

K00A
Department of Natural Resources

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$56,152	\$60,070	\$61,841	\$1,771	2.9%
Adjustments	0	247	-281	-528	
Adjusted General Fund	\$56,152	\$60,317	\$61,560	\$1,243	2.1%
Special Fund	142,937	165,700	169,289	3,588	2.2%
Adjustments	0	941	-211	-1,152	
Adjusted Special Fund	\$142,937	\$166,641	\$169,077	\$2,436	1.5%
Federal Fund	28,529	29,078	30,939	1,861	6.4%
Adjustments	0	1,915	-31	-1,946	
Adjusted Federal Fund	\$28,529	\$30,994	\$30,909	-\$85	-0.3%
Reimbursable Fund	12,009	14,742	11,607	-3,134	-21.3%
Adjusted Reimbursable Fund	\$12,009	\$14,742	\$11,607	-\$3,134	-21.3%
Adjusted Grand Total	\$239,627	\$272,694	\$273,154	\$460	0.2%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The Department of Natural Resources (DNR) budget includes fiscal 2017 deficiencies, which would increase DNR's overall appropriation by \$3,103,223 comprised of an increase of general fund appropriation by \$246,977, special fund appropriation by \$941,000, and federal fund appropriation by \$1,915,246.

Note: Numbers may not sum to total due to rounding.

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- The overall adjusted change in DNR’s budget is an increase of \$0.46 million, or 0.2%. The major changes are a \$2.9 million decrease due to one-time fiscal 2017 deficiencies, a \$2.4 million decrease for boat purchases, and a \$1.7 million increase for vehicle purchases.

Personnel Data

	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 17-18</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	1,320.50	1,314.50	1,332.50	18.00
Contractual FTEs	<u>375.96</u>	<u>436.13</u>	<u>491.94</u>	<u>55.81</u>
Total Personnel	1,696.46	1,750.63	1,824.44	73.81

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	72.89	5.47%
Positions and Percentage Vacant as of 12/31/16	98.25	7.47%

- DNR’s regular positions increase by 12.5 between the fiscal 2016 actual and the fiscal 2018 allowance. The changes are as follows: 20.0 positions – all contractual conversions – were added in the fiscal 2017 legislative appropriation, 15.0 vacant regular positions – the highest concentration were 6.0 Natural Resources Police (NRP) cadet positions – were abolished as part of the Section 20 actions in the fiscal 2017 budget bill, 11.0 positions were transferred to the Department of Information Technology for the Information Technology Enterprise Initiative as authorized by Section 21 of the fiscal 2017 budget bill, 19.0 new positions are included in the fiscal 2018 allowance, and 1.0 position is abolished in the fiscal 2018 allowance. The 19.0 new positions reflect 17.0 NRP candidates for a new academy and 2.0 new aviation unit positions – 1.0 pilot and 1.0 mechanic – in order to reconstitute the unit. The abolished position is a natural resources planner IV in the Critical Area Commission. The Critical Area Commission notes that the loss of the position will affect the performance of the Critical Area Commission’s legal responsibilities.
- DNR’s contractual full-time equivalents (FTE) increase by 55.81 in the fiscal 2018 allowance. The majority of the contractual FTEs reflect additional seasonal staff to handle the increase in visitation in Maryland State parks since annual visitation has increased from 10.70 million in fiscal 2011 to 12.94 million in fiscal 2016. The contractual FTEs are largely funded by additional transfer tax funding.
- DNR’s turnover rate decreased from 6.00% in the fiscal 2017 working appropriation to 5.47% in the fiscal 2018 allowance, which reflects a decrease from 78.87 necessary vacancies to 72.89 necessary vacancies, which DNR should be able to handle, given that there are 98.25 vacancies as of December 31, 2016.

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- As part of an agency reorganization, DNR abolished the Boating Services unit and the Integrated Policy and Review program in the Office of the Secretary. The 40.0 regular positions in the Boating Services unit were moved to what is now called Fishing and Boating Services (31.0), Chesapeake and Coastal Service (8.0), and the Office of the Secretary – Audit and Management Review (1.0). Of the 12.0 regular positions in the Integrated Policy and Review program, which handled cross-unit policy, 1.0 position stayed within the Office of the Secretary and 11.0 positions were transferred to the following programs: Resource Assessment Service (6.0), Chesapeake and Coastal Service (4.0), and Maryland Park Service (MPS) (1.0).

Analysis in Brief

Major Trends

Minority Hiring Challenged by Low Number of Applicants: The percent of minority hires increased from 16.0% in fiscal 2014 to 21.3% in fiscal 2015 and then decreased to 12.9% in fiscal 2016. DNR notes that the number of hires in any year is fairly low and, therefore, small differences in the number of minority hires can affect the percentages.

Number of Transient Vessels Visiting Somers Cove Marina Affected by Storms: The number of transient vessels visiting the Somers Cove Marina decreased from 713 in calendar 2011 to 579 in calendar 2016. DNR notes that the major reason for the decrease in transient vessels was the impact of Hurricane Sandy, which caused significant damage to Crisfield and reduced its attractiveness to boaters traveling from elsewhere in the State. Similarly, DNR notes that in calendar 2016, the marina lost over 100 reservations scheduled for one weekend due to the threat from Hurricane Hermione despite a special event scheduled for that weekend that drew a strong response for reservations.

Bear Hunting Expands in Terms of Participants and Bears Harvested: The number of bear hunting participants has increased from a low of 553 in fiscal 2012 to 1,730 in fiscal 2016, and the number of bears harvested has increased from a low of 65 in fiscal 2012 to 95 in fiscal 2016. DNR notes that the Western Maryland bear population continues to increase. However, the number of bear hunting participants is controlled by the number of permits issued by DNR for a given season, and, therefore, there is no potential for a drastic decline in the bear population due to legally permitted hunters.

Issues

Aviation Unit Reconstituting: DNR is reconstituting the aviation unit. The fiscal 2010 allowance reflected the deletion of the Aviation Unit – approximately \$406,000 in savings – within NRP and required disposal of the three helicopters and one fixed-wing airplane. DNR has since reacquired one of the helicopters from the Harford County Sheriff's Office – the 1972 Bell Jet Ranger – and has budgeted funding in fiscal 2018 for 1 pilot and 1 mechanic as well other operating expenses. However, the legislature has stated its intent that the Maryland State Police (MSP) fly DNR's conservation and other missions, which is directly contravened by reconstituting the unit. **The Department of Legislative Services (DLS) recommends that the funding and new positions for the Aviation Unit be deleted and that DNR continue to use MSP for flying missions.**

Legislative Intent for Maryland Park Service Budget Not Met: Chapter 389 of 2015 directed the Governor to include in the State budget an appropriation for MPS – from revenues in the Forest or Park Reserve Fund that are attributable to MPS operations – equal to (1) at least 60% of the revenues for fiscal 2016; (2) at least 80% of the revenues for fiscal 2017; and (3) 100% of the revenues for fiscal 2018, and each fiscal year thereafter. DNR has not met the legislative intent due to concerns about keeping a sufficient fund balance. **DLS recommends that a Budget Reconciliation and**

Financing Act provision be adopted to require the department to budget MPS’s two fiscal years preceding actual Forest or Park Reserve Fund own-sourced revenue.

Forest Service Now Reliant on Transfer Tax Revenues: MPS and the Forest Service are both eligible to receive transfer tax special funds, but through fiscal 2017, only MPS had received such funding. The Forest Service receives first-time transfer tax special funds in fiscal 2018, which defrays the need for \$1,983,206 in general funds. However, this means that not only is MPS’s budget reliant on the transfer tax, but now the Forest Service’s budget is also similarly reliant. Any substantial downward revisions in the transfer tax revenue estimate – based on housing market changes – would affect both units. **DLS recommends that DNR comment on the impact of having both MPS and the Forest Service reliance on the transfer tax given the possible volatility of this revenue source.**

Natural Resources Police Falling Behind Staffing Goal: NRP has sole responsibility for conservation law enforcement across the State. However, it is not meeting the position goals laid out in the Maryland *NRP Strategic Plan (Fiscal Year 2015-2019)*. The strategic plan calls for an additional 75 law enforcement officer positions over five years from a base of 245 positions in fiscal 2015. The goal of adding an additional 41 positions to the 279 positions in the fiscal 2018 allowance is challenged by the number of officers who retire, take medical leave, and are enrolled in the Deferred Retirement Option Program. In addition to fiscally strained times, in which it will be difficult to fund new positions, DNR will also be faced with the need to fill its existing positions. **DLS recommends that DNR comment on whether it will be able to meet the Maryland *NRP Strategic Plan (Fiscal Year 2015-2019)* goal of 320 positions by fiscal 2019 and the projected impact on safety and conservation outcomes of achieving this goal.**

Maryland Park Service Strategic Park Investment Plan Exposes Ongoing Funding and Other Resource Needs: The 2016 *Joint Chairmen’s Report* included a request by the budget committees for DNR, in consultation with relevant stakeholders, to develop and submit a *Strategic Park Investment Plan* that updated and expanded upon its *Five-Year Strategic Plan* completed in January 2013. The submitted *Strategic Park Investment Plan* updates the January 2013 *Five-Year Strategic Plan* but does not fully capture the spirit of the request. DNR notes that the status of the January 2013 *Five-Year Strategic Plan* recommendations reflects the fact that transfer tax revenue projections have not been fully met and outlines future funding, personnel, technology, and planning needs. **DLS recommends that DNR comment on what would be required to achieve a National Gold Medal Award from the National Recreation and Park Association, whether achieving such an award is a desirable goal, and how the hiring of the business development manager may facilitate the development of a *Strategic Park Investment Plan*.**

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete funding and positions for the aviation unit.	\$ 555,842	2.0
Total Reductions	\$ 555,842	2.0

Updates

Departmental Reorganization for Efficiency: DNR reorganized in fiscal 2017 based on the outcome of an efficiency evaluation. The reorganization involved abolishing the Boating Services unit and the Office of the Secretary’s Integrated Policy and Review program and moving the positions to other parts of the agency with full implementation by October 2016. As part of the reorganization, DNR renamed the Fisheries Service unit to be the Fishing and Boating Services. DNR notes that the reorganization is not expected to provide immediate cost savings, although the long-term expectation is that the reorganization will improve operational efficiency.

Harriet Tubman Underground Railroad State Park Opening Soon: The Harriet Tubman Underground Railroad State Park facility construction is nearly complete, and contractors have begun to install the internal interpretative exhibits. The grand opening events are planned for March 11 and March 12, 2017. Grand opening events showcase a re-enactment of Harriet Tubman’s life, *haikus*, a historian-led Underground Railroad tour, a talk by the visitor center’s historical consultant, and the design team’s insight on hidden symbolism in the visitor’s center and the surrounding landscape.

