

**PROGRAM NARRATIVE****Date:** 12/07/2012**244 North Dakota Forest Service****Time:** 14:17:16**Program:** Operations**Reporting level:** 00-244-100-00-00-00-00000000**Program Performance Measures**

See performance measures under agency overview.

**Program Statistical Data**

The North Dakota Forest Service provided technical, financial and educational assistance to 53 counties, 379 fire departments, 148 communities, 806 landowners, 1,214 K-12 teachers and 32,218 K-12 students during 2009-2011. Program highlights include:

Forestry and Fire Management awarded \$262,395 in community forestry grant funds for tree planting and other forestry development projects; funded \$499,369 in cooperative forestry landowner assistance for tree planting and forest improvement projects, enrolled 654 landowners with 42,118 acres in the Forest Stewardship Tax Law; and provided 24,528 training hours to enhance rural fire department capacity. The Forest Service reached 1,214 teachers and 32,218 students through educational workshops, poster contests, eco-education camps, conservation days, school presentations and the high school envirothon program.

Nursery and State Forests produced and marketed 1,273,151 high quality tree seedlings from Towner State Nursery to North Dakota customers for conservation plantings. The trees included 29 species and stock types. Tree orders are shipped to over 500 soil conservation districts, natural resource agencies and private landowners each year. State Forests leased 965 acres for haying and grazing to 13 landowners.

**Explanation of Program Costs**

The total requested base budget increase for Operations is \$595,401. Operations fund public forestry services provided by the North Dakota Forest Service through field offices at Bismarck, Bottineau, Carrington, Fargo, Grafton, Lisbon, Towner and Walhalla. Expenditures include travel, telephone and motor pool costs associated with servicing over 2,000 field forestry requests statewide each year. Operations fund tree production at Towner State Nursery. Expenditures include utilities, repairs and supplies for seeding, weeding, irrigating, fertilizing, lifting, packing and shipping operations associated with both bare-root seedling and containerized tree production. Towner State Nursery provides essentially all of the conifer (evergreen) seedlings for conservation and forestry plantings in every county of North Dakota.

The Forest Service cost to continue adjustment for operations is \$103,533. This includes \$44,138 for continuation of the 2012-13 legislatively funded salary increase of 3%; \$27,651 for continuation of 2011-13 retirement increases, including \$3,618 for underfunded increases in 2011-13 due to a calculation error; and \$31,744 for operating inflation of 2.9% for FY 2014 and 2.4% for FY 2015.

The total cost of the Forest Service base budget request for a 2013-15 state priority initiative is \$546,520. This request includes \$208,328 to fund salaries and fringes for two forester positions to assist landowners, managers and communities with implementation of forest restoration practices and educational outreach; \$338,192 to fund operating expenses for travel, supplies, contracts for forest health surveys and grants to landowners for forest restoration practices; and \$54,652 for match. The required \$54,652 match has been secured through a flood recovery grant from the US Forest Service. The net 2013-15 general fund request for the initiative is \$491,868. The **North Dakota Forest Restoration Initiative** will improve the management, restoration and protection of upland forests, riparian (streamside) forests, rural plantings and community forests. The initiative will support: 1) forest health surveys and long-term monitoring of flood impacted trees and forests, 2) the implementation of forest restoration practices, 3) educational outreach to landowners and managers, and 4) grants to affected communities and landowners for forest restoration, including tree removal and replacement. Funds will be used for conducting forest health surveys, preparing forest stewardship plans, fire risk assessments, and the implementation of hazardous fuels reduction projects and forest restoration practices. Upland forests, riparian forests, rural planting and community forests are identified in the **North Dakota Statewide Assessment of Forest Resources and Forest Resource Strategy** as priority forest landscapes needing improved management, restoration and protection. Required by the Food, Conservation and Energy Act of 2008 (Farm Bill), the forest resource strategy provides a long-term plan for investing state, federal and leveraged resources to address the management, restoration and protection of forest resource landscape priorities. Over maturity and limited natural regeneration, conversion to non-forest uses, wildfire and limited wood utilization opportunities threaten upland forests in the Turtle Mountains, Pembina Gorge, Devils Lake Hills, Killdeer

