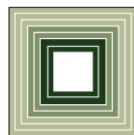


Department of Agriculture & Consumer Services (DACCS)



April 4, 2013



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

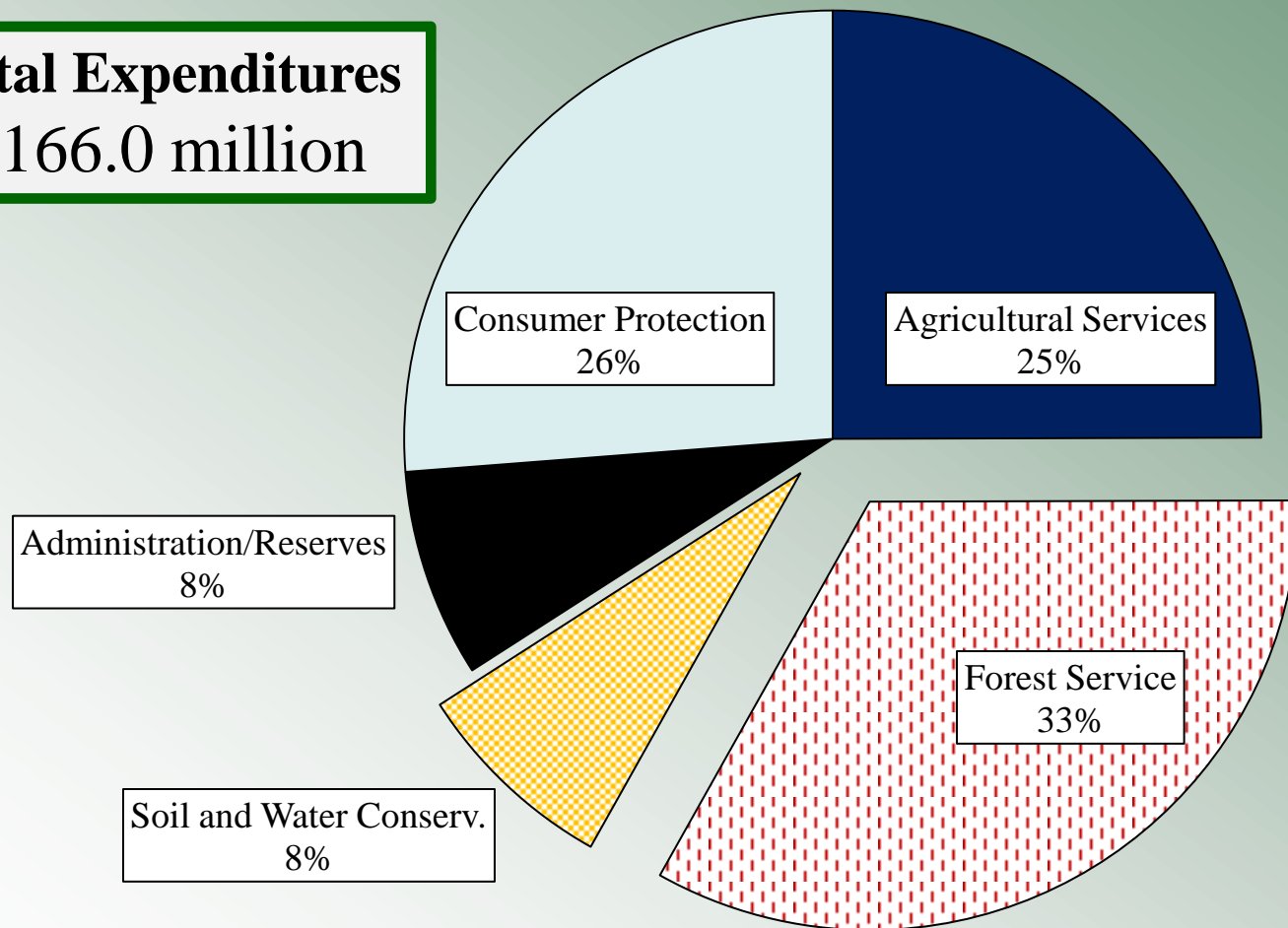
Today's Agenda

- NC Forest Service & Soil and Water Conservation
 - Program Summaries
 - NCGA Actions
 - Budget Information
 - Positions (FTEs)
- DACS Presentation – NC Forest Service

