

**NDSU**

*North Dakota Forest Service*



**ENGROSSED HB 1003**  
**SENATE APPROPRIATIONS**  
**EDUCATION AND ENVIRONMENT COMMITTEE**  
Senator Ronald Sorvaag, Chair

**Forestry Supports the Health, Safety and Economy of North Dakota**

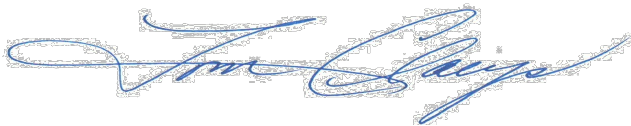
## **2023-2025 Biennial Budget Request**

TOM CLAEYS, STATE FORESTER  
March 7, 2023

## A Message from the State Forester

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 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 2023-2025 Biennial Budget Request summary provides the information requested to determine funding levels for forestry programs benefiting communities, rural landowners, soil conservation districts, rural fire districts, schools and citizens of North Dakota. Please feel free to contact us at any time for additional information.



Tom Claeys, State Forester

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### CONTACT

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## STATUTORY RESPONSIBILITIES

The State Forester's goals are aligned with the authority granted under North Dakota Century Code 4.1-21, 18-02, 18-14, and 57-57 to meet the forestry needs of the state.

### **4.1-21 State Forester**

- Supervise the raising and distribution of seeds and forest tree planting stock.
- Promote practical forestry and compile and disseminate information relative to practical forestry to landowners, community groups, schools, and other organizations.
- Encourage the development, use, and wise stewardship of forest resources.
- Provide assistance to landowners, producers, and public bodies relating to forestry, reforestation, protection of forest resources, prevention and suppression of fires, planting of trees and shrubs, and the growing, harvesting, marketing, and management of forest resources.
- A state nursery, under the direction of the state forester, must be maintained at Towner. The nursery shall propagate seeds and forest tree planting stock adapted to the climatic conditions of this state.

### **18-02-07 Cooperation of state forester and other agencies - Fire and forest protection**

### **18-14 Interstate compact for the prevention and control of wildland fires**

### **57-57 Forest Stewardship**

### **State Forester's Goals**

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

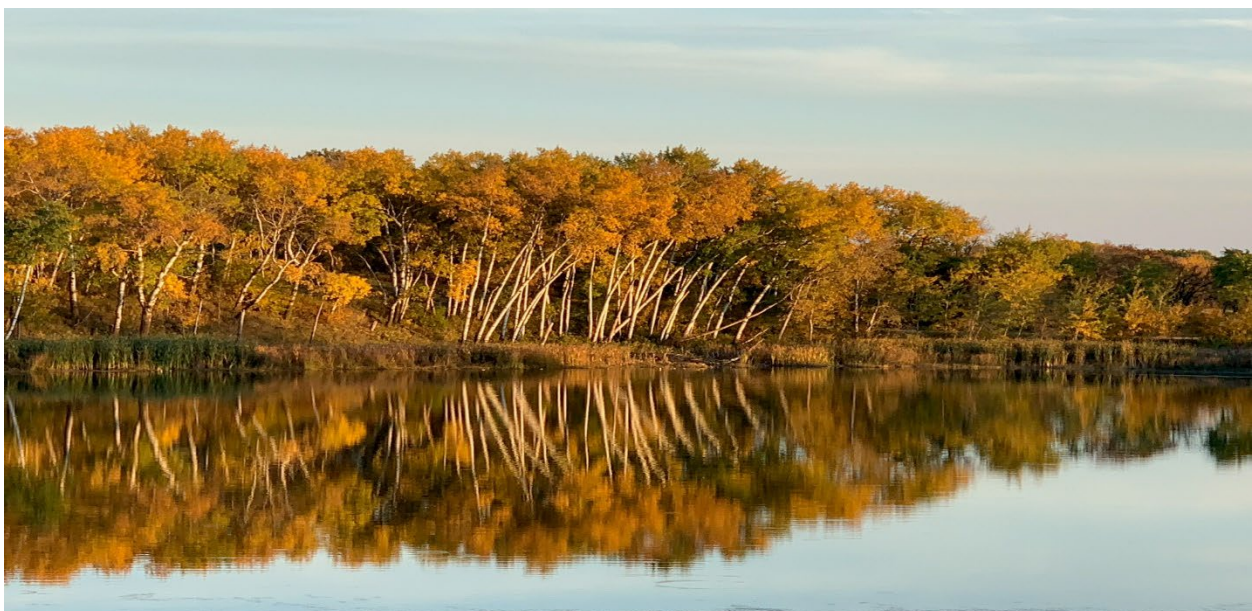
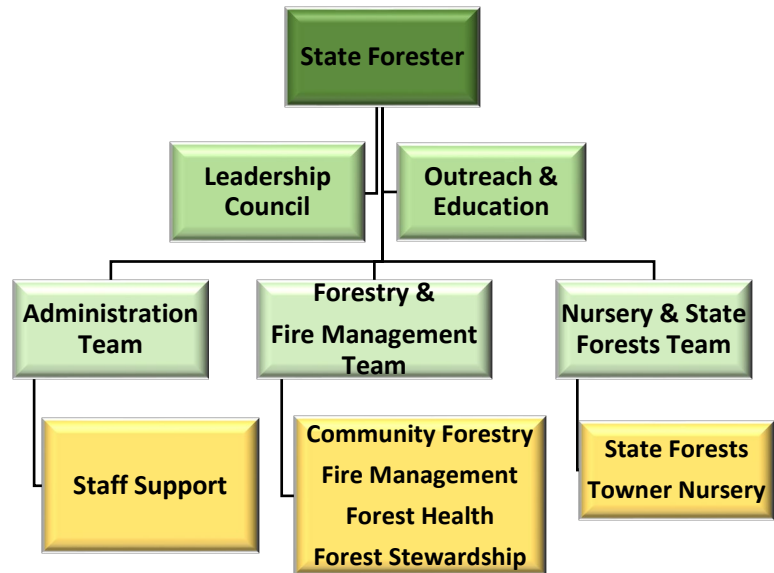
The North Dakota Forest Service organizational structure focuses on increasing program efficiencies, strengthening customer service, promoting teamwork, and encouraging collaboration to address emerging natural resource issues.

