

K00A
Department of Natural Resources

Operating Budget Data

	(\$ in Thousands)				
	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 14-15</u>	<u>% Change</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$48,230	\$51,939	\$53,299	\$1,360	2.6%
Contingent & Back of Bill Reductions	0	-1,380	-485	895	
Adjusted General Fund	\$48,230	\$50,559	\$52,814	\$2,255	4.5%
Special Fund	105,801	120,178	158,075	37,897	31.5%
Contingent & Back of Bill Reductions	0	0	-3,917	-3,917	
Adjusted Special Fund	\$105,801	\$120,178	\$154,159	\$33,981	28.3%
Federal Fund	24,657	28,284	27,165	-1,119	-4.0%
Contingent & Back of Bill Reductions	0	0	-94	-94	
Adjusted Federal Fund	\$24,657	\$28,284	\$27,071	-\$1,213	-4.3%
Reimbursable Fund	10,690	13,704	10,117	-3,588	-26.2%
Adjusted Reimbursable Fund	\$10,690	\$13,704	\$10,117	-\$3,588	-26.2%
Adjusted Grand Total	\$189,379	\$212,726	\$244,160	\$31,434	14.8%

- The Department of Natural Resources' (DNR) budget includes a fiscal 2014 deficiency of \$269,476 in special funds and \$247,917 in federal funds. The special fund deficiency would provide funds for technical assistance to implement stormwater best management practices from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. The federal funds would provide for assessing the impact of climate change on National Wildlife Refuge species and conducting Atlantic Sturgeon habitat assessment. The budget also includes fiscal 2014 negative deficiencies totaling \$584,164 in general funds and three across-the-board withdrawn appropriations.
- The overall change in the DNR budget is an increase of \$31.4 million, or 14.8%. The major change is a net increase of \$28.9 million in Chesapeake and Atlantic Coastal Bays 2010 Trust Fund monies. However, once the \$20.4 million in trust fund monies for other agencies is allocated to the Maryland Department of Agriculture and the Maryland Department of the Environment, DNR's fiscal 2015 budget increases \$11.0 million relative to the fiscal 2014 working appropriation.

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

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Personnel Data

	<u>FY 13 Actual</u>	<u>FY 14 Working</u>	<u>FY 15 Allowance</u>	<u>FY 14-15 Change</u>
Regular Positions	1,293.50	1,294.50	1,304.50	10.00
Contractual FTEs	<u>487.81</u>	<u>398.76</u>	<u>431.83</u>	<u>33.07</u>
Total Personnel	1,781.31	1,693.26	1,736.33	43.07

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	50.06	3.87%
Positions and Percentage Vacant as of 12/31/13	103.95	8.03%

- Regular positions increase by a net of 10.0 in the fiscal 2015 allowance. Six of the new positions are Natural Resources Police (NRP) positions for a new Academy class, and the remaining 5.0 are contractual full-time equivalent (FTE) conversions to regular positions. There is also 1.0 abolished position – the director of the Resource Assessment Service position.
- Contractual FTEs increase by a net of 33.07 in the fiscal 2015 allowance. The major increases include 16.6 FTEs in the Maryland Park Service and 13.96 FTEs in Chesapeake and Coastal Services.

Analysis in Brief

Major Trends

Conservation Reserve Enhancement Program Falls Short of Goal: The Conservation Reserve Enhancement Program is falling short of the goal of establishing 100,000 acres of wetlands and riparian buffers by fiscal 2015.

Youth Conservation Programs Contract: DNR's youth conservation programs have contracted due to funding shortfalls.

Early Energy Usage Data Shows Annual Fluctuations: There are substantial energy usage fluctuations in the short time period in which they have been measured at Maryland Park Service facilities.

Issues

Hunting Fees Restriction Still to Be Resolved: Bills have failed in the last two legislative sessions that would have eliminated the requirement that DNR divert \$1.00 from the sale of specified hunting licenses to the processing of deer for donation to the needy. DNR indicates that approximately \$4.1 million in federal Wildlife Restoration and Basic Hunter Education funding from the U.S. Department of the Interior could be jeopardized if the \$1.00 was to be diverted per the statute. **The Department of Legislative Services (DLS) recommends that a provision be added to the Budget Reconciliation and Financing Act of 2014 relieving DNR of the requirement to divert \$1.00 from the sale of hunting licenses to the processing of deer for donation to the needy.**

Oyster Tax Fund Needs Statutory Basis: Natural Resources Article Section 4-1020 specifies that there is a severance tax of \$1.00 per bushel that shall be levied upon every bushel of oysters caught within the limits of the natural oyster bars of the State exclusive of the Potomac River. This funding is to be credited to the Fisheries Research and Development Fund and used only for the repletion of the natural oyster bars of the State. The Fisheries Service's fiscal 2015 budget includes \$2.4 million of special fund income from a new Oyster Tax Fund, which is the funding from Natural Resources Article Section 4-1020. **DLS recommends that DNR budget the Oyster Tax Fund revenue within the Fisheries Research and Development Fund as required by statute, introduce legislation to create a separate fund, or create an account within the Fisheries Research and Development Fund.**

Unmanned Aerial Vehicles for Conservation?: Unmanned aerial vehicles, or drones, have received attention recently in part for their proposed novel retail uses but also for their military and police work capabilities and the attendant civil liberties questions in a surveillance society. One possible police work function of drones is to support NRP in its three-part mission: conservation enforcement, search and rescue operations, and maritime homeland security. **DLS recommends that DNR comment on whether it is considering drone technology to extend its ability to conduct its**

conservation enforcement, search and rescue operations, and maritime homeland security missions.