FY 2011-12

Total Expenditures

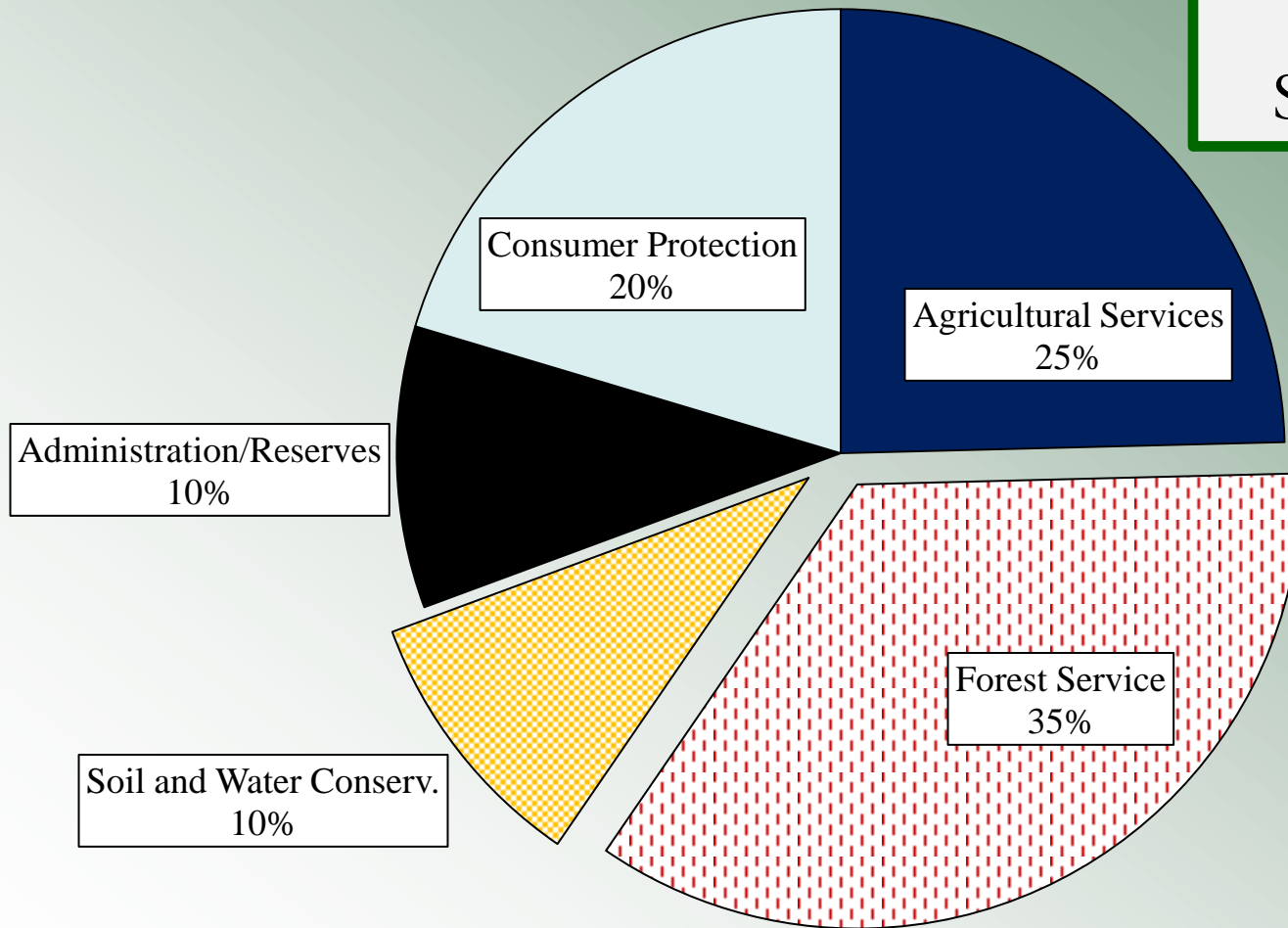
Total Expenditures
\$166.0 million



FY 2011-12

General Fund Appropriation

General Fund
\$110.6 million



Forest Service

- 3 regions - 13 regional districts
- Local offices in each county
 - County supports 25-40% of the operating costs of the local office
 - Support level depends on existing property tax base
 - Reimbursement rate agreed upon between NCFS & County
 - County Rangers

