

K00A05
Department of Natural Resources – Capital

Capital Budget Summary

(\$ in Millions)

	<i>FY 2009 Approp.</i>	<i>FY 2010 Approp.</i>	<i>FY 2011 Allowance</i>	<i>FY 2011 Adjusted</i>	<i>% Change FY 2010-11 Adjusted</i>	<i>DLS Recommd.</i>
Program Open Space						
Land Acquisition and Local Program ¹	\$52.037	\$166.818	\$109.439	\$39.247	-76.5%	\$84.003
Natural Resources Development Fund ²	9.993	17.963	10.126	0.000	-100.0%	10.126
Critical Maintenance ³	4.000	1.250	9.736	3.150	152.0%	6.586
Dam Rehabilitation ⁴	0.500	1.900	0.150	0.000	-100.0%	0.150
Rural Legacy Program ⁵	13.468	11.812	40.910	17.637	49.3%	23.272
Ocean City Beach Maintenance ⁶	2.000	0.000	8.459	2.000	100.0%	7.459
Waterway Improvement Program ⁷	21.300	5.550	15.692	5.500	-0.9%	11.758
Community Parks and Playgrounds	5.000	5.000	2.500	2.500	-50.0%	2.500
Total	\$108.298	\$210.293	\$197.012	\$70.034	-66.7%	\$145.854
Fund Source						
Special	\$87.508	\$23.407	\$50.941	\$4.783	-79.6%	\$4.783
Federal	10.790	18.045	11.596	11.596	-35.7%	11.596
PAYGO Subtotal	\$98.298	\$41.452	\$62.537	\$16.379	-60.4%	\$16.379
Revenue Bonds	0.000	70.000	0.000	0.000	-100.0%	0.000
Go Bonds	10.000	98.841	134.475	53.655	-45.7%	129.475
Total	\$108.298	\$210.293	\$197.012	\$70.034	-66.7%	\$145.854

Note: The fiscal 2011 adjusted allowance reflects the removal of prior year bond replacement funding and assumes the contingent reduction. A contingent reduction of \$3,934,000 is assumed for the Waterway Improvement Program because the Budget Reconciliation and Financing Act of 2010 reflects the \$3,934,000 transfer to the general fund, although the operating budget bill does not show a contingent reduction.

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¹ Program Open Space (POS) – Land Acquisition and Local Program – the fiscal 2010 appropriation reflects (1) a reduction of \$1,217,000 due to the transfer of special funds to various State operating budgets for administrative expenses as allowed for in Chapter 487 of 2009; (2) \$4,660,662 in the federal fund appropriation brought in for easement and fee simple acquisitions; and (3) \$70 million in revenue bonds authorized by Chapter 419 of 2009. The fiscal 2011 adjusted allowance reflects the allowance without (1) \$41,789,000 in prior year general obligation (GO) bond replacement for POS local funds and \$2,967,000 in prior year GO bond replacement for POS State funds; and (2) \$25,435,838 in special funds for fiscal 2011 that are replaced with GO bonds.

² POS – Natural Resources Development Fund – the fiscal 2011 adjusted allowance reflects the allowance without \$10,126,000 in GO bonds which replace prior year fund balance transferred to the general fund.

³ POS – Critical Maintenance – the fiscal 2011 adjusted allowance reflects the allowance without (1) \$3,436,000 in prior year GO bond replacement; and (2) \$3,150,000 in special funds for fiscal 2011 that are replaced with GO bonds.

⁴ Dam Rehabilitation – the fiscal 2010 appropriation reflects \$1.4 million in federal fund appropriation for the Union Dam brought in via fiscal 2010 Supplemental Budget Number 2. The fiscal 2011 adjusted allowance reflects the allowance without \$150,000 in GO bonds which replace prior year fund balance transferred to the general fund.

⁵ Rural Legacy Program – The fiscal 2011 adjusted allowance reflects the allowance without (1) \$10,635,000 in prior year GO bond replacement; and (2) \$12,637,000 in special funds for fiscal 2011 that are replaced with GO bonds.

⁶ Ocean City Beach Maintenance – the fiscal 2010 appropriation reflects that no appropriations were made to the Ocean City Beach Maintenance Fund in fiscal 2010; however, there was a \$1,000,000 appropriation in the Department of Natural Resources' operating budget which was increased to \$5,300,000 for the periodic beach renourishment. The fiscal 2011 adjusted allowance reflects the allowance without (1) \$3,401,000 in prior GO bond replacement for the local share and \$2,058,000 for the State share; and (2) \$1,000,000 in State special funds for fiscal 2011 that are replaced with GO bonds.

⁷ Waterway Improvement Program – the fiscal 2010 appropriation reflects the August 26, 2009 Board of Public Works action that reduced the special fund appropriation by \$450,000. The fiscal 2011 adjusted allowance reflects the allowance without (1) \$6,258,000 in prior year GO bond replacement; and (2) \$3,934,000 in special funds for fiscal 2011 that are replaced with GO bonds.

Summary of Issues

Transfer Tax and Waterway Improvement Fund Revenues Diverted to the General Fund: State transfer tax revenues and Waterway Improvement Fund monies periodically were diverted to the general fund between fiscal 2003 and 2006 and again in fiscal 2010. In the fiscal 2011 allowance, transfer tax revenues and Waterway Improvement Fund monies are again directed to the general fund. **The Department of Legislative Services (DLS) recommends that the Department of Natural Resources (DNR) comment on whether any of the cashflow needs have changed for the programs that would have funding diverted to the general fund.**

Summary of Updates

Plans for Program Open Space Revenue Bonds: Program Open Space (POS) bonds of \$70 million were authorized as the Program Open Space Acquisition and Opportunity Loan of 2009 by Transfer Tax – Program Open Space Bonds – Land and Easement Acquisition (Chapter 419 of 2009).

Five-year Plan for Capital Development Projects Submitted: The budget committees requested a five-year plan for funding capital development projects, per the 2009 *Joint Chairmen’s Report*. DNR provided a proposed five-year *Capital Improvement Program* in a letter dated June 30, 2009. Of note, DNR states that in fiscal 2013, it will begin to use POS funding for water/wastewater projects carried out at DNR facilities by the Maryland Environmental Service.

Summary of Recommended Actions – PAYGO

<u>Program</u>	<u>Action</u>	<u>Amount</u>
1. POS – Land Acquisition and Local Program	Strike language and reduce	\$25,435,838 SF
2. POS – Critical Maintenance	Strike language and reduce	3,150,000 SF
3. Rural Legacy	Strike language and reduce	12,637,770 SF
4. Ocean City Beach Maintenance	Strike language and reduce	1,000,000 SF
5. Waterway Improvement Program	Reduce	3,934,000 SF
Total		\$46,157,608 SF

Summary of Recommended Actions – Bond

<u>Program</u>	<u>Action</u>	<u>Amount</u>
1. Program Open Space – Land Acquisition and Local Program	Approve	
2. Program Open Space – Natural Resources Development Fund	Approve	
3. Program Open Space – Critical Maintenance	Approve	
4. Program Open Space – Dam Rehabilitation	Approve	
5. Rural Legacy Program	Reduce	\$5,000,000
6. Ocean City Beach Maintenance	Approve	
7. Waterway Improvement Program	Approve	
8. Community Parks and Playgrounds	Approve	
9. Pre-authorize \$1,650,000 for the Harriet Tubman Underground Railroad State Park – Visitor Center and Site Improvements (Section 12 of 2010 Maryland Consolidated Capital Bond Loan).	Approve	
10. Add language to de-authorize \$5.1 million of the \$71.3 million authorized for Program Open Space State land acquisition attributable to the Smith Foster Furnace property (2009 Maryland Consolidated Capital Bond Loan).		
11. Add language to de-authorize \$100,000 of the \$4,000,000 authorized for Community Parks and Playgrounds attributable to the North County Park (2005 Maryland Consolidated Capital Bond Loan).		

Overview

In the Governor's budget, DNR's fiscal 2011 capital program as introduced includes \$50.9 million in special funds, \$11.6 million in federal funds, and \$134.5 million in general obligation (GO) bonds. The overall change between fiscal 2010 and 2011 is a reduction of \$13.3 million. However, there are three distortions in the change between fiscal 2010 and 2011: replacement of prior year fund balances transferred to the general fund, contingent reductions both with and without GO bond replacement, and the projected one-time fiscal 2010 revenue bond issuance in Program Open Space (POS) – Land Acquisition and Local Program.

Fund Balance Transfer

The Governor's proposed Budget Reconciliation and Financing Act (BRFA) of 2010 transfers \$147.5 million of State transfer tax prior year unexpended fund balances, \$42.2 million of State transfer tax fiscal 2011 revenues, \$12.5 million of Waterway Improvement Fund prior year unexpended balances, and \$3.9 million of Waterway Improvement Program fiscal 2011 revenues for a total transfer of \$206.2 million. As introduced, the fiscal 2011 capital budget replaces all \$46.2 million of fiscal 2011 revenues and replaces \$77.4 million of the prior year unexpended fund balances. The \$77.4 million in GO bond funding that would partially replace the transferred fund balances will not, therefore, support new spending for projects and thus distorts the change between fiscal 2010 and 2011.

Contingent Reductions

The operating budget bill includes reductions for transfer tax revenue-funded programs contingent on the enactment of legislation that transfers the special funds to the general fund. The BRFA of 2010, in turn, transfers the special funds to the general fund contingent on the replacement of fiscal 2011 revenues with GO bonds. The fiscal 2011 capital budget bill as introduced replaces the fiscal 2011 special fund transfers with GO bonds. Therefore, a portion of the special funds reflected in the fiscal 2011 allowance are double counted because they are already replaced by GO bonds in the fiscal 2011 capital budget.

Projected Revenue Bond Issuance

Chapter 419 of 2009 authorized a one-time issuance of up to \$70 million in revenue bonds backed by future State transfer tax revenues. Since this authorization was provided as a mechanism for replacing \$70 million of POS fund balance transferred to the general fund in the BRFA of 2009, this distorts the level of fiscal 2010 funding and the change between fiscal 2010 and 2011.

Exhibit 1 reflects the changes in DNR's capital programs between fiscal 2010 and 2011 with the contingent reductions and without the prior year fund balance replacements.

**Exhibit 1
DNR Capital Budget Changes by Fund
Fiscal 2010-2011 Adjusted
(\$ in Millions)**

<u>Program</u>	<u>Fund</u>	<u>2010</u>	<u>FY 2011 Adjusted</u>	<u>Difference</u>
POS – Land Acquisition and Local Program	GO	\$0.0	\$25.4	\$25.4
	SF	18.9	2.7	-16.1
	FF	6.7	11.1	4.4
	Subtotal	\$25.5	\$39.2	\$13.7
POS – Natural Resources Development Fund	GO	\$9.0	\$0.0	-\$9.0
	SF	0.0	0.0	0.0
	FF	9.0	0.0	-9.0
	Subtotal	\$18.0	\$0.0	-\$18.0
POS – Critical Maintenance	GO	\$1.3	\$3.2	\$1.9
	SF	0.0	0.0	0.0
	Subtotal	\$1.3	\$3.2	\$1.9
POS – Dam Rehabilitation	GO	\$0.5	\$0.0	-\$0.5
	SF	0.0	0.0	0.0
	FF	1.4	0.0	-1.4
	Subtotal	\$1.9	\$0.0	-\$1.9
Rural Legacy Program	GO	\$11.8	\$17.6	\$5.8
	SF	0.0	0.0	0.0
	Subtotal	\$11.8	\$17.6	\$5.8
Ocean City Beach Maintenance	GO	\$0.0	\$1.0	\$1.0
	SF	0.0	1.0	1.0
	Subtotal	\$0.0	\$2.0	\$2.0
Waterway Improvement Program	GO	\$0.0	\$3.9	\$3.9
	SF	4.6	1.1	-3.5
	FF	1.0	0.5	-0.5
	Subtotal	\$5.6	\$5.5	-\$0.1
Community Parks and Playgrounds	GO	\$5.0	\$2.5	-\$2.5
	Subtotal	\$5.0	\$2.5	-\$2.5
	Total	\$69.0	\$70.0	\$1.0

DNR: Department of Natural Resources
FF: federal fund

GF: general fund
GO: general obligation

POS: Program Open Space
RB: revenue bond

Note: The fiscal 2010 amount for POS – Land Acquisition and Local Program reflects the removal of \$71.3 million in GO bonds that replaced prior year funds transferred to the general fund and the proposed \$70.0 million revenue bond issuance. The fiscal 2011 adjusted amount reflects the removal of prior year bond replacement funding and assumes the contingent reduction. A contingent reduction of \$3,934,000 is assumed for the Waterway Improvement Program because the Budget Reconciliation and Financing Act of 2010 reflects the \$3,934,000 transfer to the general fund, although the operating budget bill does not show a contingent reduction.

Source: Department of Legislative Services

Aquatic Life Restoration Program

The Aquatic Life Restoration Program is not funded in the fiscal 2011 capital budget and is not included in the funding projections of either the 2009 *Capital Improvement Program* (CIP) or the 2010 CIP. However, there is a substantial amount of federal funding programmed in DNR's operating budget as a result of the federal disaster designation for the soft and peeler crab industry, and the Governor has begun an initiative to promote oyster aquaculture, which mitigates the elimination of funding for the Aquatic Life Restoration Program. Over time, the Aquatic Life Restoration Program has had a couple of names. First, it was titled the Oyster Restoration Program. Then it was created anew as the Habitat Restoration and Aquaculture Development Program at the end of the 2008 legislative session. Most recently it was called the Aquatic Life Restoration Program and received final funding in the fiscal 2010 capital budget.

Transfer Tax Revenue Projection Rebounds

Transfer tax revenues are projected to rise in fiscal 2011 and continue to do so in the out-years. This will mean an increase in revenue for a number of environmental programs. However, the fiscal 2011 allowance, similar to the fiscal 2010 allowance, diverts transfer tax revenues to the general fund, although all of the fiscal 2011 funding is replaced with GO bonds. As shown in **Exhibit 2**, the fiscal 2011 budgeted revenue estimate is 30.6% greater than the fiscal 2010 estimate. However, the underattainment from fiscal 2009, which impacts fiscal 2011, is greater than the underattainment that impacts fiscal 2010; therefore, the net available for allocation changes only by \$16.5 million between the two years.

Exhibit 2
Distribution of Transfer Tax Revenues to Programs and GO Bond Replacement
Fiscal 2008-2011
(\$ in Millions)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues				
Budgeted Revenue Estimate	\$188.58	\$166.30	\$114.74	\$149.89
Less Administrative Expenses	-5.66	-4.99	-3.44	-\$4.50
Attainment Adjustment	75.50	-51.96	-35.05	-52.64
Net Available for Allocation	\$258.43	\$109.35	\$76.25	\$92.76
Allocations				
Program Open Space				
POS Bonds Debt Service	\$0.00	\$0.00	\$0.00	\$6.80
POS Local	95.60	18.59	6.15	0.00
Forest and Park Service	0.00	21.00	21.00	21.00
Heritage Areas Authority	3.00	3.00	3.00	3.00
POS State Land Acquisition	61.76	20.87	10.57	0.00
POS State Rural Legacy	8.00	8.00	0.00	0.00
POS State Capital Development	24.64	9.52	0.00	0.00
POS State Park Operating	1.20	1.20	1.20	1.20
POS Subtotal	\$194.21	\$82.18	\$41.92	\$32.00
Other Allocations				
Additional State Land Acquisition	\$2.58	\$1.09	\$1.98	\$2.72
Agricultural Land Preservation	44.06	18.64	0.00	4.00
Rural Legacy Additional	12.92	5.47	0.00	0.00
Heritage Conservation Fund	4.65	1.97	1.37	0.00
Other Subtotal	\$64.22	\$27.17	\$3.35	\$6.72
Total Transfer Tax Allocations	\$258.43	\$109.35	\$45.27	\$38.72
GO Bond Replacement				
POS State	\$0.00	\$0.00	\$0.00	\$11.41
POS Local	0.00	0.00	0.00	12.35
POS State Rural Legacy	0.00	0.00	8.00	8.00
POS State Capital Development	0.00	0.00	6.16	4.15
Agricultural Land Preservation	0.00	0.00	13.00	11.81
Rural Legacy Additional	0.00	0.00	3.81	4.64
Heritage Conservation Fund	0.00	0.00	0.00	1.67
Total GO Bond Replacement	0.00	0.00	30.97	54.04
Total Funding	\$258.43	\$109.35	\$76.25	\$92.75

