

NDSU - NORTH DAKOTA FOREST SERVICE
2013-15 BIENNIAL BUDGET REQUEST

SB 2003
SENATE APPROPRIATIONS COMMITTEE
Ray Holmberg, Chair

2013-2015 Biennial Budget Request

Sustainable Forestry Programs



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A Message from the State Forester

NDSU The NDSU-North Dakota Forest Service is organized under the North Dakota Board of Higher Education. The agency is administered by a state forester who reports to the president of North Dakota State University at Fargo, and supports the land grant mission

in public service. The mission of the North Dakota Forest Service is to **“care for, protect and improve forest resources to enhance the quality of life for future generations.”**

This 2013-2015 Biennial Budget Request summary is intended to provide the information you need to determine funding levels for forestry programs benefiting communities, fire districts and private forest landowners. Please feel free to contact us at any time if you need additional information.

Larry A. Kotchman, State Forester

CONTACT

Larry A. Kotchman, State Forester
NORTH DAKOTA FOREST SERVICE
Molberg Forestry Center
307 – 1st Street East
Bottineau ND 58318-1100
larry.kotchman@ndsu.edu
Telephone: (701) 228-5422
www.ndsu.edu/ndfs

CONTACT

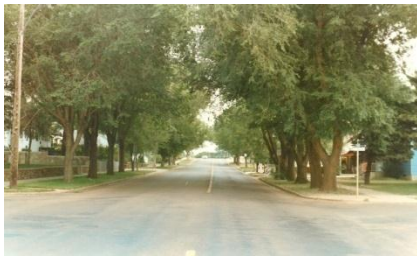
Dr. Dean L. Bresciani, President
NORTH DAKOTA STATE UNIVERSITY
Department 1000
PO Box 6050
Fargo ND 58108-6050
dean.bresciani@ndsu.edu
Telephone: (701) 231-7211
www.ndsu.edu



Summary of Agency Services

A wide variety of customers depend on the North Dakota Forest Service for technical, financial and educational forestry assistance. The state forester administers forestry programs serving communities, rural landowners, soil conservation districts, rural fire districts, schools and citizens of North Dakota. All the programs utilize a voluntary, educational and incentives-based approach to address natural resource needs and customer demands.

The agency also operates a nursery at Towner specializing in the annual production of one million conifer (evergreen) tree seedlings. The Towner State Nursery is the sole supplier of evergreen seedlings in North Dakota. The agency also owns and manages approximately 13,290 acres of state forest lands.



Community Forestry means conservation activities in city parks, tree-lined streets or other green spaces within the community. Most of North Dakota's residents live in 372 cities and towns. The Community Forestry Program administers financial assistance programs for tree planting and forestry development projects each year. The agency provides technical assistance for tree planting plans, management plans, shade tree ordinances, pest surveys and tree workshops.



Fire Protection ensures the protection of lives, property and natural resources by training, organizing and equipping North Dakota's 378 rural volunteer and 12 career fire departments. A Cooperative Fire Protection Assistance Program provides departments assistance in organizing, training, planning, purchasing or repairing equipment. A companion program, the Federal Excess Personal Property (FEPP) program, loans surplus federal equipment to departments for enhancing firefighting capabilities. Community protection is improved through grants for wildfire hazard mitigation and "FireWise" landscape projects. Fire prevention is stressed through the distribution of Smokey Bear materials.



Forest Health ensures the productivity and growth of North Dakota's private, community and state forests. Each year, the North Dakota Forest Service conducts surveys to assess forest health conditions and trains public and private land managers on insect and disease management. North Dakota participates in the Great Plains Tree and Forest Invasives Initiative to identify contingency measures for minimizing the threat of invasive species, such as emerald ash borer.



Forest Stewardship focuses on improving the management of our forest resources by educating and assisting non-industrial private landowners on how to better manage, protect and utilize their native and planted forest resources. This is accomplished through the development of a Forest Stewardship Plan and direct financial assistance for forest improvement practices.