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Mountains and the Badlands. Likewise, the devastating 2011 floods severely damaged riparian and community forests along the Missouri, Mouse, Sheyenne and Red Rivers, as well as the Devils Lake basin. Foresters estimate 33,518 acres of riparian forests on the Missouri and Mouse Rivers, and 3,028 acres of inundated community forests are at risk due to flood damage and tree mortality. Thousands of dead and toppled trees have been inventoried in public lands along the Missouri. Rural plantings and community forests are also threatened by a lack of species diversity, vulnerability to damaging agents and invasive species, including emerald ash borer. Upland forests, riparian forests and rural plantings encompass 1,958,000 acres or 4.4 percent of the total land area of North Dakota. These forests and plantings provide important public benefits including clean air and water, soil protection, additional food and cover for wildlife and enhanced outdoor recreation experiences. Community forests are important green infrastructure in the state's 387 communities and represent 400,640 acres or 629 square miles of land area. This urban tree canopy provides numerous ecological, social and economic benefits to North Dakota residents by reducing energy consumption, reducing stormwater runoff and water pollution, and enhancing the quality of life.

The ***Grants for Trees For North Dakota*** request is \$900,000. The Trees for North Dakota Trust Fund provides tree planting grants and supports promotional, educational and fund raising projects associated with strengthening the tradition of tree planting and management in North Dakota. This request will finance the Tree Planting Mitigation Program to replace trees and shrubs on public and private properties impacted by the construction of public and private utilities. Mitigation criteria established by the Public Service Commission (PSC) ensures trees and shrubs lost or destroyed during construction projects are replaced at a 2:1 ratio. The North Dakota Forest Service is using the Trees for North Dakota Trust Fund to accept private contributions to finance program operating expenditures including the administration, planting, care and maintenance of trees and shrubs. The remaining \$750,000 special funds represents revenue generated from tree sales at Towner Nursery.

**Program Goals and Objectives**

Administer forestry programs statewide by providing leadership, direction and coordination of agency operations to improve public service and assure compliance with statutory responsibilities. Provide technical forestry services relating to the management of private forest lands, state forest lands, urban and community forests, tree planting and wildland fire protection. Produce high quality acclimated tree nursery stock at the lowest possible cost to meet landowner's demand for conservation, forestry, wildlife and amenity tree plantings.

**REQUEST DETAIL BY PROGRAM**

244 North Dakota Forest Service

Bill#: SB2003

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:17:16

| Program: Operations             |                                       | Reporting Level: 00-244-100-00-00-00-00000000 |                             |   |                                  |
|---------------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                     | Expenditures<br>2009-2011<br>Biennium | Present<br>Budget<br>2011-2013                | Budget<br>Request<br>Change | Requested Budget<br>2013-2015<br>Biennium | Optional<br>Request<br>2013-2015 |
| <b>Operating Expenses</b>       |                                       |   |                             |   |                                  |
| Operating Fees and Services     | 4,224,747                             | 5,764,681                                     | 345,401                     | 6,110,082                                 | 0                                |
| <b>Total</b>                    | <b>4,224,747</b>                      | <b>5,764,681</b>                              | <b>345,401</b>              | <b>6,110,082</b>                          | <b>0</b>                         |
| <b>Operating Expenses</b>       |                                       |   |                             |   |                                  |
| General Fund                    | 3,399,173                             | 4,114,681                                     | 345,401                     | 4,460,082                                 | 0                                |
| Federal Funds                   | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds                   | 825,574                               | 1,650,000                                     | 0                           | 1,650,000                                 | 0                                |
| <b>Total</b>                    | <b>4,224,747</b>                      | <b>5,764,681</b>                              | <b>345,401</b>              | <b>6,110,082</b>                          | <b>0</b>                         |
| <b>Biennium Carryover</b>       |                                       |   |                             |   |                                  |
| Operating Fees and Services     | 0                                     | 286,861                                       | (286,861)                   | 0   | 0                                |
| <b>Total</b>                    | <b>0</b>                              | <b>286,861</b>                                | <b>(286,861)</b>            | <b>0</b>                                  | <b>0</b>                         |
| <b>Biennium Carryover</b>       |                                       |   |                             |   |                                  |
| General Fund                    | 0                                     | 52,927  | (52,927)                    | 0   | 0                                |
| Federal Funds                   | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds                   | 0                                     | 233,934                                       | (233,934)                   | 0   | 0                                |
| <b>Total</b>                    | <b>0</b>                              | <b>286,861</b>                                | <b>(286,861)</b>            | <b>0</b>                                  | <b>0</b>                         |
| <b>Total Expenditures</b>       | <b>4,224,747</b>                      | <b>6,051,542</b>                              | <b>58,540</b>               | <b>6,110,082</b>                          | <b>0</b>                         |
| <b>Funding Sources</b>          |                                       |   |                             |   |                                  |
| <b>General Fund</b>             |                                       |   |                             |   |                                  |
| <b>Total</b>                    | <b>3,399,173</b>                      | <b>4,167,608</b>                              | <b>292,474</b>              | <b>4,460,082</b>                          | <b>0</b>                         |
| <b>Special Funds</b>            |                                       |   |                             |   |                                  |
| 326 Forest Service Fund 244c    | 710,676                               | 851,346                                       | (101,346)                   | 750,000                                   | 0                                |
| 451 Cent. Tree Prog. Trust Fund | 114,898                               | 1,032,588                                     | (132,588)                   | 900,000                                   | 0                                |
| <b>Total</b>                    | <b>825,574</b>                        | <b>1,883,934</b>                              | <b>(233,934)</b>            | <b>1,650,000</b>                          | <b>0</b>                         |
| <b>Total Funding Sources</b>    | <b>4,224,747</b>                      | <b>6,051,542</b>                              | <b>58,540</b>               | <b>6,110,082</b>                          | <b>0</b>                         |
| <b>FTE Employees</b>            | <b>26.00</b>                          | <b>28.00</b>                                  | <b>2.00</b>                 | <b>30.00</b>                              | <b>0.00</b>                      |