Mallows Bay – Potomac River National Marine Sanctuary Proposed: In October 2015, the National Oceanic and Atmospheric Administration (NOAA) announced its intent to designate the Mallows Bay as a Potomac River National Marine Sanctuary in order to help conserve nationally significant shipwrecks and related maritime heritage resources in Maryland. The public comment period opened January 9, 2017, and ends March 31, 2017. NOAA notes that the area is renowned for the remains of the 100 wooden steamships, known as the “Ghost Fleet,” which were built for the U.S. Emergency Fleet between 1917 and 1919 as part of the United States’ involvement in World War I. Four alternatives are being considered and NOAA’s preferred alternative is 52 squares miles of the Potomac River.

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Operating Budget Analysis

Program Description

The Department of Natural Resources (DNR) preserves, protects, enhances, and restores the State's natural resources for the use and enjoyment of all citizens. To accomplish this mission, DNR is structured into the programmatic units described below.

- ***Office of the Secretary:*** Provides leadership, public outreach, customer service, legislative, financial, administrative, information technology, and legal services.
- ***Forest Service:*** Manages the State forests and supports Maryland's forest and tree resources by providing private forestland management expertise, wildfire protection, and urban and community forestry assistance.
- ***Wildlife and Heritage Service:*** Provides technical assistance and expertise to the public and private sectors for the conservation of Maryland's wildlife resources, including the management of threatened and endangered species, game birds, and mammals, and the operation of over 123,000 acres of State-owned lands classified as Wildlife Management Areas.
- ***Park Service:*** Manages natural, cultural, historic, and recreational resources in parks across the State and provides related educational services.
- ***Land Acquisition and Planning:*** Administers diverse financial assistance programs that support public land and easement acquisitions and local grants and leads the preparation of the Maryland Land Preservation and Recreation Plan.
- ***Licensing and Registration Service:*** Operates seven regional service centers that assist the public with vessel titling and registration, off-road vehicle registration, commercial fishing licenses, and recreational hunting and fishing licenses.
- ***Natural Resources Police:*** Preserves and protects Maryland's natural resources and its citizens through enforcement of conservation, boating, and criminal law; provides primary law enforcement services for Maryland's public lands owned by DNR; and serves as the State's lead on maritime homeland security.
- ***Engineering and Construction:*** Provides engineering, project management, and in-house construction services.

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- ***Critical Area Commission for the Chesapeake and Atlantic Coastal Bays:*** Implements the cooperative resource protection program between the State and local governments in the 1,000-foot wide Critical Area surrounding the Chesapeake Bay by reviewing local development proposals, providing technical planning assistance to local governments, approving amendments to local plans, and providing grants for the implementation of 64 local critical area programs.
- ***Resource Assessment Service:*** Evaluates and directs implementation of environmental restoration and protection policy for tidal and nontidal ecosystems, ensures electricity demands are met at reasonable costs while protecting natural resources, and provides scientific assessments and technical guidance for the management of geologic and hydrologic resources.
- ***Maryland Environmental Trust:*** Negotiates and accepts conservation easements over properties with environmental, scenic, historic, or cultural significance and provides grants, loans, and technical assistance to local land trusts.
- ***Chesapeake and Coastal Service (formerly Watershed Services):*** Coordinates State efforts to restore and protect the Chesapeake and Atlantic Coastal Bays by providing technical assistance and financial resources to local governments, State government agencies, nonprofit organizations, and private landowners in order to restore local waterways and prepare for future storms and coastline changes. In addition, with the reorganization in fiscal 2017, the unit also administers the Waterway Improvement Program’s (WIP) capital projects – public boating access facilities and navigation channel dredging – and coordinates the Clean Marina Initiative and Pumpout Program.
- ***Fishing and Boating Services (formerly Fisheries Service):*** Manages commercial and recreational harvests to maintain sustainable fisheries and to optimize recreational and economic use of these resources. In addition, with the reorganization in fiscal 2017, the unit also oversees a State-owned marina and places regulatory markers and navigation aids in support of sustainable development, use, and enjoyment of Maryland waterways for the general boating public.

DNR’s mission, vision, and goals have changed in the fiscal 2018 allowance. **Exhibit 1** reflects these changes. The mission and vision have been more fully fleshed out while the goals have been reworded, shortened, and reduced by one, from six to five.

Exhibit 1
Managing for Results Parameters
Fiscal 2017-2018

<u>Parameter</u>	<u>Fiscal 2017</u>	<u>Fiscal 2018</u>
Mission	The Department of Natural Resources (DNR) preserves, protects, enhances, and restores Maryland’s natural resources for the wise use and enjoyment of all citizens.	DNR leads Maryland in securing a sustainable future for our environment, society, and economy by preserving, protecting, restoring, and enhancing the State’s natural resources.
Vision	To inspire people to enjoy and live in harmony with their environment.	In a sustainable Maryland, we recognize that the health of our society and our economy are dependent on the health of our environment. Therefore, we choose to act both collectively and individually to preserve, protect, restore, and enhance our environment for this and future generations.
Goals	<p>Goal 1. Accelerate the recovery of coastal resources through improved water quality.</p> <p>Goal 2. Healthy and productive Maryland watershed lands, ocean, estuaries, wetlands, streams, and rivers.</p> <p>Goal 3. Improve environmental literacy and motivate individuals and groups to take actions that benefit Chesapeake, coastal, and ocean resources.</p> <p>Goal 4. A conserved and managed statewide network of ecologically valuable private and public lands.</p> <p>Goal 5. Diverse outdoor recreation opportunities for Maryland citizens and visitors.</p> <p>Goal 6. Protect Maryland’s ecologically valuable lands and waters through effective project review, including permit applications, and policy strategies.</p>	<p>Goal 1. Healthy terrestrial ecosystems.</p> <p>Goal 2. Healthy aquatic ecosystems.</p> <p>Goal 3. Fiscal responsibility: efficient use of energy and resources and support of long-term economic prosperity.</p> <p>Goal 4. Citizen stewardship, outdoor recreation, and opportunities to take action.</p> <p>Goal 5. Vibrant communities and neighborhoods.</p>

Source: Department of Budget and Management

Performance Analysis: Managing for Results

The Managing for Results (MFR) analysis shows that (1) minority hiring is challenged by the low number of applicants; (2) the number of transient vessels visiting Somers Cove Marina is affected by storms; and (3) bear hunting expands in terms of participants and bears harvested.

1. Minority Hiring Challenged by Low Number of Applicants

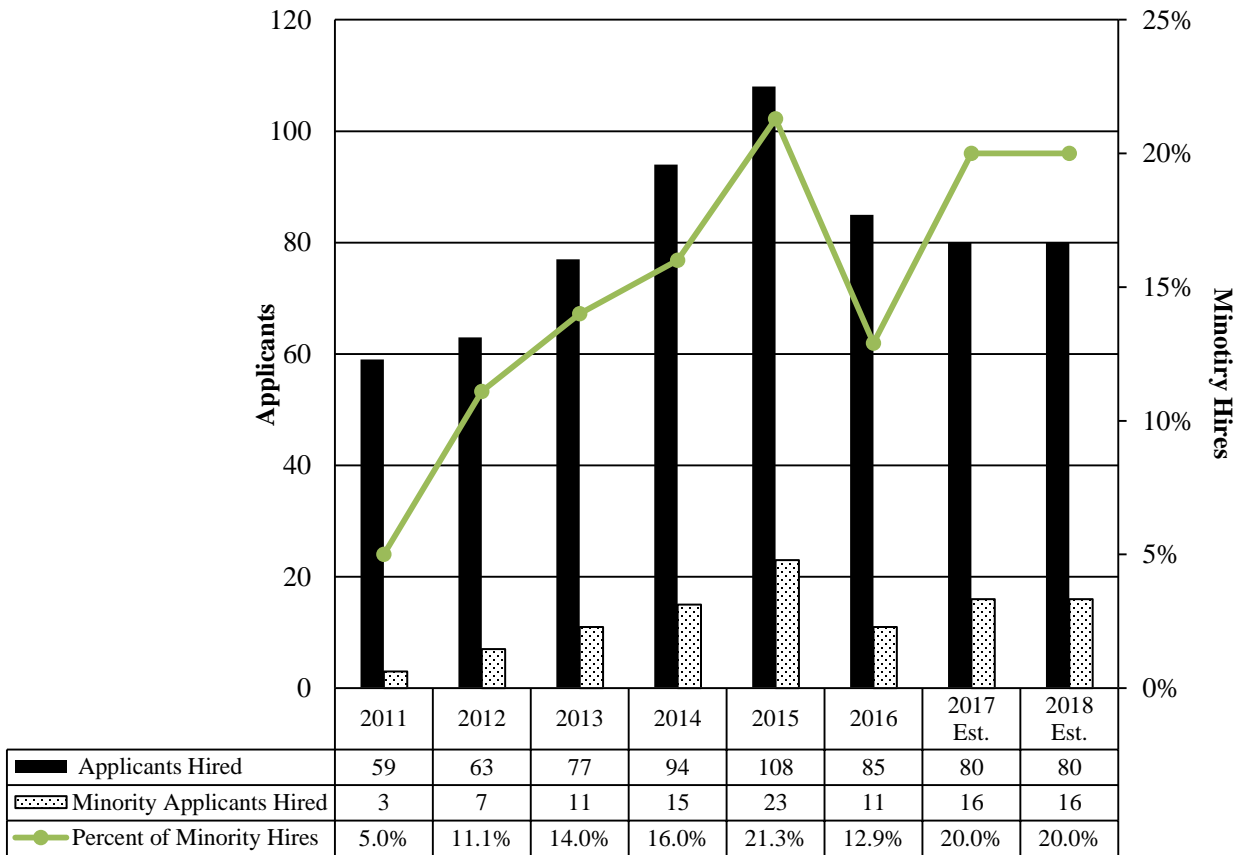
DNR has the goal of citizen stewardship, outdoor recreation, and opportunities to take action. This goal appears to be the closest to DNR's former goal to achieve a diverse workforce and efficient operations. In the Office of the Secretary – Human Resource Service, DNR has MFR measures of number of applicants hired, number of minority applicants hired, and percent of minority hires.

As shown in **Exhibit 2**, the percent of minority hires increased from 16.0% in fiscal 2014 to 21.3% in fiscal 2015 and then decreased to 12.9% in fiscal 2016. DNR notes that the number of hires in any year is fairly low and, therefore, small differences in the number of minority hires can affect the percentages. For instance, whereas in fiscal 2013, 2014, and 2015, the Natural Resources Police (NRP) hired an average of 16% minority officer candidates – between 3 and 4 officers per year – this number declined to only 1 minority candidate in fiscal 2016. In order to address this diversity issue, DNR notes that it is developing a Strategic Diversity and Inclusion Plan, which includes elements of recruitment outreach, internship development, and workforce development. Part of this plan includes the hiring of 1 long-term contractual full-term equivalent (FTE) diversity coordinator who will coordinate implementation of the plan. In addition, DNR notes that NRP has studied its recruitment practices and is developing a plan to improve minority hires.