Information and Education offers youth and adults the knowledge and skills they need to make wise decisions about the conservation and wise use of North Dakota's forest resources. The ND Forest Service, in conjunction with the NDSU Extension Forester, sponsors "Project Learning Tree" workshops for teachers and youth leaders working with students in grades K-12. The program also handles the daily requests for forestry information and the publication of educational materials.



Towner State Nursery produces 1.0-million conifer (evergreen) seedlings in over thirty different species and stock types annually for distribution to landowners. The trees are used for farmstead, living snow fence, field windbreaks, wildlife, forestry and other conservation plantings. The nursery is a self-supporting operation, and since 1927 has sold over 80 million trees. The nursery also provides tree improvement services, such as testing, evaluation, selection and development of improved nursery stock for forestry and conservation plantings.



State Forests provide wildlife habitat, clean air and water, recreational opportunities, forest products, scenic beauty and other conservation benefits. The North Dakota Forest Service owns five state forests comprising approximately 13,290 acres. State Forests play an important role in the economic well-being of several rural communities by attracting hunters, hikers, campers, skiers, snowmobilers, tourists and other outdoor enthusiasts.

AGENCY PERFORMANCE MEASURES

The North Dakota Forest Service utilizes an accountability measures process to assess progress toward achieving long-range strategic goals, and ultimately the agency's mission. Accountability measures are linked to the long-range strategic planning process to document North Dakota Forest Service program outcomes. The North Dakota Forest Service developed twelve (12) accountability measures using the State Forester's goals and statutory authority. The State Forester's goals are directly linked to the authority granted under North Dakota Century Code 4-19, 18-10 and 57-57 to meet the forestry needs of the state. Performance indicators, units of measure and program accomplishment data are completed for each of the agency's 12 accountability measures beginning July 1 and ending June 30. A biennial accountability measures report will be prepared by the agency after June 30, 2015. The State Forester's goals and accountability measures are as follows:

State Forester's Goals

1. To positively impact forest-based economic growth and sustainability of communities by promoting the wise use of natural resources.
 2. To improve the protection of people, property and natural resources by enhancing interagency cooperation in wildfire management.
 3. To support informed decision-making and foster individual responsibility in stewards of all ages by raising public awareness about natural resource values.
 4. To meet the forest and conservation tree planting needs of private and public landowners by producing and marketing high quality nursery stock.
 5. To meet current societal demands by ensuring the health, productivity and growth of private, community and state forests.
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Accountability Measures

1. Six percent (6%) of biomass and wood utilization businesses were assisted in utilizing forest and municipal wood waste for renewable energy resulting in the installation of a biomass heating system demonstration in the Bismarck State College Aquatic and Wellness Center.
 2. Forestry-based economic benefits include \$761,764 awarded for forestry practices serving 69% of the financial assistance needs of communities, fire districts and private forest landowners. Practices include tree planting, community forestry development, fire protection and living snow fences.
 3. Enhanced community wildfire protection resulted in the preparation of 17 County Wildfire Protection Plans encompassing 32% of North Dakota's counties.
 4. Rural fire department capacity was enhanced through wildland firefighter training provided to 376 or 95% of rural fire departments.
 5. Wildland fire awareness and prevention programs including firewise concepts were provided to 53 or 100% of North Dakota's counties.
 6. Information and Education raised public awareness and fostered individual responsibility for conserving forest resources by delivering environmental education to 1,214 K-12 teachers (18%) and 32,218 K-12 students (31%).
 7. Professionalism in the tree care industry was promoted through training provided to 84 arborists (37%) certified according to International Society of Arboriculture standards.
 8. Conservation tree planting needs from 99% of Towner State Nursery customers were supplied through the sale of 1,273,151 nursery seedlings.
 9. North Dakota's natural resources are sustained through the active forest management and protection services for 87,068 acres or 21% of privately-owned forest lands.
 10. Sustainable community forestry programs, including the planting and care of street and park trees, served 148 or 40% of North Dakota's communities benefiting 85% of the state's residents.
 11. The health and sustainability of 640,000 acres of "at risk" forest resources are ensured through continuous surveys for damaging pests and agents.
 12. Quality outdoor state forest experiences are provided on 2,152 acres or 16% of the state forests under multiple use management.
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ORGANIZATIONAL STRUCTURE