GO: general obligation

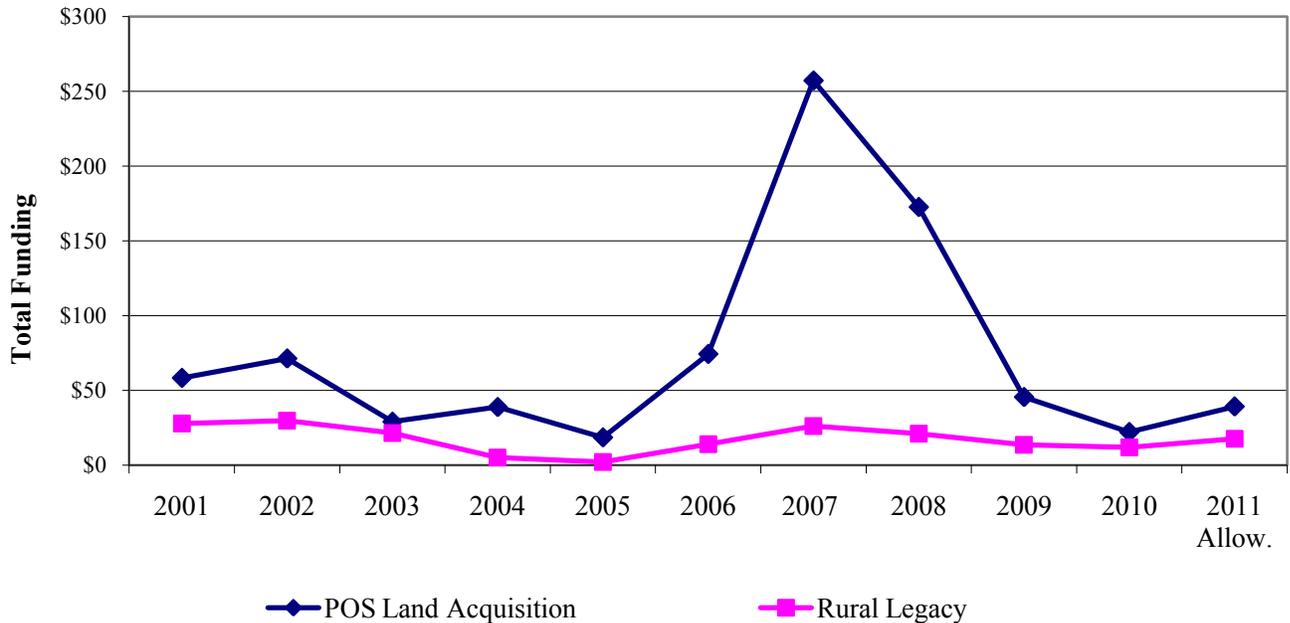
POS: Program Open Space

Note: The fiscal 2011 additional State land acquisition amount of \$2.72 million under the “Other Allocations” heading refers to the Baltimore City Direct Grant of \$1.5 million and the \$1.217 million available for operating expenses as authorized by the Budget Reconciliation and Financing Act of 2009.

Source: Fiscal 2008-2011 Operating and Capital Budgets, Department of Budget and Management

Exhibit 3 reflects an uptick in land conservation funding between fiscal 2010 and 2011 as a result of the increase in the estimate for transfer tax revenues.

Exhibit 3
Land Conservation Funding Trends
Fiscal 2001-2011
(\$ in Millions)



POS: Program Open Space

Note: The POS Land Acquisition reflects the State and local share as well as the Baltimore City Direct Grant, Heritage Conservation Fund, and any additional funding for Baltimore City. The fiscal 2010 funding for POS Land Acquisition is shown without the \$71.3 million in prior year fund balance replacement with general obligation (GO) bonds and the \$70.0 million revenue bond authorization. The fiscal 2011 funding for POS Land Acquisition and Rural Legacy are shown without the prior year fund balance replacement with GO bonds.

Source: Department of Legislative Services

Property transfer tax revenue estimates have been adjusted upward slightly for fiscal 2010 over the past year. Fiscal 2009 is now estimated to be at the bottom of the downward trend with revenues increasing in fiscal 2010 through 2016 as shown in **Exhibit 4**. The first revenue overattainment in a couple of years may occur in fiscal 2012.

Exhibit 4
Property Transfer Tax Revenue Projections
Fiscal 2009-2016
(\$ in Millions)

<u>Fiscal Year</u>	<u>December 2007 Estimate</u>	<u>December 2008 Estimate</u>	<u>December 2009 Estimate</u>
2009	\$166.3	\$121.5	\$113.7
2010	181.4	114.7	116.5
2011	184.0	121.4	149.9
2012	187.5	130.0	169.2
2013	191.5	135.4	176.2
2014	n/a	138.1	190.8
2015	n/a	n/a	201.3
2016	n/a	n/a	208.5

Source: Maryland Office of the Comptroller

Overview Issues

1. Transfer Tax and Waterway Improvement Fund Revenues Diverted to the General Fund

2009 Session Transfer Tax Diversion

State transfer tax revenues of \$172.3 million were directed to the general fund during the 2009 legislative session: \$70.0 million in POS State land acquisition unencumbered funds, \$71.3 million in fiscal 2009 POS State land acquisition funding, and \$31.0 million in fiscal 2010 transfer tax revenues. All but the \$70.0 million in POS State land acquisition unencumbered funds were replaced with GO bond authorizations. Instead, during the 2009 legislative session, separate legislation authorized the issuance of \$70.0 million of POS revenue bonds for which debt service is paid from the State transfer tax and which may be seen as a replacement of the \$70.0 million in POS State land acquisition unencumbered funds. However, only \$65,242,489 of the up to \$70.0 million transfer was effectuated because of outstanding incidental costs borne by the Department of General Services and a delay in the de-encumbering of funds from prior projects.

2010 Session Transfer Tax and Waterway Improvement Fund Transfers

As introduced, the BRFA of 2010 authorizes the following:

- Section 11 (June 30, 2010) – transfer \$13,509,450 in unexpended funds from the Waterway Improvement Fund to the general fund;
- Section 12 (June 30, 2010) – transfer \$153,073,000 in unexpended funds from the Program Open Space local share (\$103,113,000), POS Capital Development (\$22,700,000), Rural Legacy Program (\$10,635,000), Maryland Agricultural Land Preservation Program (\$10,000,000), POS State land acquisition (\$4,567,000), and POS Capital Development – Ocean City Beach Replenishment (\$2,058,000);
- Section 13 (June 30, 2011) – transfer \$3,934,000 in Waterway Improvement Fund revenues to the general fund;
- Section 14 (June 30, 2011) – \$54,035,000 in fiscal 2011 transfer tax revenues including POS State land acquisition (\$13,082,000), POS local share (\$12,352,000), Rural Legacy Program (\$12,637,000), POS Capital Improvements (\$4,150,000), and Maryland Agricultural Land Preservation Foundation (\$11,814,000) contingent on the creation of an equivalent amount of general obligation debt; and
- Section 21 (June 30, 2010) – \$4,459,496 of POS State land acquisition funding representing the final component of a provision in the BRFA of 2009 authorizing the transfer of up to \$70,000,000 to the general fund.

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The Governor's fiscal 2011 capital budget replaces fully all fiscal 2011 revenue transfers with GO bonds. In addition, the fiscal 2011 capital budget and 2010 CIP phase in the replacement of prior year unexpended fund balances between fiscal 2011 and 2013. The only funding that is not completely replaced with GO bonds at some point is \$2.4 million of the POS – Natural Resources Development Fund. This is because the unexpended balance reflects projects that have been completed or came in under budget. **Exhibit 5** shows the proposed transfers and replacement schedule. **DLS recommends that DNR comment on how it is going to manage the cash flow needs of the programs and projects, in particular how local balance transfers will be managed to limit the disruption and delay in local reimbursements for valid expenditures presented for payment.**

Exhibit 5
Proposed Fund Transfers and Multi-year General Obligation Bond Replacement Plan
(\$ in Millions)

<u>Program</u>	<u>Transfers</u>			<u>Fund Replacement</u>				<u>Total Amount of Fund Transfers to Be Replaced in the CIP</u>
	<u>Prior Special Fund Balance</u>	<u>FY 2011 Special Funds</u>	<u>Total Transfers</u>	<u>FY 2011 Special Funds Replaced in FY 2011</u>	<u>Prior Funds Replaced in FY 2011</u>	<u>Prior Funds Replaced in FY 2012</u>	<u>Prior Funds Replaced in FY 2013</u>	
POS – Local	\$103,113,000	\$12,352,000	\$115,465,000	\$12,352,000	\$41,789,000	\$29,041,000	\$32,283,000	\$115,465,000
POS – Capital Development	22,700,000	3,150,000	25,850,000	3,150,000	13,712,000	4,713,000	1,465,000	23,040,000
Rural Legacy	10,635,000	12,637,000	23,272,000	12,637,000	10,635,000	0	0	23,272,000
POS – Stateside (Section 12)	4,567,000	13,082,000	17,649,000	13,082,000	2,967,000	1,600,000	0	17,649,000
Waterway Improvement Pgm	12,515,000	3,934,000	16,449,000	3,934,000	6,258,000	6,257,000	0	16,449,000
POS – Stateside (Section 21)	4,459,496	0	4,459,496	0	0	0	0	0
POS – Ocean City Beach Replenishment	2,058,000	1,000,000	3,058,000	1,000,000	2,058,000	0	0	3,058,000
Total	\$160,047,496	\$46,155,000	\$206,202,496	\$46,155,000	\$77,419,000	\$41,611,000	\$33,748,000	\$198,933,000

POS: Program Open Space

Source: Department of Budget and Management

Program Open Space – Land Acquisition and Local Program (Statewide)

GO Bonds	\$70,190,000	Recommendation:	Strike language and reduce \$25.4 million in special funds
PAYGO SF	\$28,152,737		
PAYGO FF	\$11,096,000		

Bill Text: Provide funds for the purchase of conservation easements and acquisition of land.

Program Description: Title 5, Subtitle 9 of the Natural Resources Article established Program Open Space (POS) for the purpose of expediting the acquisition of outdoor recreation and open space areas and provision of recreation facilities before land is devoted to other purposes. The POS appropriation has historically been split between the State and local government. While both State acquisitions and local grants fund projects that protect open space and provide recreation facilities, State acquisitions tend to place a greater emphasis on natural resource management. State POS funds are allocated for State land acquisition, capital improvements, critical maintenance, and operations. Local recreation and parks departments use local POS funds for acquisition, development, and planning projects.

Primary funding for POS has historically been provided by the State transfer tax of 0.5% of the consideration paid for the transfer of real property from one owner to another. The greater the development pressure, the more transfers, and thus the more transfer tax revenue realized for land conservation and recreation facilities. In some years, other funding sources such as bond funds and the federal Land and Water Conservation Fund have played an important role in funding this program, as transfer tax revenues have been diverted to the general fund to cover general fund budget shortfalls.

POS administers the Heritage Conservation Fund, which is used to acquire land that provides habitat for rare, threatened, and endangered species through easement or fee simple purchase. In recent years, these funds have been used to protect Bog Turtle habitat and forest dwelling species in Western Maryland. The fund is supported by 1.8% of the annual transfer tax revenue.

POS – Land Acquisition and Local Program Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
PAYGO SF	\$42.547	\$18.857	\$28.153	\$77.450	\$81.650	\$87.600	\$93.000
PAYGO FF	9.490	6.661	11.096	2.000	2.000	2.000	2.000
GO Bonds	0.000	71.300	70.190	30.641	32.283	0.000	0.000
Revenue Bonds	0.000	70.000	0.000	0.000	0.000	0.000	0.000
Total	\$52.037	\$166.818	\$109.439	\$110.091	\$115.933	\$89.600	\$95.000

Note: The fiscal 2010 appropriation reflects (1) a reduction of \$1,217,000 due to the transfer of special funds to various State operating budgets for administrative expenses as allowed for in Chapter 487 of 2009; (2) \$4,660,662 in the federal fund appropriation brought in for easement and fee simple acquisitions; and (3) \$70 million in revenue bonds authorized by Chapter 419 of 2009. The fiscal 2011 allowance reflects (1) \$41,789,000 in prior year general obligation (GO) bond replacement for Program Open Space (POS) local funds and \$2,967,000 in prior year GO bond replacement for POS State funds; and (2) \$25,435,838 in special funds for fiscal 2011 that are replaced with GO bonds.

The POS Land Acquisition and Local Program fiscal 2011 allowance includes \$28.2 million in transfer tax special funds, \$11.1 million in federal funds, and \$70.2 million in general obligation (GO) bonds for a total of \$109.4 million. However, as noted in the overview, there is only \$39.3 million in new funding due to the replacement of prior year fund balance transfers to the general fund and the contingent reduction of transfer tax special funds. The five-year *Capital Improvement Program* (CIP) projects the following: increasing transfer tax special funds; level federal funds; GO bond authorizations for 2012 and 2013, reflecting programmed replacement of fund balance transfers included in the Budget Reconciliation and Financing Act (BRFA) of 2010; and no new revenue bond issuances.

The one major change in the fiscal 2010 appropriation since the fiscal 2010 legislative appropriation is a budget amendment that brought in \$4.6 million for a number of new property purchases. Originally, the Department of Natural Resources (DNR) brought in the budget amendment with an additional \$5.1 million in federal fund appropriation in order to reimburse the State for the purchase of the Smith Foster Furnace property. The budget committees approved the budget amendment without the \$5.1 million federal fund appropriation for the Smith Foster Furnace property in order to be able to ensure that the \$5.1 million in federal fund appropriation was used for its intended purpose.

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The Smith Foster Furnace property was purchased by the State for \$14.4 million in special funds. The funding for the project was then replaced with GO bonds as part of the BRFA of 2009. As a result, the receipt of federal reimbursement allows for the de-authorizing of \$5.1 million in GO bonds and the reprogramming of this funding for a new purpose. **The Department of Legislative Services (DLS) recommends that (1) \$5.1 million in GO bonds authorized for the purchase of the Smith Foster Furnace property be de-authorized and reprogrammed in the 2010 Maryland Consolidated Capital Bond Loan; and (2) DNR submit a budget amendment for the \$5.1 million federal appropriation.**

As illustrated in **Exhibit 6**, the fiscal 2011 adjusted allowance provides a total of \$39.2 million: \$2.7 million in transfer tax special funds, \$25.4 million in GO bonds, and \$11.1 million in federal funds. The remaining special funds are divided as follows: \$1.5 million for the Baltimore City Direct Grant to be used for park operation and maintenance in Baltimore City; and \$1.217 million for operating expenses in State agency budgets connected with POS as allowed for by the BRFA of 2009 (for fiscal 2010 and 2011 only). The GO bonds authorized would replace the majority of the special funds and be allocated as follows: \$10.0 million for State programs; \$1.4 million in additional funding for Baltimore City; \$12.4 million for local land conservation and recreation programs; and \$1.7 million for the Heritage Conservation Fund. The \$11.1 million in federal funds are allocated to the State POS program and reflect more aggressive pursuit of federal funding by DNR.

Exhibit 6
Program Open Space Fiscal 2011 Adjusted Allowance with Contingent
Reductions and without Prior Year General Obligation Bond Replacement

	Transfer Tax Special Funds	General Obligation Bonds	Federal Funds	Total
POS – State Share				
Land Acquisition	\$0	\$10,013,000	\$11,095,962	\$21,108,962
Baltimore City Direct Grant	1,500,000	1,400,000	0	2,900,000
Operating Expenses	1,217,000	0	0	1,217,000
POS – Local Share				
Land Acquisition/Development	0	12,352,000	0	12,352,000
Heritage Conservation Fund				
		1,669,000	0	1,669,000
Total	\$2,717,000	\$25,434,000	\$11,095,962	\$39,246,962

POS: Program Open Space

Note: This chart excludes critical maintenance, capital development, Ocean City beach maintenance, and dam repair funds. In addition, \$6.8 million in POS debt service payments for the projected issuance of \$70.0 million in revenue bonds is budgeted in Public Debt.

Source: Governor's Budget Books, Fiscal 2011

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The fiscal 2011 POS State allowance for land acquisitions is reduced by \$2.6 million due to an increased allocation to Baltimore City of \$1,400,000 and the reduction of \$1,217,000 that is to be redirected for operating expenses, although DNR has not included this funding in its operating budget yet.

The allocation from the State share of POS funds to Baltimore City totals \$2.9 million. This amount includes the required State direct grant amount of \$1,500,000 and an additional \$1.4 million for projects. The Baltimore City projects are as follows:

- Waterfront Park – \$1.0 million; and
- Ballfields for at-risk youth programs – \$0.4 million.

As shown in **Exhibit 7**, the fiscal 2011 allowance provides \$21.1 million for State land acquisition, which is an increase from fiscal 2010.