FY 2011-12 (in millions)	
Expenditures	\$ 55.08
Receipts	16.41
Appropriation	38.67
Positions	638.6

Forest Service

Responsibilities Include:

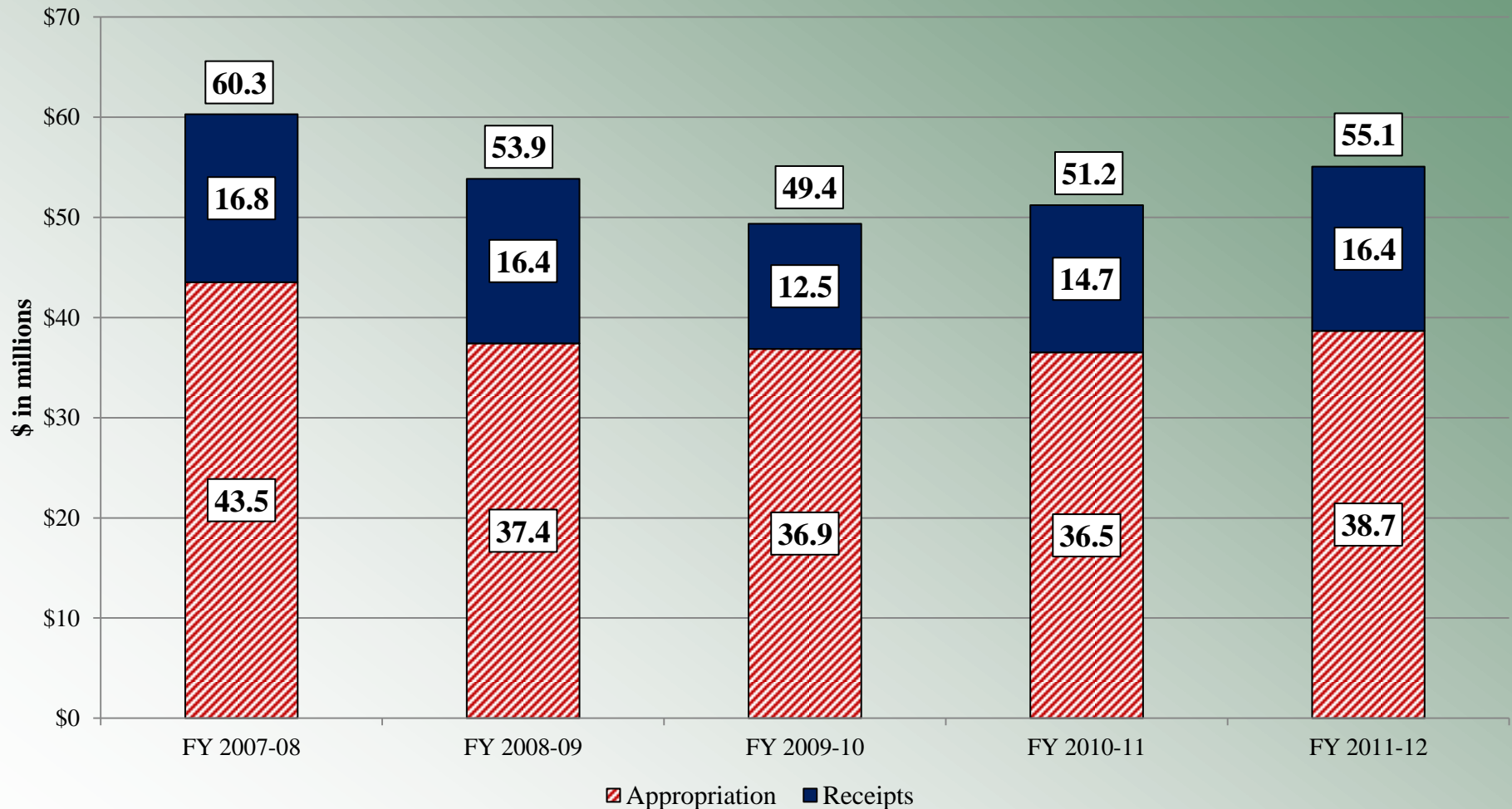
- Protect 18.3 million acres of forestland
- Regulate/permit controlled burning
- Provide assistance to other states to fight major wildfires
- Provide landowners with forestry technical assistance
- Operate 7 educational state forests
- Operate nursery for sales/ forest development