2. Number of Transient Vessels Visiting Somers Cove Marina Affected by Storms

DNR also has formal MFR measures under the goal of citizen stewardship, outdoor recreation, and opportunities to take action. Under this goal, DNR has the objective to support the Maryland State Boat Act Advisory Committee in reviewing and implementing regulations affecting the equipment and operation of vessels in Maryland waters; ensure that State-owned and State-leased marina facilities remain viable; and oversee the completion of capital projects at these facilities to maximize slip occupancy and public access. The MFR measures include the cumulative number of transient vessels visiting the Somers Cove Marina.

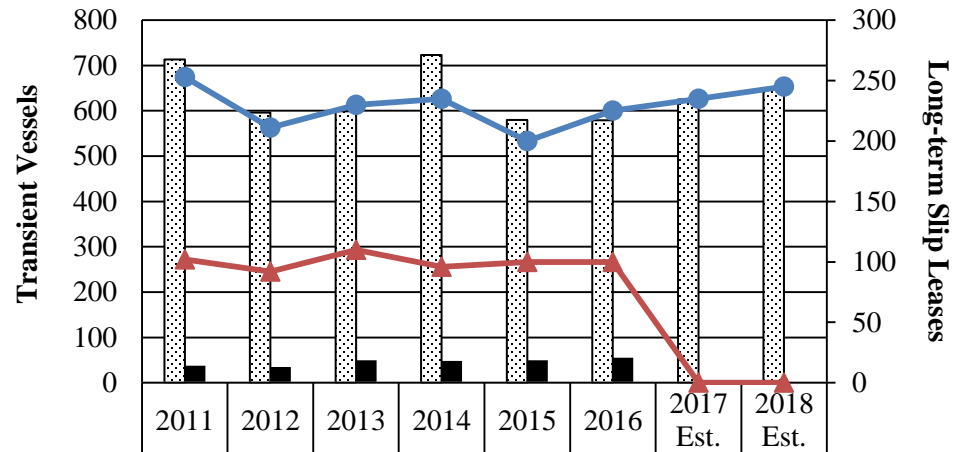
**Exhibit 2
Minority Hiring Challenges
Fiscal 2011-2018 Est.**







Source: Department of Budget and Management

Exhibit 3 shows that the number of transient vessels visiting the Somers Cove Marina decreased from 713 in calendar 2011 to 579 in calendar 2016. DNR notes that the major reason for the decrease in transient vessels was the impact of Hurricane Sandy, which caused significant damage to Crisfield and reduced its attractiveness to boaters traveling from elsewhere in the State. Similarly, DNR notes that in calendar 2016, the marina lost over 100 reservations scheduled for one weekend due to the threat from Hurricane Hermione despite a special event scheduled for that weekend that drew a strong response for reservations. Moving forward, DNR notes that an aggressive marketing plan has been put in place by the new executive director, which should increase the numbers in calendar 2017 and 2018. Of note, the State-leased Fort Washington Marina was returned to the National Park Service in October 2016.

**Exhibit 3
Somers Cove and Fort Washington Marinas Transient Vessels and
Long-term Slip Leases
Calendar 2011-2018 Est.**



	Cumulative Number of Transient Vessels Visiting the Facility: Somers Cove Marina	713	596	599	723	580	579	625	650
	Cumulative Number of Transient Vessels Visiting the Facility: Fort Washington Marina	38	35	50	48	50	55	0	0
	Cumulative Number of Long-term Slip Leases: Somers Cove Marina	253	211	230	235	200	225	235	245
	Cumulative Number of Long-term Slip Leases: Fort Washington Marina	102	92	110	96	100	100	0	0

Note: The Fort Washington Marina was returned to the National Park Service in October 2016.

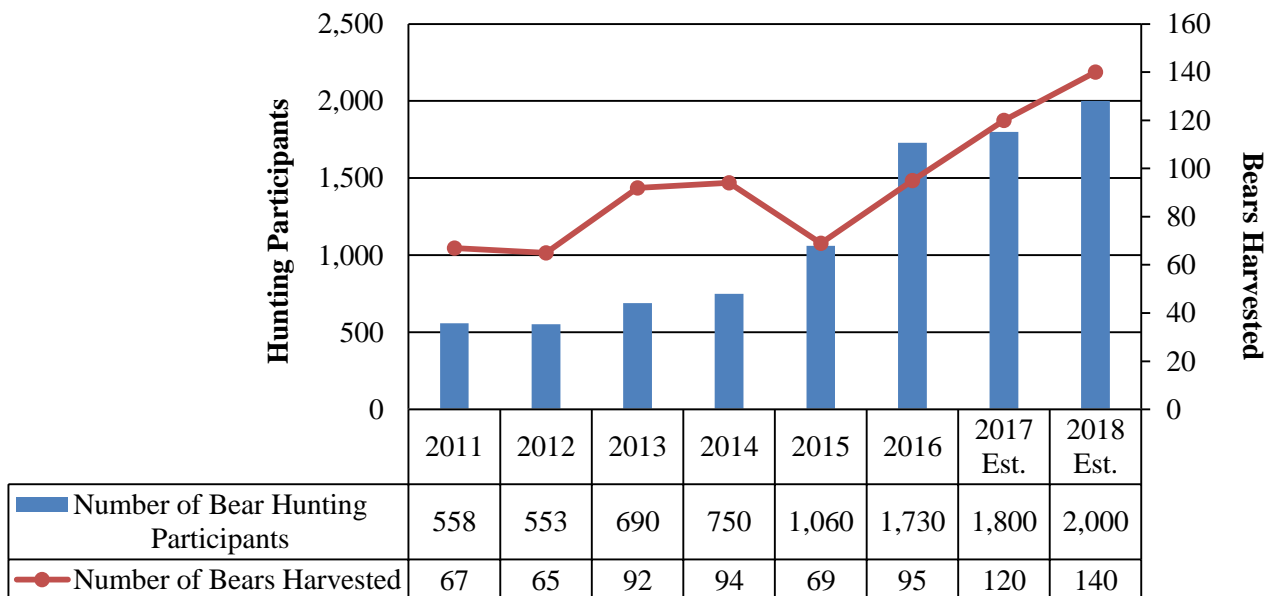
Source: Department of Budget and Management

3. Bear Hunting Expands in Terms of Participants and Bears Harvested

DNR has the goal of healthy terrestrial ecosystems. While there is no particular objective associated with it, DNR does have MFR measures for the number of bear hunting participants and the number of bears harvested. As shown in **Exhibit 4**, the number of bear hunting participants has increased from a low of 553 in fiscal 2012 to 1,730 in fiscal 2016, and the number of bears harvested

has increased from a low of 65 in fiscal 2012 to 95 in fiscal 2016. DNR notes that the Western Maryland bear population continues to increase. However, the number of bear hunting participants is controlled by the number of permits issued by DNR for a given season and, therefore, there is no potential for a drastic decline in the bear population due to legally permitted hunters. In addition, DNR notes that 167 bears were harvested during the 2016 season, which is assumed to be the fiscal 2017 season from October 24 to October 27, 2016. Finally, DNR notes that due to the eastern expansion of the population, it opened bear hunting in two additional counties, thus allowing hunting in four counties – Allegany, Frederick, Garrett, and Washington counties – and that it increased the number of permits from 500 permits in 2015 to 750 permits.

**Exhibit 4
Bear Hunting Expands
Fiscal 2011-2018 Est.**



Note: The Department of Natural Resources’ (DNR) official Managing for Results submission reflects the fiscal 2017 estimate of 120 bears harvested; however, DNR has provided an updated actual number of 167 bears harvested in fiscal 2017.

Source: Department of Budget and Management

Fiscal 2017 Actions

Three categories of actions impact the DNR fiscal 2017 budget: proposed deficiencies, November 2016 cost containment, and Section 20 position abolitions.

Proposed Deficiency

The Governor has submitted appropriations for the fiscal 2017 operating budget for five programs, which would increase DNR's appropriation overall by \$3,103,223 comprised of an increase of general fund appropriation by \$246,977, special fund appropriation by \$941,000, and federal fund appropriation by \$1,915,246. The appropriation changes would be as follows.

- **Forest Service:** An increase of \$441,000 in special funds from the Forest or Park Reserve Fund for county payments for timber and nontimber sales (\$300,000), two replacement tractors (\$113,700), and a failing water well at Ayton Tree Nursery (\$27,300);
- **NRP – General Direction:** An increase of \$520,450 in federal funds from the Department of Homeland Security's Port Security Grant Program for maritime law enforcement, tactical operators courses, and a patrol/response vessel;
- **NRP – Field Operations:** An increase of \$772,977 comprised of \$246,977 in general funds and \$526,000 in federal funds from the Department of Justice's Equitable Sharing Program for equipment replacement funded by High Intensity Drug Trafficking agreements with the Department of Justice and collective bargaining agreements/obligations;
- **Chesapeake and Coastal Service:** An increase of \$1,013,796 comprised of \$500,000 in Chesapeake and Atlantic Coastal Bays 2010 Trust Fund special funds and \$513,796 in federal funds from U.S. Department of Commerce – NOAA Coastal Zone Management Awards, Coastal Zone Management Estuarine Research Reserves, and Department of the Interior – Bureau of Ocean Energy Management Environmental Studies, and Sport Fish Restoration funding for innovative economic development approaches to oyster restoration and various Chesapeake and Atlantic Coastal Bays projects; and
- **Fishing and Boating Services:** An increase of \$355,000 in federal funds from the U.S. Department of the Interior – Fish and Wildlife Service's Sport Fish Restoration program for contractual services related to estuarine finfish ecological and habitat investigations and sport fish restoration activities.

Cost Containment

Cost containment of \$721,286 in general funds was allocated through the November 2, 2016 Board of Public Works (BPW) reductions. The reductions are shown in **Exhibit 5**.

Exhibit 5
BPW Cost Containment Actions
November 2, 2016

<u>Program</u>	<u>Action</u>	<u>Funding</u>
NRP – General Direction	Deferred replacement of three of six small vessels budgeted for fiscal 2017.	\$258,535
NRP – Field Operations	Reduced motor vehicle fuel spending in accord with prior spending levels.	190,496
Office of the Secretary – Finance and Administrative Services	Closed the Hollofield automobile shop operations and reallocated positions including the transfer of 1 automobile mechanic position from Finance and Administrative Services to the Maryland Park Service to be funded with special funds.	70,000
Power Plant Assessment Program	Reduced contracted expenditures.	50,000
Maryland Park Service – Statewide Operations	Swapped special funds for general funds.	47,999
Maryland Geological Survey	Used Waterway Improvement Fund special funds for relevant survey and mapping projects.	45,000
Monitoring and Ecosystem Assessment	Canceled contractual services provided by the University of Maryland Center for Environmental Science and instead used existing staff.	43,000
Office of the Secretary – Human Resource Service	Reassigned the duties of 1 contractual Americans With Disabilities Act coordinator position in the Equal Employment Opportunity Office at the end of calendar 2016 to engineering and construction staff.	16,256
Total		\$721,286

BPW: Board of Public Works
NRP: Natural Resources Police

Source: Department of Budget and Management; Department of Legislative Services

Section 20 Position Abolitions

Section 20 of the fiscal 2017 budget bill authorized the Governor to abolish 657 regular vacant positions, reduce general fund appropriations by at least \$20 million, and reduce special fund appropriations by at least \$5 million. On June 22, 2016, BPW abolished 15 DNR positions as shown in **Exhibit 6**. DNR notes that all 15 positions are vacant. The highest concentration of abolished

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positions is 6 NRP cadet positions. DNR notes that it attempted to comply with the requirements of the process by minimizing impacts to the agency but that there will be impacts as a result of the loss of the positions. The data provided by the Department of Budget and Management (DBM) indicates total salary funding of \$690,158 for the abolished positions while the agency reduction was only \$435,000 (\$285,000 in general funds and \$150,000 in special funds).

