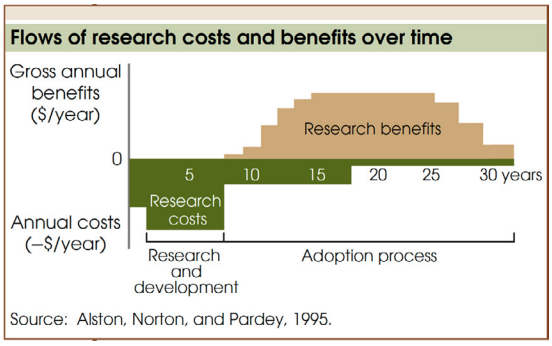
NDSU NORTH DAKOTA AGRICULTURAL EXPERIMENT STATION

SBARE Request: Operating funds for North Dakota Agricultural Experiment Station

Operating support must be the top priority this biennium.

NDAES: A Long-Lasting, High-Return Investment

- Every $1 invested in NDAES agricultural research **returns about $37 to the economy**, with an estimated **25% annual rate of return**.
- NDAES research supports North Dakota's **$41 billion agricultural economy** through improved crop yields, animal production, risk management and new technologies.
- Once established, agricultural research impacts often extend for **more than 35 years**.



Source: Alston, Norton, and Pardey, 1995.

What the State Has Built

The State and partners have built a modern research system:

- Bolley Agricultural Laboratory (May 2026)
- Beef Cattle Research Complex and precision livestock facilities at HREC, CREC and CGREC
- Bill Bowman Veterinary Diagnostic Laboratory
- Greenhouses at Dalrymple, Bolley, LREC, CREC and NCREC
- Modern agronomy and natural resource facilities at multiple RECs (CREC, LREC, DREC and WREC [in planning]).
- Varietal development and foundation seed program with modern seed-cleaning
- New equipment storage structures at each REC and main station
- Peltier Complex for end-product, livestock and bioprocessing research

These are powerful assets, but they require basic operating funds to produce results.

Major Operating Concerns

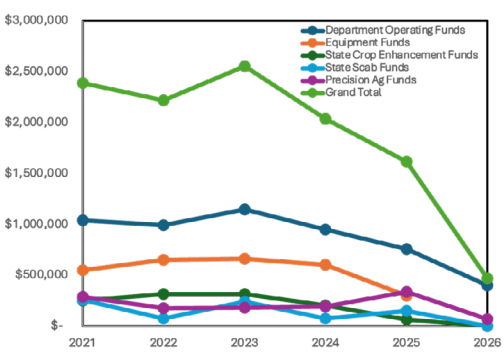
1. **Sharp Inflationary increase** amid flat operating appropriations over the past six years
2. Implementing **New and Vacant FTE Pool** removed our ability to use vacant salary dollars for operating
3. Bolley will require about **$1 million per year for utilities** and basic operations.

How NDAES is adjusting to cover basic operating: BUDGET REDUCTIONS

Operating reductions to Main Station Departments

- **Eliminate eight FTEs** through voluntary separation program, saving $2.7 million. This is in addition to the four FTEs lost during this past legislative session.
- **Restrict/Eliminate operating** expenses of several SBARE-backed initiatives
  - 2011-2013: Equipment, $200,000
  - 2013-2015: Enhancing crop development and protection efforts, $1.16 million
  - 2013-2015: State Scab, $320,000
  - 2015-2017: Equipment, $1.1 million
  - 2015-2017: Precision agriculture, $600,000

In FY 2026, general operating distributions were reduced by ~60% to $400,000, down from ~$1 million per year. Also, startup fund distributions were reduced 60% (from nearly $1 million to $360,000).



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How NDAES is adjusting to cover basic operating: GENERATE INCOME

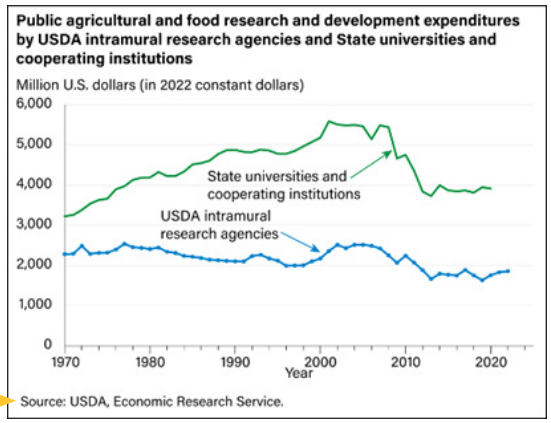
Generate Income Strategies to recoup some costs, like implementing or increasing user fees for the following:

- Beef Cattle Research Complex pens
- Dalrymple: greenhouse rooms, growth chambers, seed storage
- Bolley: greenhouse rooms, growth chambers, seed storage, grain drying
- Bowman VDL services

However, we cannot "fee" our way out of an operating shortfall.

Increased Grant Writing by NDAES researchers

- **Faculty doubled grant submission** for their USDA competitive proposals (about 120 this fall 2026)
- USDA grant success rates are **only 10%-20%**
- **National research funding is flat**



Grants Cannot Fill the Gap

- **26%** of our budget comes from grants and contracts.
- Grants can support **students, supplies, travel and specialized equipment**.
- Grants **rarely** pay for core needs such as:
  - Utilities, basic maintenance, repairs, HVAC and control systems (example: **Dalrymple greenhouses need a $500,000 control-system upgrade**)
  - Equipment maintenance, IT licenses, safety upgrades, printing and basic office supplies
- Grants are **short-term (one to four years)** and never guaranteed.

Operating Support:

- **Provide stable support** to bridge gaps between grants.
- **Help attract top talent** and give them the startup funds needed to launch strong research programs.
- **Maximize research outcomes** by allowing scientists to focus on discovery and solutions, not patching budgets.
- **Optimize state-funded facilities and equipment** so they operate as true engines of research.

NDAES REQUEST:

Restore a healthier balance of operating support so NDAES can fully use the people and facilities the state has already invested in.

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