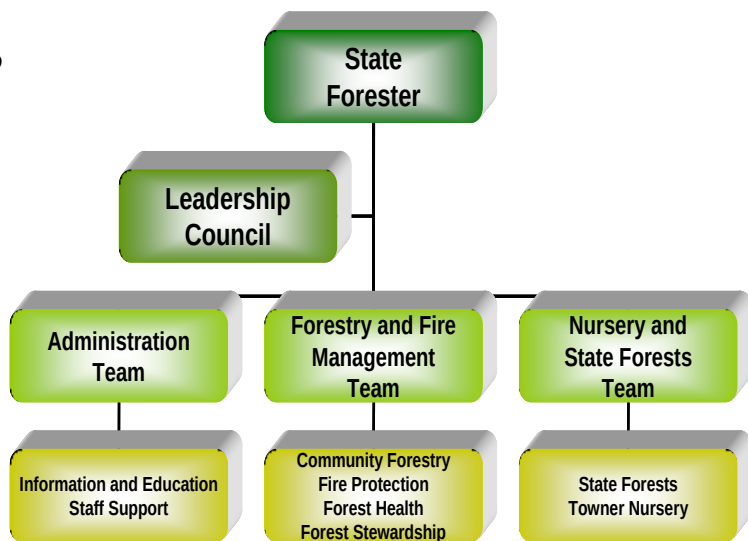
The North Dakota Forest Service organizational structure focuses on increasing program efficiencies, strengthening customer service, promoting teamwork and encouraging collaboration to address emerging natural resource issues.

The vision “*to ensure the relevancy and competitiveness of North Dakota to enhance public benefits from trees, forests and natural resources*” is guiding the agency’s efforts.

The organization structure is composed of three leadership teams:

- (a) Administration
- (b) Forestry and Fire
- (c) Nursery and State Forests

A Leadership Council advises the State Forester on the management of the agency.



The structure provides a unified team approach to ensure a coordinated focus toward the delivery of services and collaboration across organization boundaries. Teams composed of organizational unit representatives address issues brought to the Leadership Council. Teams deal with customer service improvements, communications, program efficiencies and joint partnership initiatives. Teams are responsible for focusing leadership and resources on landscape level natural resource issues. Teams are organized and monitored by the Council to ensure they fulfill the needs of the project and meet the goals of the agency.

FUNDING SOURCES

Appropriated funding for North Dakota's forestry programs is derived from three sources: the state general fund, income from the sale of nursery products, and contributions from the Trees for North Dakota Trust Fund.

2011-2013 Funding Appropriation

The 2011-2013 original appropriated budget for the Forest Service was \$5,215,958, including \$1,003,486 generated by estimated income from tree seedling sales and the Trees for North Dakota Trust Fund, and \$4,212,472 in general funds. General fund authority was increased to \$4,287,283.49 with \$74,811.49 in carryover. Special fund authority was increased to \$1,908,333.38 with \$252,333.38 in carryover and \$652,514 in increased revenue from the Trees for North Dakota Trust Fund. The total 2011-2013 current appropriation for the Forest Service is \$6,195,616.87, including \$5,764,681 for operations, \$103,791 for capital assets and \$327,144.87 in biennium carryover. The general fund appropriation is \$4,287,283.49. Other funds are \$1,908,333.38.

The 2011-2013 operations budget includes salaries and wages and operating expenses for 29 FTE and 45 seasonal positions that provide public forestry services.

Operations

○ Salaries and Wages	\$4,046,965
○ Operating	<u>1,717,716</u>
Total	\$5,764,681

The 2011-13 capital assets budget provides necessary repairs for 41 office, shop, storage and recreational buildings at Bottineau, Lisbon, Towner and Walhalla. The budget includes one capital project, extraordinary repairs and equipment.