Exhibit 7
Program Open Space State Land Conservation
Fiscal 2004-2011
(\$ in Millions)

<u>Fiscal Year</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Revenue Bonds</u>	<u>GO Bonds</u>	<u>Total</u>
2004	\$0.0	\$1.0	\$0	\$12.7	\$13.7
2005	0.0	1.0	0	0.0	1.0
2006	23.1	2.0	0	0.0	25.1
2007	111.0	2.0	0	0.0	113.0
2008	70.8	2.0	0	0.0	72.8
2009	20.5	1.5	0	0.0	22.0
2010	8.3	6.6	0	0.0	14.9
2011		11.1	0	10.0	21.1

GO: general obligation

Note: The fiscal 2010 funding reflects the \$1.575 million increase in State land acquisition going to the Baltimore City direct grant and the contingent reduction of \$1.217 million diverted to operating expenses. The fiscal 2011 funding reflects the additional funding of \$1.4 million going to Baltimore City, the diversion of \$1.217 million for operating expenses, the contingent reduction of \$25.4 million in special funds, and the removal of \$41.8 million in prior year GO bond replacement.

Source: Governor's Budget Books, Fiscal 2005-2011

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POS has contributed a substantial amount of funding for open space acquisition and development over time. **Exhibit 8** shows the amount of historical POS local allocations and the current unexpended amount for each county. The \$144.2 million unexpended balance reflects the availability of funding for the proposed \$103.1 million transfer to the general fund. The percentage of current unexpended funding as a function of historical allocation is highest for Carroll County at 35.7% and lowest for Harford County at 5.3%.

Exhibit 8
Program Open Space Local
Historical Allocation vs. Unexpended Balance
Fiscal 1970-2010

<u>County</u>	<u>Current Unexpended</u>	<u>Historical Allocation</u>	<u>Current Unexpended as a Percent of Historical Allocation</u>
Allegany	\$1,135,532	\$9,262,411	12.3%
Anne Arundel	17,578,027	101,611,408	17.3%
Baltimore	14,132,455	113,871,544	12.4%
Calvert	904,188	9,233,768	9.8%
Caroline	486,570	3,931,380	12.4%
Carroll	7,824,539	21,909,921	35.7%
Cecil	654,705	11,250,674	5.8%
Charles	6,913,518	19,855,920	34.8%
Dorchester	581,846	3,653,736	15.9%
Frederick	6,090,011	22,811,243	26.7%
Garrett	637,731	4,629,748	13.8%
Harford	1,796,711	33,748,144	5.3%
Howard	4,041,514	56,375,665	7.2%
Kent	866,504	2,655,398	32.6%
Montgomery	23,295,440	155,155,018	15.0%
Prince George's	29,589,487	129,961,032	22.8%
Queen Anne's	388,677	5,924,845	6.6%
St. Mary's	1,894,324	10,390,790	18.2%
Somerset	334,400	2,546,732	13.1%
Talbot	375,042	6,215,059	6.0%
Washington	2,380,172	17,454,445	13.6%
Wicomico	3,103,735	11,810,594	26.3%
Worcester	2,084,887	11,053,717	18.9%
Baltimore City	17,071,773	77,524,093	22.0%
Total	\$144,161,786	\$842,837,285	17.1%

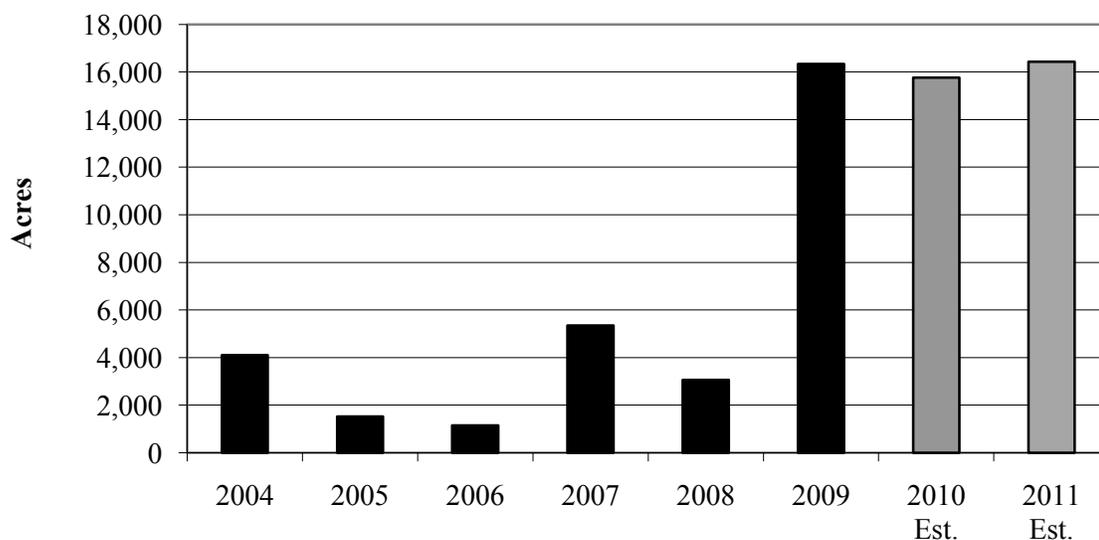
Note: The current unexpended balances reported are as of January 20, 2010. The historical allocation of \$46,440,136 in Baltimore City Direct Grants to Baltimore City from the Program Open Space State allocation is not reflected above.

Source: Department of Natural Resources; Department of Legislative Services

POS – Land Acquisition and Local Program Analysis and Performance

As illustrated in **Exhibit 9**, there was a substantial increase in the POS acquisition acres approved by the Board of Public Works in fiscal 2009. This primarily reflects two large purchases: the Maryland Province properties (4,474 acres) and the Smith Foster Furnace property (4,769). DNR estimates that this level of activity will be sustained in fiscal 2010 and 2011.

Exhibit 9
POS Acquisition Acres Approved by the Board of Public Works
Fiscal 2004-2011



POS: Program Open Space

Source: Governor's Budget Books, Fiscal 2006-2011

Location is even more important than how many acquisition acres were approved. **Exhibit 10** shows the POS projects from February 1, 2009, to January 30, 2010. The exhibit shows that, of the 16 properties, all but 2 are in the targeted ecological area – the main focus area for POS purchases – and 7 are in an annual focus area.

Exhibit 10
Program Open Space Projects
February 1, 2009, through January 30, 2010

<u>Project Name</u>	<u>Region/Area</u>	<u>BPW Date</u>	<u>BPW Amount</u>	<u>Incidentals</u>	<u>Fee Simple Acres</u>	<u>Easement Acres</u>	<u>POS Target Score</u>	<u>Targeted Ecological Area</u>	<u>Annual Focus Area</u>
Sturgis Farm/Public Landing LLC	Eastern/Coastal Bays	3/23/2009	\$1,820,000	\$22,040		60.00	83	Yes	Coastal Bays
Gardiner	Western/Cunningham Falls SP	4/13/2009	527,192	19,145	57.00		87	Yes	No
Larimore/Vienna Greenbelt	Eastern/Nanticoke River	4/13/2009	120,000	1,745	1.45		52	Yes	Nanticoke/ Marshyhope
John W Nickoles	Central/Morgan Run NEA	4/13/2009	530,000	13,258	52.97		57	No	No
Facchina Family Farm	Southern/Nanjemoy	4/13/2009	800,000	32,766	226.39		125	Yes	Nanjemoy
FY 2009 Totals			\$3,797,192	\$88,954	337.81	60.00			
Beauchamp/Pocomoke River	Eastern/Pocomoke	7/2/2009	\$393,938	\$406	290		93	Yes	No
Oldfields School	Central/Gunpowder SP	7/20/2009	1,065,983	22,952	90.00		60	No	No
DAMZ Haven/Pocomoke River	Eastern/Pocomoke	8/10/2009	627,500	300		313.75	97	Yes	Pocomoke/ Dividing Cr
Kline	Western/Billmeyer WMA	10/13/2009	206,625	5,658	50.00		87	Yes	Green Ridge
Besley & Rogers/Ellis Bay WMA	Eastern/Nanticoke River	10/21/2009	3,297,000	136,107	1,043.00		116	Yes	Nanticoke/ Marshyhope
TNC Miller/Wolf Swamp	Western/Savage River	12/8/2009	365,625	26,921	243.75		137	Yes	No
Thomas Miller	Western/Green Ridge SF	12/8/2009	75,000	345	20.00		114	Yes	Green Ridge
Newman/Wolf Swamp	Western/Savage River	12/8/2009	11,000	3,930	25.66		104	Yes	No
Frank & Joyce Warren	Eastern/Pocomoke	1/11/2010	899,000	25,110	290.00		112	Yes	No
John Denning	Western/Youghiougheny River	1/11/2010	117,614	4,300	10.23		102	Yes	No
Donald & Francis Storck	Western/Youghiougheny River	1/25/2010	609,000	9,402	41.32		108	Yes	No
FY 2010 Totals			\$7,668,285	\$235,431	2,103.96	313.75			
Combined Totals			\$11,465,477	\$324,385	2,441.77	373.75			

BPW: Board of Public Works
 NEA: Natural Environment Area

POS: Program Open Space
 SF: State Forest

SP: State Park
 WMA: Wildlife Management Area

Note: No projects received restoration spending.

Source: Department of Natural Resources

POS – Land Acquisition and Local Program Updates

1. Plans for Program Open Space Revenue Bonds

Program Open Space bonds of \$70 million were authorized as the Program Open Space Acquisition and Opportunity Loan of 2009 by Transfer Tax – Program Open Space Bonds – Land and Easement Acquisition (Chapter 419 of 2009). The bonds are intended to backfill the transfer of up to \$70 million in Program Open Space State share unencumbered fund balance per the Budget Reconciliation and Financing Act of 2009 (Chapter 487 of 2009). It is anticipated that the full \$70 million in special bonds will be issued in calendar 2010.

Chapter 419 of 2009 requires that debt service on Program Open Space special bonds be paid from the Program Open Space State land acquisition allocation of the State transfer tax and that the debt not be included as State tax supported debt by the Capital Debt Affordability until the bonds have been issued. Chapter 419 also allows for real property to be acquired based on an offer by the State that is less than the lowest approved appraisal for the property. **DLS recommends that DNR comment on the amount of savings achieved thus far due to the discounting of properties allowed for in Chapter 419 of 2009.**

Exhibit 11 shows an estimated debt issuance and debt service payment schedule for the bonds.

Exhibit 11
Program Open Space Special Bonds Debt Service Payment Schedule
Fiscal 2010-2015
(\$ in Millions)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenue Bonds Issued	\$70	\$0	\$0	\$0	0	0
Debt Outstanding	70	67	63	60	56	52
Debt Service	0	7	7	7	7	7

Notes: The debt issuance and debt service schedule assumes the following: (1) all \$70 million will be issued in spring 2010; (2) 5% interest; (3) interest and principal payments beginning immediately instead of a two-year no principal period.

Source: Department of Legislative Services

The fiscal 2010 allowance includes \$6.8 million for Program Open Space bond payments in the Public Debt account. The estimate assumes a 15-year maturity, principal payments after one year, and a 5.0% interest rate. Issues such as the bonds' rating, reserve requirement, and the possible need to make multiple issuances against the authorization have not been resolved. Considering the number of unresolved issues, as well as possible changes in market conditions, it is quite possible that estimates will change.

POS – Land Acquisition and Local Program Recommended Actions

PAYGO Recommended Actions

1. Strike language and reduce \$25,435,838 in special funds to reflect general obligation bond authorization in the capital budget

Strike the following language:

~~Further provided, that notwithstanding the appropriations above, the Special Fund appropriation for the Outdoor Recreation Land Loan Program shall be reduced by \$42,223,608 contingent upon the enactment of legislation crediting transfer tax revenues to the General Fund. The reduction shall be distributed in the following manner:~~

Program Open Space State Acquisition	\$13,082,995
Program Open Space Local Share	12,352,843
Program Open Space Capital Improvements	4,150,000
Rural Legacy	12,637,770
Total	\$42,223,608

Explanation: This action strikes the contingent reduction on the Outdoor Recreation Land Loan special fund appropriation in order to be able to make the reduction directly.

GO Bond Recommended Actions

1. Concur with Governor’s allowance.
2. De-authorize \$5.1 million of the \$71.3 million authorized for the Program Open Space State land acquisition attributable to the Smith Foster Furnace property (2009 Maryland Consolidated Capital Bond Loan).

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Add the following language:

DEPARTMENT OF NATURAL RESOURCES

KA05

CAPITAL GRANTS AND LOANS ADMINISTRATION
(STATEWIDE)

<u>(E)</u>	<u>Program Open Space. Provide funds for the purchase of conservation easements acquisition of land</u>	<u>[71,300,000]</u>
		<u>66,200,000</u>

Explanation: Federal funds have been made available to partially fund a land acquisition funded with general obligation bond funds in the 2009 capital budget bill. This action de-authorizes \$5.1 million of 2009 session authorizations to reflect the available funds.

***Program Open Space – Land Acquisition and Local Program
Fiscal 2011 Proposed Projects***

<u>County</u>	<u>Amount</u>
Allegany	\$137,676
Anne Arundel	1,485,848
Baltimore City	985,410
Baltimore County	1,679,997
Calvert	148,646
Caroline	64,873
Carroll	333,132
Cecil	172,562
Charles	304,641
Dorchester	56,231
Frederick	352,015
Garrett	69,664
Harford	495,222
Howard	880,407
Kent	41,911
Montgomery	2,238,214
Prince George's	1,903,787
Queen Anne's	90,264
St. Mary's	169,072
Somerset	39,882
Talbot	95,407
Washington	262,305
Wicomico	175,350
Worcester	170,326
Total	\$12,352,843

Note: The fiscal 2011 allowance includes \$3,885,410 for Baltimore City. This amount includes the Program Open Space local allocation shown above of \$985,410, the required State direct grant amount of \$1,500,000, and an additional State direct grant amount of \$1,400,000 for three projects. The projects are \$1 million for a waterfront park and \$400,000 for ballfields for at-risk youth programs.

***Program Open Space – Land Acquisition and Local Program
Fiscal 2010***

<u>County</u>	<u>Amount</u>
Allegany	\$68,550
Anne Arundel	741,073
Baltimore City	492,429
Baltimore	836,484
Calvert	74,298
Caroline	32,559
Carroll	166,431
Cecil	86,092
Charles	152,007
Dorchester	28,018
Frederick	174,710
Garrett	34,805
Harford	247,439
Howard	438,062
Kent	21,072
Montgomery	1,109,136
Prince George's	945,882
Queen Anne's	45,055
St. Mary's	84,137
Somerset	19,902
Talbot	47,681
Washington	130,856
Wicomico	87,441
Worcester	84,958
Total	\$6,149,076

Note: The fiscal 2010 appropriation includes \$3,567,829 for Baltimore City. This amount includes the Program Open Space local allocation shown above of \$492,429, the required State direct grant amount of \$1,500,000, and an additional State direct grant amount of \$1,575,400 for three projects. The projects are to replace the Harry and Jeanette Weinberg YMCA citizen volunteer playground (\$175,400); build the Cal Ripken, Sr. Foundation athletic field (\$400,000); and develop a recreation area for the Druid Hill Park – Center for Parks and People at Auchentoroly Terrace (\$1,000,000).

Natural Resources Development Fund (Statewide)

GO Bonds **\$10,126,000** **Recommendation: Approve**

Bill Text: Provide funds to design, construct, and equip capital development projects on Department of Natural Resources property in accordance with § 5-903(g) of the Natural Resources Article. Funds may only be spent on the projects listed below or on previously authorized projects:

(1)	Pocomoke River State Park – Shad Landing Sewer Upgrade (Worcester County)	\$3,729,000
(2)	Fort Frederick State Park – Officers Quarters (Washington County)	1,800,000
(3)	Dan’s Mountain Wildlife Management Area – Access Road and Storage Building (Allegany County)	1,561,000
(4)	Tuckahoe State Park – Upper Chesapeake Rail Trail Connector (Caroline County)	917,000
(5)	South Mountain Battlefield Natural Environmental Area – Museum Improvements (Washington County)	575,000
(6)	Harriet Tubman Underground Railroad State Park – Visitor Center and Site Improvements (Dorchester County)	398,000
(7)	Myrtle Grove Wildlife Management Area – New Maintenance Shop (Charles County)	213,000
(8)	Madonna Ranger Station – Multipurpose Building (Harford County)	200,000
(9)	Cedarville Fish Hatchery – Pipe Replacement and Pond Relining (Charles County)	116,000
(10)	Sandy Point State Park – Relocation of Area 3 Natural Resources Police and the Department of Natural Resources Communication Center (Anne Arundel County)	100,000
(11)	Assateague State Park – Nature Center (Worcester County)	100,000
(12)	Sassafras Natural Resources Management Area – Day Use Improvements (Kent County)	71,000
(13)	Point Lookout State Park – Administration Building Renovations (St. Mary’s County)	66,000
(14)	Western Maryland Rail Trail – Phase IV (Allegany County)	50,000

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(15)	Black Walnut Point Natural Resources Management Area – Shore Erosion Control (Talbot County)	50,000
(16)	Deep Creek State Park – Replacement Bathhouse (Garrett County)	45,000
(17)	Janes Island State Park – Nature Center Renovations and Improvements (Somerset County)	44,000
(18)	Seneca Creek State Park – Lead Remediation (Montgomery County)	34,000
(19)	Wye Oak State Park – Pavilion Improvements (Talbot County)	21,000
(20)	North Point State Park – Shore Erosion Control (Baltimore County)	16,000
(21)	Susquehanna State Park – Bathhouse and Campground Renovations (Harford County)	10,000
(22)	Point Lookout State Park – Comfort Station (St. Mary’s County)	10,000

Program Description: State law allows up to 25% of the Program Open Space (POS) funds allocated to the State to be used for development projects and for operating expenses at State forests and parks. The Natural Resources Development Fund (NRDF) provides support to design and construct development projects on Department of Natural Resources (DNR) property. Development projects include shower buildings, building renovations, road parking and trail improvements, and general park improvements.