**CHANGE PACKAGE DETAIL**

244 North Dakota Forest Service  
 Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

Time: 14:17:16

| Program: Operations |          |     | Reporting Level: 00-244-100-00-00-00-00000000 |               |               |             |
|---------------------|----------|-----|---|---------------|---------------|-------------|
| Description         | Priority | FTE | General Fund                                  | Federal Funds | Special Funds | Total Funds |

**Base Budget Changes**

**One Time Budget Changes**

|  |  |             |                  |          |                  |                  |
|--|--|-------------|------------------|----------|------------------|------------------|
| A-E 3 Remove Other One time Funding      |  | 0.00        | (250,000)        | 0        | 0                | (250,000)        |
| A-E 4 Remove 2009-11 Operating Carryover |  | 0.00        | (52,927)         | 0        | (233,934)        | (286,861)        |
| <b>Total One Time Budget Changes</b>     |  | <b>0.00</b> | <b>(302,927)</b> | <b>0</b> | <b>(233,934)</b> | <b>(536,861)</b> |

**Ongoing Budget Changes**

|                                     |  |             |                |          |          |                |
|-------------------------------------|--|-------------|----------------|----------|----------|----------------|
| A-A 1 Cost to Continue              |  | 0.00        | 71,789         | 0        | 0        | 71,789         |
| A-A 2 Inflationary Increases        |  | 0.00        | 31,744         | 0        | 0        | 31,744         |
| A-A 20 2011-13 Adjusted FTE         |  | 28.00       | 0              | 0        | 0        | 0              |
| A-A 4 State Priorities              |  | 2.00        | 491,868        | 0        | 0        | 491,868        |
| Base Payroll Change                 |  | (28.00)     | 0              | 0        | 0        | 0              |
| <b>Total Ongoing Budget Changes</b> |  | <b>2.00</b> | <b>595,401</b> | <b>0</b> | <b>0</b> | <b>595,401</b> |

**Total Base Budget Changes**

|  |  |             |                |          |                  |               |
|--|--|-------------|----------------|----------|------------------|---------------|
|  |  | <b>2.00</b> | <b>292,474</b> | <b>0</b> | <b>(233,934)</b> | <b>58,540</b> |
|--|--|-------------|----------------|----------|------------------|---------------|

**PROGRAM NARRATIVE****Date:** 12/07/2012**244 North Dakota Forest Service****Time:** 14:17:16**Program:** Capital Assets**Reporting level:** 00-244-200-00-00-00-00000000**Program Performance Measures**

See performance measures under agency overview..

**Program Statistical Data**

The agency is responsible for maintaining buildings and facilities at 5 locations. Buildings at Bottineau, Lisbon and Walhalla deliver forestry services while the Towner State Nursery provides tree seedlings to the citizens of North Dakota. Recreational improvements are also located on the State Forests. Capital assets consist of 41 office, shop and storage buildings. The buildings are valued at \$2,944,330. Building ages vary from 1 year to 77 years. In addition, the infrastructure associated with these facilities is valued at \$1,834,390.