Capital Assets

○ Greenhouse – Towner State Nursery	\$6,000
○ Extraordinary Repairs – Lisbon, Towner and Walhalla offices	<u>41,543</u>
○ Equipment	<u>56,248</u>
Total	\$103,791

The 2009-2011 biennium carryover includes \$74,811.49 in general funds and \$252,333.38 in special funds from income. The funds are being expended for the following purposes:

General Fund Carryover

○ Capital Assets - Equipment – Towner State Nursery (seeder)	\$21,884.36
○ Operating – Towner State Nursery and Walhalla (repairs)	<u>52,927.13</u>
Total	\$74,811.49

Special Fund Carryover

○ Capital Assets - Towner State Nursery (shade house improvements)	\$18,399.11
○ Operating – Towner State Nursery (supplies)	<u>101,345.87</u>
○ Operating – ND Trees Trust (tree planting grants)	<u>132,588.40</u>
Total	\$252,333.38

Total 2011-2013 Appropriation (General funds and other funds)\$6,195,616.87

Campus	North Dakota Forest Service			
Comparison of 2011-13 Appropriation and Estimated Spending				
	2011-13 Appropriation 1/	Actual Expenditures Through 11/30/12	Remaining Balance	Comments regarding remaining balance
Operations:	\$5,764,681	\$3,116,507	\$2,648,174	
Operations Funding Sources:				
General Fund	\$4,114,681	\$2,081,343	\$2,033,338	
Other Funds (Revenue bonds, local, private, federal funds)	\$1,650,000	\$1,035,164	\$614,836	
Total Funds	\$5,764,681	\$3,116,507	\$2,648,174	
Capital Assets:				
Extraordinary repairs	\$41,543	\$14,888	\$26,655	
Equipment	56,248	56,248	-	
Major Capital Projects	6,000	6,000	-	
Total Capital Assets	103,791	77,136	26,655	
Capital Assets Funding Sources:				
General Fund	\$97,791	\$71,136	\$26,655	
Other Funds (Revenue bonds, local, private, federal funds)	6,000	6,000	-	
Total Funds	\$103,791	\$77,136	\$26,655	
1/ Excludes carryover, as that is reported on separately.				

**NORTH DAKOTA FOREST SERVICE
FY 2012 REVENUE AND EXPENSES**

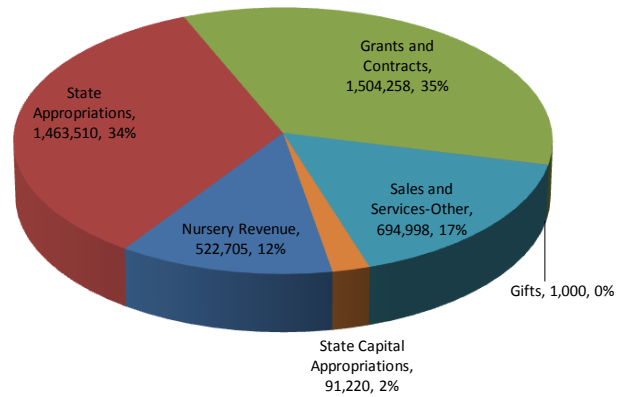
Revenues

Nursery Revenue	522,705	12%
State Appropriations	1,463,510	34%
Grants and Contracts	1,504,258	35%
Gifts	1,000	0%
Sales and Services-Other	694,998	17%
State Capital Appropriations	91,220	2%
Total	\$4,277,690	100%

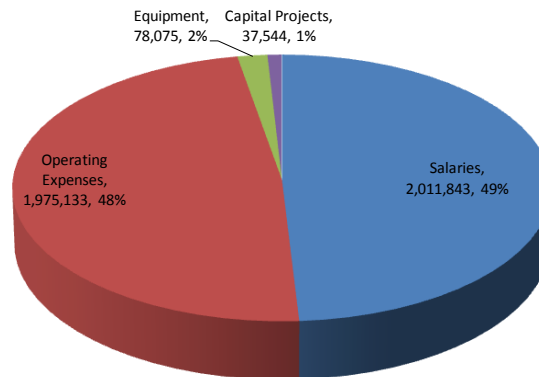
Expenses

Salaries	2,011,843	49%
Operating Expenses	1,975,133	48%
Equipment	78,075	2%
Capital Projects	37,544	1%
Total	\$4,102,595	100%