Exhibit 6
Section 20 Position Abolitions
June 22, 2016

<u>Program</u>	<u>Title</u>	<u>Fiscal 2017 Salary</u>	<u>Section 20 Reduction</u>	<u>Difference</u>
Office of the Secretary – Information Technology Service	Computer Information Services Specialist II	\$41,358		
Office of the Secretary – Information Technology Service	Computer Information Services Specialist II	41,358		
Office of the Secretary – Information Technology Service	Computer Information Services Specialist II	50,506		
Forest Service	Program Manager III	88,424		
Maryland Park Service – Statewide Operations	Park Ranger Captain	110,815		
Natural Resources Police – General Direction	Natural Resources Cadet	25,502		
Natural Resources Police – General Direction	Natural Resources Cadet	27,304		
Natural Resources Police – General Direction	Natural Resources Cadet	25,502		
Natural Resources Police – General Direction	Natural Resources Cadet	25,502		
Natural Resources Police – General Direction	Natural Resources Cadet	25,502		
Natural Resources Police – General Direction	Natural Resources Cadet	25,502		
Chesapeake and Coastal Service	Administrative Officer III	62,179		
Fisheries Service	Office Secretary II	34,795		
Fisheries Service	Administrator VI	60,543		
Fisheries Service	Administrative Officer I	45,366		
Total		\$690,158	\$435,000	\$255,158

Source: Department of Legislative Services

Proposed Budget

DNR’s fiscal 2018 adjusted allowance increases by \$0.5 million, or 0.2%, relative to the fiscal 2017 adjusted working appropriation, as shown in **Exhibit 7**. The changes by fund in Exhibit 7 reflect a \$1.2 million increase in general funds, an increase of \$2.4 million in special funds, a decrease of \$0.09 million in federal funds, and a \$3.1 million decrease in reimbursable funds. The major changes are a \$2.9 million decrease due to one-time fiscal 2017 deficiencies, a \$2.4 million decrease for boat purchases, and a \$1.7 million increase for vehicle purchases. General fund spending increases primarily as a result of the personnel expense and related expenses for 17 NRP candidates and 2 aviation unit positions, as well as to defray a reduction of Forest or Park Reserve Fund and Program Open Space (POS) administrative fee special funds in the Engineering and Construction program. Special fund spending increases due to the additional transfer tax special funds available in the Maryland Park Service (MPS) and now also the Forest Service based on the decision to provide this funding in fiscal 2018. Reimbursable fund spending decreases due to the timing of when the next installment of the M/V J.M. Tawes ice boat payment is received from the WIP pay-as-you-go (PAYGO) capital program. Changes in personnel funding are discussed first and then other changes.

Exhibit 7
Proposed Budget
Department of Natural Resources
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2016 Actual	\$56,152	\$142,937	\$28,529	\$12,009	\$239,627
Fiscal 2017 Working Appropriation	60,317	166,641	30,994	14,742	272,694
Fiscal 2018 Allowance	<u>61,560</u>	<u>169,077</u>	<u>30,909</u>	<u>11,607</u>	<u>273,154</u>
Fiscal 2017-2018 Amount Change	\$1,243	\$2,436	-\$85	-\$3,134	\$460
Fiscal 2017-2018 Percent Change	2.1%	1.5%	-0.3%	-21.3%	0.2%

Where It Goes:

Personnel Expenses

New Natural Resources Police candidate (17) and aviation unit (2) positions.....	\$789
Overtime earnings.....	624
Miscellaneous adjustments.....	613
Turnover adjustments.....	608
Reclassification.....	184
Shift differential.....	177
Social Security contribution.....	53
Accrued leave payout.....	52

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Where It Goes:

Other fringe benefit adjustments.....	6
Retirement contribution net of the contingent sweeper reduction	-7
Abolished Critical Area planner position.....	-102
Workers’ compensation	-675
Employee and retiree health insurance	-765
Salaries decrease for Section 20 funding and positions budgeted at base	-2,034

Other Changes

Land Resources and Enforcement

Vehicle purchases	1,699
Travel, computers, and uniforms for new Natural Resources Police candidates	380
Maryland Environmental Trust Grant.....	243
Maritime Law Enforcement Information Network grant funding	-552
Calvert County Gaming Tax Fund not budgeted in the Department of Natural Resources.....	-822
Boat purchases	-2,400

Aquatic Resources

Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grants.....	1,037
Chesapeake and Coastal Program contracts and interagency agreements	836
Waterway Improvement Program projects in Engineering and Construction	732
Offshore wind interagency agreement	-480

Mission Support

Contractual full-time equivalents increase by 55.81.....	1,657
Supplies and materials increases primarily in the Maryland Park Service	791
Heavy equipment replacement in the Maryland Park Service	365
State controlled subobjects	343
Other	-36
Fiscal 2017 deficiencies.....	-2,856

Total **\$460**

Note: Numbers may not sum to total due to rounding.

Personnel

Changes by Category

DNR's overall personnel expenditures decrease by \$477,219 in the fiscal 2018 adjusted allowance. The personnel changes are as follows.

- ***New NRP Candidate (17) and Aviation Unit (2) Positions:*** Funding increases by \$789,208 for 17 new NRP candidate positions in NRP – Field Operations and 2 new aviation unit positions – 1 pilot and 1 mechanic.
- ***Overtime Earnings:*** Overtime earnings increase by \$624,173, primarily in NRP – Field Operations.
- ***Miscellaneous Adjustments:*** There is an increase of \$612,970 in the fiscal 2018 allowance due to an adjustment in the Office of the Secretary – Information Technology Service.
- ***Turnover Adjustments:*** Turnover adjustments account for an increase of \$608,257 due to reduction in the turnover rate from 6.0% in the fiscal 2017 working appropriation to 5.47% in the fiscal 2018 allowance.
- ***Reclassification:*** Funding for reclassifications increases by \$184,410 across the agency.
- ***Shift Differential:*** There is an increase of \$176,500 for shift differential, primarily in NRP – Field Operations and NRP – General Direction.
- ***Social Security Contribution:*** Social Security contribution increases by \$53,208.
- ***Accrued Leave Payout:*** The fiscal 2018 allowance includes an increase of \$51,887 for accrued leave payout, primarily in MPS – Statewide Operation.
- ***Retirement Contribution Net of the Contingent Sweeper Reduction:*** There is a net decrease of \$7,481 for the retirement contribution, which reflects both the \$515,396 increase in DNR's budget and the \$522,877 across-the-board contingent reduction for a supplemental pension payment.
- ***Abolished Critical Area Planner Position:*** The fiscal 2018 allowance includes an abolished natural resources planner IV position in the Critical Area Commission, which is reflected as a \$102,374 decrease.
- ***Workers' Compensation:*** Workers' compensation decreases by \$675,307 in the fiscal 2018 allowance.

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- ***Employee and Retiree Health Insurance:*** There is a decrease of \$765,169 for employee and retiree health insurance.
- ***Salaries Decrease for Section 20 Funding and Positions Budgeted at Base:*** Regular earnings decrease by \$2,034,008 in the fiscal 2018 allowance. This reflects the abolition of 15 positions in fiscal 2017 as well as the budgeting of positions at the base level since a number of positions are being actively recruited, which sets the positions back to base. The budgeting of positions at the base level accounts for a greater reduction than might otherwise be the case because it reduces the increment funding for the vacant positions that was provided in fiscal 2017.

Other Changes

Overall, the nonpersonnel portion of DNR's fiscal 2018 adjusted allowance increases by \$0.9 million. The areas of change may be broadly categorized as land resources and management, aquatic resources, and mission support. The major changes are a \$2.9 million decrease due to one-time fiscal 2017 deficiencies, a \$2.4 million decrease for boat purchases, and a \$1.7 million increase for vehicle purchases. The nonpersonnel changes in DNR's fiscal 2017 budget are as follows.

Land Resources and Enforcement

- ***Vehicle Purchases:*** Vehicle purchase costs increase by \$1,698,950 in the following programs: Finance and Administrative Services – \$432,133 (\$701,927 special fund increase and \$269,794 general fund decrease); MPS – Statewide Operation – \$498,900 in special funds; and NRP – Field Operations – \$767,917 in general funds. For Finance and Administrative Services, DNR notes that its vehicle fleet is breaking down frequently and needs to be replaced. MPS vehicles increase by 18 in order to allow park rangers and maintenance staff to perform essential park functions. NRP vehicles will be used by the new candidates.
- ***Travel, Computers, and Uniforms for New NRP Candidates:*** Funding to equip the 17 new NRP candidates increases by \$379,700. This increase reflects \$144,000 in special funds for computers, \$133,700 in special funds for travel related to training, and \$102,000 in general funds for uniforms.
- ***Maryland Environmental Trust Grant:*** Funding increases by \$243,703 in reimbursable funds for the final year of a grant from the Civil War Trust received by the Maryland Environmental Trust.
- ***Maritime Law Enforcement Information Network Grant Funding:*** There is a decrease of \$552,366 in federal funds from the fiscal 2014 Port Security Grant for the final funding of the Maritime Law Enforcement Information Network.

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- ***Calvert County Gaming Tax Fund Not Budgeted in DNR:*** Overall, there is a net decrease in funding budgeted for Calvert County purposes by \$822,439. This reflects the deletion of funding budgeted for the Calvert County Gaming Tax Fund distributions, which is now budgeted in the Payments to Civil Divisions budget that is distributed from the Comptroller – a decrease of \$918,000 – which is offset partially by an increase in the distribution from the Calvert County Youth Opportunities Fund – an increase of \$95,561. The Calvert County Gaming Tax Fund included revenue distributions to the Boys and Girls Club of North Beach (\$50,000), North Beach (\$276,000), and Chesapeake Beach (\$592,000). The remaining funding for the Calvert County Youth Recreational Opportunities Fund provides for increased youth recreational opportunities in Calvert County from the State admissions and amusement tax on electronic bingo and electronic tip jars in Calvert County under Natural Resources Article Section 5-1901.
- ***Boat Purchases:*** Boat purchase funding decreases by \$2,400,000. This reflects the fact that \$2,000,000 in the WIP PAYGO capital special funds were provided in fiscal 2017 for the replacement of the M/V J.M. Tawes ice breaking boat but has not been provided yet in fiscal 2018 and the one-time purchase of a boat by NRP as part of the joint enforcement agreement with the National Oceanic and Atmospheric Administration (NOAA).

