,431
1964	5,870,970	10,620,439	0	0	0	16,491,409
1965	42,223,700	11,246,201	0	0	0	53,469,901
1966	161,893,155	86,424,061	0	0	0	248,317,216
1967	596,202,951	41,107,770	0	0	0	637,310,721
1968	903,330,950	57,935,108	0	0	0	961,266,058
1969	223,821,610	78,083,889	126,873,300	0	0	428,778,799
1970	73,280,497	14,933,349	107,882,204	0	0	196,096,050
1971	680,542,388	159,914,892	210,092,091	0	0	1,050,549,371
1972	28,029,742	27,645,946	223,677,068	0	0	279,352,756
1973	2,704,908,793	1,026,685,098	223,983,126	0	0	3,955,577,017
1974	6,096,405,041	408,101,161	243,887,918	0	0	6,748,394,120
1975	1,688,826,143	491,813,968	247,325,029	0	0	2,427,965,140
1976	1,385,179,272	1,000,627,187	276,641,316	0	0	2,662,447,775
TQ ²	1,090,478,816	178,741,689	41,898,324	0	0	1,311,118,829
1977	1,302,356,698	804,649,966	232,339,865	24,400,000	0	2,363,746,529
1978	320,153,229	1,005,726,401	833,428,546	100,000,000	0	2,259,308,176
1979	1,088,416,655	1,337,744,641	741,214,437	100,000,000	0	3,267,375,733
1980	1,360,713,229	1,839,574,175	900,583,342	0	0	4,100,870,746
1981	6,684,689,957	2,286,169,198	867,123,128	300,000,000	0	10,137,982,283
1982	1,744,453,723	3,529,206,734	825,959,504	150,000,000	0	6,249,619,961
1983	6,579,073,584	2,947,728,610	814,693,040	150,000,000	0	10,491,495,234
1984	2,604,347,777	3,149,777,867	789,421,288	150,000,000	0	6,693,546,932
1985	1,018,662,056	3,588,937,243	784,279,198	150,000,000	0	5,541,878,497
1986	1,188,838,879	2,621,904,068	755,223,819	150,000,000	897,486,953	5,613,453,719
1987	629,745,831	2,418,156,141	823,575,610	150,000,000	681,782,529	4,703,260,111
1988	270,108,066	2,267,821,971	825,949,540	150,000,000	³ 367,020,193	3,880,899,770
1989	(145,215,350)	2,061,666,495	862,760,617	150,000,000	46,849,754	2,976,061,516
1990	259,659	2,010,060,802	843,765,173	150,000,000	49,023,327	3,053,108,961
1991	208,049	2,115,242,775	884,999,910	150,000,000	43,683,226	3,194,133,960
1992	60	1,460,328,533	887,925,509	150,000,000	⁴ 68,391,572	2,566,645,674
1993	25,560,022	1,709,001,994	900,000,000	150,000,000	77,473,362	2,862,035,378
1994	358,918,750	2,642,519,241	862,208,213	150,000,000	83,327,410	4,096,973,614
1995	<u>414,194,201</u>	<u>2,003,737,588</u>	<u>895,987,237</u>	<u>150,000,000</u>	<u>75,467,740</u>	<u>3,539,386,766</u>
Total	41,922,083,162	45,437,671,108	17,033,698,352	2,624,400,000	2,390,506,066	109,408,358,688

¹ Does not include Federal share of escrow interest: State payments do. Interest accrued for the time bid deposits are held in escrow pending fair market determination and other bid acceptance criteria.

² Transition quarter which resulted from a change in the end of the Federal Government's FY from June 30 to September 30.

³ Since 1988, Alaska's payment includes 27% from part of a disputed Federal/State boundary area in the Beaufort Sea. Part of the disputed area was in the 8(g) zone and Alaska received \$320 million from escrow for this area in 1988.

⁴ Increase is due to a 1986 Budget Reconciliation Act increase in the settlement payment from \$19.5 million to \$45.5 million.