Natural Resources Development Fund Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
PAYGO SF	\$4.993	\$0.000	\$0.000	\$9.700	\$11.050	\$12.150	\$13.200
PAYGO FF	0.000	8.984	0.000	0.000	0.000	0.000	0.000
GO Bonds	5.000	8.979	10.126	5.438	1.384	0.000	0.000
Total	\$9.993	\$17.963	\$10.126	\$15.138	\$12.434	\$12.150	\$13.200

Note: The fiscal 2009 appropriation for POS – Natural Resources Development Fund includes \$5 million in general obligation (GO) authorization that was redirected from the Rural Legacy Program. The fiscal 2010 appropriation reflects \$9 million for the Harriet Tubman Underground Railroad Visitor Center. The fiscal 2011 allowance reflects \$10,126,000 in GO bonds which replace prior year fund balance transferred to the general fund.

The POS – Natural Resources Development Fund’s fiscal 2011 allowance includes \$10.1 million in general obligation (GO) bonds. This funding is comprised entirely of prior year fund balance transferred to the general fund. The five-year *Capital Improvement Program* (CIP) projects steadily increasing transfer tax special funds presumably due to the anticipation of improvements in the housing market. No federal funds are projected beyond fiscal 2011 due to final year funding for the completion of the Harriet Tubman Underground Railroad State Park – Visitor Center in Dorchester County anticipated to be received in special funds.

The Department of Budget and Management (DBM) has indicated that there is \$2,543,000 in planning and construction funding for the Visitor Center, but this funding is not in the budget as introduced. It is anticipated that DBM will submit a supplemental budget item for this amount. **The Department of Legislative Services (DLS) recommends that DNR comment on the overall status of Harriet Tubman Underground Railroad State Park – Visitor Center funding, including federal funding, and implementation.**

Section 12 of the Maryland Consolidated Capital Bond Loan of 2010 pre-authorizes \$1,650,000 to design and construct the Harriet Tubman Underground Railroad State Park – Visitor Center and site improvements. **DLS recommends that the pre-authorization of \$1,650,000 in GO bonds for Harriet Tubman Underground Railroad State Park – Visitor Center and site improvements be approved.**

Natural Resources Development Fund Executive’s Operating Budget Impact Statement

(\$ in Thousands)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Estimated Operating Costs	\$0	\$198	\$303	\$316	\$327
Estimated Staffing	0	4 regular positions and 2 contractual FTEs	4 regular positions and 2 contractual FTEs	4 regular positions	4 regular positions

FTEs: full-time equivalents

The Harriett Tubman Underground Railroad State Park – Visitor Center is anticipated to require operating expenditures of \$198,000 in fiscal 2012 and 6 positions, 2 of which are contractual full-time equivalents.

***Natural Resources Development Fund Authorization
Encumbrance and Expenditure Data***

**Authorization Summary
(\$ in Millions)**

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$9.735	\$9.673	\$8.743	\$0.062	\$0.992
2006	1.600	0.524	0.027	1.076	1.573
2007	13.151	5.617	0.291	7.534	12.860
2008	13.317	4.477	2.689	8.840	10.628
2009	8.993	0.251	0.020	8.742	8.973
2010	8.978	0.000	0.000	8.978	8.978
Total	\$55.774	\$20.542	\$11.770	\$35.232	\$44.004

As of January 31, 2010.

Note: The proposed \$22.7 million transfer of unexpended funds is not yet reflected in the authorization summary.

As of January 31, 2010, the NRDF had \$44.0 million in unexpended funding of which \$35.2 million remained to be encumbered. However, the proposed transfer of \$17.7 million in prior year unexpended funds along with the only partial replacement of \$10.1 million in fiscal 2011 will reduce the unexpended amount by \$7.6 million. In addition, since the NRDF is a discretionary program under the transfer tax allocation, no new funding has been provided for fiscal 2011, which will allow DNR time to bring down the unexpended balance.

Natural Resources Development Fund Updates

1. Five-year Plan for Capital Development Projects Submitted

The budget committees requested a five-year plan for funding capital development projects, per the 2009 *Joint Chairmen’s Report*. The concern was that capital development projects may not be receiving the funding necessary due to fluctuations in the transfer tax and the prioritization of large projects that require multiple years of funding.

DNR provided a proposed five-year CIP in a letter dated June 30, 2009. Of note, DNR states that in fiscal 2013 it will begin to use POS funding for water/wastewater projects carried out at DNR facilities by the Maryland Environmental Service.

Natural Resources Development Fund Recommended Actions

GO Bond Recommended Actions

1. Concur with Governor's allowance.
2. Pre-authorize \$1,650,000 for the Harriet Tubman Underground Railroad State Park – Visitor Center and Site Improvements (Section 12 of 2010 Maryland Consolidated Capital Bond Loan).

Natural Resources Development Fund Fiscal 2011 Proposed Projects

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>FY 2011 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Allegany	Dan’s Mountain Wildlife Management Area – Access Road and Storage Building – GO Bond Replacement	\$1,637,021	\$76,021	\$1,561,000	-	100.0%
Allegany	Western Maryland Rail Trail – Phase IV – GO Bond Replacement	2,448,825	41,614	50,000	2,357,211	100.0%
Anne Arundel	Sandy Point State Park – Relocation of Area 3 NRP and DNR Communication Center – GO Bond Replacement	2,306,199	1,451,645	100,000	754,554	100.0%
Baltimore	North Point State Park – Shore Erosion Control GO Bond Replacement	1,903,740	40,740	16,000	1,874,000	100.0%
Caroline	Tuckahoe State Park – Upper Chesapeake Rail Trail Connector – GO Bond Replacement	1,385,649	168,649	917,000	300,000	100.0%
Charles	Cedarville Fish Hatchery – Pipe Replacement and Pond Relining – GO Bond Replacement	2,205,069	39,069	116,000	2,050,000	100.0%
Charles	Myrtle Grove Wildlife Management Area – New Maintenance Shop – GO Bond Replacement	699,997	486,997	213,000	-	100.0%

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>FY 2011 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Dorchester	Harriet Tubman Underground Railroad State Park – Visitor Center – GO Bond Replacement	20,136,000	860,423	398,000	18,877,577	100.0%
Dorchester	Harriet Tubman Underground Railroad State Park – Visitor Center and Site Improvements	20,136,000	14,993,000	2,543,000	2,600,000	100.0%
Garrett	Deep Creek State Park – Replacement Bathhouse – GO Bond Replacement	1,010,404	50,404	45,000	915,000	100.0%
Harford	Madonna Ranger Station – Multipurpose Building – GO Bond Replacement	1,099,540	899,540	200,000	-	100.0%
Harford	Susquehanna State Park – Bathhouse and Campground Renovations – GO Bond Replacement	906,811	68,811	10,000	828,000	100.0%
Kent	Sassafras Natural Resources Management Area – Day Use Improvements – GO Bond Replacement	127,165	21,165	71,000	35,000	100.0%
Montgomery	Seneca Creek State Park – Lead Remediation – GO Bond Replacement	896,612	862,612	34,000	-	100.0%
Somerset	Janes Island State Park – Nature Center Renovations and Improvements – GO Bond Replacement	1,706,840	112,840	44,000	1,550,000	100.0%

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>FY 2011 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
St. Mary's	Point Lookout State Park – Administration Building Renovations – GO Bond Replacement	1,513,045	81,045	66,000	1,366,000	100.0%
St. Mary's	Point Lookout State Park Comfort Station – GO Bond Replacement	603,722	593,722	10,000	-	100.0%
Talbot	Black Walnut Point Natural Resources Management Area – Shore Erosion Control	1,727,876	2,513	50,000	1,675,363	100.0%
Talbot	Wye Oak State Park – Pavilion Improvements – GO Bond Replacement	377,278	356,278	21,000	-	100.0%
Washington	Fort Frederick State Park – Officers Quarters – GO Bond Replacement	2,277,434	34,905	1,800,000	442,529	100.0%
Washington	South Mountain Battlefield Natural Environment Area – Museum Improvements – GO Bond Replacement	1,085,036	10,036	575,000	500,000	100.0%
Worcester	Assateague State Park – Nature Center – GO Bond Replacement	2,665,000	100,000	100,000	2,465,000	100.0%
Worcester	Pocomoke River State Park – Shad Landing Sewer Upgrade	4,281,274	304,645	3,729,000	247,629	100.0%
Total		\$73,136,537	\$21,656,674	\$12,669,000	\$38,837,863	

DNR: Department of Natural Resources
 GO: general obligation
 NRP: Natural Resources Police

Natural Resources Development Fund Current Project Status

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>	<u>Status</u>
Allegany	Dan's Mountain Wildlife Management Area – Access Road and Storage Building	\$1,600,000	\$36,354	\$2,300	\$1,561,346	100.0%	Design
Allegany	Rocky Gap State Park – New Bathhouse and Concession Building	3,299,927	2,710,937	588,990	-	100.0%	Construction
Allegany	Western Maryland Rail Trail – Phase IV	2,750,000	42,788	300,000	2,407,212	100.0%	Design
Anne Arundel	Sandy Point State Park – Relocation of Area 3 Natural Resources Police and Department of Natural Resources Communication Center	2,479,592	1,565,444	59,594	854,554	100.0%	Construction
Dorchester	Harriet Tubman Underground Railroad State Park – Visitor Center and Site Improvements	20,136,000	1,019,596	598,236	18,518,168	100.0%	Design
Harford	Madonna Ranger Station – Multipurpose Building	1,679,298	1,431,559	48,017	199,722	100.0%	Construction
Somerset	Janes Island State Park – Nature Center Renovations and Improvements	1,706,865	183,814	12,450	1,510,601	100.0%	Design

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>	<u>Status</u>
Washington	Fort Frederick State Park – Nature Center Renovations and Improvements	2,295,998	53,420	2,242,578	-	100.0%	Design
Washington	South Mountain Battlefield Natural Environment Area – Museum Improvements	1,099,999	24,563	1,075,436	-	100.0%	Design
Worcester	Pocomoke River State Park – Shad Landing Sewer Upgrade	4,312,333	614,237	3,698,762	-	100.0%	Procurement
Total		\$41,360,012	\$7,682,712	\$8,626,363	\$25,051,603		

Critical Maintenance Program (Statewide)

PAYGO SF	\$3,150,000	Recommendation:	Strike language and reduce \$3.2 million in special funds
GO Bonds	\$6,586,000		

Bill Text: Provide funds to construct capital improvements such as planned maintenance and repair projects at public use facilities on State-owned property.

Program Description: State law allows up to 25% of Program Open Space funds allocated to the State to be used for development projects and for operating expenses at State forests and parks. The Department of Natural Resources (DNR) maintains over 1,500 buildings, hundreds of miles of roadway, parking lots, and a variety of water associated facilities that serve millions of visitors annually. Critical maintenance projects include structural repairs to buildings, bridge repairs, well and septic system replacement, and road and utility repairs. As of fall 2009, according to DNR there is a \$35.9 million (763 projects) backlog in necessary critical maintenance projects at State forests and parks. DNR defines the backlog as those projects not funded in the five-year *Capital Improvement Program* (CIP).

In general, the critical maintenance projects proposed have been evaluated by the Department of General Services (DGS) and placed into one of three categories: (1) fineable code violations with serious life safety issues; (2) destruction of related assets if maintenance is not completed; and (3) accelerated deterioration of the asset will occur if project is not completed or project is at the end of normal life expectancy. DNR and DGS both manage critical maintenance projects. DNR handles procurement for projects that cost \$50,000 or less (the majority of projects) and DGS handles procurement for projects that cost more than \$50,000.

Critical Maintenance Program Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
PAYGO SF	\$4.000	\$0.000	\$3.150	\$4.000	\$4.000	\$4.000	\$4.000
GO Bonds	0.000	1.250	6.586	0.380	0.081	0.000	0.000
Total	\$4.000	\$1.250	\$9.736	\$4.380	\$4.081	\$4.000	\$4.000

Note: The fiscal 2011 allowance reflects (1) \$3,436,000 in prior year fund balance general obligation (GO) bond replacement; and (2) \$3,150,000 in special funds for fiscal 2011 that are replaced with GO bonds.

K00A05 – Department of Natural Resources – Capital

The fiscal 2011 allowance includes \$3.2 million in special funds and \$6.6 million in general obligation (GO) bonds for critical maintenance. However, there is only \$3.2 million in new funding available. This new funding exceeds the \$1.4 million contemplated in the 2009 CIP, but this may be due to the diversion of a portion of the funds for septic system upgrades, which reduces the amount for traditional critical maintenance projects to \$1.8 million. The 2010 CIP reflects level funding at \$4.0 million in special funds with a phase-out of GO bond support over fiscal 2012 and 2013.

The \$3.2 million in available funding for new projects will address 46 critical maintenance projects (\$1.8 million) and 54 septic system upgrades at DNR facilities (\$1.4 million). DNR originally received funding from the Bay Restoration Fund – Septic account for septic system upgrades on DNR properties, but the increase in demand from the public for funding septic system upgrades has meant the end of this stream of funding. **The Department of Legislative Services (DLS) recommends that DNR comment on the overall plan for upgrading septic systems on DNR property and the current status of these upgrades.**

The large projects in the allowance are as follows:

- Cedarville State Forest – water tower inspection and repainting (\$125,000);
- Deep Creek Lake State Park – office renovation (\$100,000);
- Assateague State Park – dune maintenance (\$150,000) and new roofs (\$100,000).

DLS recommends that DNR comment on the \$35.9 million (763 projects) backlog in necessary critical maintenance projects at State forests and parks.

This program is plagued by many of the same problems that the State's Facility Renewal Program encounters. That being DGS is not sufficiently staffed to handle the project workload. More project managers are needed to oversee and administer the various aspects of project management. Clearly the problem cannot be solved by dedicating additional transfer tax revenue to fund additional projects. While the Department of Budget and Management could allocate more funding to Critical Maintenance projects and less to Natural Resources Development Fund projects and the Harriet Tubman project, the current and previous levels of unencumbered and unexpended funds indicate that this policy would just result in providing DGS with even more work than it can accomplish. While reducing program funding levels to the amount manageable provides DGS with an opportunity to bring down the number of projects that account for unencumbered and unexpended funds, it does not address the more systemic problems facing this program.

Critical Maintenance Program Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$22.574	\$22.563	\$22.518	\$0.011	\$0.056
2006	4.059	3.899	3.787	0.160	0.272
2007	4.000	3.934	3.651	0.066	0.349
2008	5.470	3.679	3.004	1.791	2.466
2009	4.000	2.298	1.583	1.702	2.417
2010	1.250	0.102	0.000	1.148	1.250
Total	\$41.353	\$36.475	\$34.543	\$4.878	\$6.810

As of January 31, 2010.

DNR has substantially reduced the amount of unencumbered funding in the Critical Maintenance Program. As of January 2009, there was \$8.9 million in fiscal 2009 and prior year unencumbered funding. There is \$3.7 million of fiscal 2009 and prior year funding as of January 2010. Of the \$3.7 million in fiscal 2009 and prior year funding, DNR indicates that \$1.3 million in bids are awaiting award by DGS procurement, and \$0.7 million will be bid between February and May 2010, thus leaving \$1.7 million in fiscal 2009 and prior year unencumbered funding at the end of fiscal 2010.

The September 16, 2009 Board of Public Works agenda included an item that transferred \$223,600 from DGS to DNR so that DNR could do nine maintenance projects in-house. DNR indicates that reduced Critical Maintenance Program funding led it to look for cost efficiencies. One such efficiency is DNR's small in-house maintenance group that usually is focused on preventative maintenance and special projects but is available to work on critical maintenance projects. This crew is already covered by DNR's overhead costs and may, therefore, complete projects less expensively than otherwise provided for by the procurement process since only material costs need to be bid out.