Aquatic Resources

- ***Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grants:*** The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund supported nonpoint source nutrient reduction programs receives an increase of \$1,036,769 for fiscal 2018.
- ***Chesapeake and Coastal Program Contracts and Interagency Agreements:*** The funding increases by a net of \$836,010 in federal funds as a result of a number of contract and interagency agreement changes in the Chesapeake and Coastal Service’s Chesapeake and Coastal Program. Some of the larger increases include \$662,695 for coastal and ocean work conducted by the University of Maryland and \$186,694 for coastal communities projects. Some of this work is funded by an increase of \$897,183 in Bureau of Ocean Energy Management Environmental Studies Program funding.
- ***WIP Projects in Engineering and Construction:*** There is an increase of \$731,500 in reimbursable funds in Engineering and Construction for work on WIP projects.
- ***Offshore Wind Interagency Agreement:*** There is a decrease of \$480,000 in reimbursable funds for an offshore wind interagency agreement with the University of Maryland since the project should be completed in fiscal 2017.

Mission Support

- ***Contractual FTEs Increase by 55.81:*** The contractual FTE count increases by 55.81 and accounts for an increase of \$1,656,936. The description of the changes is shown in **Exhibit 8**.

Exhibit 8
Contractual Full-time Equivalent Changes
Fiscal 2017-2018

<u>Unit/Program</u>	<u>Change</u>	<u>Description</u>
Office of the Secretary – Secretariat	-0.5	Reduction of 0.5 FTE due to not hiring a contractual employee to perform administrative duties during the legislative session.
Office of the Secretary – Finance and Administrative Services	-2.25	Reduction is due to a data entry error. The FTE count increases to hire a 1.0 FTE for a cash management contractual position and a 1.0 FTE for a data entry operator position.
Office of the Secretary – Human Resource Service	0.5	Increase of 0.5 FTE to hire an Americans with Disabilities Act coordinator.
Office of the Secretary – Information Technology Service	0.5	Increase of 0.5 FTE to assist with the increased workload for the 700 megahertz conversion and the Maritime Law Enforcement Information Network work at the Command Center.
Forest Service	6.42	Increase of 6.42 FTEs due to a new federal grant for the Conservation Reserve Program, a federal grant for the Fire Fighter Property/Federal Excess Program, and a reimbursable grant from the State Highway Administration to support trail projects.
Wildlife and Heritage Service	0.42	Increase of 0.42 FTEs due to shifting priorities with federal funds.
Maryland Park Service	48.4	Increase of 48.4 FTEs for seasonal staff throughout the State paid for by additional transfer tax revenue.
Land Acquisition and Planning	0.5	Increase of 0.5 FTEs to assist in the production and updating of trail maps/guide for the Department of Natural Resources lands.
Critical Area Commission	-0.6	Reduction of 0.6 FTE due to reduced funding for a Natural Resources Police planner intern.
Power Plant Assessment Program	0.8	Other.
Chesapeake and Coastal Service	0.5	Increase of 0.5 FTEs for a seasonal position in the Conservation Education Division to support the hooked on fishing programs.
Fishing and Boating Services	1.12	Increase of 1.12 FTEs to reflect slight increases in multiple FTEs.
Total	55.81	

FTE: full-time equivalent

Source: Department of Natural Resources

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- ***Supplies and Materials Increases Primarily in MPS:*** Supplies and materials costs increase by \$790,950, primarily in MPS – Statewide Operation.
- ***Heavy Equipment Replacement in MPS:*** There is an increase of \$365,109 in special funds in MPS – Statewide Operations for heavy equipment replacement due to the age and wear of equipment. This funding is intended to replace five pieces of heavy equipment such as dump trucks, backhoes, tractors, and stake bodies.
- ***Statewide Controlled Subobjects:*** Statewide controlled subobjects increase by \$343,163. The changes are as follows: increases for DBM paid telecommunications (\$290,107), Maryland Environmental Service charges (\$189,485), Department of Information Technology services allocation (\$89,103), Office of Administrative Hearings (\$35,324), Retirement administrative fee (\$31,770), Office of the Attorney General administrative fee (\$13,191), and Annapolis Data Center charges (\$7,587) are offset partially by decreases for the Enterprise Budgeting System (\$200,503) and Statewide Personnel System (\$112,901).
- ***Fiscal 2017 Deficiencies:*** There is a decrease of \$2,856,246 for fiscal 2017 deficiencies that are not currently reflected in DNR’s fiscal 2018 allowance.

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This agency’s share of these reductions is \$280,976 in general funds, \$211,378 in special funds, and \$30,523 in federal funds. This action is tied to a provision in the Budget Reconciliation and Financing Act (BRFA) of 2017.

Issues

1. Aviation Unit Reconstituting

DNR is reconstituting the aviation unit. The fiscal 2010 allowance reflected the deletion of the Aviation Unit – approximately \$406,000 in savings – within NRP and required disposal of the three helicopters and one fixed-wing airplane according to federal guidelines for two of the helicopters and Department of General Services’ guidelines for the remaining equipment and tools. DNR has since reacquired one of the helicopters from the Harford County Sherriff’s Office – the 1972 Bell Jet Ranger – and has budgeted funding in fiscal 2018 for 1 pilot and 1 mechanic as well other operating expenses. However, the legislature has stated its intent that the State Police fly DNR’s conservation and other missions, which is directly contravened by reconstituting the unit.

Background

The fiscal 2010 operating budget included cost containment actions deleting DNR’s Aviation Unit positions – NRP lieutenant, NRP chief pilot, and aviation mechanic chief inspector – and disposing of the three helicopters and one fixed-wing airplane used by the unit. Instead, an agreement was reached whereby the Maryland State Police (MSP) flies missions for NRP based on availability.

Flight request results in the fiscal 2015 budget analysis reflected the need to reconsider MSP’s ability to fly missions for NRP. NRP requested 78 missions in a sample fiscal year: 21 for search and rescue, 50 for conservation enforcement, 1 for prisoner extradition, 1 for pilot training in conservation enforcement, 4 for personal watercraft violations, and 1 for a flare search. Of these 78 missions, 36 were canceled for reasons such as insufficient support on the ground and inclement weather. These cancellations were primarily for the fixed-wing aircraft operated by MSP, which appeared to be experiencing maintenance concerns.

Concerns

There are three main concerns regarding DNR’s reconstituting its aviation unit as follows: the legislature has stated its intent that MSP fly missions for NRP; the budgetary costs of operating a 45-year-old helicopter far outweigh the benefits; and the use of a 45-year-old helicopter is an unacceptable risk for State employees and the public they serve given the availability of the state-of-the-art capacity of MSP helicopters. **The Department of Legislative Services (DLS) recommends that the funding and new positions for the Aviation Unit be deleted and that DNR continue to use MSP for flying missions.**

2. Legislative Intent for Maryland Park Service Budget Not Met

Chapter 389 of 2015 directed the Governor to include in the State budget an appropriation for MPS – from revenues in the Forest or Park Reserve Fund that are attributable to MPS operations – equal to (1) at least 60% of the revenues for fiscal 2016; (2) at least 80% of the revenues for fiscal 2017;

and (3) 100% of the revenues for fiscal 2018, and each fiscal year thereafter. The provisions require the percentages to be applied to the revenues in the Forest or Park Reserve Fund that are attributable to MPS operations less any amount of those revenues that are allocated for specified administrative costs.

Legislative intent is that DNR budget \$12,352,332 from the Forest or Park Reserve Fund for MPS in fiscal 2018. This reflects the \$14,200,000 revenue estimate minus the \$1,847,668 budgeted for administrative overhead in the Office of the Secretary. However DNR actually budgeted \$10,939,870 for MPS. Because the statute does not specify a dollar amount or an objective basis from which a level of funding can be computed, the Attorney General has determined that this is not a funding mandate.

DNR argues that appropriating current revenues and remaining fund balance is not good fiscal policy, and thus it did not comply with legislative intent in order to maintain some level of fund balance. Some cushion is advisable in case of lower revenues due to bad weather. **DLS recommends that a BRFA provision be adopted to require the department to budget MPS's two fiscal years preceding actual Forest and Park Reserve Fund own-sourced revenue.**

3. Forest Service Now Reliant on Transfer Tax Revenues

Chapter 2 of the first special session of 2007 (Budget Reconciliation Act) altered the distribution of POS funds. The bill specified that beginning in fiscal 2009, after the initial distribution of POS funds to the Maryland Heritage Areas Authority Financing Fund, the greater of \$21.0 million, or 20%, of remaining POS funds must be used each year to operate State forests and parks within DNR. The POS funding that is appropriated to local governments each year would be determined after this distribution. This provision was made contingent on the enactment of legislation imposing recordation and transfer taxes on the transfer of controlling interest in real property in Maryland (Chapter 3 of 2007 special session).

In recent years, the funding authorized for operating State forests and parks has been used solely to fund MPS. However, as noted previously, Chapter 389 directed the Governor to include in the State budget an appropriation for MPS – from revenues in the Forest or Park Reserve Fund that are attributable to MPS operations – equal to (1) at least 60% of the revenues for fiscal 2016; (2) at least 80% of the revenues for fiscal 2017; and (3) 100% of the revenues for fiscal 2018, and each fiscal year thereafter. This provision has reduced the availability of Forest or Park Reserve Fund revenue for the Forest Service. As a result, there has been an increasing reliance on general funds in the Forest Service.

In fiscal 2018, DNR has budgeted transfer tax funding for the Forest Service as authorized by Chapter 2. This has reduced Forest Service use of general funds from \$3,966,424 in fiscal 2017 to \$1,983,218 in fiscal 2018. In order to allow for this reduction, there is an increase of \$3,373,589 in transfer tax special funds that are budgeted in the Forest Service for the first time. DNR notes that the funding allocation of transfer tax special funds between MPS and the Forest Service was based on the relative financial situation of each unit and that future allocations will be similarly allocated, adjusted for any changes in the transfer tax revenue projections. However, this means that not only is MPS's budget reliant on the transfer tax, but now the Forest Service's budget is also similarly reliant. Any

substantial downward revisions in the transfer tax revenue estimate – based on housing market changes – would affect both units.

DLS recommends that DNR comment on the impact of having both MPS and the Forest Service reliance on the transfer tax given the possible volatility of this revenue source.

