Instructions
Please download this Word document (available on the Industrial Commission/Outdoor Heritage Fund Program website at http://www.nd.gov/ndic/outdoor-infoline.htm) to your computer and provide the information as requested. You are not limited to the spacing provided. After completing the report, save it and attach it to an e-mail and send it to outdoorheritage@nd.gov AND print it and mail it to: North Dakota Industrial Commission, ATTN: Outdoor Heritage Fund Program, State Capito, 600 East Boulevard Ave. Dept. 405, Bismarck, ND 58505. If you are unable to scan attachments, mail them with your paper copy of the report. You will be sent a confirmation by e-mail of receipt of your report and attachments.

Outdoor Heritage Fund Status and Final Report Form/Guidelines

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Report Date</th>
<th>Period Covered by Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>003-040</td>
<td>12/31/15</td>
<td>(07/31/15 to 12/31/15)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North Dakota Pheasant Habitat Initiative</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Sponsor Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Dakota Game and Fish Department</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsible Official (Last, First Middle)</th>
<th>Responsible Official's Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kading, Kevin J.</td>
<td>Private Lands Section Leader</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Sponsor Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 N. Bismarck Expressway</td>
</tr>
</tbody>
</table>

City: Bismarck
State: ND
Zip Code: 58501
Telephone Number: 701-328-6371

Financial Update
Please provide the following information regarding the funding for your project based on the contract award:

Funds Spent this Reporting Period
(As appropriate please provide copies of receipts for purchases)
Match Funding $0
In-kind Funding $0
OHF Funding Requested for Reimbursement $0
Total Funding Expended for this Reporting Period $0

Total Funds Spent to Date
Match Funding $0
In-kind Funding $0
OHF Funding Received and Requested for Reimbursement $0
Total Funding Expended to Date $0

Balance of Grant Funds
Match Funding $0
In-kind Funding $0
OHF Funding still to be Requested $0
Total Funding to be Expended on this Project $0

Do you anticipate needing to request a grant extension?
If yes, please explain

/ / Yes /X/ No
The North Dakota Game and Fish Department’s (Department) Pheasant Habitat Initiative (NDPHI) is tied directly to the USDA Conservation Reserve Enhancement Program (CREP). North Dakota is in the development and approval stages for a CREP proposal; at the time of this report, North Dakota was at Stage 4 of 6.

CREP proposal development and approval process:
1. State partners identify natural resource concerns, identify solid State funding commitment and draft a written proposal
2. National CREP review team reviews and provides comments-negotiations continue
3. State partners develop draft CREP agreement language
4. After full consensus is achieved a final CREP agreement is prepared (NEPA process triggered, USDA State Technical Committee review)
5. Final agreement is signed by USDA Secretary of Agriculture and Governor
6. Partners announce CREP signup

Consultation and coordination timeline:
Since the NDPHI OHF grant proposal was presented to the full Outdoor Heritage Fund Advisory Board on September 5, 2014, USDA Farm Service Agency (USDA-FSA) directed North Dakota to begin the National Environmental Policy Act (NEPA) Environmental Assessment (EA). A Request for Proposals (RFP) for the EA was issued October 31, 2014.

Developing strong local support for the CREP proposal is an imperative component of the process, and its success. The Department presented the CREP proposal to the full USDA State Technical Committee (STC) on November 19, 2014. State Technical Committees are described on the North Dakota Natural Resources Conservation Service (USDA-NRCS) website:

The North Dakota State Technical Committee serves as an advisory body to the NRCS North Dakota State Conservationist. The committee provides recommendations on technical aspects of Farm Bill conservation programs. Although the State Technical Committee has no implementation or enforcement authority, the USDA gives strong consideration to the committee's recommendations.

State Technical Committees are composed of individuals and groups who represent a diverse group with interests in a variety of natural resource sciences and occupations, including the following: soil, air, plants, wetlands, wildlife, agricultural community, and environmental community.

No negative comments or suggested actions were generated from the STC meeting. Following the STC meeting, the RFP closed on November 26, 2014 and the Notice of Intent to Award was issued to Carlson McCain, Inc., Bismarck, ND on December 3, 2014. The Department submitted the final CREP proposal to USDA Farm Service Agency (FSA) on December 8, 2014. A Service Contract was signed between the Department and Carlson McCain, Inc. on December 29, 2014 with an original expected completion date of June 30, 2015. Carlson McCain began work on the EA in mid January 2015 and completed a Draft EA on May 21, 2015 for review by the Department, North Dakota State FSA and National FSA personnel. The Draft EA and CREP proposal was reviewed by National FSA personnel.

Update: In June 2015, National FSA personnel put a temporary hold on the CREP proposal. A reduction in available national CRP acres, reduced funding (PAYGO) and some minor programmatic issues caused them to revisit the proposal. During the last six months, the Department, North Dakota State FSA office and National FSA personnel have worked to improve the preliminary final proposal to address these concerns. The National FSA Conservation and Environmental Programs Division (CEPD) Director has indicated in correspondence to the North Dakota State office that “FSA agrees in principle with the preliminary final proposal… the proposal will now be reviewed for legal sufficiency and all PAYGO implications will be determined.” This review has set back the expected roll out of the program, originally set for fall/winter 2015, now closer to spring/summer 2016.
At the time of this report, no funds or match for the OHF grant have been spent. The Department has spent $13,050 on the Draft EA; however, these funds are used as state match for the CREP and not match for the OHF grant.

Photos of work completed are welcome (If appropriate, please submit photos of key elements of the project completed or in progress during reporting period) Do not exceed five photos per project report.

Signature of Responsible Official

The project reports shall be provided to the Commission in both electronic and hard-copy formats with permission for unrestricted distribution. The electronic versions shall be in a suitable format for posting on the Outdoor Heritage Fund/Commission website.