Critical Maintenance Program Recommended Actions

PAYGO Recommended Actions

1. Strike language and reduce \$3,150,000 in special funds to reflect general obligation bond authorization in the capital budget

Strike the following language:

~~Further provided, that notwithstanding the appropriations above, the Special Fund appropriation for the Outdoor Recreation Land Loan Program shall be reduced by \$42,223,608 contingent upon the enactment of legislation crediting transfer tax revenues to the General Fund. The reduction shall be distributed in the following manner:~~

Program Open Space State Acquisition	\$13,082,995
Program Open Space Local Share	12,352,843
Program Open Space Capital Improvements	4,150,000
Rural Legacy	12,637,770
Total	\$42,223,608

Explanation: This action strikes the contingent reduction on the Outdoor Recreation Land Loan special fund appropriation in order to be able to make the reduction directly.

GO Bond Recommended Actions

1. Concur with Governor's allowance.

Critical Maintenance Program Fiscal 2011 Proposed Projects

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Allegany	Rocky Gap State Park – Replace Gate and Install Parking Lights	\$40,000	\$40,000	100.0%
Allegany	Warrior Mountain Wildlife Management Area – Renovate Shop Exterior	24,000	24,000	100.0%
Baltimore	Forest Service – Fuel Pump Replacement	30,000	30,000	100.0%
Baltimore	Gunpowder Falls State Park – Renovate Shop	60,000	60,000	100.0%
Baltimore	Patapsco Valley State Park – Gates Renovation	12,000	12,000	100.0%
Baltimore	Patapsco Valley State Park – Hand Dryer Replacement	17,000	17,000	100.0%
Baltimore	Patapsco Valley State Park – Renovate Shelter	40,000	40,000	100.0%
Baltimore	Patapsco Valley State Park – Replace Waterline	15,000	15,000	100.0%
Baltimore	Patapsco Valley State Park – Upgrade Booster Pump	7,000	7,000	100.0%
Calvert	Calvert Cliffs State Park – Bay Breeze Youth Area Improvements	75,000	75,000	100.0%
Caroline	Martinak State Park – Water Valve and Hydrant Replacement	15,000	15,000	100.0%
Cecil	Elk Neck State Park – Boiler Replacement	7,000	7,000	100.0%
Cecil	Elk Neck State Park – Range Pit Improvements	40,000	40,000	100.0%
Cecil	Elk Neck State Park – Rifle Range Improvements	33,000	33,000	100.0%
Charles	Cedarville State Forest – Office HVAC Replacement	40,000	40,000	100.0%
Charles	Cedarville State Forest – Park Maintenance Shop Replacement Furnace	10,000	10,000	100.0%

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Charles	Cedarville State Forest – Repaint Water Tower	125,000	125,000	100.0%
Charles	Cedarville State Forest – Replace Drainfield	22,000	22,000	100.0%
Charles	Point Lookout State Park – Renovate Camp Store	20,000	20,000	100.0%
Charles	Smallwood State Park – Repair Entrance Road	70,000	70,000	100.0%
Frederick	Cunningham Falls State Park – Furnace Structural Repairs	25,000	25,000	100.0%
Frederick	Gambrill State Park – Renovate Middletown Overlook	35,000	35,000	100.0%
Garrett	Deep Creek Lake State Park – Office Renovation	100,000	100,000	100.0%
Garrett	Herrington Manor State Park – Renovate Day Use Buildings	15,000	15,000	100.0%
Garrett	New Germany State Park – Cabin Electrical System	87,000	87,000	100.0%
Garrett	New Germany State Park – Replace Cabin Walkways	35,000	35,000	100.0%
Garrett	Potomac Garrett State Forest – Replace Bridge	25,000	25,000	100.0%
Harford	Susquehanna State Park – Shop Heating System Replacement	33,600	33,600	100.0%
Harford	Susquehanna State Park – Shop Windows and Doors Replacement	14,000	14,000	100.0%
Montgomery	Gambrill State Park – Renovate Patio Floor	15,000	15,000	100.0%
Montgomery	Seneca Creek State Park – Comfort Station Supply Line Improvements	32,000	32,000	100.0%
Montgomery	Seneca Creek State Park – Shop Electrical Upgrade	50,000	50,000	100.0%
Prince George’s	Merkle Natural Resources Management Area – Silo Shed Electrical Upgrade	25,000	25,000	100.0%

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Prince George's	Merkle Natural Resources Management Area – Visitor Center Replacement HVAC	40,000	40,000	100.0%
Queen Anne's	Matapeake Fisheries Office – Overhead Door Replacement	10,000	10,000	100.0%
Somerset	Janes Island State Park – Conference Center Improvements	20,000	20,000	100.0%
St. Mary's	Greenwell State Park – Boiler Replacement	10,000	10,000	100.0%
St. Mary's	Greenwell State Park – Knott Lodge Replacement Windows and Doors	40,000	40,000	100.0%
St. Mary's	Point Lookout State Park – Reroof Camp Office Complex	10,000	10,000	100.0%
Talbot	Choptank River Bridge Fishing Pier – Light Improvements	50,000	50,000	100.0%
Washington	Albert Powell Fish Hatchery – Bridge Repair	25,000	25,000	100.0%
Washington	Greenbrier State Park – Visitor Center Entrance Improvements	36,000	36,000	100.0%
Worcester	Assateague State Park – Bathhouses – Replacement Hot Water Heaters	40,000	40,000	100.0%
Worcester	Assateague State Park – Dune Maintenance	150,000	150,000	100.0%
Worcester	Assateague State Park – New Roofs for the Maintenance Shop and Headquarters	100,000	100,000	100.0%
Worcester	Pocomoke River State Park – Comfort Station Electrical Upgrade	10,000	10,000	100.0%
Statewide	Critical Maintenance Program – Contingency Funds	15,400	15,400	100.0%
Statewide	Department of Natural Resources – On-site Sewage Disposal System Upgrades	1,400,000	1,400,000	100.0%
Statewide	Housing Assessment Program Special Fund Transfer – Bond Available Cash	250,000	250,000	100.0%
Statewide	Special Fund Transfer – Bond Available Cash	3,186,000	3,186,000	100.0%
Total		\$6,586,000	\$6,586,000	

HVAC: heating, ventilation, and air conditioning

Critical Maintenance Program Current Project Status

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2010 Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Anne Arundel	Sandy Point SP – Repair/Replace Ejector Pit	\$30,000	\$30,000	100.0%	Procurement
Anne Arundel	Sandy Point SP – Replace Bathhouse Windows	20,000	20,000	100.0%	Procurement
Baltimore	Gunpowder Falls SP – Renovate Water Filtration System	7,000	7,000	100.0%	Planning
Cecil	Elk Neck SP – Replace Comfort Station Roofs	32,700	32,700	100.0%	Procurement
Cecil	Grove Farm WMA – Replace Storage Building	80,000	80,000	100.0%	Design
Charles	Smallwood SP – Replace Toll Gate System	20,000	20,000	100.0%	Planning
Dorchester	Cambridge Marine Terminal – Repair Railway	300,000	300,000	100.0%	Construction
Dorchester	LeCompt WMA – Exterior Renovations Maintenance Buildings	20,000	20,000	100.0%	Procurement
Frederick	Cunningham Falls SP – Renovate Manor Restrooms	80,000	80,000	100.0%	Procurement
Frederick	Cunningham Falls SP – Replace Rip Rap at Houck Shop	35,000	35,000	100.0%	Design
Frederick	Cunningham Falls SP – Replace Doors and Windows Camp Store	25,000	25,000	100.0%	Procurement
Garrett	Deep Creek Lake SP – Replace Discovery Center Doors	15,000	15,000	100.0%	Procurement
Garrett	Herrington Manor SP – Replace Fuel Dispensers	8,600	8,600	100.0%	Procurement
Garrett	New Germany SP – Renovate Maintenance Buildings	24,900	24,900	100.0%	Procurement

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2010 Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Montgomery	Seneca Creek SP – Stabilize Pump Station at Visitors Center	5,000	5,000	100.0%	Design
St. Mary’s	Point Lookout SP – Replace Lighthouse Fence	15,000	15,000	100.0%	Procurement
Washington	Fort Frederick SP – WMRT General Trail Maintenance	20,000	20,000	100.0%	Design
Worcester	Assateague State Park – Dune Maintenance	150,000	150,000	100.0%	Procurement
Worcester	Pocomoke River SP – Renovate 2 Pavilions at Milburn Landing	51,000	51,000	100.0%	Procurement
Worcester	Pocomoke River SP – Pave Roads at Shad Landing	180,000	180,000	100.0%	Procurement
Worcester	Pocomoke River SP – Replace Vault Toilet at Shad Landing Youth Area	35,000	35,000	100.0%	Design
Worcester	Pocomoke River SP - Replace Windows and Doors at Shop	20,000	20,000	100.0%	Procurement
Worcester	Pocomoke River SP – Replace Pool Filtration Pump	45,000	45,000	100.0%	Design
Statewide	Critical Maintenance Program – Contingency Funds	30,800	30,800	100.0%	
Total		\$1,250,000	\$1,250,000		

SP: State Park
WMA: Wildlife Management Area
WMRT: Western Maryland Rail Trail

K00A05 – Department of Natural Resources – Capital

The fiscal 2010 appropriation reflects \$1.4 million in federal American Recovery and Reinvestment Act of 2009 stimulus funding. This funding was intended to supplant State funding for the Union Dam removal project so that the State funding could be used to rehabilitate yet another dam, Bloede Dam. DNR has not directly received the federal funding. Instead, the \$1,247,362 in federal stimulus funding went to an organization called American Rivers, which submitted a proposal to remove the Simkins Dam downstream from Union Dam. Using the federal stimulus funding, American Rivers is paying the construction invoices on the \$1.5 million for the Union Dam removal too; the balance of required payments will be made from Dam Rehabilitation funds.

The Dam Rehabilitation Program fiscal 2011 allowance includes \$150,000 in GO bond funding. However, this funding replaces the transfer of prior year fund balance to the general fund and thus does not reflect new funding, which explains the difference from the lack of funding for fiscal 2011 reflected in the 2009 *Capital Improvement Program (CIP)*. The 2010 CIP reflects final funding for the program in fiscal 2012. The fiscal 2011 allowance will support the Daniels Dam project, construction for which will actually be awarded in fiscal 2010.

Fiscal 2012 funding is anticipated to meet the needs of the Bloede Dam removal. A Preliminary Feasibility Study has been completed for Bloede Dam, and a final report is anticipated by June 2010. As noted above, the State funds freed up by the federal stimulus funding through American Rivers will be used to fund Bloede Dam, and a line item capital budget request will be implemented as well.

Dam Rehabilitation Program Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$4.540	\$4.539	\$4.474	\$0.001	\$0.066
2006	0.500	0.500	0.454	0.000	0.046
2007	0.640	0.123	0.061	0.517	0.579
2008	0.500	0.088	0.081	0.412	0.419
2009	0.500	0.006	0.005	0.494	0.495
2010	0.500	0.000	0.000	0.500	0.500
Total	\$7.180	\$5.256	\$5.075	\$1.924	\$2.105

As of January 31, 2010.

The Dam Rehabilitation Program unencumbered funding has decreased since this time last year as the major dam rehabilitation projects have received funding and the program winds down in fiscal 2012. DNR indicates that it will encumber the remaining \$1.9 million in unencumbered funding plus the \$0.5 million in anticipated fiscal 2012 funding for the following projects:

- Daniels – in design with \$800,000 to be encumbered for construction;
- Calvert Cliffs – in design with \$504,000 to be encumbered for construction;
- Bloede – feasibility study being conducted with \$300,000 to be encumbered for design;
- Cedarville – in planning with \$260,000 to be encumbered for design and construction;
- Herrington – in planning with \$250,000 to be encumbered for design and construction;
- Rocky Gap – in procurement for construction with \$175,000 to be encumbered for construction; and
- Friends – in design with \$135,000 to be encumbered for construction.

Dam Rehabilitation Program Recommended Actions

GO Bond Recommended Actions

1. Concur with Governor's allowance.

Dam Rehabilitation Program Fiscal 2011 Proposed Projects

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Baltimore	Daniels Dam Repairs – General Obligation Bond Replacement	\$150,000	\$150,000	100.0%
Total		\$150,000	\$150,000	

Dam Rehabilitation Program Current Project Status

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Allegany	Rocky Gap State Park Dam Repairs	\$150,000	-	\$150,000	100.0%	Procurement
Baltimore	Daniels Dam Repairs	95,000	-	95,000	100.0%	Design
Baltimore	Patapsco Valley State Park – Union Mill Dam Removal	211,000	-	211,000	100.0%	Construction
Harford	Friends Pond Dam Repair	424,000	\$50,000	310,000	100.0%	Design
Total		\$880,000	\$50,000	\$766,000		

Rural Legacy Program (Statewide)

PAYGO SF	\$12,637,770	Recommendation:	Strike language and reduce special fund appropriation by \$12.6 million
GO Bonds	\$28,272,000		Reduce general obligation bond authorization by \$5.0 million

Bill Text: Provide funds for the purchase of conservation easements and the acquisition of land. The funds appropriated for this purpose shall be administered in accordance with §§ 5-9A-01 through 5-9A-09 of the Natural Resources Article.

Program Description: The purpose of the Rural Legacy Program is to protect agricultural and natural resources land from sprawl development and thus to promote resource-based economies and to develop greenbelts. Program funds are used to purchase conservation easements on land. Under 5-9A-09 of the Natural Resources Article, the Governor is required to include at least \$5.0 million in the annual capital budget for the Rural Legacy Program.

A board composed of the Secretaries of the Departments of Natural Resources (DNR), Planning, and Agriculture administers Rural Legacy. Local governments, or land trusts with endorsements from local governments, may submit applications for designation as a Rural Legacy area. These local governments and land trusts are Rural Legacy sponsors. An advisory committee appointed by the Governor and confirmed by the Senate reviews applications and makes recommendations to the Rural Legacy Board.

In order to qualify as a Rural Legacy area, an application must meet the following criteria associated with the area, plan, and parties to the proposal:

- The proposal must address the goals and objectives of the program. Specifically, the area must protect agricultural, natural, and cultural resources and enhance the completion of ongoing land protection efforts. The program considers the size of the land and its proximity to existing greenbelts.
- The proposal must be realistic in its ability to achieve the easement or land acquisition. There should be a reasonable plan and strategy for the phasing of the conservation efforts set forth in the proposal.
- The parties involved, including the sponsor and the local governmental entity should be willing to donate financial and personnel support in order to ensure timely and efficient acquisition, management, and monitoring.

Rural Legacy Program Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
PAYGO SF	\$13.468	\$0.000	\$12.638	\$16.250	\$16.650	\$17.250	\$17.750
GO Bonds	0.000	11.812	28.272	5.000	5.000	5.000	5.000
Total	\$13.468	\$11.812	\$40.910	\$21.250	\$21.650	\$22.250	\$22.750

Note: The fiscal 2011 allowance reflects (1) \$10,635,000 in prior year general obligation (GO) bond replacement, and (2) \$12,637,000 in special funds for fiscal 2011 that are replaced with GO bonds. The \$5 million mandated GO bond authorization has been included by the Governor but then reduced by the General Assembly in recent years.

The Rural Legacy Program’s fiscal 2011 allowance provides \$12.6 million in special funds and \$28.3 million in general obligation (GO) bonds. However, only \$17.6 million is new funding, which is \$0.9 million greater than the amount projected in the 2009 *Capital Improvement Program* (CIP). The 2010 CIP reflects a slightly increasing level of special funds and level of GO bond mandated appropriations as required by statute. The \$17.6 million in new funding for fiscal 2011 would be used to preserve an estimated 3,500 acres at \$5,000 per acre.

Rural Legacy Program Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$140.253	\$140.253	\$139.685	\$0.000	\$0.568
2006	14.022	14.022	13.746	0.000	0.276
2007	26.050	26.050	19.834	0.000	6.216
2008	20.921	20.921	5.793	0.000	15.128
2009	13.468	13.468	0.000	0.000	13.468
2010	11.812	0.000	0.000	11.812	11.812
Total	\$226.526	\$214.714	\$179.058	\$11.812	\$47.468

As of Fall 2009.