Table 80. Appropriations for the Land and Water Conservation Fund, Fiscal Years 1965–95 and National Historic Preservation Fund, Fiscal Years 1967–95

Fiscal Year	Land and Water Conservation Fund			National Historic Preservation Fund Appropriations ¹ (\$)
	Grants to States (\$)	Grants to Federal Agencies (\$)	Total Appropriation ² (\$)	
1965	10,375,000	5,625,000	16,000,000	0
1966	82,408,718	39,706,282	122,115,000	0
1967	56,531,090	38,475,910	95,007,000	0
1968	61,520,000	42,420,000	103,940,000	300,000
1969	44,938,000	66,562,000	111,500,000	100,000
1970	61,832,000	69,268,000	131,100,000	969,000
1971	185,239,000	172,161,000	357,400,000	5,980,000
1972	255,000,000	106,500,000	361,500,000	5,980,000
1973	181,800,000	118,200,000	300,000,000	7,505,000
1974	65,767,000	10,456,000	76,223,000	11,505,000
1975	179,880,000	127,612,000	307,492,000	20,000,000
1976	175,739,000	141,247,000	316,986,000	24,750,000
TQ ³	43,925,000	32,063,000	75,988,000	N/A
1977	175,315,000	362,484,000	537,799,000	17,500,000
1978	305,694,000	499,306,000	805,000,000	45,000,000
1979	369,602,000	367,423,000	737,025,000	60,000,000
1980	299,703,000	209,491,000	509,194,000	⁴ 55,000,000
1981	173,745,000	114,848,000	288,593,000	⁵ 26,000,000
1982	0	179,927,000	179,927,000	25,440,000
1983	110,619,000	224,474,000	335,093,000	⁶ 51,000,000
1984	72,919,000	228,971,000	301,890,000	27,500,000
1985	71,853,000	214,759,000	286,612,000	25,480,000
1986	45,992,900	122,216,100	168,209,000	23,729,330
1987	32,700,000	177,926,000	210,626,000	24,250,000
1988	16,567,000	153,897,000	170,464,000	⁷ 27,250,000
1989	16,700,000	189,533,000	206,233,000	⁸ 30,500,000
1990	16,501,000	214,980,000	231,481,000	⁹ 32,887,504
1991	29,843,000	311,828,000	341,671,000	¹⁰ 34,484,000
1992	19,748,000	297,644,000	317,392,000	¹¹ 35,478,000
1993	24,787,000	258,865,000	283,652,000	¹² 36,617,000
1994	24,750,000	228,200,000	255,551,000	¹³ 40,000,000
1995	24,703,000	192,092,000	216,795,000	¹⁴ 41,420,735
Total	3,236,696,708	5,519,160,292	8,758,458,000	736,625,569

¹ Before FY 77 the Grant Program operated under a no-year appropriation from General Revenue (the Preservation of Historic Properties Account). Then the Historic Preservation Fund was created, funded by OCS revenue, with 2-year appropriations.

² Includes additional funds for Federal administration costs for Federal Land Acquisition and State Grants.

³ Transition Quarter, July 1, 1976, to September 30, 1976, because of adoption of new FY calendar

⁴ Includes \$10 million deferred from FY 1980 to FY 1981.

⁵ Beginning with the FY 1981 appropriation, National Historic Preservation Fund program administration costs (\$1.54 million in 1981) were separated from the grants-in-aid appropriation.

⁶ Includes \$25 million appropriated by the Emergency Jobs Act (P.L. 98-8)

⁷ The FY 1988 included \$1 million for the Bicentennial Lighthouse Program, and \$750,000 for a Micronesian Study

⁸ The FY 1989 also included \$1 million for the Bicentennial Lighthouse Program.

⁹ The FY 1990 included \$1 million for the Bicentennial Lighthouse Program as well as \$473,000 for grants to Native American Tribes, and \$600,000 for Disaster Relief.

¹⁰ The FY 1991 included \$721,000 for grants to Native American Tribes.

¹¹ The FY 1992 includes \$938,000 for grants to Native American Tribes.

¹² The FY 1993 includes \$1,487,000 for grants to Native American Tribes.

¹³ The FY 1994 includes \$2 million for grants to Native American Tribes.

¹⁴ The FY 1995 includes \$2 million for grants to Native American Tribes and 1.5 million for Historical Black Colleges.

NOTE: The total awarded to date for the National Trust is \$93,463,713.