The organizational structure is composed of three leadership teams:

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

A Leadership Council provides leadership, coordination, accountability and direction for the agency.

The team structure ensures a coordinated focus toward the delivery of services and collaboration across the organization. Teams deal with customer service improvements, communications, program efficiencies and joint partnership initiatives. Teams are also responsible for focusing leadership and resources on priorities identified within the 2020 North Dakota Forest Action Plan.



## 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 operates a nursery at Towner specializing in the production of conservation tree seedlings. The agency also owns and manages approximately 13,945 acres of state forest lands.



**Community Forestry** focuses on 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 Management** ensures the protection of lives, property and natural resources by training and equipping North Dakota's rural volunteer fire departments. A Cooperative Fire Protection Assistance Grant Program provides departments assistance in training, purchasing or repairing equipment and vehicles. A companion program loans surplus federal equipment to departments for enhancing firefighting capabilities. The agency provides essential firefighting resources to other states during catastrophic wildfire events.



**Forest Health** ensures the productivity and growth of North Dakota's private, community and state forests. Each year, the agency conducts surveys to assess forest health conditions and trains public and private land managers on insect and disease management such as emerald ash borer, a threat to North Dakota's 95 million ash trees.



**Forest Stewardship** focuses on improving the management of forest resources by educating and assisting private landowners on how to better manage, protect and utilize their native and planted forest resources. This is accomplished through creation of a Forest Stewardship Plan and financial assistance for forest improvement practices. Outdoor Heritage Fund Windbreak Renovation Initiative has provided financial assistance for 323 projects that restore declining field and farmstead windbreaks.



**Outreach 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 North Dakota Forest Service 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 development of educational materials.



**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 13,945 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.



**Towner State Nursery** annually produces conservation tree seedlings to meet the demand for conservation tree planting needs of the state. The trees are used for farmstead, living snow fence, field windbreaks, wildlife, forestry and other conservation plantings. Since 1951, the Towner State Nursery has produced, marketed, and sold over 78 million conservation seedlings. Staff conduct tree improvement evaluations to develop resilient nursery stock adapted to the state's challenging environment.

## AGENCY PERFORMANCE MEASURES

### 2020 Forest Action Plan

The Forest Service 2023-2025 budget will conserve, protect and enhance priority forest landscapes identified in the 2020 North Dakota Forest Action Plan. The plan ensures the care and protection of native forests, conservation tree plantings and community forests by sustaining the agency's emphasis on providing financial, technical and educational assistance to communities, rural landowners, rural fire districts, soil conservation districts, schools and citizens of North Dakota. The plan provides a comprehensive analysis of forest-related conditions, trends, threats and forestry opportunities. Plan development was driven by input and collaboration from stakeholders, partners, and customers to identify needs and priorities.