Forest Service

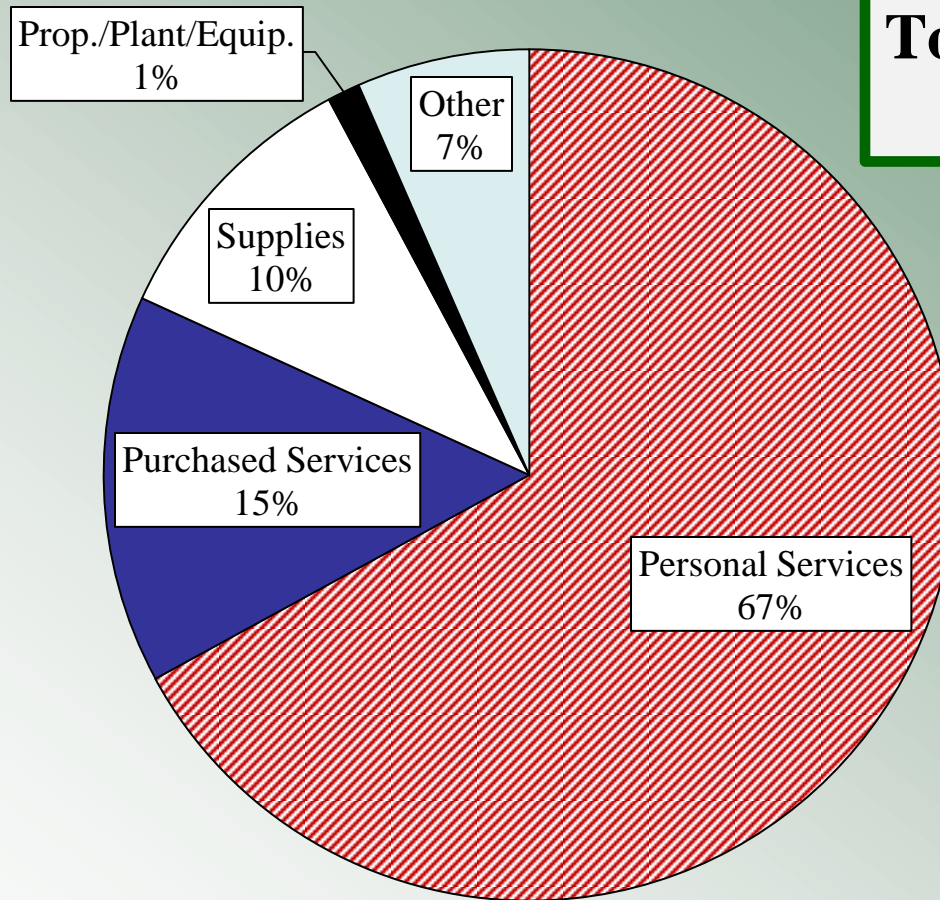
FY 2011-13 NCGA Actions

- Transferred from DENR
- Fund shifted 8.8 FTEs to receipt support (\$485,148 R)
- Reduced operating budget (\$2,448,094 R)
- Eliminated one vacant position (\$31,504 R)
- Fund shifted Turnbull Educational Forest to receipt support (\$87,317 R)
- Directed Division to consolidate aircraft to three bases (\$40,000 R)
- Transferred funding for portions of BRIDGE program from DPS to DACS (\$318,208 R)