SOURCE: National Park Service, Recreation Grants Division and Preservation Assistance Division.

Table 81. Apportionments to States and U.S. Territories and Possessions from the Land and Water Conservation Fund (LWCF) and the National Historic Preservation Fund (NHPF), Fiscal Year 1995— *continued*

State, Territory, or Possession	Apportionment		Total (\$)
	Land and Water Conservation Fund (\$)	National Historic Preservation Fund (\$)	
Pacific Northwest			
Alaska	218,992	428,057	647,049
Idaho	235,692	492,239	727,931
Oregon	352,230	523,147	875,377
Washington	490,256	503,784	994,040
West			
American Samoa	25,000	197,744	222,744
Arizona	418,852	537,580	956,432
California	2,131,393	892,447	3,023,840
Federated States of Micronesia	0	271,769	271,769
Guam	25,000	217,619	242,619
Hawaii	257,536	321,142	578,678
Nevada	270,182	322,067	592,249
Northern Marianas	25,000	193,242	218,242
Rocky Mountain			
Colorado	393,027	590,310	983,337
Montana	224,498	488,949	713,447
North Dakota	221,148	335,872	557,020
South Dakota	222,065	475,115	697,180
Utah	295,299	581,754	877,053
Wyoming	211,974	489,816	701,790
Southwest			
Arkansas	300,441	482,262	782,703
Louisiana	430,985	706,823	1,137,808
New Mexico	270,306	585,319	855,625
Oklahoma	353,660	555,046	908,706
Texas	1,222,690	771,854	1,994,544
Midwest			
Illinois	875,305	616,605	1,491,910
Indiana	500,517	577,351	1,077,868
Iowa	317,335	523,574	840,909
Kansas	314,191	330,220	644,411
Michigan	743,815	691,872	1,435,687
Minnesota	431,830	602,267	1,034,097
Missouri	469,697	729,697	1,199,394
Nebraska	268,063	391,029	659,092
Ohio	830,782	790,999	1,621,781
Wisconsin	458,303	586,729	1,045,032
Subtotal	<u>13,806,064</u>	<u>16,804,300</u>	<u>30,610,364</u>

Table 81. Apportionments to States and U.S. Territories and Possessions from the Land and Water Conservation Fund (LWCF) and the National Historic Preservation Fund (NHPF), Fiscal Year 1995— *continued*

State, Territory, or Possession	Apportionment		Total (\$)
	Land and Water Conservation Fund (\$)	National Historic Preservation Fund (\$)	
Southeast			
Alabama	411,465	582,310	993,775
Florida	1,021,069	670,861	1,691,930
Georgia	548,847	747,768	1,296,615
Kentucky	366,162	763,823	1,129,985
Mississippi	300,581	469,535	770,116
North Carolina	550,529	699,812	1,250,341
South Carolina	385,555	581,633	967,188
Tennessee	458,810	625,913	1,084,723
Mid-Atlantic			
Connecticut	401,725	591,998	993,723
Delaware	233,804	427,010	660,814
District of Columbia	63,883	330,011	393,894
Maine	245,034	451,981	697,015
Maryland	496,776	749,352	1,246,128
Massachusetts	575,789	748,558	1,324,347
New Hampshire	249,711	377,862	627,573
New Jersey	699,734	589,356	1,289,090
New York	1,313,382	915,342	2,228,724
Pennsylvania	903,878	868,549	1,772,427
Puerto Rico	348,328	321,591	669,919
Rhode Island	256,394	531,794	788,188
Vermont	215,602	417,891	633,493
Virginia	552,219	649,874	1,202,093
Virgin Islands	25,000	284,668	309,668
West Virginia	272,659	424,202	696,861
Subtotal	<u>10,896,936</u>	<u>13,821,694</u>	<u>24,718,630</u>
Federal Agency			
Bureau of Land Management ...	13,260,000	N/A	13,260,000
National Park Service	73,634,000	N/A	73,634,000
U.S. Fish and Wildlife Service	66,028,000	N/A	66,028,000
U.S. Forest Service	<u>63,873,000</u>	<u>N/A</u>	<u>63,873,000</u>
Total	241,498,000	30,625,994	272,123,994

Source: National Park Service, Recreation Grants Division and Preservation Assistance Division