The Rural Legacy Program is a reimbursable grant program. Therefore, once a Rural Legacy Area sponsor is awarded funding, it is incumbent upon them to acquire easements and seek reimbursement in a timely manner. As of fall 2009, the Rural Legacy Program had \$47.5 million in unexpended funds. However, the proposed transfer of \$10.6 million in prior year unexpended funds will reduce this amount until the funding is replaced in fiscal 2011. **The Department of Legislative Services recommends that DNR comment on what steps need to be taken to reduce the amount of time that Rural Legacy Area sponsors take to seek reimbursement.**

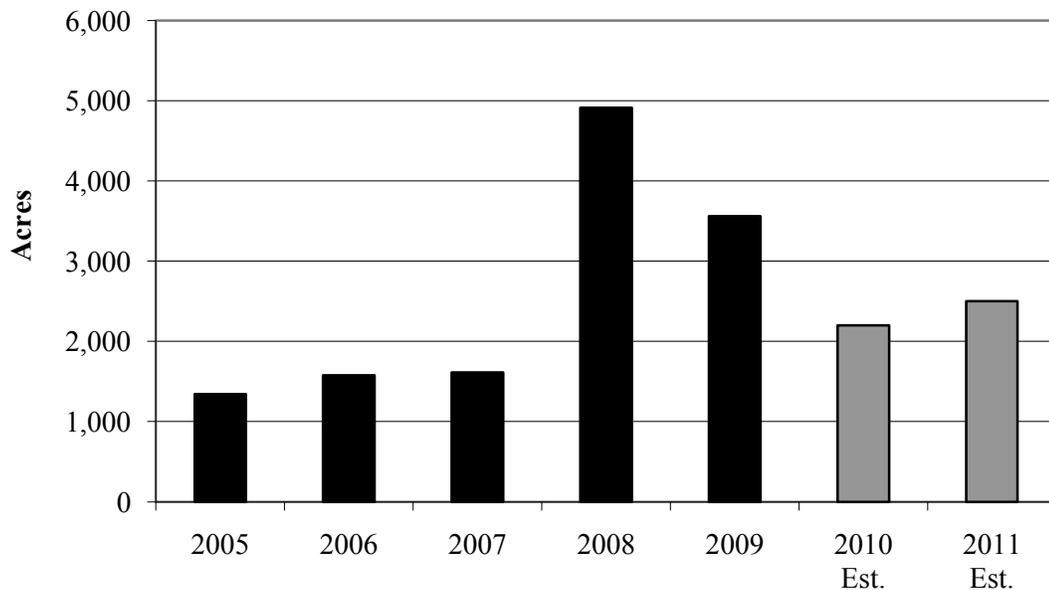
Rural Legacy Program Analysis and Performance

As illustrated in **Exhibit 12**, the number of easement and fee simple acres increased substantially between fiscal 2007 and 2008. DNR attributes this increase to the following factors:

- **Lag Time** – due to the administrative procedures in place, there can be up to a one-year lag between appropriations and expenditures for easements, which was exacerbated by a fiscal 2006 backlog in project spending by local partners.
- **Funding Increase** – the fiscal 2007 appropriation was \$12.1 million, or 86%, more than the fiscal 2006 appropriation. Due to the administrative lag time, the appropriation would not be spent until fiscal 2008.

For fiscal 2009 and 2010, the Rural Legacy Program returns to a more moderate level of easements encumbered by the Board of Public Works due to lower funding levels.

Exhibit 12
Rural Legacy Easement and Fee Simple Acres
Approved by the Board of Public Works
Fiscal 2005-2011



Source: Governor's Budget Books, Fiscal 2007-2011

Exhibit 13 shows the 30 Rural Legacy Areas and the percent of each protected. Overall, 8.5% of the 762,597 acres in Rural Legacy Areas are protected.

Exhibit 13
Rural Legacy Area Percent Protected as of February 16, 2010

<u>Rural Legacy Area</u>	<u>Area Acres</u>	<u>Acres Protected</u>	<u>% Protected</u>
Agricultural Security Corridor	43,381	9,370	21.6%
Anne Arundel South	32,521	931	2.9%
Baltimore County Coastal	14,711	899	6.1%
Bear Creek	31,437	1,126	3.6%
Calvert Creeks	20,527	1,660	8.1%
Carrollton Manor	38,265	185	0.5%
Coastal Bays	26,110	7,112	27.2%
Deer Creek (Lower Deer Creek)	66,701	2,020	3.0%
Dividing Creek	23,000	172	0.7%
Fair Hill	16,045	860	5.4%
Foreman Branch	7,078	4,029	56.9%
Gunpowder	13,432	811	6.0%
Huntersville	8,357	2,819	33.7%
Lands End	10,394	692	6.7%
Little Pipe Creek	24,942	2,720	10.9%
Long Green Valley	25,252	447	1.8%
Manor	28,434	670	2.4%
Mattapany	13,703	400	2.9%
Mid-Maryland Frederick	26,351	3,876	14.7%
Mid-Maryland Montgomery	49,907	4,594	9.2%
Mid-Maryland Washington	42,873	4,097	9.6%
Nanticoke	21,250	4,823	22.7%
North Calvert	10,515	0	0.0%
Patuxent Prince George's	34,984	848	2.4%
Piney Run	32,320	4,918	15.2%
Quantico	13,637	1,519	11.1%
Upper Patapsco Watershed	14,148	328	2.3%
Upper Patuxent Howard	11,322	81	0.7%
Upper Patuxent Montgomery	30,000	281	0.9%
Zekiah Watershed	31,000	2,496	8.1%
Total	762,597	64,784	8.5%

Source: Department of Natural Resources

Rural Legacy Program Recommended Actions

PAYGO Recommended Actions

1. Strike language and reduce \$12,637,770 in special funds to reflect general obligation bond authorization in the capital budget

Strike the following language:

~~Further provided, that notwithstanding the appropriations above, the Special Fund appropriation for the Outdoor Recreation Land Loan Program shall be reduced by \$42,223,608 contingent upon the enactment of legislation crediting transfer tax revenues to the General Fund. The reduction shall be distributed in the following manner:~~

Program Open Space State Acquisition	\$13,082,995
Program Open Space Local Share	12,352,843
Program Open Space Capital Improvements	4,150,000
Rural Legacy	12,637,770
Total	\$42,223,608

Explanation: This action strikes the contingent reduction on the Outdoor Recreation Land Loan special fund appropriation in order to be able to make the reduction directly.

GO Bond Recommended Actions

1. Reduce general obligation bonds by \$5,000,000:

KA05B	Rural Legacy Program.....	\$ 23,272,000
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<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
28,272,000	-5,000,000	23,272,000

Explanation: This action deletes the \$5.0 million mandated general obligation bond authorization for the Rural Legacy Program. The Rural Legacy Program already receives two allocations from the State transfer tax.

Rural Legacy Program Fiscal 2011 Proposed Projects

DNR explains that the fiscal 2011 awards will not be selected until late summer or early fall 2010.

Rural Legacy Program Current Project Status

<u>Rural Legacy Area</u>	<u>County</u>	<u>FY 2010 Grant Award*</u>
Agricultural Security Corridor	Caroline, Cecil, Dorchester, Kent, and Talbot	\$250,000
Anne Arundel South	Anne Arundel County	800,000
Coastal Bays	Worcester	1,000,000
Deer Creek	Harford	750,000
Dividing Creek	Somerset and Worcester	500,000
Gunpowder River	Baltimore	500,000
Lands End	Queen Anne's	500,000
Little Pipe Creek	Carroll	500,000
Mattapany	St. Mary's County	500,000
Mid-Maryland Washington	Washington	1,000,000
Nanticoke	Dorchester	1,500,000
Piney Run	Baltimore	1,500,000
Quantico Creek	Wicomico	512,252
Upper Patapsco	Carroll	1,000,000
Zekiah Watershed	Charles	1,000,000
Total		\$11,812,252

*Grants approved by Board of Public Works on December 16, 2009.

Ocean City Beach Maintenance

GO Bonds	\$6,459,000	Recommendation:	Strike language and reduce special fund appropriation by \$1.0 million
PAYGO SF	\$2,000,000		

Bill Text: Provide funds for the maintenance of the restoration of the beach at Ocean City (Worcester County).

Program Description: The Ocean City Beach Maintenance Fund was established to fund annual maintenance for the Ocean City beach replenishment project. When the fund was established, the State entered into a funding agreement with Worcester County and Ocean City. The funding agreement stipulates that the following amounts be provided annually: not less than \$1 million from the State and not less than \$500,000 each from the county and the city. Periodic nourishment is deemed the most cost-effective method of maintaining the beach over a 50-year period. Transfer tax revenue within Program Open Space (POS) is used to fund the State’s contribution to this effort.

Replenishment of the Ocean City beach is usually done on a four-year cycle. The last major replenishment was completed in November 2006 – approximately 931,000 cubic yards of sand was placed on the beach. The effort included a majority of the beach, but most of the material was placed in three areas: 138th Street to 146th Street; 75th Street to 94th Street; and 29th Street to 36th Street. The U.S. Army Corps of Engineers is responsible for developing estimates, plans, and managing construction contracts for the periodic nourishment efforts. The next periodic nourishment project is scheduled for 2010.

The corps cost estimate for the 2006 project was \$9.1 million, but the actual cost was just under \$8.0 million. The local share of this total periodic nourishment cost was shared by the State (50% – \$1.9 million), Ocean City (25% – approximately \$940,000), and Worcester County (25% – approximately \$940,000). Annual maintenance items, such as grass planting and fence repairs are also the responsibility of the State (50%), Ocean City (25%), and Worcester County (25%). These costs have averaged approximately \$300,000 annually.

Ocean City Beach Maintenance Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
PAYGO SF	\$2.000	\$0.000	\$2.000	\$2.000	\$2.000	\$2.000	\$2.000
GO Bonds	0.000	0.000	6.459	0.000	0.000	0.000	0.000
Total	\$2.000	\$0.000	\$8.459	\$2.000	\$2.000	\$2.000	\$2.000

Note: The fiscal 2010 appropriation reflects that no appropriations were made to the Ocean City Beach Maintenance Fund in fiscal 2010; however, there was a \$1,000,000 appropriation in the Department of Natural Resources' operating budget which was increased to \$5,300,000 for the periodic beach renourishment. The fiscal 2011 reflects (1) \$3,401,000 in prior general obligation (GO) bond replacement for the local share and \$2,058,000 for the State share, and (2) \$1,000,000 in State special funds for fiscal 2011 that are replaced with GO bonds. The remaining \$1,000,000 in special funds is for the local share appropriation to the fund and for its annual appropriation.

The Ocean City Beach Maintenance Program fiscal 2011 allowance includes \$2.0 million in special funds and \$6.5 million in general obligation (GO) bonds. However, the \$6.5 million in GO bonds reflects the replacement of \$1.0 million in fiscal 2011 special funds and \$5.5 million in prior year fund balance, so there is only \$2.0 million in new funding: \$1.0 million in State transfer tax appropriated to the fund and \$1.0 million of local share funding. The fiscal 2011 adjusted allowance reflects the projection of the 2009 *Capital Improvement Program* (CIP). The 2010 CIP, in turn, projects \$2.0 million appropriations throughout the planning period.

Ocean City Beach Maintenance Authorization Encumbrance and Expenditure Data

**Authorization Summary
(\$ in Millions)**

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$32.750	\$23.808	\$23.817	\$8.942	\$8.933
2006	2.000	1.000	1.000	1.000	1.000
2007	2.000	0.307	0.307	1.693	1.693
2008	2.000	0.261	0.261	1.739	1.739
2009	2.000	0.325	0.282	1.675	1.718
2010	0.000	0.000	0.000	0.000	0.000
Total	\$40.750	\$25.701	\$25.667	\$15.049	\$15.083

As of Fall 2009.

The fall 2009 encumbrance and expenditure data reflects the attainment of the \$15 million cap, which has since been drawn down by the fiscal 2010 planned renourishment.

Ocean City Beach Maintenance Fund Data

Fund History

	<i>FY 2009 Actual</i>	<i>FY 2010 Estimated</i>	<i>FY 2011 Estimated</i>
Beginning Balance	\$13,602,283	\$15,049,039	\$4,689,802
Revenue			
Worcester County	\$325,436	\$0	\$253,600
State Share (Program Open Space)	1,000,000	0	1,000,000
Town of Ocean City	326,827	0	255,636
Interest	347,735	240,763	250,000
Total Revenue	\$1,999,998	\$240,763	\$1,759,236
Total Available	15,602,281	15,289,802	6,449,038
Encumbrances			
Encumbrances	\$0	\$10,600,000	\$600,000
Expenditures	553,242	0	0
Total Encumbrances	553,242	10,600,000	600,000
Ending Balance	\$15,049,039	\$4,689,802	\$5,849,038

No Ocean City Beach Maintenance Program funding was budgeted for fiscal 2010 because the \$15 million cap on the Ocean City Beach Maintenance Fund was reached. As a result, Worcester County and Ocean City were not required to make their \$1 million contribution in fiscal 2010. Interest accrued on the Ocean City Beach Maintenance Fund balance, which reflects approximately one-third of the \$1 million annual contribution by Worcester County and Ocean City, was credited toward the fiscal 2011 contribution.

Fiscal 2010 Ocean City Beach Maintenance program encumbrances are driven by the planned renourishment, the combination of a nor'easter and the remnants of Tropical Storm Ida hitting Ocean City in mid-November 2009, and annual maintenance requirements. In essence, the planned renourishment is being expanded due to the storms, which in combination have meant that the beach and dunes currently do not provide the level of protection for Ocean City that is required by the "Local Cooperation Agreement" made between the State and the U.S. Army Corps of Engineers. Complicating matters, the U.S. Army Corps of Engineers will not be able to provide its usual 53% match for the planned renourishment but is being counted upon to fund the damage from the storms, estimated to cost \$4.5 million, via Public Law 84-99. Finally, the Department of Natural Resources

intends to sign a three-year contract with a vendor on a reimbursement for work basis in order to reduce the bureaucratic difficulties of obtaining an annual beach maintenance contract and to have a contractor on-call for emergencies. **Exhibit 14** shows the planned encumbrances for the three activities impacting Ocean City in fiscal 2010.

Exhibit 14
Ocean City Beach Maintenance Funding Needs
Fiscal 2010
(\$ in Millions)

<u>Activity</u>	<u>Action</u>	<u>State/Local</u>	<u>Federal</u>	<u>Total</u>
Planned Renourishment	750,000 cubic yards of sand	\$8.1	\$2.9	\$11.0
Tropical Storm Ida Mitigation	300,000 cubic yards of sand and dune repair	0.5	4.5	5.0
Annual Maintenance	Three-year contract for plantings, fencing, and storm mitigation	2.0	0.0	2.0
Total	1,050,000 cubic yards of sand	\$10.6	\$7.4	\$18.0

Note: The State and local partners usually contribute \$5.2 million to the planned renourishment, and the federal government contributes \$5.8 million. The federal funding for Tropical Storm Ida mitigation is a best case scenario.

Source: Department of Natural Resources; Department of Legislative Services

The Department of Legislative Services recommends that the Department of Natural Resources describe the scope of the three-year contract for annual Ocean City beach maintenance given that annual expenditures usually are on the order of \$300,000.

Ocean City Beach Maintenance Recommended Actions

PAYGO Recommended Actions

1. Strike language and reduce \$1,000,000 in special funds to reflect general obligation bond authorization in the capital budget

Strike the following language:

~~Further provided, that notwithstanding the appropriations above, the Special Fund appropriation for the Outdoor Recreation Land Loan Program shall be reduced by \$42,223,608 contingent upon the enactment of legislation crediting transfer tax revenues to the General Fund. The reduction shall be distributed in the following manner:~~

Program Open Space State Acquisition	\$13,082,995
Program Open Space Local Share	12,352,843
Program Open Space Capital Improvements	4,150,000
Rural Legacy	12,637,770
Total	\$42,223,608

Explanation: This action strikes the contingent reduction on the Outdoor Recreation Land Loan special fund appropriation in order to be able to make the reduction directly.

GO Bond Recommended Actions

1. Concur with Governor's allowance.

Waterway Improvement Program (Statewide)

GO Bonds	\$10,192,000	Recommendation:	Reduce special fund appropriation by \$3.9 million
PAYGO SF	\$5,000,000		
PAYGO FF	\$500,000		

Bill Text: Provide funds to finance projects that expand and improve recreational boating throughout the State consistent with the State Boat Act. The funds appropriated for this purpose shall be administered in accordance with §§ 8-707 through 8-709 of the Natural Resources Article.

Program Description: The Waterway Improvement Fund finances projects to expand and improve public boating access throughout the State. Financial support to the fund is derived from the 5% excise tax paid on the sale of motorized vessels within the State. Funding is provided in the form of grants and/or long-term, interest free loans to local governments, the Department of Natural Resources (DNR), and some federal government agencies, as follows:

- grants (100%) not to exceed \$5,000;
- grants (100%) less than \$100,000;
- public navigation improvement grants (100%) of unlimited amounts;
- matching grants (50%) that are equal to or exceed \$100,000; and
- interest free loans (100%) with a 25-year maximum.

Waterway Improvement Program Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
PAYGO SF	\$20.000	\$4.550	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
PAYGO FF	1.300	1.000	0.500	0.500	0.500	0.500	0.500
GO Bonds	0.000	0.000	10.192	6.257	0.000	0.000	0.000
Total	\$21.300	\$5.550	\$15.692	\$11.757	\$5.500	\$5.500	\$5.500

Note: The fiscal 2010 appropriation reflects the August 26, 2009 Board of Public Works action that reduced the special fund appropriation by \$450,000. The fiscal 2011 allowance reflects (1) \$6,258,000 in prior year general obligation (GO) bond replacement, and (2) \$3,934,000 in special funds for fiscal 2011 that are replaced with GO bonds.