Forest Service 5-Year Budget History



How Funds are Spent



Total Expenditures
\$55.1 million

Forest Service

Major Revenue Sources

- Federal - ~\$4.9 million (30% of total receipts)
- Professional Services/County Coop - ~\$8.8 million (54% of total receipts)
- Primary Forest Tax - \$5 million/annually (in special fund)



Soil & Water Conservation Commission

- 7 Commissioners appointed by the Governor
- Responsibilities include:
 - Set rules and develop policy for programs
 - Provide oversight and coordination to local districts
 - Determine district cost-share allocation
 - Appoint/remove district supervisors
 - Training for local staff/supervisors

Soil & Water Conservation Commission

- DACS staff serve as the link between the Commission and local districts
- Solicit and distribute grant funds to districts
- Over 3/5 of appropriation directed to fund programs



FY 2011-12 (in millions)

Expenditures	\$ 12.91
Receipts	2.08
Appropriation	10.83
Positions	44.2

Soil & Water Conservation

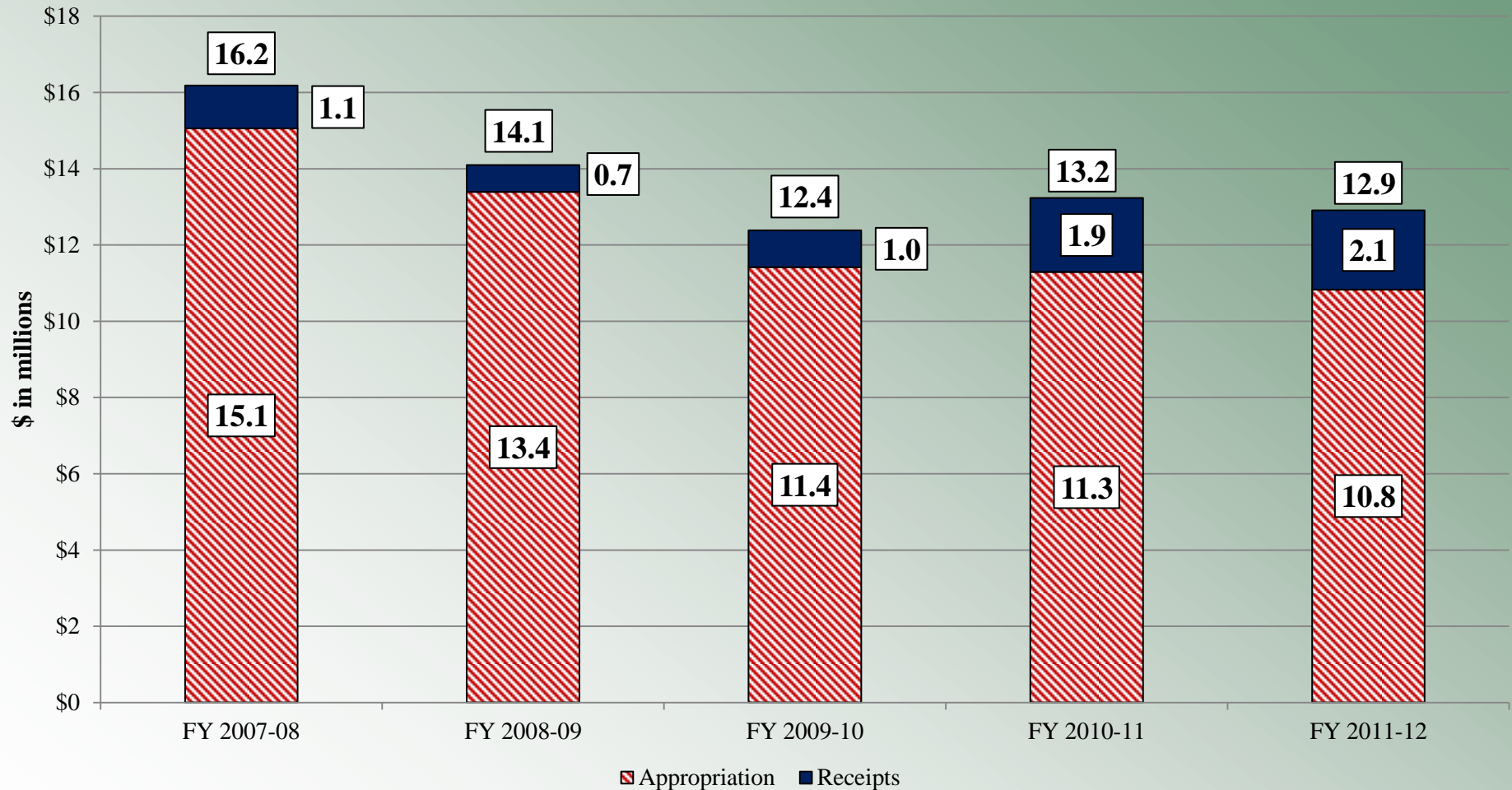
- Governed by G.S. 139
- 96 local districts serving all 100 counties
 - Each local district governed by 5-member Board
 - 3 locally elected (2-4 year terms)
 - 2 appointed by Soil & Water Conservation Commission (upon recommendation from locals)
- Statewide – 492 elected and appointed supervisors, 270 staff