### Accountability 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. The North Dakota Forest Service developed accountability measures using the State Forester's goals and statutory authority.

1. Produced and sold 789,913 conservation seedlings for conservation tree planting purposes.
  2. Maintained 42 miles of trails and 5 recreational areas serving 7,749 trail users and 1,725 campers.
  3. Certified 53 Tree City USA and 4 Tree Campus USA communities.
  4. Supported forestry-based economic benefits by providing financial assistance to implement forestry practices and funded 61 grant projects, provided \$326,286 in grant awards with \$736,275 total value of project investments.
  5. Assisted 92 communities to develop sustainable community forestry programs with 79% percent of the state population served. Over 129 community forestry plans were developed from professionally-based resource assessments and inventories; 194 communities currently maintain local ordinances or policies that focus on planting, protecting and maintaining their community trees; and there are 154 active tree boards, commissions, or non-profit organizations that are formalized or chartered to advise/advocate for the planting, protection and maintenance of community trees and forests. Provided training and education outreach to 24,080 participants at workshops, meetings, and Arbor Day events.
  6. Monitored the health and sustainability of North Dakota's forest resources by surveying 5,100 acres of forest resources for damaging agents.
  7. Provided technical assistance on forest health issues, insects, and diseases on federal, state, and private lands. Provided 250 landowners/homeowners and 2 agencies with technical assistance. Trained 198 landowners, land managers, and conservations partners.
  8. Provided assistance to 260 landowners to help them actively manage their land and related resources.
  9. Provided information to keep land in a productive and healthy condition by educating 189 landowners and 366 conservation partners.
  10. Helped landowners manage their forestlands to keep them healthy and productive by developing 183 forest stewardship plans. The plans included 9,404 acres with 23 residences, 404 acres of cropland, 7,935 feet of roadway, and 3,025 feet of riverbank or shoreline protected.
  11. Enhanced community wildfire protection by training 1,128 firefighters, assisted 162 fire departments, responded to 72 mutual aid requests, provided 21 days of suppression assistance through the Great Plains Compact, and filled 26 national dispatch resource orders to California, Idaho, Montana, New Mexico and Wyoming.
  12. Increased Rural Fire Capacity of 203 fire departments. Enhanced community wildfire protection at the local level by providing financial assistance to rural fire departments with 41 grant projects funded, \$360,735 Cooperative Fire Protection Assistance grant awards provided and \$821,989.49 in total value of project investments.
  13. Provided natural resource education opportunities to 216 teachers, 3,571 students and 360 other customers.
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## 2021-2023 REVENUES AND EXPENSES

### Funding Sources

Appropriated funding for North Dakota's forestry programs is derived from two sources: the state general fund and income, including the sale of nursery products and contributions from the Trees for North Dakota Trust Fund. The 2021-2023 original appropriated budget for the Forest Service was \$15,461,793 including \$4,792,478 in general funds and \$10,669,315 in special funds. Special funds include \$1,900,000 in estimated income from tree seedling sales and the Trees for North Dakota Trust Fund. General fund authority was increased to \$5,170,537 with \$378,059 in carryover.

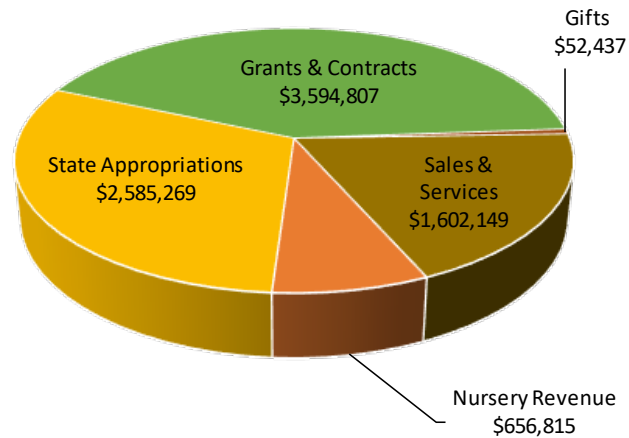
### NORTH DAKOTA FOREST SERVICE FY 2022 REVENUES AND EXPENSES

#### Revenues

Nursery Revenue	\$ 656,815	8%
State Appropriations	\$2,585,269	30%
Grants & Contracts	\$3,594,807	42%
Gifts	\$ 52,437	1%
Sales & Services	\$1,602,149	19%