**NORTH DAKOTA FOREST SERVICE
FY2012 REVENUES**



**NORTH DAKOTA FOREST SERVICE
FY2012 EXPENDITURES**



NORTH DAKOTA FOREST SERVICE
Status of 2011- 2013
Extraordinary Repairs, Equipment & Capital Projects

	Revised Budget 2011-13	Actual Expenses As Of 11/30/12	Balance	% Remaining
Extraordinary Repairs				
Misc. Small Projects < \$50,000	41,543	14,888	26,655	
Total Extraordinary Repairs	41,543	14,888	26,655	64.16%
Equipment Over \$5,000				
Towner State Nursery	56,248	56,248	0	
Total Equipment	56,248	56,248	0	0.00%
Capital Projects				
Greenhouse - Towner State Nursery	6,000	6,000	0	
Total Capital Projects	6,000	6,000	0	0.00%
Total Capital Assets	103,791	77,136	26,655	25.68%
Sources of Capital Funding				
General Fund	97,791	71,136	26,655	27.26%
Oil Trust Fund	0	0	0	0.00%
Special Funds	6,000	6,000	0	0.00%
Total Funding Sources	103,791	77,136	26,655	25.68%

NORTH DAKOTA FOREST SERVICE

Status of 2009 - 2011 Carryover

	Revised Budget 2011-13	Actual Expenses As Of 11/30/12	Balance	% Remaining
Operating				
Repairs/Supplies - Towner State Nursery	154,273	15,729	138,544	
Trees for ND Trust Fund grants	132,588	108,348	24,240	
Total Operating	286,861	124,077	162,784	56.75%
Equipment Over \$5,000				
Seeder - Towner State Nursery	21,884	21,884	0	
Total Equipment	21,884	21,884	0	0.00%
Capital Projects				
Greenhouse - Towner State Nursery	18,399	18,399	0	
Total Capital Projects	18,399	18,399	0	0.00%
Total Carryover	327,144	164,360	162,784	49.76%
Sources of Carryover				
General Fund	74,811	37,583	37,228	49.76%
Special Funds	252,333	126,776	125,557	49.76%
Total Funding Sources	327,144	164,359	162,785	49.76%

Status of 2011-2013 One – Time Funding

Emerald Ash Borer Program

The 2011-13 original appropriation provided \$250,000 in one-time general funds for the North Dakota Forest Service to help North Dakota communities eradicate emerald ash borer (EAB) when it arrives. The emerald ash borer is a highly invasive, exotic insect that attacks and kills all species of North American ash trees (green, white, black and blue ash). The Forest Service, in association with the North Dakota Community Forestry Council, established a framework to administer grants in the event emerald ash borer is discovered in North Dakota. The funding is available through the agency's Community Forestry Grant Program to assist communities with tree removal and replacement on a 1:1 match. To date, the highly invasive emerald ash borer has not been found in North Dakota and the funding remains available. The funds are not likely to be expended by June 30, 2013, unless there is a positive detection of emerald ash borer in North Dakota. The North Dakota Community Forestry Council is advising the State Forester to hold this funding until emerald ash borer is confirmed in North Dakota by the North Dakota State Department of Agriculture. The State Forester will request any unused funds as carryover during the 2013-14 annual budget process.

North Dakota is estimated to have 78 million ash trees. Ash is the most common tree planted in communities, reaching 60% of the tree population in some towns. Green ash represents a large percentage of the state's 55,000 miles of field and farmstead windbreaks.

Emerald ash borer is now found in St. Paul, Minnesota, and is likely to arrive somewhere in

North Dakota soon. Since its introduction in Michigan in 2002, emerald ash borer has killed more than 50 million ash trees in 18 states and 2 Canadian provinces.