Soil & Water Conservation

FY 2011-13 NCGA Actions

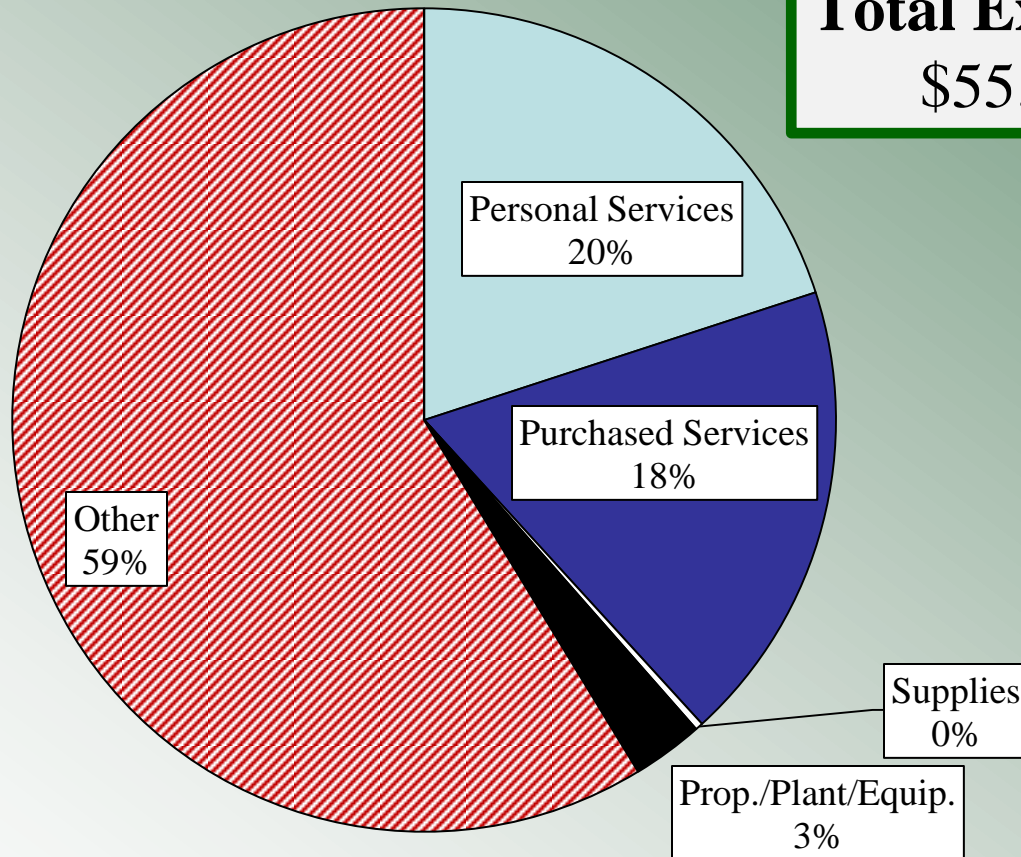
- Transferred from DENR
- Eliminated two positions (\$105,990 R)
- Reduced operating budget (\$28,719 R)
- Ended routine animal inspections (\$421,076 R)
- Reduced funding for local districts (\$68,000 R)
- Reduced funding for Cooperative Soil Survey Program (\$157,001 R)
- Restored regional office positions subject to justification review (\$651,019 R)
- Created and funded AgWRAP program