Grand Total \$8,491,477

FY 2022 Revenues

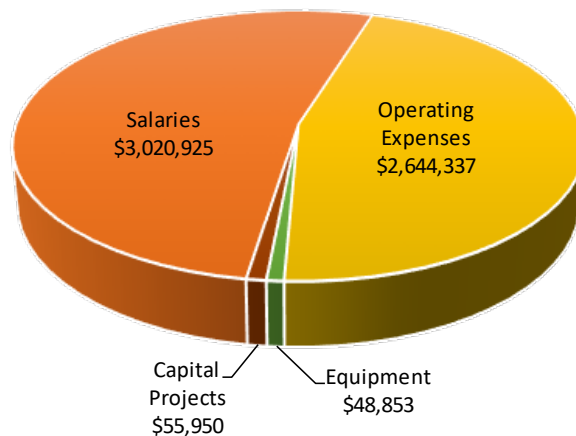


FY 2022 Expenditures

#### Expenses

Salaries	\$3,020,925	52%
Operating Expenses	\$2,644,337	46%
Equipment	\$ 48,853	1%
Capital Projects	\$ 55,950	1%

Grand Total \$5,770,065





## 2023-2025 BIENNIAL BUDGET REQUEST

The 2023-2025 funding request for the North Dakota Forest Service is \$24,779,893. The General Fund request is \$5,638,621. Other funds are \$19,141,272.

### OPERATIONS

The Operations request supports salaries, fringe and operating expenses for 27.0 General Fund FTE, 1.0 Special Fund FTE and 45 seasonal positions that provide essential forestry services. This investment leverages over \$17 million in external grants and contracts for voluntary and incentives-based forestry programs to address natural resource issues and customer needs identified in the Forest Action Plan.

Operations fund public forestry services provided by the North Dakota Forest Service through field offices at Bismarck, Bottineau, Carrington, Fargo, Lisbon, Towner and Walhalla. Expenditures include costs associated with servicing field forestry requests statewide from rural landowners, communities, schools and citizens. Operations fund emergency wildland fire fighters who protect lives, property and natural resources threatened by an average of 440 human caused wildfires that burn over 29,000 acres each year. Operations fund training, organizing and equipping rural fire districts, as well as support for a Forest Service strike team of four Type 6 and one Type 3 wildland engines. Operations fund tree production at Towner State Nursery.

Towner State Nursery provides tree seedlings for conservation and forestry plantings in every county of North Dakota. The estimated revenue from generated from trees sales at Towner State Nursery is \$1,400,000. Other estimated revenue includes \$900,000 for Trees for North Dakota grants. 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.

🌲 General Funds .....	\$5,638,621
🌲 Special Funds .....	\$19,141,272
🌲 <b>Total Operations</b> .....	<b>\$24,779,893</b>

### Salary and Health Insurance

The Forest Service 2023-2025 budget includes the Executive Recommendation for average salary increases of 6%/4% for the biennium.

🌲 Salary Increase - General Fund .....	\$299,702
🌲 Salary Increase - Special Funds .....	\$8,672
🌲 Health Insurance Increase - General Fund.....	\$128,594
🌲 Health Insurance Increase - Special Funds.....	\$5,144

### Special Funds

🌲 Towner Nursery - Special Fund Increase.....	\$200,000
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### Optional Requests

🌲 Forest Recreation Enhancement Initiative .....	\$200,000
🌲 Cooperative Fire Protection Initiative.....	\$187,000



**CAPITAL ASSETS**

The 2023-2025 capital assets budget provides necessary repairs for office, shop, storage and recreational buildings at Bottineau, Lisbon, Towner and Walhalla. Recreational improvements are also located on the State Forests. The budget includes extraordinary repairs and equipment over \$5,000. The total 2023-2025 base budget general fund request for Capital Assets is \$118,728. Capital assets consist of 41 office, shop and storage buildings. The buildings are valued at \$4,586,684. Building ages vary from 2 years to 87 years.