4. Natural Resources Police Falling Behind Staffing Goal

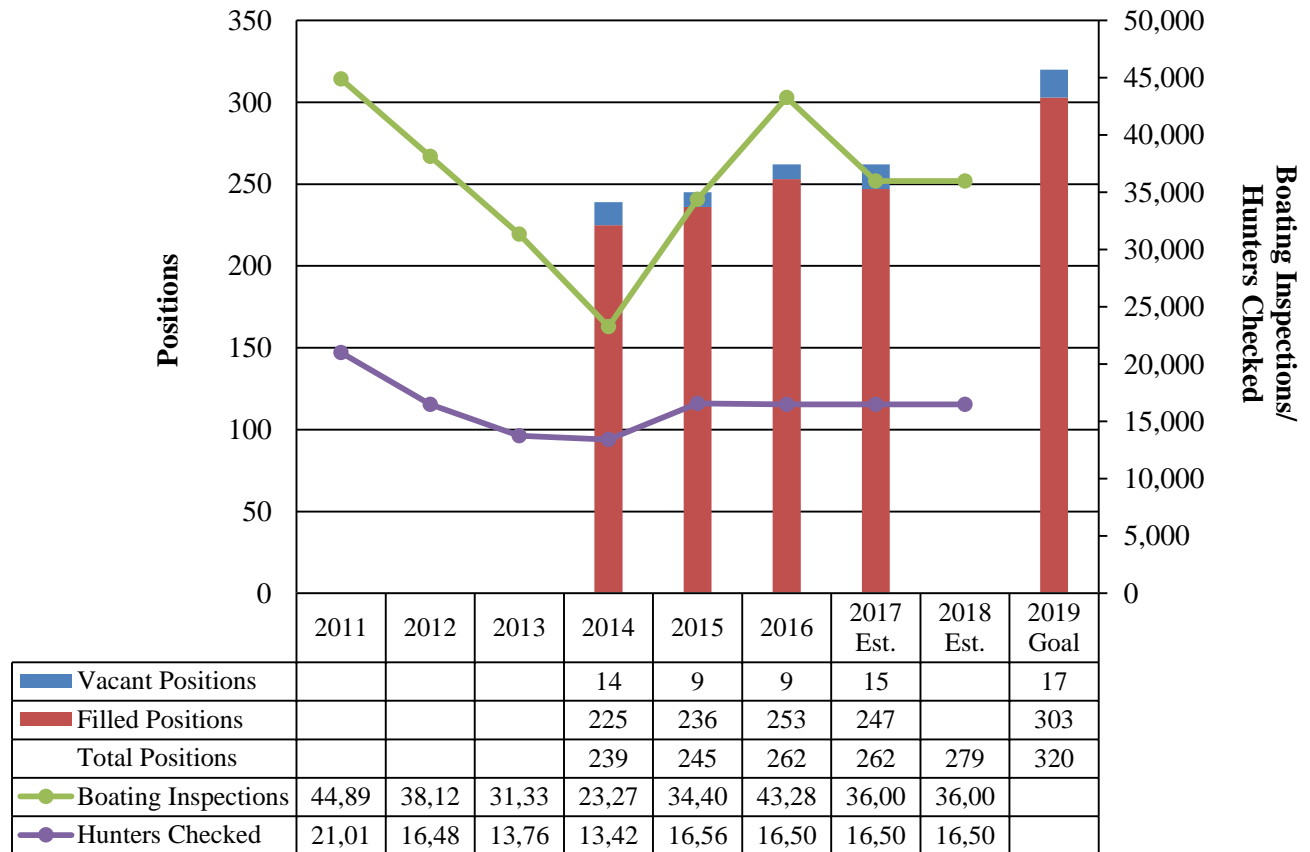
NRP has sole responsibility for conservation law enforcement across the State. However, it is not meeting the position goals laid out in the Maryland *NRP Strategic Plan (Fiscal Year 2015-2019)*. The strategic plan calls for an additional 75 law enforcement officer positions over five years from a base of 245 positions in fiscal 2015.

As shown in **Exhibit 9**, DNR will need to add another 41 positions to meet its goal by fiscal 2019, assuming that the 17 positions in the fiscal 2018 allowance are approved. Perhaps by meeting this goal, it will be able to increase enforcement of oyster sanctuaries and rockfish poaching. The goal of adding an additional 41 positions is challenged by the number of officers who retire, take medical leave, and are enrolled in the Deferred Retirement Option Program. For instance, the Deferred Retirement Option Program has the following mandated retirements: fiscal 2017 – 15 enrolled; fiscal 2018 – 9 enrolled; fiscal 2019 – 4 enrolled; and fiscal 2020 – 11 enrolled. In addition to fiscally straitened times, in which it will be difficult to fund new positions, DNR will also be faced with the need to fill its existing positions.

Meeting its NRP position goal will require DNR to have an academy class of 10 to 20 officers each year, which is possible given that DNR has had the following recent academy classes: fiscal 2014 – 21 graduates of 22 original officers; fiscal 2015 – 19 of 22 graduates; and fiscal 2016 – 27 of 30 graduates. In fact, NRP intends to hold an academy class on February 1, 2018. To keep the momentum, it would be helpful to increase DNR's hiring rate for NRP officers. This could take the form of using some kind of statewide open and continuous basic testing process and background check system so that existing NRP officers are not taken off patrols. DNR notes that it civilianized a training spot in its training unit in order to reduce the need for officer commitment to training in February 2014, uses outsourced training instructors when feasible, and has looked into changing the background investigation process – the most time consuming part of the hiring process – but cannot make any changes at this late date before the February 1, 2018 academy class.

DLS recommends that DNR comment on whether it will be able to meet the Maryland *NRP Strategic Plan (Fiscal Year 2015-2019)* goal of 320 positions by fiscal 2019 and the projected impact on safety and conservation outcomes of achieving this goal.

**Exhibit 9
Natural Resources Police Positions, Boating Inspections, and Hunters Checked
Fiscal 2011-2018 Est. and Fiscal 2019 Goal**



Note: A certain level of vacant positions are necessary to meet budgeted turnover.

Source: Department of Budget and Management; Department of Natural Resources

5. Maryland Park Service Strategic Park Investment Plan Exposes Ongoing Funding and Other Resource Needs

The 2016 *Joint Chairmen’s Report* included a request by the budget committees for DNR, in consultation with relevant stakeholders, to develop and submit a *Strategic Park Investment Plan* that updated and expanded upon its *Five-Year Strategic Plan* completed in January 2013. It was requested that the plan consider park fees and other revenues, park amenities, concession and income-generating activities, and expansion opportunities. In addition, it was requested that the plan identify funding

sources and a reasonable timeline to achieve full implementation of the plan in order to position Maryland’s parks to achieve a National Gold Medal Award from the National Recreation and Park Association. Finally, it was requested that the plan comment on how DNR is planning for future park accessibility needs by targeting properties for purchase and development that are adjacent to existing parks, and on how DNR is planning on keeping up with population growth in terms of providing a consistently high-quality experience for park visitors.

Background

The request was made in consideration of the significant contribution that State lands make to the health and wellbeing of Maryland’s citizens and wildlife and the recognition of the increasing contribution that these resources make to the economy of the State – serving as strong amenities attracting both businesses and residents, providing jobs, and encouraging outdoor recreation expenditures. The concern was that the park visitation has increased from 11.2 million in 2014 to over 12.0 million in 2015, which appears to have strained the park system given that during summer 2015, 15 State parks filled to capacity 122 times, and campground and cabin inventory was sold out.

Strategic Park Investment Plan

The submitted *Strategic Park Investment Plan* updates the January 2013 *Five-Year Strategic Plan* but does not fully capture the spirit of the request: identifying funding sources and a reasonable timeline to achieve full implementation of the plan in order to position Maryland’s parks to achieve a National Gold Medal Award from the National Recreation and Park Association. **Exhibit 10** shows the status of the January 2013 *Five-Year Strategic Plan*. DNR notes that the status of the recommendations reflects the fact that transfer tax revenue projections have not been fully met.

Exhibit 10 Status of the January 2013 *Five-Year Strategic Plan* As of November 2016

<u>Category</u>	<u>Recommendation</u>	<u>Status</u>
Staffing	Approve 70 additional positions (10 per year over fiscal 2015 to 2021); approve staff for the Harriet Tubman Underground Railroad State Park; approve \$5.6 million for seasonal contractual staff (fiscal 2015 to 2018); provide \$420,000 annually for Maryland Conservation Corps employees; approve 1 position to hire a business and marketing manager; approve \$3.5 million for seasonal park police force (fiscal 2015 to 2018); approve positions to separate management of	Waiting for the 70 additional positions but approved 3 contractual FTEs; approved Harriet Tubman Underground Railroad State Park positions; decreased seasonal staff expenditures by \$553,442 between fiscal 2014 and 2016; approved \$105,000 for Maryland Conservation Corps employees; hiring 1 business and marketing manager; waiting for funding for seasonal park force; waiting for positions for Southern Maryland

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<u>Category</u>	<u>Recommendation</u>	<u>Status</u>
	Southern Maryland Recreational Complex; approve 1 position to separate management of Elk Neck and Fair Hill by hiring a new park manager; approve 1 position for an assistant park manager at Rocks State Park; and approve positions to staff Newtowne Neck State Park.	Recreational Complex; repurposed 1 position from headquarters for Elk Neck and Fair Hill; waiting for Rocks State Park assistant park manager; and hired contractual FTE for Newtowne Neck State Park.
Vehicles, Supplies and Equipment	Provide \$4.6 million over fiscal 2015 to 2018 for vehicle replacement; \$2.2 million for supplies and materials; \$4.3 million for heavy equipment; and establish an emergency management fund of \$400,000 annually.	Funded 30 vehicles in fiscal 2015 for expenditure increase of \$184,000 between fiscal 2014 and 2016; decreased expenditures for supplies and materials by \$1.5 million; replaced seven pieces of heavy equipment in fiscal 2015 and expenditures increased \$189,000; and have not established an emergency maintenance fund due to limited resources.
Fiscal Sustainability	Develop park-based financial management systems to track cost recovery and revenue generating opportunities.	Recruiting 1 business and marketing manager who will fulfill this objective.
Capital Infrastructure	Work with MHT on funding restoration of historic sites; MEA on energy efficiency and alternative energy facility improvements; MES on a five-year strategic plan to fund water and wastewater upgrades; and DBM on prioritizing capital and critical maintenance projects to address the aging infrastructure and the \$40.0 million maintenance backlog.	Collaboration is ongoing with MHT on a strategic plan (received a \$100,000 grant to document historic structures); MEA (received a \$450,000 grant to implement energy improvements); MES (meeting annually to define priorities); and DBM (received an increase in critical maintenance funding in fiscal 2017 and decrease in natural resources development funding).
Strategic Planning	Develop a 10-year strategic plan to address needed master plan improvements and future expansion to meet visitation demands and customer service goals.	Under development. Individual park plans being developed will inform a State Park system strategic plan.