The Waterway Improvement Program fiscal 2011 allowance includes \$5.0 million in special funds, \$0.5 million in federal funds, and \$10.2 million in general obligation (GO) bonds. However, when the prior year GO bond replacement and contingent reduction of special funds that are replaced with GO bonds are accounted for, there is only \$5.5 million in new funding for projects. DNR anticipates bringing in another \$0.5 million in federal funds via a supplemental budget from U.S. Fish and Wildlife Service grant funding from the Boating Access and Boating Infrastructure grants program.

The fiscal 2010 adjusted allowance reflects a \$5.0 million decrease relative to the 2009 *Capital Improvement Program* (CIP), which may be attributed to the weak vessel excise tax revenues supporting the Waterway Improvement Fund. The 2010 CIP projects level special funds and federal funds and one more year of GO bond authorization in fiscal 2012.

The fiscal 2011 allowance provides for 63 waterway projects around the State. The program's fiscal 2011 funding would be allocated to the categories of projects in **Exhibit 15**.

Exhibit 15
Waterway Improvement Program Funding Categories
Fiscal 2010-2011

<u>Category</u>	<u>Number of Projects</u>		<u>Amount</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
State Grants (<\$100,000)	31	40	\$1,595,720	\$2,363,800
State Grants (>\$100,000)	8	8	1,644,000	2,188,550
Matching Fund Grants	21	15	2,310,280	1,447,650
Loans	0	0	0	0
Total	60	63	\$5,550,000	\$6,000,000

Note: The fiscal 2011 amount includes \$500,000 in federal funds that are anticipated to be brought in via a supplemental budget.

Source: Department of Natural Resources

Waterway Improvement Program Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$76.467	\$76.467	\$75.437	\$0.000	\$1.030
2006	21.316	21.316	20.043	0.000	1.273
2007	26.181	26.181	19.212	0.000	6.969
2008	28.141	28.141	19.320	0.000	8.821
2009	21.300	21.300	7.082	0.000	14.218
2010	5.550	4.769	0.464	0.781	5.086
Total	\$178.955	\$178.174	\$141.558	\$0.781	\$37.397

As of January 31, 2010.

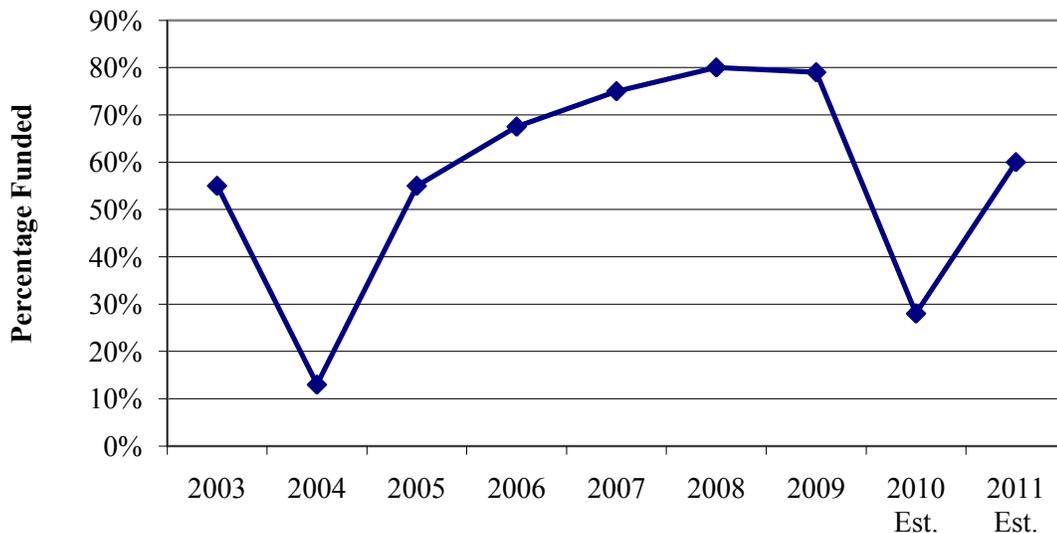
Note: The fiscal 2010 appropriation is reduced by \$450,000 to reflect the transfer of funds to the general fund as part of August 26, 2009 Board of Public Works cost containment actions.

The authorization summary for the Waterway Improvement Program reflects the immediate encumbering of funding practiced by the program. DNR notes that it has been determined that grant applications accepted by the program are in effect contracts due to the specific terms and conditions of the grant agreement. Therefore, DNR considers the entire list of accepted program grants in any particular year to be encumbered when the budget bill is enacted. DNR has a three-year expenditure policy for funding; however, if progress is noted on a project, then this deadline may be extended, which accounts for the \$9.3 million in funding that is yet to be expended for fiscal 2007 and prior years.

Waterway Improvement Program Analysis and Performance

As illustrated in **Exhibit 16**, the fiscal 2011 allowance will allow the Waterway Improvement Program to fund an estimated 60% of the waterway project requests submitted, which is a substantial increase from the 28% of project requests funded in fiscal 2010. However, more projects were requested in fiscal 2010 (212 projects) than in fiscal 2011 (104 projects), which, all else being equal, increases the percentage of projects funded. DNR notes that it has informed local jurisdictions to limit grant requests to those of the highest priority. DNR’s goal is to fund 80% of project requests; therefore, the fiscal 2011 allowance is 20 percentage points lower than the goal.

Exhibit 16
Percent of Waterway Project Requests Funded
Fiscal 2003-2011



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

Waterway Improvement Program Recommended Actions

PAYGO Recommended Actions

1. Reduce \$3,934,000 in special funds to reflect general obligation bond authorization in the capital budget

GO Bond Recommended Actions

1. Concur with Governor's allowance.

Waterway Improvement Program Fiscal 2011 Proposed Projects

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Allegany	C.G. Mason Recreation Complex – ADA Improvements, Cumberland	\$10,000	\$10,000	100.0%
Allegany	Nonpoint Source Public Boating Facilities – Parkwide Maintenance and Improvements	99,000	99,000	100.0%
Anne Arundel	Acquire services to manage/maintain and lease dredged material placement sites for local dredging projects	50,000	50,000	50.0%
Anne Arundel	Duvall Creek – Dredging Project	500,000	500,000	100.0%
Anne Arundel	Rockhold Creek – Federal Navigation Project	99,000	99,000	100.0%
Anne Arundel	Annapolis Public Boating Facilities – Maintenance and Improvements	99,000	99,000	100.0%
Anne Arundel	Sandy Point State Park – Channel Improvements	550,000	550,000	100.0%
Baltimore	Baltimore County Submerged Aquatic Vegetation (SAV) Monitoring	10,000	10,000	100.0%
Baltimore	Baltimore County – Navigation Aids Inspection and Repairs	50,000	50,000	100.0%
Baltimore	Gunpowder Falls State Park – Replace Dock, Shoreline Stabilization, and Maintenance Dredging	50,000	50,000	100.0%
Baltimore	Bowley’s Quarters – New Marine Equipment and Fire/Rescue Boat	50,000	50,000	50.0%
Baltimore	White Marsh Volunteer Fire Department – New Marine Fire/Rescue Equipment	14,100	14,100	50.0%
Baltimore	Cockeysville Fire Department – New Marine Fire/Rescue Equipment	5,300	5,300	50.0%
Baltimore City	Inner Harbor Marina Center – Green Improvements for Boat Slips	31,950	31,950	100.0%
Baltimore City	New Marine Equipment and Fire Boats	25,000	25,000	50.0%

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Calvert	North Beach Town Pier – Maintenance Dredging	99,000	99,000	100.0%
Caroline	Caroline County Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Cecil	Chesapeake City Public Boating Facilities – General Maintenance and Improvements	5,800	5,800	100.0%
Cecil	Port Deposit Marina Park Boating Facility – Relocate Existing Floating Docks	50,000	50,000	100.0%
Cecil	Charlestown Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Cecil	Port Deposit Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Charles	Marbury Fire Department – Replace Fire/Rescue Boat and Equipment	50,000	50,000	50.0%
Dorchester	Cambridge Municipal Marina – New Restroom	50,000	50,000	100.0%
Dorchester	Dorchester County Public Boating Facilities – General Maintenance and Improvements	99,000	99,000	100.0%
Frederick	Brunswick Campground – Boat Ramp and ADA Improvements	99,000	99,000	100.0%
Garrett	Broadford Lake – Replace Boat Access Dock	15,000	15,000	100.0%
Harford	Broad Creek Landing – Renovate Boat Ramp	50,000	50,000	100.0%
Harford	Joppatowne Maintenance Dredging	30,000	30,000	100.0%
Harford	Havre de Grace Marina – Maintenance Dredging	50,000	50,000	100.0%
Harford	Havre de Grace – Green Street – New Floating Transient Pier	50,000	50,000	50.0%
Harford	Havre de Grace Marina – Renovate Boat Ramp and Access Piers	25,000	25,000	100.0%

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Kent	Turner’s Creek – New Boating Access Pier	99,000	99,000	100.0%
Prince George’s	Laurel Volunteer Fire Department – New Marine Fire/Rescue Equipment	3,800	3,800	50.0%
Prince George’s	Prince George’s County Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Prince George’s	Fort Washington Marina – General Maintenance and Improvements	50,000	50,000	100.0%
Queen Anne’s	Kent Island – New Marine Fire/Rescue Equipment	7,500	7,500	50.0%
Queen Anne’s	Corsica River – Maintenance Dredging	50,000	50,000	100.0%
Queen Anne’s	Grasonville – Replace Fire/Rescue Boat	50,000	50,000	50.0%
Queen Anne’s	Centreville Wharf – Shoreline Stabilization	99,000	99,000	100.0%
Somerset	Crisfield Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Somerset	Smith Island – Dredging Project	40,000	40,000	100.0%
Somerset	Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Somerset	Somers Cove Marina Improvements	238,550	238,550	100.0%
Southern Region	DNR Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
St. Mary’s	St. Mary’s Public Boating Facilities – General Maintenance and Improvements	99,000	99,000	100.0%
St. Mary’s	St. Jerome Creek – Jetty Study	100,000	100,000	100.0%
St. Mary’s	Ridge Volunteer Fire Department New Marine Fire/Rescue Equipment	10,000	10,000	
Talbot	St. Michaels – West Harbor Road – Replace Boat Ramp	99,000	99,000	100.0%
Talbot	Talbot County Public Boating Facilities – General Maintenance and Improvements	90,000	90,000	100.0%

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Talbot	Oxford Public Boating Facilities – General Maintenance and Improvements	99,000	99,000	100.0%
Washington	River Bottom Park – Renovate Boat Ramp and Provide ADA Parking	50,000	50,000	100.0%
Wicomico	Wicomico County Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Wicomico	Wicomico River and Port of Salisbury – New Marine Fire/Rescue Boat and Equipment	50,000	50,000	50.0%
Wicomico	Port of Salisbury Public Marina – General Maintenance and Improvements	99,000	99,000	100.0%
Worcester	Ocean City Fire Department – New Fire/Rescue Boat and Equipment	50,000	50,000	50.0%
Worcester	Worcester County Public Boating Facilities – General Maintenance and Improvements	50,000	50,000	100.0%
Worcester	Byrd Park – General Maintenance and Improvements	50,000	50,000	100.0%
Statewide	Statewide – Shoreline Erosion Control Projects	250,000	250,000	100.0%
Statewide	Statewide – Marine Sewage Pumpouts	150,000	150,000	100.0%
Statewide	Statewide – State Match for Federal Boating Access Grants	100,000	100,000	100.0%
Statewide	Statewide Public Navigation Channel Improvements	100,000	100,000	100.0%
Statewide	Natural Resources Police – Marine Communications Equipment	200,000	200,000	100.0%
Statewide	Statewide – Waterway Improvement Projects – Federal Funds*	1,000,000	1,000,000	25.0%
Total		\$6,000,000	\$6,000,000	

ADA: Americans with Disabilities Act

* The Department of Natural Resources indicates that there is \$500,000 in federal funds for fiscal 2011 in a planned supplemental budget.

Waterway Improvement Program Current Project Status

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Anne Arundel	SAV Monitoring – Various Waterways throughout Anne Arundel County for public navigation projects	\$10,000	\$10,000	50%	Contract
Anne Arundel	Design boat launching facility at Fort Smallwood Park	99,000	99,000	100%	Engineering
Anne Arundel	Purchase south region fire/rescue boat for Anne Arundel County	50,000	50,000	50%	Contract
Anne Arundel	Upgrade and maintain public boating facilities throughout the City of Annapolis	50,000	50,000	100%	Contract
Anne Arundel	Dredge Rockhold Creek*	50,000	50,000	100%	Contract
Baltimore City	Purchase equipment for dive team and fire/rescue boats in Baltimore City	20,000	20,000	50%	Bid Process
Baltimore County	Upgrade electronics and replace outboard motor on fire/rescue boats at Bowleys Quarters VFD	17,500	17,500	50%	Bid Process
Baltimore County	Acquire cold water suits in support of water rescue teams for Baltimore Co. Fire Dept.	4,800	4,800	50%	Bid Process
Baltimore County	Replacement of a fire/rescue for Edgemere Fire Department	50,000	50,000	50%	Complete
Baltimore County	SAV Monitoring – Various waterways throughout Baltimore County for public navigation projects	10,000	10,000	50%	Planning
Baltimore County	Install, inspect, remove, repair, maintain and replace channel markers installed for State-funded navigation projects throughout Baltimore County	25,000	25,000	100%	Contract

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Baltimore County	Maintenance dredge Bear Creek (Tabasco Cove, Schoolhouse Cove, Chink Creek, and Lynch Cove)	100,000	100,000	50%	Contract
Baltimore County	Maintenance dredge Shallow Creek	400,000	400,000	50%	Contract
Calvert	Stabilize shoreline and reconstruct existing boat ramp to facilitate better boating access at Chesapeake Beach	95,000	95,000	100%	Completed, Awaiting Reimbursement
Caroline	Provide/improve ADA accessibility, replace deteriorating ramp/pier structures, and amenities	50,000	50,000	100%	Contract
Caroline	Replace the existing pier that serves Martinak State Park	50,000	50,000	100%	Contract
Carroll	Acquire new motor for Piney Run patrol boat	4,000	4,000	50%	Complete
Cecil	Acquire new equipment for marine fire/rescue at Chesapeake City VFD	25,000	25,000	50%	Bid Process
Cecil	Construct marina services building for the boating public at Elk River Park	50,000	50,000	100%	Bid Process
Charles	Purchase new fire/rescue vessel at Tenth District VFD	50,000	50,000	50%	Bid Process
Dorchester	Acquire fire/rescue boat and associated equipment for Neck District VFD	21,000	21,000	50%	Bid Process
Dorchester	Replace existing marine railway at Cambridge Terminal	275,000	275,000	100%	Bid Process
Dorchester	Perform maintenance and repair of county boat ramps, parking areas, pavilions, docks, and slips to enhance boating access sites	50,000	50,000	100%	Construction In-house

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Dorchester	Navigation improvements at Elliott Island and Chapel Cove Ramps	100,000	100,000	100%	Engineering
Dorchester	Construct boat ramp and perform entrance channel dredging at Langralls Creek	100,000	100,000	100%	Planning
Frederick	Construct jetty to protect boat ramp at Brunswick	50,000	50,000	100%	Bid Process
Garrett	Upgrade comfort station for ADA access and improved capacity at Friendsville Community Park	26,000	26,000	100%	Contract
Harford	Acquire fire/rescue boat with fire pump & monitor for Darlington VFD to serve portion of Susquehanna River	50,000	50,000	50%	Bid Process
Kent	Replace existing bulkhead at existing boat ramp at Green Lane Ramp in Rock Hall	50,000	50,000	100%	Engineering
Kent	Purchase equipment and fire/rescue boat at Galena VFD	21,500	21,500	50%	Completed, Awaiting Reimbursement
Prince George's	Replace existing fire/rescue boat with a swift water vessel at Prince George's County Fire Dept.	50,000	50,000	50%	Bid Process
Prince George's	Acquire water rescue equipment at Laurel Vol. Rescue Squad	3,480	3,480	50%	Completed, Awaiting Reimbursement
Queen Anne's	Acquire fire/rescue boat and associated equipment at United Communities VFD	18,000	18,000	50%	Contract
Queen Anne's	Rehabilitation of Watermen's Marina at Kent Narrows	355,000	355,000	50%	Contract
Somerset	Fuel dock renovations at Somers Cove Marina	250,000	250,000	100%	Bid Process