2013-2015 Funding Request – SB 2003

The 2013-2015 funding request for the North Dakota Forest Service in SB 2003 is \$7,159,022, including \$6,272,812 for Operations and \$886,210 for Capital Assets. The General Fund request is \$5,509,022. Other funds are \$1,650,000.

The 2013-2015 operations budget includes salaries and wages and operating expenses for 30 FTE and 45 seasonal positions that provide public forestry services.

🌲 Operations\$6,272,812

The 2013-2015 capital assets budget provides necessary repairs for 41 office, shop, storage and recreational buildings at Bottineau, Lisbon, Towner and Walhalla. The budget includes extraordinary repairs, equipment over \$5,000 and a Nursery Freezer and Shop capital project at Towner State Nursery.

🌲 Capital Assets\$886,210

Total Forest Service Request SB 2003 (General funds and other funds)\$7,159,022



Executive Budget Recommendations

Approves \$266,864 from the general fund for 4 percent annual salary increases, health insurance premium increases, and the state share of increased retirement contributions.

Provides \$387,704 from general fund for a 1.00 FTE forester and operation expenses for the forest restoration initiative.

Approves \$785,000 for a state-funded capital project to construct the Nursery Freezer and Shop building at Towner State Nursery.

ND Forest Service			
Comparison of SBHE General Fund Budget Request			
And Executive Recommendation			
	(1)	(2)	(3)
	ND Forest Service		
	SBHE 2013-15 Prioritized GF Revised Request	Executive Recommendation	Executive Recommendation Over (Under) Budget Request
2011-13 Adjusted General Fund Appropriation	\$ 4,287,283	\$ 4,287,283	\$ -
Base Adjustments	(324,811)	(324,811)	-
2011-13 Adjusted General Fund Appropriation, Net of Base Adjustments	3,962,472	3,962,472	-
SBHE Requested Increases:			
2013-15 salary, health and retirement increases		266,894	266,894
Cost to continue 2012-13 salary and retirement increases	71,789	71,789	-
Operating inflation	31,744	31,744	-
Regular repair and maintenance	3,419	3,419	-
State priority - Forest restoration	491,868	387,704	(104,164)
Total Requested Increase in GF Base Funding	598,820	761,550	162,730
Total Base General Fund Request & Recommendation	4,561,292	4,724,022	162,730
2013-15 State-funded Projects	785,000	785,000	-
Total 2013-15 General Fund Request & Recommendation	\$ 5,346,292	\$ 5,509,022	\$ 162,730

2013-2015 Funding Request

Total 2013-15 Base Funding Increase	\$761,550
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Budget Categories

Salary, Health and Retirement Increases	\$266,894
Costs to Continue	\$ 71,789
Operating Inflation	\$ 31,744
Regular Repair and Maintenance	\$ 3,419
State Priority – Forest Restoration	\$387,704

The total requested base budget increase included in the Executive Recommendations (SB 2003) for the Forest Service is \$761,550. The funding supports public forestry services provided by the North Dakota Forest Service through field offices at Bismarck, Bottineau, Carrington, Fargo, 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.



2013-15 Salary, Health and Retirement Increases - \$266,894

The Executive Recommendations (SB 2003) provides \$266,894 from the general fund, including \$192,725 for 4 percent annual salary increases, \$51,338 for health insurance premium increases and \$22,831 for the state share of increased retirement contributions in the Forest Service base budget.



The 2012 ND State Arbor Day Celebration at the International Peace Garden honors 100 years of Girls Scouts by planting a Girl Scout Grove.

Cost to Continue 2012-13 Salary and Retirement Increases – \$71,789

The Executive Recommendations (SB 2003) provide \$71,789 to continue 2012-13 salary and retirement increases for the Forest Service base budget. This includes \$44,138 for continuation of the 2012-13 legislatively funded salary increase of 3%, \$24,033 for continuation of 2011-13 retirement increases, and \$3,618 for underfunded increases in 2011-13 due to a calculation error.