**Explanation of Program Costs**

Extraordinary repairs include miscellaneous small projects at field offices and state forests at Bottineau and Towner. The 2013-15 NDUS budget request includes increased base funding for facilities and infrastructure repairs, equivalent to 15% of the OMB building and infrastructure formula. The Forest Service's portion of this request is \$3,419. Base funding received for extraordinary repairs in 2011-13 is \$41,543. The total 2013-15 budget request for extraordinary repairs is \$44,962. Projects include water well repairs at Towner State Nursery and structural repairs to state forest buildings and infrastructure.

Capital Projects include \$785,000 for the Nursery Freezer and Shop Facility at Towner State Nursery. The project addresses critical freezer storage for tree seedlings and provides a heated shop. Each spring, the nursery lifts approximately 1 million bare root seedlings, but lacks adequate storage for the seedlings. The project increases freezer storage capacity from 120,000 to 500,000 trees and allows early spring shipment of seedlings to meet customer demands. The project constructs a new steel building 50 feet wide and 160 feet long with a concrete floor. The building will contain a freezer (50' x 110') and a heated shop (50' x 50'). Freezer storage will expand fall harvesting of seedlings to avoid winter injury, increases production, improves species availability, and allows for earlier spring transplanting of tree seedlings. A heated shop provides for servicing, reconditioning and fabricating specialized nursery equipment. Specifics of new construction include: planning, permits and insurance - \$80,000; land and building preparation - \$30,000; construction - \$600,000; equipment - \$10,000; institutional work - \$5,000; and contingency - \$60,000.

**Program Goals and Objectives**

Utilization of funds for plant improvements in high need areas, resulting in more efficient services to the public, long-range cost savings and a safer work environment. Upgrade facilities in compliance with state and federal regulations.

**REQUEST DETAIL BY PROGRAM**

244 North Dakota Forest Service

Bill#: SB2003

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:17:16

| Program: Capital Assets     |                                       | Reporting Level: 00-244-200-00-00-00-00000000 |                             |   |                                  |
|-----------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                 | Expenditures<br>2009-2011<br>Biennium | Present<br>Budget<br>2011-2013                | Budget<br>Request<br>Change | Requested Budget<br>2013-2015<br>Biennium | Optional<br>Request<br>2013-2015 |
| <b>Capital Assets</b>       |                                       |   |                             |   |                                  |
| Land and Buildings          | 378,270                               | 6,000   | 779,000                     | 785,000                                   | 0                                |
| Extraordinary Repairs       | 34,754                                | 41,543  | 3,419                       | 44,962                                    | 0                                |
| Equipment Over \$5000       | 0                                     | 56,248  | 0                           | 56,248                                    | 0                                |
| <b>Total</b>                | <b>413,024</b>                        | <b>103,791</b>                                | <b>782,419</b>              | <b>886,210</b>                            | <b>0</b>                         |
| <b>Capital Assets</b>       |                                       |   |                             |   |                                  |
| General Fund                | 336,208                               | 97,791  | 788,419                     | 886,210                                   | 0                                |
| Federal Funds               | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds               | 76,816                                | 6,000   | (6,000)                     | 0   | 0                                |
| <b>Total</b>                | <b>413,024</b>                        | <b>103,791</b>                                | <b>782,419</b>              | <b>886,210</b>                            | <b>0</b>                         |
| <b>Deferred Maintenance</b> |                                       |   |                             |   |                                  |
| Extraordinary Repairs       | 45,576                                | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                | <b>45,576</b>                         | <b>0</b>                                      | <b>0</b>                    | <b>0</b>                                  | <b>0</b>                         |
| <b>Deferred Maintenance</b> |                                       |   |                             |   |                                  |
| General Fund                | 45,576                                | 0   | 0                           | 0   | 0                                |
| Federal Funds               | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds               | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>Total</b>                | <b>45,576</b>                         | <b>0</b>                                      | <b>0</b>                    | <b>0</b>                                  | <b>0</b>                         |
| <b>Biennium Carryover</b>   |                                       |   |                             |   |                                  |
| Land and Buildings          | 0                                     | 18,399  | (18,399)                    | 0   | 0                                |
| Extraordinary Repairs       | 0                                     | 1,884   | (1,884)                     | 0   | 0                                |
| <b>Total</b>                | <b>0</b>                              | <b>20,283</b>                                 | <b>(20,283)</b>             | <b>0</b>                                  | <b>0</b>                         |
| <b>Biennium Carryover</b>   |                                       |   |                             |   |                                  |
| General Fund                | 0                                     | 21,884  | (21,884)                    | 0   | 0                                |
| Federal Funds               | 0                                     | 0   | 0                           | 0   | 0                                |
| Special Funds               | 0                                     | 18,399  | (18,399)                    | 0   | 0                                |
| <b>Total</b>                | <b>0</b>                              | <b>20,283</b>                                 | <b>(20,283)</b>             | <b>0</b>                                  | <b>0</b>                         |
| <b>Total Expenditures</b>   | <b>458,600</b>                        | <b>144,074</b>                                | <b>742,136</b>              | <b>886,210</b>                            | <b>0</b>                         |