🌳 Capital Assets .....	\$118,728
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**Equipment Over \$5,000**

The 2023-2025 base funding request for equipment over \$5,000 is \$56,248, an amount equal to the 2017-19, 2019-21 and 2021-2023 base funding. Equipment would include a forklift and UTV at Towner State Nursery.

🌳 Equipment over \$5,000 .....	\$56,248
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**Extraordinary Repairs**

Extraordinary repairs include \$62,480 for exterior updates at the Bottineau Field Office. Total 2017-2019, 2019-2021 and 2021-2023 extraordinary repairs budget was \$62,480.

🌳 Extraordinary Repairs .....	\$62,480
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**CAPITAL PROJECT REQUEST - None**

The Forest Service is not requesting a capital project within the 2023-2025 budget.



## 2023-2025 Funding Request – ENGROSSED HB 1003

### North Dakota Forest Service

Comparison of SBHE General Fund Budget Request to Executive Recommendation and Engrossed HB1003

	SBHE 2023-25 GF Budget Request	Executive Recommendation	House Recommendation	House Budget Over (Under) Budget Request
<b>General Fund Appropriation</b>				
Operations	\$ 4,673,750	\$ 4,673,750	\$ 4,673,750	\$ -
Cost to Continue Salaries	\$ 30,847	\$ 30,847	\$ 30,847	\$ -
Capital Assets	\$ 118,728	\$ 118,728	\$ 118,728	\$ -
Salary Increases	\$ 299,702	\$ 311,995	\$ 233,644	\$ (66,058)
Health Insurance Increases	\$ 128,594	\$ 128,594	\$ 131,552	\$ 2,958
Forest Recreation Enhancement Initiative	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Cooperative Fire Protection Initiative	\$ 187,000	\$ 187,000	\$ 187,000	\$ -
<b>Total General Fund Appropriation</b>	<b>\$ 5,638,621</b>	<b>\$ 5,650,914</b>	<b>\$ 5,575,521</b>	<b>\$ (63,100)</b>
<b>Special Fund Appropriation</b>				
Operations	\$ 10,669,315	\$ 10,669,315	\$ 10,669,315	\$ -
Change in Estimated Income	\$ 8,258,141	\$ 8,258,141	\$ 8,258,141	\$ -
Salary Increases	\$ 8,672	\$ 8,672	\$ 6,491	\$ (2,181)
Health Insurance Increases	\$ 5,144	\$ 5,144	\$ 5,262	\$ 118
Towner Nursery Special Fund Increase	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
<b>Total Special Fund Appropriation</b>	<b>\$ 19,141,272</b>	<b>\$ 19,141,272</b>	<b>\$ 19,139,209</b>	<b>\$ (2,063)</b>
General Fund	\$ 5,638,621	\$ 5,650,914	\$ 5,575,521	\$ (63,100)
Special Funds	\$ 19,141,272	\$ 19,141,272	\$ 19,139,209	\$ (2,063)
<b>Total Funding Sources</b>	<b>\$ 24,779,893</b>	<b>\$ 24,792,186</b>	<b>\$ 24,714,730</b>	<b>\$ (65,163)</b>
<b>Total FTE</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>-</b>

## **BILLS CONSIDERED BY THE LEGISLATIVE ASSEMBLY**

Budgetary Impact - None.

## **FINANCIAL AUDIT FINDINGS**

**Financial Audit findings included in the most recent audit** - The North Dakota Forest Service Audit Report for the biennium ending June 30, 2021, as prepared by the Office of the State Auditor, did not identify any areas of concern.

The June 30, 2022, NDUS financial audit report is being finalized by the SAO and is scheduled to be published in January 2023. Our communications with the SAO indicate there are no findings or recommendations.

## **FEDERAL STATE FISCAL RECOVERY FUNDING**

Amount appropriated during the November 2021 special legislative session - None.

## **FEDERAL FUNDING**

Known or potential changes in level of federal funding - None.

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## Optional Request: Forest Recreation Enhancement

The Forest Recreation Enhancement Initiative will support the agency's delivery of services to meet increasing outdoor recreation demands across the spectrum of State Forest users. The NDSU-North Dakota Forest Service manages five state forests encompassing 13,945 acres. State Forests are located in the Turtle Mountain, Pembina Gorge and Sheyenne River Valley regions of the state. The goal of the State Forests Program is to *practice sound land stewardship to enhance the forest, grassland and wetland ecosystems found on the State Forests.*

<b>General Funds</b>	<b>\$200,000</b>
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The State Forests are comprised of woody plant communities interspersed with open grassland, wetlands and small lakes. The varied plant communities provide excellent habitat for wildlife and numerous opportunities for outdoor recreation; playing an important role in the economic well-being of rural communities by attracting sportspersons, hikers, bikers, equestrians, campers, skiers, snowmobilers, birdwatchers and other outdoor enthusiasts. In addition, the state forests provide the general public with the opportunity to collect common berries, harvest firewood, observe native wildlife and plant communities, and examine sustainable forest management practices.