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Somerset	Provide general maintenance of countywide public boating facilities	40,000	40,000	100%	Construction In-house
Somerset	Replace deteriorated dock at Jenkins Creek Dock	50,000	50,000	100%	Engineering
St. Mary's	Construct replacement pier at St. George's Island	56,720	56,720	100%	Bid Process
St. Mary's	Provide general maintenance and repairs at various public boat ramps and landings countywide	50,000	50,000	100%	Planning
Talbot	Rebuild transient boating portion of Ferry dock, North Morris Street, Oxford	25,000	25,000	100%	Bid Process
Talbot	Replace bulkhead at the foot of Mulberry Street and St. Michaels Harbor used by transient boaters	73,000	73,000	100%	Contract
Talbot	Provide general maintenance and repairs at various public boat ramps and landings countywide	50,000	50,000	100%	Contract
Talbot	Repair existing boat ramp at Tilghman Street, Oxford	25,000	25,000	100%	Bid Process
Talbot	Replace existing deteriorated boat ramp at Oak Creek Ramp to improve access for the boating public	25,000	25,000	100%	Engineering
Washington	Replace boat launching facilities at River Bottom Park, Williamsport	50,000	50,000	100%	Bid Process
Wicomico	Provide general maintenance and repairs at various public boat ramps and boating facilities countywide	50,000	50,000	100%	Contract

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Wicomico	Restore failing jetties and dredge harbor including leasing/preparing the dredge material placement site at Nanticoke Boating Facility	50,000	50,000	100%	Contract
Worcester	Renovate NRP boathouse in West Ocean City	25,000	25,000	100%	Contract
Worcester	Acquire a fire/rescue boat at Ocean City Fire Dept	50,000	50,000	50%	Planning
Worcester	Pave the parking lots at Shad Landing, Pocomoke River Park Marina	150,000	150,000	100%	Contract
Worcester	Replace existing ramps and provide floating docks at West Ocean City Ramp	50,000	50,000	100%	Engineering
Worcester	Provide general maintenance and repairs at various public boat ramps and boating facilities countywide	50,000	50,000	100%	Construction In-house
Statewide	Complete boating related shoreline erosion control projects	369,000	369,000	100%	Planning and Contract
Statewide	Utilize federal Clean Vessel Act (75%) and state Waterway Improvement Fund (25%) funds (awarded annually), DNR is administering a grant program that provides reimbursements to marinas for the purchase and installation of marine sewage pump-out facility	100,000	100,000	100%	Contract
Statewide	Funding to replace existing patrol boats that serve the boating public for NRP	300,000	300,000	100%	Planning
Statewide	General maintenance/repairs to boat ramps, public landings and dock systems at various State Parks in the Eastern Region of Maryland	75,000	75,000	100%	Construction In-house

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Statewide	General maintenance/repairs to boat ramps, public landings and dock systems at various State Parks in the Central Region of Maryland	75,000	75,000	100%	Construction In-house
Statewide	Complete dredging/navigation/storm damage projects in designated public navigation channels or publicly owned boating facilities that occur outside the budget cycle or exceed appropriated funding amount statewide	50,000	50,000	100%	Planning and Contract
Statewide	Federal BIG and Sportfish Restoration boating access projects	81,000	81,000	100%	Planning
Statewide	Federal cost share for proposed U.S. Fish and Wildlife approved projects. Anticipated projects include improvements at public boating facilities at Oak Creek Ramp in Talbot County, Susquehanna State Park (Lapidum Boat Ramp) in Harford County, Fifteen Mile Creek Ramp in Allegany County, Point of Rocks Ramp in Frederick County, Brunswick Landing Ramp in Frederick County, and at Leonardtown Wharf Landing in St. Mary's County	1,000,000	1,000,000	25%	Planning and Contract
Total		\$5,550,000	\$5,550,000		-

ADA: Americans with Disabilities Act
 BIG: Boating Infrastructure Grant
 DNR: Department of Natural Resources
 NRP: Natural Resources Police
 SAV: Submerged Aquatic Vegetation
 VFD: Volunteer Fire Department

* Reduce Rockhold Creek Dredging project by \$450,000 for fiscal 2010 cost containment.

Community Parks and Playgrounds (Statewide)

GO bonds **\$2,500,000** **Recommendation: Approve**

Bill Text: Provide funds for grants to local governments to design and construct eligible projects.

Program Description: Chapters 247 and 248 of 2008 codified and amended the existing Community Parks and Playgrounds Program within the Department of Natural Resources (DNR). The program had been administered as an uncodified grant program for counties and municipalities by Program Open Space (POS) since fiscal 2002. Beginning in fiscal 2010, the program provides flexible grants to municipalities and Baltimore City – counties are no longer eligible – to do the following:

- rehabilitate, expand, improve, or maintain existing parks;
- purchase land to create new parks;
- develop new parks;
- purchase and install playground equipment in urban neighborhoods and rural areas throughout the State; or
- be used for environmentally oriented parks and recreation projects.

POS is designated as the administrative unit for the program, and the program is intended to be funded with general funds and the proceeds from the sale of general obligation (GO) bonds. While land acquisition costs are considered, highest priority is given to capital costs associated with park and playground development and improvement.

Community Parks and Playgrounds Prior Authorization and Capital Improvement Program

Authorization Request (\$ in Millions)

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
GO Bonds	\$5.000	\$5.000	\$2.500	\$2.500	\$2.500	\$2.500	\$2.500
Total	\$5.000	\$5.000	\$2.500	\$2.500	\$2.500	\$2.500	\$2.500

The Community Parks and Playgrounds fiscal 2011 allowance includes \$2.5 million in GO bond funding to fund 24 projects in 17 jurisdictions. The program’s fiscal 2011 allowance reflects a \$2.5 million decrease relative to both the fiscal 2010 appropriation and the 2009 *Capital Improvement Program* (CIP). The 2010 CIP projects reduced funding at the \$2.5 million level through the five-year planning period.

Community Parks and Playgrounds Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$20.994	\$20.994	\$20.105	\$0.000	\$0.889
2006	4.000	3.900	3.051	0.100	0.949
2007	5.000	5.000	4.100	0.000	0.900
2008	5.000	5.000	3.838	0.000	1.162
2009	5.000	5.000	2.675	0.000	2.325
2010	5.000	4.774	0.286	0.226	4.714
Total	\$44.994	\$44.668	\$34.055	\$0.326	\$10.939

As of February 16, 2010.

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A total of \$10.9 million in prior authorized funds dating from fiscal 2010 and earlier years remains unexpended. DNR notes that since this is a reimbursement program, a municipality receiving a grant is responsible for completing the work in a timely fashion. Upon completion of the work, the municipality applies for reimbursement, DNR inspects the project, and the payment is processed. DNR indicates that a three-year or other limitation on reimbursement may limit the ability of the smallest and least administratively endowed municipalities to use the program despite the perhaps greater need exhibited by these municipalities.

There is a cancellation of a \$100,000 in the grant provided for the North County Park for the planning and design of a park to be located in the northern section of Baltimore County. This grant was authorized for the Community Parks and Playgrounds program as part of the Maryland Consolidated Capital Bond Loan of 2005. The original language stated that the \$4.0 million appropriation, of which the North County Park was one project, may only be used to provide grants for the projects specified in the bill. Therefore, while DNR indicates that Baltimore County intends to use the \$100,000 to develop Mt. Vista Park in Kingsville, the funding cannot be used for another purpose and must be de-authorized. **The Department of Legislative Services recommends that the \$100,000 GO bond authorization in the 2005 Maryland Consolidated Capital Bond Loan for the North County Park under the Community Parks and Playgrounds program be de-authorized and repurposed.**

Community Parks and Playgrounds Recommended Actions

GO Bond Recommended Actions

1. Concur with Governor’s allowance.
2. De-authorize \$100,000 of the \$4,000,000 authorized for Community Parks and Playgrounds attributable to the North County Park (2005 Maryland Consolidated Capital Bond Loan).

Add the following language:

DEPARTMENT OF NATURAL RESOURCES

KA05 CAPITAL GRANTS AND LOANS ADMINISTRATION

- (A) Community Parks and Playgrounds. Provide funds for grants to local governments to design and construct eligible projects (Statewide) Further provided that [~~\$4,000,000~~] **\$3,900,000** of this appropriation may only be used to provide grants for the following projects: [4,000,000]
3,900,000
- (6) North County Park, provide a [~~\$100,000~~] **\$0**

Explanation: This action de-authorizes funding for the North County Park project included by the General Assembly as a specified use of authorizations provided in the 2005 session capital bill. This project has been cancelled, and the funds may be de-authorized.

Community Parks and Playgrounds Fiscal 2011 Proposed Projects

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Allegany	Baker Memorial Park Improvements	\$114,000	\$114,000	100.0%
Anne Arundel	Chambers Park – Playground Renovation	61,000	61,000	100.0%
Baltimore City	Federal Hill Park – Playground Renovations	240,000	240,000	100.0%
Baltimore City	Northwestern High School – Field Improvements	75,000	75,000	100.0%
Baltimore City	Woodbourne Park – Playground Renovations	200,000	200,000	100.0%
Caroline	Chambers Park – Energy Efficient Lighting	90,000	90,000	100.0%
Caroline	Town of Hillsboro – Playground Equipment	70,000	70,000	100.0%
Carroll	Green's Playground – Replacement	140,000	140,000	100.0%
Cecil	Ferry Slip Park – New Playground Equipment	91,000	91,000	100.0%
Cecil	Marina Park Playground – New Restrooms	154,000	154,000	100.0%
Charles	Tilghman Lake – New Restrooms	100,000	100,000	100.0%
Dorchester	Meadow Avenue Park – New Picnic Pavilion and Play Structures	84,000	84,000	100.0%
Frederick	Doub's Meadow Park – New Restrooms	12,000	12,000	100.0%
Frederick	Woodsboro Regional Park – Field Improvements	84,000	84,000	100.0%
Garrett	Deer Park – New Restrooms	75,000	75,000	100.0%
Montgomery	Town of Poolesville – Tot Lot	60,000	60,000	100.0%
Montgomery	Washington Woods Park Playground – New Equipment	76,000	76,000	100.0%
Prince George's	Jericho Park – New Playground	77,000	77,000	100.0%
Prince George's	Snowden Park Playground – ADA Play Structures	80,000	80,000	100.0%
Queen Anne's	Queenstown Playground – ADA Improvements	99,000	99,000	100.0%

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>FY 2011 Amount</u>	<u>Total State Share (%)</u>
Somerset	Crisfield Municipal Park – New Trails	136,000	136,000	100.0%
Talbot	RTC Park – New Playground	283,000	283,000	100.0%
Washington	Town of Hancock Community Center Playground Rehabilitation	24,000	24,000	100.0%
Worcester	Robin Park – Playground Improvements	75,000	75,000	100.0%
Total		\$2,500,000	\$2,500,000	

ADA: Americans with Disabilities Act

Community Parks and Playgrounds Current Project Status

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Allegany	Barton Little League Complex	\$15,000	\$15,000	100.0%	Awarded
Allegany	Barton Meadow Park	25,000	25,000	100.0%	Awarded
Allegany	City of Frostburg Recreation Complex	45,000	45,000	100.0%	Awarded
Allegany	Hot Stove Park	74,000	74,000	100.0%	Awarded
Allegany	Lonaconing Recreation Area	143,000	143,000	100.0%	Awarded
Anne Arundel	Davis Park	26,000	26,000	100.0%	Pending BPW
Anne Arundel	Highland Beach Park	41,000	41,000	100.0%	Pending BPW
Anne Arundel	Turner Playground	56,000	56,000	100.0%	Pending BPW
Baltimore City	Burdick Park	140,000	140,000	100.0%	Awarded
Baltimore City	Druid Hill Park	230,000	230,000	100.0%	Awarded
Baltimore City	Easterwood Park	130,000	130,000	100.0%	Awarded
Baltimore City	Windsor Hills Park	110,000	110,000	100.0%	Awarded
Calvert	North Beach Bay Overlook	21,000	21,000	100.0%	Pending BPW
Caroline	Chambers Park	81,000	81,000	100.0%	Awarded

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Caroline	Goldsboro Children's Playground and Picnic Area	158,000	158,000	100.0%	Awarded
Caroline	Ridgely Railroad Building	75,000	75,000	100.0%	Awarded
Carroll	Jones Park	100,000	100,000	100.0%	Awarded
Carroll	Memorial Park	120,000	120,000	100.0%	Awarded
Carroll	Mont Airy – Rails-to-Trails Pathway Lighting	82,000	82,000	100.0%	Pending BPW
Carroll	Westminster – City Wide Parks Upgrades	50,000	50,000	100.0%	Awarded
Cecil	Chesapeake City Park	33,000	33,000	100.0%	Awarded
Cecil	Daydream Park	142,000	142,000	100.0%	Awarded
Cecil	Meadow Park – Playground Boarder Project	11,000	11,000	100.0%	Awarded
Cecil	Meadow Park – Playground Equipment	20,000	20,000	100.0%	Awarded
Cecil	Meadow Park – Rock Walls	29,000	29,000	100.0%	Awarded
Cecil	Town of Perryville Youth Park	2,000	2,000	100.0%	Awarded
Cecil	Trinity Woods Park	118,000	118,000	100.0%	Awarded
Cecil	Veteran’s Memorial Park	155,600	155,600	100.0%	Awarded
Charles	Town of La Plata Parks	50,000	50,000	100.0%	Awarded
Charles	Town of La Plata Playgrounds	24,000	24,000	100.0%	Awarded
Charles	Town of La Plata Tennis Courts	40,000	40,000	100.0%	Awarded
Dorchester	Riverfront Park	162,000	162,000	100.0%	Awarded
Dorchester	Town of East New Market – Tennis Courts	40,000	40,000	100.0%	Awarded
Frederick	Amber Meadows Park	27,000	27,000	100.0%	Awarded
Frederick	Brunswick Park	54,000	54,000	100.0%	Awarded
Frederick	Canada Hill Playground	20,000	20,000	100.0%	Awarded
Frederick	Carrollton Park	28,000	28,000	100.0%	Awarded

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<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Frederick	Eyler Park	142,000	142,000	100.0%	Awarded
Frederick	Harry Pfeifer Park	37,000	37,000	100.0%	Awarded
Frederick	Lions Merryland Park	45,000	45,000	100.0%	Awarded
Frederick	Town of Emmitsburg Community Park	41,000	41,000	100.0%	Awarded
Frederick	Woodsboro Regional Park	129,000	129,000	100.0%	Awarded
Garrett	Broadford Lake Recreation Area	88,000	88,000	100.0%	Awarded
Garrett	Grantsville Community Park	8,000	8,000	100.0%	Awarded
Harford	Bel Air Reckord Armory Park	129,000	129,000	100.0%	Awarded
Kent	Betterton Ark Park	126,000	126,000	100.0%	Awarded
Kent	Chestertown Community Park	144,000	144,000	100.0%	Awarded
Montgomery	Rockville Civic Center Park	153,000	153,000	100.0%	Awarded
Montgomery	Rockville Senior Center	112,000	112,000	100.0%	Awarded
Montgomery	Wootons Mill Park	76,000	76,000	100.0%	Awarded
Prince George's	Bartlett Park	65,000	65,000	100.0%	Awarded
Prince George's	Goodwin Park	80,000	80,000	100.0%	Awarded
Prince George's	Greenwood Village Playground	22,000	22,000	100.0%	Awarded
Prince George's	Heurich Park	110,000	110,000	100.0%	Awarded
Prince George's	Roland B. Sweitzer Community Park	100,000	100,000	100.0%	Awarded
Queen Anne's	Mill Stream Park	221,000	221,000	100.0%	Awarded
Somerset	Crisfield Municipal Park – Gazebo	50,000	50,000	100.0%	Awarded
Somerset	Crisfield Municipal Park – Picnic Area	57,000	57,000	100.0%	Awarded
Somerset	Crisfield Municipal Park – Playground	89,000	89,000	100.0%	Awarded
Somerset	Princess Anne Recreation Area	143,933	143,933	100.0%	Awarded

K00A05 – Department of Natural Resources – Capital

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount</u>	<u>Total State Share (%)</u>	<u>Status</u>
Talbot	Waylands Park	69,000	69,000	100.0%	Awarded
Washington	Funkhouser Park	35,000	35,000	100.0%	Awarded
Washington	Hager Park	35,000	35,000	100.0%	Awarded
Washington	Taylor Park	82,000	82,000	100.0%	Awarded
Washington	Widmyer Park	43,000	43,000	100.0%	Awarded
Wicomico	Fruitland Playground	35,000	35,000	100.0%	Awarded
Worcester	Cypress Park	75,000	75,000	100.0%	Awarded
Worcester	North Surf Park	80,000	80,000	100.0%	Awarded
Total		\$5,299,533	\$5,299,533		

BPW: Board of Public Works