Soil & Water Conservation



How Funds are Spent

Total Expenditures
\$55.1 million



Soil & Water Conservation

Local District Funding

- Local (County)
 - Office space, specific county programs, personnel
- State
 - Technical and administrative assistance
 - Program funding (Cost-Share, AgWRAP, CCAP)
- Federal (USDA-NRCS)
 - Personnel, technical assistance, equipment
 - Program funding (CREP, others)

Soil & Water Conservation

State-Funded Programs

- Agriculture Cost Share Program
- Agriculture Water Resources Assistance Program (AgWRAP)
- Conservation Reserve Enhancement Program (CREP)
- Community Conservation Assistance Program (CCAP)
- Lagoon Conversion Program (LCP)

Ag Cost Share Program

- Established in 1983 by NCGA, expanded in 1990
- Encourage farmers to implement Best Management Practices (BMPs) to improve water quality
- Farmers can receive up to 75% of the total cost to implement BMP
- Annual max. payment - \$75,000-\$100,000
- Farmers can provide 25% match in-kind
- 2012 – ~\$7 million appropriation, 70 approved BMPs

Agriculture Water Resources Assistance Program

- Created by the NCGA in 2011
- Eligibility requirements mirror Ag Cost Share
- Ag Cost Share – protect water supply from farming activities
- AgWRAP – increase water supply for farmers
- Appropriation – 2011 - \$1 million, 2012 - \$500,000 NR
- Gov. budget - \$500,000 R

Conservation Reserve Enhancement Program

- Established in 1999
- Program provides payments to farmers to voluntarily place easements on property located near bodies of water
- 10 and 15-year easements (USDA calculates payment amount)
- 30-year and permanent easements eligible for one-time State payment and can receive 100% cost share of installation of BMPs
- USDA provides 80% of total program cost, NC provides 20%
- Appropriation - ~\$700,000

Lagoon Conversion Program

- Established by S.L. 2007-523
- Funded through Ag Cost Share program
- Increased cost share ratio and maximum payment provided by State to swine farmers implementing certain BMPs
- Cost Share schedule:
 - Before 6/30/12, 90% cost share, \$500,000 max.
 - Before 6/30/17, 80% cost share, \$450,000 max.
 - On/After 7/1/17, 75% cost share, \$400,000 max.

Community Conservation Assistance Program

- Established by S.L. 2006-78
- Program designed to address stormwater issues cause by development
- Requirements mirror Ag Cost Share program
- FY 2011-12 Funding:
 - Appropriations: ~\$200,000
 - DENR – DWQ: \$20,000
 - CWMTF: \$85,000

Key Takeaways

- Forest Service/Soil & Water represent over 40% of DACS' budget and employees
- Representation by both programs in nearly every county
- Private landowner financial and technical assistance



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Questions?