Operating Inflation - \$31,744

The Executive Recommendations (SB 2003) include a \$31,744 increase in the Forest Service base funding for operating inflation of 2.9% for FY 2014 and 2.4% for FY 2015.

Regular Repair and Maintenance - \$3,419

The Executive Recommendations (SB 2003) include a \$3,419 increase in the Forest Service base funding for costs to continue extraordinary repairs at 15% of the OMB formula.

State Priority – Forest Restoration - \$387,704

The Executive Recommendations (SB 2003) provide \$387,704 in general funds for the Forest Service 2013-15 state priority budget request. The ***Forest Restoration Initiative*** will improve management, restoration and protection of upland forests, riparian (streamside) forests, rural plantings (windbreaks and shelterbelts) 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.

The Executive Recommendations include \$104,164 to fund the salary and fringes for one forester position to assist landowners, managers and communities with implementation of forest restoration practices and educational outreach; and, \$283,540 to fund operating expenses for travel, supplies, contracts for forest health surveys and grants to landowners for forest restoration practices.

Upland forests, riparian forests, rural plantings 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 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.

2013-2015 Capital Assets

Extraordinary Repairs and Equipment

The Executive Recommendations (SB 2003) include \$101,210 for extraordinary repairs and equipment for the Forest Service. The Forest Service is responsible for maintaining buildings and facilities at four locations. Field offices 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 to 77 years. The infrastructure associated with these facilities is valued at \$1,834,390.

The Executive Recommendations include 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.

Extraordinary Repairs	\$44,962
State Forest – building and infrastructure improvements. Towner State Nursery – water well repairs.	
Equipment	<u>\$56,248</u>
Irrigation lines (8) and off-road 4x4 vehicles (2).	
Total	\$101,210

The Executive Recommendations also approve \$56,248 in base funding for equipment over \$5,000. Eight portable irrigation lines will reduce labor required to move lines used for watering seedlings at Towner State Nursery. Two 4x4 off-highway vehicles will provide essential transportation for performing campground maintenance, completing forest inventories in remote areas and controlling noxious weeds. The Forest Service Facility Master Plan identifies \$479,060 in plant improvement needs at its Bottineau, Lisbon and Walhalla field offices, state forests and Towner State Nursery. The improvements include estimated deferred maintenance (\$223,397), extraordinary repairs (\$138,663) and ADA/safety projects (\$117,000).

2013-2015 Capital Assets

Capital Project Request - Nursery Freezer and Shop Facility

Executive Recommendations (SB 2003) include \$785,000 for a Nursery Freezer and Shop Facility at Towner State Nursery. The project addresses critical freezer storage and mechanization needs for tree seedlings and provides a heated shop. The NDSU Forest Service owns and operates the 160-acre Towner State Nursery. The project is necessary for the Forest Service to fulfill its mission and North Dakota Century Code 4-19 statutory authority relating to the production and distribution of

Nursery Freezer and Shop Facility – \$785,000 Towner State Nursery

Total Project Costs	\$785,000
Funding Source	General Fund
<i>SBHE Policy 902.1 Criteria</i>	New construction will expand space for trees, equipment and supplies. Project will consolidate services and enhance operating efficiencies. Project would also meet life, health and safety requirements to comply with local, state and federal law requirements.

hardy tree planting stock for conservation purposes across the state. 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 needs.

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 facilitates fall harvesting of seedlings to avoid winter injury, increases production, improves species availability, and allows for earlier spring transplanting. 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.

The project addresses critical labor shortage issues in west central North Dakota. Part-time labor is essential to meeting the conservation tree production needs of the state. Demographic trends such as an aging population in McHenry County, has made it more difficult to recruit and retain part-time employees. Oil and gas development in western North Dakota have placed additional pressure on the available labor force within the region. Given these demographic and economic trends, tree production goals can only be met through increased mechanization. The Nursery Freezer and Shop Facility provide the necessary mechanization to maintain tree production levels with a reduced labor force.