DBM: Department of Budget and Management
 FTE: full-time equivalent
 MEA: Maryland Energy Administration
 MES: Maryland Environmental Service
 MHT: Maryland Historical Trust

Source: Department of Natural Resources

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The report's recommendations are as follows:

- ***Capital Funding*** – retain the \$40 million funding commitment to the Natural Resources Development Fund and Critical Maintenance Program outlined in Chapter 10 of 2016 (POS – Transfer Tax Repayment – Use of Funds), develop a 10-year *Capital Improvement Program* for annual review and approval by DBM, and support Engineering and Construction unit positions;
- ***Business Manager*** – hire 1 business development manager to support public-private enterprise partnerships and corporate partnerships to improve fiscal sustainability and MPS's mission to keep parks affordable to the public;
- ***Visitor Access Preparation*** – amend the POS statute to allow up to 10% of land acquisition costs to be used to stabilize and improve new properties for safe visitor access;
- ***Wait Times*** – research a strategy to reduce the lines and wait times at busy parks, including a park pass for purchase at the time of vehicle registration, installation of E-ZPass readers, transition to a flat rate per vehicle charge for vehicles with more than two people, and investigate a day use reservation system for certain parks on busy weekends and holidays; and
- ***2013 Five-Year Strategic Plan Funding*** – continue working to fund the implementation of the 2013 *Five-Year Strategic Plan* by considering a modification of the transfer tax formula to allocate POS – State funding to MPS.

DLS recommends that DNR comment on what would be required to achieve a National Gold Medal Award from the National Recreation and Park Association, whether achieving such an award is a desirable goal, and how the hiring of the business development manager may facilitate the development of a *State Park Investment Plan*.

Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete funding and positions for the aviation unit. The Natural Resources Police has a Memorandum of Understanding with the Maryland State Police for flying missions; therefore, the aviation unit is unnecessary. In addition, the aviation unit was abolished as part of cost containment and, therefore, is not a fiscally sound addition to the State's budget.	\$ 555,842	GF	2.0
Total General Fund Reductions	\$ 555,842		2.0

Updates

1. Departmental Reorganization for Efficiency

DNR reorganized in fiscal 2017 based on the outcome of an efficiency evaluation. The reorganization involved abolishing the Boating Services unit and the Office of the Secretary's Integrated Policy and Review program and moving the positions to other parts of the agency. The reorganization was fully implemented by October 2016. As part of the reorganization, DNR renamed the Fisheries Service unit to be the Fishing and Boating Services. The personnel and function transactions were as follows:

- **Office of the Secretary – Integrated Policy and Review Program:** Of the 12.0 regular positions in the Integrated Policy and Review Program, 1.0 position stayed within the Office of the Secretary and 11.0 positions were transferred to the following programs: Resource Assessment Service (6.0), Chesapeake and Coastal Service (4.0), and MPS (1.0). The abolishing of the Integrated Policy and Review Program reflected that its role was not clear, there were vacant positions, and DNR units could more effectively use the positions directly in their units.
- **Boating Services:** The 40.0 regular positions and functions were transferred to Fishing and Boating Services (31.0) in order to consolidate the markers, buoys, and other hydrographic capabilities that are needed in that unit; the Chesapeake and Coastal Service (8.0) in order to combine synergistic programs like the Working Waterfront Program and the Clean Marina Program as well as to consolidate all work on beneficial use of dredged material; and the Office of the Secretary – Audit and Management Review (1.0).

DNR notes that the reorganization is not expected to provide immediate cost savings, although the long-term expectation is that the reorganization will improve operational efficiency.

2. Harriet Tubman Underground Railroad State Park Opening Soon

The Harriet Tubman Underground Railroad State Park facility construction is nearly complete, and contractors have begun to install the internal interpretative exhibits. The grand opening events are planned for March 11 to March 12, 2017. Grand opening events showcase a re-enactment of Harriet Tubman's life, *haikus*, an historian-led Underground Railroad tour, a talk by the visitor center's historical consultant, and the design team's insight on hidden symbolism in the visitor's center and the surrounding landscape.

3. Mallows Bay – Potomac River National Marine Sanctuary Proposed

In September 2014, the State of Maryland submitted a nomination for the Mallows Bay area of the Potomac River – about 40 miles south of Washington, DC – to be considered as a national marine sanctuary. In October 2015, NOAA announced its intent to designate the Mallows Bay as a Potomac River National Marine Sanctuary in order to help conserve nationally significant shipwrecks and related maritime heritage resources in Maryland. The public comment period opened January 9, 2017, and ends March 31, 2017. NOAA notes that the area is renowned for the remains of the 100 wooden steamships, known as the “Ghost Fleet,” which were built for the U.S. Emergency Fleet between 1917 and 1919 as part of the United States’ involvement in World War I.

Four alternatives are being considered for the proposed national marine sanctuary including a no-action alternative and three boundary alternatives ranging from 18 to 100 square miles. NOAA’s preferred alternative is 52 squares miles of the Potomac River. It would include more than 100 known and potential shipwrecks and reflect the heritage of the region’s Native American cultures and maritime battlefields from the Revolutionary and Civil Wars. Proposed sanctuary co-managers include NOAA, the State of Maryland, and Charles County.

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**Appendix 1
Current and Prior Year Budgets
Department of Natural Resources
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2016					
Legislative Appropriation	\$55,769	\$143,891	\$26,049	\$10,890	\$236,599
Deficiency Appropriation	0	1,114	2,158	0	3,272
Budget Amendments	1,152	5,836	4,409	4,427	15,825
Reversions and Cancellations	-769	-7,904	-4,088	-3,309	-16,069
Actual Expenditures	\$56,152	\$142,937	\$28,529	\$12,009	\$239,627
Fiscal 2017					
Legislative Appropriation	\$59,126	\$164,765	\$28,940	\$10,896	\$263,727
Cost Containment	-721	0	0	0	-721
Budget Amendments	1,666	935	138	3,846	6,585
Working Appropriation	\$60,070	\$165,700	\$29,078	\$14,742	\$269,591

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

The Department of Natural Resources' (DNR) general fund appropriation increased by \$383,186 as follows.

- **Budget Amendments:** An increase of \$1,152,136 comprised of the allocation of the funding in Section 48 of the fiscal 2016 budget bill that restored the 2% State salary reduction (\$718,000); allocation of the funding from the Department of Budget and Management (DBM) for implementing the provisions of the fiscal 2016 State Law Enforcement Officers Labor Alliance (SLEOLA) bargaining agreement (\$392,803); and realign appropriation between State agencies based on fiscal 2016 estimated expenditures for telecommunications as provided for in Section 17 of the fiscal 2017 budget bill (\$41,333).
- **Reversions:** A decrease of \$768,950 due to reversions in Natural Resources Police (NRP) – Field Operations (\$723,720), Office of the Secretary – Finance and Administrative Services (\$37,776), and other programs (\$7,454).

DNR's special fund appropriation decreased by \$954,498 as follows.

- **Deficiency Appropriation:** An increase of \$1,114,000 comprised of Land Acquisition and Planning program funding from the Calvert County Gaming Tax Fund that is increased by \$918,000 in special funds for revenue distributions to the Boys and Girls Club of North Beach (\$100,000), North Beach (\$226,000), and Chesapeake Beach (\$592,000) – this funding previously was not budgeted in the State budget but instead was paid directly by the Comptroller under Tax – General Article Section 2-202; and from the donations account for purchasing intelligence sharing-related equipment in NRP (\$196,000).
- **Budget Amendments:** An increase of \$5,835,843 due to budget amendments for contractual services related to the purchasing of shell and planting oysters in the Fisheries Service from the Oyster Tax Fund (\$1,118,576); for allocating the funding in Section 48 of the fiscal 2016 budget bill that restored the 2% State salary reduction (\$970,000); for covering Office of the Secretary contingent general fund reductions in administrative expenses allowed for by Chapter 489 using Waterway Improvement Fund (WIF) funding (\$875,000); for salary costs in the Office of the Secretary and Land Acquisition and Planning from transfer tax revenue authorized by Chapter 489 in order to allow an equivalent amount of Forest or Park Reserve Fund special fund revenue funding those programs to be available instead for the Maryland Park Service (MPS) (\$711,571); for hiring seasonal staff, additional equipment, and office supplies in MPS – Statewide Operations (\$600,000); for Phase II of the Maryland Outdoor Customer Service Delivery System information technology project in the Office of the Secretary – Information Technology Services (ITS) program (\$393,000); for covering salary and operating expenses for an agreement with the Chesapeake Research Consortium to provide integrated monitoring services and for salary expenses as part of agreements with the American Rivers, Center for Watershed Protection, Inc., Anacostia Watershed, and the Howard County Conservancy to conduct water sampling and monitoring work from the Donations Account (\$358,090); for

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reflecting greater than anticipated revenues from State Forest and Park operations related to timber sales in State forests that would be used for grant funding to local jurisdictions under the payment-in-lieu-of-taxes revenue sharing system for these revenues from the Forest or Park Reserve Fund (\$330,337); for replacing general fund cost containment in the Forest Service with the Forest or Park Reserve Fund special funds and in the Fisheries Service with the Fisheries Research and Development Fund special funds (\$245,000); for hiring seasonal workers and supplies in MPS – Revenue Operations program (\$150,000); for contractual services to complete construction of a pole barn for storage of supplies at the Pleasant Valley Forest Service Office (\$67,000); and for allocating the funding from DBM for implementing the provisions of the fiscal 2016 SLEOLA bargaining agreement to MPS (\$17,269).

- ***Cancellations:*** A decrease of \$7,904,341 primarily as a result of cancellations in Boating Services (\$1,341,564), Chesapeake and Coastal Service (\$1,285,070), Land Acquisition and Planning (\$1,238,373), Fisheries Service (\$957,126), Power Plant Assessment Program (\$498,589), MPS (\$469,395), and NRP – General Direction (\$404,251), and other programs (\$1,709,973).

DNR’s federal fund appropriation increased by \$2,479,852 as follows.

