

North Carolina Forest Service Forest Management & Development Division Memo



DATE: July 10, 2013
TO: NCFS staff, NC Consulting Foresters and other key NC Forestry Community contacts
FROM: Sean Brogan, Forest Management & Development Division Director
RE: Forest Development Program (FDP) FY 2013-14 budget and backlog

FDP FY 2013-14 Talking Points:

- During FY 2012-13 the FDP funded 1,122 tree planting and forest stand improvement projects. This directly lead to the establishment and improvement of 45,269 acres of North Carolina timberland.
- The FDP will continue to operate this coming year, funded by incoming timber assessment monies and “released” monies from previously-funded projects (see budget table below). **We appreciate the dedication and support to the FDP by North Carolina’s wood products companies.**
- The NC State Legislature did not fund state appropriations for the FDP for FY 2013-14. This is the fifth year in a row this has happened. In the 35-year history of the FDP (from 1978-2013), state legislative appropriations have not been funded 7 times (FY 1991-93; FY 2009-14). As the state budget improves, the NC Forest Service (NCFS) is committed to regaining FDP state appropriations in order to continue the funding partnership between the forest products industry and the State.
- Processing of FY 2013-14 FDP applications aggressively commenced on July 1st, 2013.

FDP FY 2013-14 Budget:

This table summarizes the anticipated FDP budget for FY 2013-14. These figures will be adjusted in the future based on actual timber assessments paid into the FDP fund and monies “released” from previous projects.

Anticipated Forest Development Program budget for FY 2013-14:	
“Released” funds from previous years that have already been identified:	\$251,348
Add “extra” assessment funds from FY 2012-13 (Note-last year we conservatively set the FDP budget based on an expected \$1,500,000 in timber assessments. This figure is the amount over that estimate that actually was deposited):	+156,128
Add conservative <i>estimate of timber assessment</i> monies for FY 2013-14:	+1,600,000
Add <i>interest</i> generated from the FDP Assessment account from FY 2012-13:	+\$14,209
Subtract max. of 5% for <i>administrative</i> costs (North Carolina Forest Service):	-\$80,000
Subtract max. of 5% for <i>administrative</i> costs (North Carolina Department of Revenue):	-\$80,000
Anticipated FY 2013-14 FDP budget =	\$1,861,685

Additional comments:

- As of June 30, 2013 the FDP unfunded backlogged application list from FY 2012-13 stood at 337 landowners. These landowners were requesting \$1,284,779 worth of FDP costshare. Of that total backlogged amount, \$171,196 was from “Mountain Fund” applications (51 applications) and \$1,113,583 was from “Base Fund” applications (286 applications). These Base Fund applications involve a variety of practices such as site preparation, tree planting and forest stand improvement (FSI). Linda Liles’ #1 priority in July will be to approve this group of backlogged FDP applications so that landowner / consultants / contractors will be able to proceed with the coordination of upcoming site preparation work.
- The FDP program separates its funds into three “pots of money” each year. The funds allotted to each of those for FY 2013-14 are as follows:
 - **“Mountain Fund”** = \$250,000 (\$171,196 to be immediately used for backlogged applications)
 - **“Plant-only Fund”** = \$750,000 (will be limited to this amount in FY 2013-14, **with a clearly-communicated “cut-off” point in order to reduce confusion at the field level**)
 - **“Base Fund”** = \$861,685 (which will be used immediately to fund backlogged applications, leaving \$210,525 on a backlog waiting list for additional release funds). Signed FDP applications received from this point forward will be added to this backlog list and will be funded as “released monies” become available.
- Any FDP project money that can be turned back in (ex. from projects that won’t be completed) is helpful since those funds can quickly be applied toward backlogged or new FDP applications.
- The FY 2013-14 FDP prevailing rates have been approved and are posted on the NCFS FDP webpage at http://ncforestservice.gov/Managing_your_forest/fdp.htm All FDP applications from July 1, 2013 on should utilize these updated prevailing rates. The FDP website also contains a summary document of the rate changes that occurred for FY2013-14.
- Note that two new FDP practices were added this year: 1. Machine plant - shortleaf and 2. Machine plant/chemical - shortleaf.

If you have specific questions about this memo please contact Linda Liles (FDP Program Administrator) at 919-857-4832 (linda.liles@ncagr.gov) or Sean Brogan at 919-857-4818 (sean.brogan@ncagr.gov). Landowners, Consulting Foresters, etc. are encouraged to initially work with their local NCFS staff regarding FDP Program assistance.