The Nursery Freezer and Shop Facility is a high priority in the agency's facilities master plan and meets a compelling tree production justification. This project will expand storage space for trees, equipment and supplies. It fosters the consolidation of services and enhances operating efficiencies. Tree storage expansion would spread out the workload and reduce current labor shortage problems. These improvements would meet customer needs for earlier spring delivery and enhance tree production options by allowing more spring transplanting at the nursery. This is a critical part of the mechanization plan for tree production at Towner State Nursery.



**NORTH DAKOTA FOREST SERVICE
2013-2015 Budget Request**

	Operating	Capital Assets	Total	Gen Fund	Other Funds	Total Funds
BASE BUDGET:						
2011-13 Appropriation Budget						
Operations	5,764,681	-	5,764,681	4,114,681	1,650,000	5,764,681
Capital Assets	-	103,791	103,791	97,791	6,000	103,791
Biennium Carryover	286,861	40,283	327,144	74,811	252,333	327,144
Total 2011-13 Appropriation	6,051,542	144,074	6,195,616	4,287,283	1,908,333	6,195,616
Less One-Time Allocations:						
Carryover	(286,861)	(40,283)	(327,144)	(74,811)	(252,333)	(327,144)
Emerald Ash Borer	(250,000)	-	(250,000)	(250,000)	-	(250,000)
Capital Projects	-	(6,000)	(6,000)	-	(6,000)	(6,000)
Total Adjusted 2011-13 Budget Base Budget	5,514,681	97,791	5,612,472	3,962,472	1,650,000	5,612,472
Add: Base Budget Budget Changes - Operating						
Continue 2012-13 Salary Increase	44,138	-	44,138	44,138	-	44,138
Continue 2011-13 Retirement Increase	27,651	-	27,651	27,651	-	27,651
Operating Inflation (2.9% for FY14 & 2.4% for FY15)	31,744	-	31,744	31,744	-	31,744
State Priorities - Forest Restoration	491,868	-	491,868	491,868	-	491,868
Total Base Budget Budget Changes - Operating	595,401	-	595,401	595,401	-	595,401
Add: Capital Assets						
Capital Project 2013-15	-	785,000	785,000	785,000	-	785,000
Extraordinary Repairs Increase	-	3,419	3,419	3,419	-	3,419
Total Base Budget Budget Changes - Capital Assets	-	788,419	788,419	788,419	-	788,419
TOTAL 2013-15 BASE BUDGET REQUEST	6,110,082	886,210	6,996,292	5,346,292	1,650,000	6,996,292
Executive Recommendations						
2013-15 salary, health and retirement increaes	266,894	-	266,894	266,894	-	266,894
State Priorities - Forest Restoration	(104,164)	-	(104,164)	(104,164)	-	(104,164)
Recommendations Over (Under) Budget Request	162,730	-	162,730	162,730	-	162,730
TOTAL 2013-15 Executive Recommendations	6,272,812	886,210	7,159,022	5,509,022	1,650,000	7,159,022

NORTH DAKOTA FOREST SERVICE

2013-15 Extraordinary Repairs and Capital Projects

2013-15 Budget Request

Extraordinary Repairs	44,962
Capital Project - Nursery Freezer & Shop Building	785,000
Total 2011-13 Capital Assets Request	829,962

Funding Sources

General Fund	829,962
Other Funds	0
Total 2013-15 Capital Assets Funding Sources	829,962

2013-15 Executive Recommendation

Capital Project - Nursery Freezer & Shop Building	785,000
Extraordinary Repairs	44,962
Total 2013-15 Executive Recommendation	829,962

Funding Sources

General Fund	829,962
Other Funds	0
Total 2013-15 Capital Assets Funding Sources	829,962

Extraordinary Repair Projects

Misc. Small Projects less than \$50,000	44,962
Mechanical and Electrical Upgrades	0
Utilities and Infrastructure	0
Building Exterior	0
Structural Repairs	0
Total Extraordinary Repairs Projects	44,962

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