- ***Deficiency Appropriation:*** An increase of \$2,158,077 due to deficiency appropriations in the Chesapeake and Coastal Service for passive acoustic monitoring of marine mammals as part of offshore wind studies from the U.S. Department of the Interior – Bureau of Ocean Energy Management’s Environmental Studies Program and for assistance to local governments and communities for watershed planning and implementation efforts in the Chesapeake Bay watershed from the U.S. Environmental Protection Agency (EPA) – Chesapeake Bay Program funding (\$1,007,281); Wildlife and Heritage Service for managing Wildlife Management Areas conducting research studies and projects and purchasing a dump truck from the U.S. Department of the Interior – Fish and Wildlife Service’s Wildlife Restoration and Basic Hunter Education funding (\$673,796); and Forest Service expenses associated with grants for Emerald Ash Borer treatment, technical assistance to increase forest buffer restoration, and wildlife risk reduction using U.S. Department of Agriculture funding from the Farm Service Agency’s Conservation Reserve Program, Forest Service’s Cooperative Forestry Assistance, and Forest Service’s Forest Stewardship Program (\$477,000).
- ***Budget Amendments:*** An increase of \$4,409,399 due to budget amendments for contractual services related to nutrient reduction activities from the U.S. EPA – Chesapeake Bay Program and for implementation of Maryland’s Coastal Zone Management Program by covering salary expenses and contractual services from the U.S. Department of Commerce – NOAA’s Coastal Zone Management Administration Awards (\$1,857,648); for additional equipment, motor vehicles, and travel in NRP – General Direction related to protecting critical port infrastructure from terrorism using funding from the U.S. Department of Homeland Security’s Port Security Grant Program (\$1,210,767); for additional equipment supported by the Asset Forfeiture and Seizure Program aimed at High Intensity Drug Trafficking, for motor vehicles supported by the U.S. Department of Homeland Security – U.S. Coast Guard’s Boating Safety Financial

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Assistance funding, and for fishery law enforcement salaries supported by U.S. Department of Commerce – NOAA’s Financial Assistance for National Centers for Coastal Ocean Science funding (\$1,030,294); allocating the funding in Section 48 of the fiscal 2016 budget bill that restored the 2% State salary reduction (\$136,000); for salary expenses related to water data sampling and monitoring work in Monitoring and Ecosystem Assessment from the U.S. EPA – Chesapeake Bay Program (\$100,000); and for supporting salary expenses associated with assessing the hydrogeology of springs that support Kenk’s amphipod and the Hay’s Spring amphipod from the U.S. Department of the Interior – Fish and Wildlife Service’s Research Grants (Generic) and for salary expenses associated with the geologic mapping of the McHenry and Sang Run quadrangles from the U.S. Department of the Interior – U.S. Geological Survey’s National Cooperative Geologic Mapping funding (\$74,690).

- ***Cancellations:*** A decrease of \$4,087,624 as a result of cancellations in Wildlife and Heritage Service (\$1,270,298), NRP – General Direction (\$1,185,672), NRP – Field Operations (\$1,020,071), and other programs (\$611,583).

DNR’s reimbursable fund appropriation increased by \$1,118,900 as follows.

- ***Budget Amendments:*** An increase of \$4,427,478 from the Department of Information Technology’s (DoIT) Major Information Technology Development Project Fund to DNR’s ITS for the 700 megahertz project implementation plan to allow NRP to communicate with local jurisdictions and other State law enforcement agencies by purchasing P25 portable radios, radio consolettes for area offices, battery chargers and vehicle charging kits, and Key Variable Loaders for encryption (\$2,480,038); from the Maryland Department of Transportation – State Highway Administration to DNR’s Engineering and Construction from federal National Scenic Byways Program funding for an inter-departmental agreement to develop the Harriet Tubman Underground Railroad State Park (\$1,489,940); from the Maryland Energy Administration to DNR’s Power Plant Assessment Program for the development and application of an approach to identify and evaluate potential sites for distributed energy generation development in Maryland (\$300,000); from the Maryland Department of Planning – Maryland Historical Trust to DNR’s Engineering and Construction for an inter-departmental agreement on surveying and documenting historic structures owned and operated by DNR in State parks in the Eastern and Western regions (\$112,500); and from an internal transfer from DNR’s Chesapeake and Coastal Service to the Critical Area Commission for developing a local framework for Climate Change Adaptation Strategies for Critical Area Jurisdictions in order to integrate climate adaptation strategies into Critical Area regulations at the local jurisdiction level, develop a geographic information system model for siting green infrastructure, and develop buffer management plans to incorporate climate resilient principles (\$45,000).

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- **Cancellations:** A decrease of \$3,308,578 primarily as a result of cancellations in Chesapeake and Coastal Service (\$871,911), Maryland Environmental Trust (\$553,103), Maryland Geological Survey (\$470,926), Fisheries Service (\$346,165), Engineering and Construction (\$311,903), Monitoring and Ecosystem Assessment (\$274,294), MPS (\$201,153), and other programs (\$279,123).

Fiscal 2017

DNR's general fund appropriation increases by a net of \$944,427. The changes are as follows.

- **Cost Containment:** A decrease of \$721,286 due to cost containment. The cost containment was allocated through the November 2, 2016 Board of Public Works reductions that deferred replacement of three of six small vessels budgeted for fiscal 2017 in NRP – General Direction (\$258,535), reduced motor vehicle fuel spending in accord with prior spending levels in NRP – Field Operations (\$190,496), closed the Hollofield automobile shop operations and reallocated positions including the transfer of an automobile mechanic position from Finance and Administrative Services to MPS to be funded with special funds (\$70,000), reduced contracted expenditures in the Power Plant Assessment Program (\$50,000), swapped special funds for general funds in MPS – Statewide Operations (\$47,999), used WIF special funds for relevant survey and mapping projects in the Maryland Geological Survey (\$45,000), canceled contractual services provided by the University of Maryland Center for Environmental Science and instead used existing staff (\$43,000), and reassigned the duties of a contractual Americans With Disabilities Act coordinator position in the Equal Employment Opportunity Office at the end of calendar 2016 to Engineering and Construction staff (\$16,256).
- **Budget Amendments:** A net increase of \$1,665,713 due to budget amendments. The budget amendments increase appropriation for the allocation of the fiscal 2017 collective bargaining agreement with SLEOLA in MPS and NRP (\$2,022,094) and the allocation of fiscal 2017 increment funding as authorized in the fiscal 2017 budget bill (\$1,032,655). These increases are offset partially by the transfer of funding to DoIT related to 11 full-time equivalents transferred during calendar 2016 for the Information Technology Enterprise Initiative as authorized by Section 21 of the fiscal 2017 budget bill (\$1,389,036).

DNR's special fund appropriation increases by \$935,163 due to budget amendments. This includes fiscal 2017 increment funding as authorized in the fiscal 2017 budget bill (\$815,903) and for allocating the fiscal 2017 collective bargaining agreement with SLEOLA in MPS and NRP (\$119,260).

DNR's federal fund appropriation increases by \$137,935 by budget amendment. The budget amendment allocates fiscal 2017 increment funding as authorized in the fiscal 2017 budget bill.

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DNR's reimbursable fund appropriation increases by \$3,846,050 by budget amendment. The budget amendment transfers funding internally from WIF funds in order to fund the following programs: the Fisheries Service in order to replace the J.M. Tawes Ice Breaking Buoy Tender, provide for general maintenance and pier upgrades at Somers Cove Marina in Crisfield, and fund the Harris Creek oyster restoration correction project (\$2,350,000); Engineering and Construction for multiple statewide projects (\$1,268,500); NRP – General Direction for replacement of a patrol boat (\$142,000); and the Chesapeake and Coastal Service for stabilization of Tern, Mark 14, and Mark 12 islands for colonial water bird species and to reduce erosion, and for pond restoration for the Foster property at Pocomoke State Forest (\$85,550).

**Appendix 2
Object/Fund Difference Report
Department of Natural Resources**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,320.50	1,314.50	1,332.50	18.00	1.4%
02 Contractual	375.96	436.13	491.94	55.81	12.8%
Total Positions	1,696.46	1,750.63	1,824.44	73.81	4.2%
Objects					
01 Salaries and Wages	\$ 118,633,554	\$ 124,918,662	\$ 125,211,297	\$ 292,635	0.2%
02 Technical and Spec. Fees	10,572,122	12,114,777	13,771,713	1,656,936	13.7%
03 Communication	2,933,640	3,683,776	3,986,669	302,893	8.2%
04 Travel	522,332	546,051	683,691	137,640	25.2%
06 Fuel and Utilities	4,759,196	5,116,893	5,297,547	180,654	3.5%
07 Motor Vehicles	8,119,448	13,312,671	12,111,565	-1,201,106	-9.0%
08 Contractual Services	32,027,298	33,415,214	34,557,265	1,142,051	3.4%
09 Supplies and Materials	7,514,393	7,536,410	8,293,884	757,474	10.1%
10 Equipment – Replacement	4,184,285	1,548,885	1,638,852	89,967	5.8%
11 Equipment – Additional	1,437,008	1,217,355	1,102,584	-114,771	-9.4%
12 Grants, Subsidies, and Contributions	45,089,420	62,627,782	63,317,921	690,139	1.1%
13 Fixed Charges	3,605,040	3,206,589	3,358,069	151,480	4.7%
14 Land and Structures	228,821	345,502	345,502	0	0%
Total Objects	\$ 239,626,557	\$ 269,590,567	\$ 273,676,559	\$ 4,085,992	1.5%
Funds					
01 General Fund	\$ 56,151,847	\$ 60,070,273	\$ 61,841,077	\$ 1,770,804	2.9%
03 Special Fund	142,936,763	165,700,153	169,288,559	3,588,406	2.2%
05 Federal Fund	28,528,841	29,078,401	30,939,483	1,861,082	6.4%
09 Reimbursable Fund	12,009,106	14,741,740	11,607,440	-3,134,300	-21.3%
Total Funds	\$ 239,626,557	\$ 269,590,567	\$ 273,676,559	\$ 4,085,992	1.5%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 3
Fiscal Summary
Department of Natural Resources**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Office of the Secretary	\$ 19,823,171	\$ 17,343,658	\$ 17,264,218	-\$ 79,440	-0.5%
02 Forest Service	12,559,632	12,513,828	12,401,936	-111,892	-0.9%
03 Wildlife and Heritage Service	11,233,232	12,635,883	11,368,917	-1,266,966	-10.0%
04 Maryland Park Service	40,614,350	43,259,343	47,117,414	3,858,071	8.9%
05 Land Acquisition and Planning	4,719,746	6,010,917	5,256,506	-754,411	-12.6%
06 Licensing and Registration Service	3,643,145	3,724,579	3,820,491	95,912	2.6%
07 Natural Resources Police	41,068,104	47,795,265	48,866,035	1,070,770	2.2%
09 Engineering and Construction	6,096,616	7,215,988	7,557,650	341,662	4.7%
10 Critical Area Commission	2,033,333	2,083,141	2,003,313	-79,828	-3.8%
12 Resource Assessment Service	17,572,714	17,983,088	18,171,681	188,593	1.0%
13 Maryland Environmental Trust	844,294	1,376,172	1,616,368	240,196	17.5%
14 Chesapeake and Coastal Service	51,898,990	66,897,513	69,486,503	2,588,990	3.9%
17 Fishing and Boating Services	27,519,230	30,751,192	28,745,527	-2,005,665	-6.5%
Total Expenditures	\$ 239,626,557	\$ 269,590,567	\$ 273,676,559	\$ 4,085,992	1.5%
General Fund	\$ 56,151,847	\$ 60,070,273	\$ 61,841,077	\$ 1,770,804	2.9%
Special Fund	142,936,763	165,700,153	169,288,559	3,588,406	2.2%
Federal Fund	28,528,841	29,078,401	30,939,483	1,861,082	6.4%
Total Appropriations	\$ 227,617,451	\$ 254,848,827	\$ 262,069,119	\$ 7,220,292	2.8%
Reimbursable Fund	\$ 12,009,106	\$ 14,741,740	\$ 11,607,440	-\$ 3,134,300	-21.3%
Total Funds	\$ 239,626,557	\$ 269,590,567	\$ 273,676,559	\$ 4,085,992	1.5%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.