The North Dakota Forest Service supports outdoor recreation experiences by maintaining and improving recreational infrastructure on State Forest lands. The agency manages 4 campgrounds, 2 primitive campsites, 42 miles of trail, 3 public access boat ramps, 2 fishing piers, and 2 scenic overlooks.

The demand and utilization of the State Forests have increased substantially in response to society's renewed engagement with our natural resources. Outdoor recreation is very important to the physical and emotional wellbeing of North Dakotans and since 2020 the State Forests has observed a 207% increase in trail usage and a 197% increase in campground usage.

The North Dakota Forest Service does not receive general funds specifically for operations, including maintaining and operating campgrounds, trails, and day use areas. A small amount of revenue is generated by agricultural leases and camping fees. Both fee schedules are based on fair market rental rates and camping fees of other similar campgrounds. The agency also receives a small dividend payment. The program averages \$30,965 in annual income from the State Forests.



To better serve the growing needs of State Forest users, funds from the North Dakota Recreation Enhancement Initiative will be used to support operation, maintenance, and enhancements of agency-managed recreational infrastructure including trails, campgrounds, and recreation areas. Additional general funds for operating would enhance outdoor recreation experience for an increasing number of visitors.

*Trails constructed and maintained by the North Dakota Forest Service are popular among hikers, bikers, equestrians and others.*

## Optional Request: Cooperative Fire Protection Initiative

The Cooperative Fire Protection Initiative provides critical financial, technical and educational assistance to fire departments for wildfire prevention, suppression and mitigation. In addition to helping ensure that our first responders are prepared, the initiative provides funding to complete wildland fire training and Statewide Interoperable Radio Network (SIRN) training to enhance firefighter and public safety.

General Funds	\$187,000
FTE	1.0

In North Dakota, initial attack wildfire suppression authority is provided by fire departments. The North Dakota Forest Service Fire Management Program supports the state's 378 fire departments in providing this essential public safety service by enhancing firefighting safety and capacity. The program provides rural fire departments with cost-share funds for organizing, training, planning, purchasing and repairing fire equipment.

Each year on the average, North Dakota experiences over 440 human caused wildfires that burn in excess of 29,000 acres. Today's wildfires follow cycles, with larger fires frequently coinciding with drier years. For example, in 2006, North Dakota experienced 1,077 wildfires which burned 68,122 acres. When wetter conditions prevailed in 2012, there were 376 fires which burned 31,293 acres. Fire season in North Dakota, as in many other western states, is now considered year-round, with fire starts documented in every month. The year 2021 was unprecedented, with 2,199 cumulative fires, 122,300 acres burned, 3 incidents with injury, 6 total injuries and 49 damaged structures. Despite the conversion of much of North Dakota's indigenous prairie to non-native grasses and crops, much of the state is covered by highly combustible light fuels that dry quickly and burn readily and rapidly. High accumulations of these fuels on the landscape has resulted in intense fires threatening lives and property.

Adding to the natural wildfire threat is increased population, infrastructure and the oil and gas industry which has resulted in an increase in the fire occurrence across the state. The area of wildland urban/industrial interface, zones where human development intermingles with undeveloped land, is growing across the state and placing additional responsibility on smaller rural fire departments that are most often staffed by volunteers. Federal firefighting resources are now increasing and are coincidentally creating more competition for local and state firefighters.



Fire departments across the state need training and financial assistance to address firefighter and public safety as more and more people move into their protection districts. The types of wildfires are growing in both size and intensity, due to increasing fuel loads, drier weather patterns and longer fire seasons.

*The 744 Fire, known as the Medora Fire, burned 2,300 acres on April 1, 2021. The wildfire resulted in the evacuation of the city and numerous historic buildings were threatened. Cooperation from a multitude of rural fire departments, coordination, and wildland firefighting resources from the NDFS, NDNG and state and federal partners resulted in successful suppression of the fire without any loss of structures.*

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