**Funding Sources****General Fund**

**REQUEST DETAIL BY PROGRAM**

244 North Dakota Forest Service  
 Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

Time: 14:17:16

| Program: Capital Assets      |                                       | Reporting Level: 00-244-200-00-00-00-00-00000000 |                             |   |                                  |
|------------------------------|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                  | Expenditures<br>2009-2011<br>Biennium | Present<br>Budget<br>2011-2013                   | Budget<br>Request<br>Change | Requested Budget<br>2013-2015<br>Biennium | Optional<br>Request<br>2013-2015 |
| <b>Total</b>                 | <b>381,784</b>                        | <b>119,675</b>                                   | <b>766,535</b>              | <b>886,210</b>                            | <b>0</b>                         |
| <b>Special Funds</b>         |                                       |  |                             |   |                                  |
| 326 Forest Service Fund 244c | 76,816                                | 24,399   | (24,399)                    | 0   | 0                                |
| <b>Total</b>                 | <b>76,816</b>                         | <b>24,399</b>                                    | <b>(24,399)</b>             | <b>0</b>                                  | <b>0</b>                         |
| <b>Total Funding Sources</b> | <b>458,600</b>                        | <b>144,074</b>                                   | <b>742,136</b>              | <b>886,210</b>                            | <b>0</b>                         |

**CHANGE PACKAGE DETAIL**

244 North Dakota Forest Service  
 Biennium: 2013-2015

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Date: 12/07/2012

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| Program: Capital Assets |          |     | Reporting Level: 00-244-200-00-00-00-00-00000000 |               |               |             |
|-------------------------|----------|-----|--|---------------|---------------|-------------|
| Description             | Priority | FTE | General Fund                                     | Federal Funds | Special Funds | Total Funds |

**Base Budget Changes**

**One Time Budget Changes**

|                                      |  |             |                |          |                |                |
|--------------------------------------|--|-------------|----------------|----------|----------------|----------------|
| A-B 1 Major Capital Projects         |  | 0.00        | 785,000        | 0        | 0              | 785,000        |
| A-E 2 Remove Capital Projects        |  | 0.00        | 0              | 0        | (6,000)        | (6,000)        |
| <b>Total One Time Budget Changes</b> |  | <b>0.00</b> | <b>785,000</b> | <b>0</b> | <b>(6,000)</b> | <b>779,000</b> |

**Ongoing Budget Changes**

|   |  |             |                 |          |                 |                 |
|---|--|-------------|-----------------|----------|-----------------|-----------------|
| A-A 3 Base Plus Incr for Extraord Repairs     |  | 0.00        | 44,962          | 0        | 0               | 44,962          |
| A-A 8 Base Funding for Equipment over \$5,000 |  | 0.00        | 56,248          | 0        | 0               | 56,248          |
| A-F 1 Remove Capital Assets Carryover         |  | 0.00        | (21,884)        | 0        | (18,399)        | (40,283)        |
| A-F 2 Remove Base Funding Extraord Repairs    |  | 0.00        | (41,543)        | 0        | 0               | (41,543)        |
| A-F 4 Remove Base Funding Equip over \$5,000  |  | 0.00        | (56,248)        | 0        | 0               | (56,248)        |
| <b>Total Ongoing Budget Changes</b>           |  | <b>0.00</b> | <b>(18,465)</b> | <b>0</b> | <b>(18,399)</b> | <b>(36,864)</b> |

**Total Base Budget Changes**

|  |  |             |                |          |                 |                |
|--|--|-------------|----------------|----------|-----------------|----------------|
|  |  | <b>0.00</b> | <b>766,535</b> | <b>0</b> | <b>(24,399)</b> | <b>742,136</b> |
|--|--|-------------|----------------|----------|-----------------|----------------|