2010 Trust Fund Allocation: The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund is financed with a portion of existing revenues from the motor fuel tax and the sales and use tax on short-term vehicle rentals and is used for nonpoint source pollution control projects. Fiscal 2015 funding reflects \$2,787,717 programmed in fiscal 2015 for the counties with Municipal Separate Storm Sewer System permits that have established a local stormwater restoration fund and fee as required under Chapter 151 of 2012 (Stormwater Management – Watershed Protection and Restoration Program). **DLS recommends the addition of budget bill language to express the intent that the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund be budgeted as reimbursable funds in the fiscal 2016 operating budget bill by agencies receiving those funds from DNR. DLS also recommends that a reduction of \$10.0 million in special fund appropriation attributable to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund be adopted in the operating budget and a transfer of this additional amount be adopted in the Budget Reconciliation and Financing Act of 2014.**

Recommended Actions

	<u>Funds</u>
1. Increase turnover to 6% to reflect actual turnover in recent years.	\$ 2,148,258
2. Modify the contingent reduction of the Chesapeake and Coastal Services special fund appropriation.	
3. Add budget bill intent language stating the General Assembly's preference for budgeting the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund in fiscal 2014 through 2016 and annually thereafter.	
Total Reductions	\$ 2,148,258

Updates

New Integrated Policy and Review Unit: DNR has reorganized its policy and project/permit review groups in fiscal 2014. The new unit is called the Integrated Policy and Review Unit and is designed to improve coordination of sustainable and consistent environment policies and project review across DNR.

Southern States Energy Compact Dues: DNR now indicates that it has been advised to continue paying Southern States Energy Compact dues based on statutory requirements. DNR is working on an agreement to split the dues payment equally between its Power Plant Research Program and the Maryland Energy Administration.

Conowingo Dam Status: The Conowingo Dam has been described as the biggest best management practice on the Susquehanna River. It is now near 86% storage capacity for sediment, which means that it may have on the order of 10 to 15 years of storage capacity remaining. DNR notes that the U.S. Army Corps of Engineers' Lower Susquehanna River Watershed Assessment Study is on schedule with a draft report expected to be available for public comment in July 2014. The Federal Energy Regulatory Commission granted an extension for the Final License Application until January 31, 2014.

Quality Deer Management Report Submitted: The budget committees requested that DNR report by November 1, 2013, on the findings of its consultations with stakeholders and on the decision it made regarding antler size restrictions as part of Quality Deer Management. The report submitted indicates the greatest agreement on establishing mandatory antler restriction regulations on public land, exempting youth and senior deer hunters, requiring a buck to have at least three antler points on one side to be legal, and reducing the antlered bag limits in Western Maryland from three antlered deer to two. For the 2014 to 2016 seasons, DNR will include a limited antler restriction proposal for Western Maryland, although this proposal may undergo extensive changes during the internal DNR and external public review process.

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Operating Budget Analysis

Program Description

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

- **Office of the Secretary:** Provides leadership, public outreach, customer service, legislative, financial, administrative, information technology (IT), and legal services.
- **Forest Service:** Manages the State forests and supports Maryland's forest and tree resources by providing private forestland management expertise, wildfire protection, and urban and community forestry assistance.
- **Wildlife and Heritage Service:** Provides technical assistance and expertise to the public and private sectors for the conservation of Maryland's wildlife resources, including the management of threatened and endangered species, game birds and mammals, and the operation of 112,575 acres of State-owned lands classified as Wildlife Management Areas.
- **Park Service:** Manages natural, cultural, historic, and recreational resources in parks across the State and provides related educational services.
- **Land Acquisition and Planning:** Administers diverse financial assistance programs that support public land and easement acquisitions, and local grants.
- **Licensing and Registration Service:** Operates seven regional service centers that assist the public with vessel titling and registration, off-road vehicle registration, commercial fishing licenses, and recreational hunting and fishing licenses.
- **Natural Resources Police:** Preserves and protects Maryland's natural resources and its citizens through enforcement of conservation, boating, and criminal law and provides primary law enforcement services for Maryland's public lands owned by DNR.
- **Engineering and Construction:** Provides engineering, project management, and in-house construction services.
- **Critical Area Commission for the Chesapeake and Atlantic and Coastal Bays:** Implements the cooperative resource protection program between the State and local governments in the 1,000-foot wide Critical Area surrounding the Chesapeake Bay by reviewing local development proposals, providing technical planning assistance to local

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governments, approving amendments to local plans, and providing grants for the implementation of 54 local critical area programs.

- **Boating Services:** Coordinates the Clean Marina Initiative and Pumpout Program, oversees a State-owned and a State-leased marina, funds public boating access facilities and navigation channel dredging, and places regulatory markers and navigation aids in support of sustainable development, use, and enjoyment of Maryland waterways for the general boating public.
- **Resource Assessment Service:** Evaluates and directs implementation of environmental restoration and protection policy for tidal and nontidal ecosystems, ensures electricity demands are met at reasonable costs while protecting natural resources, and provides scientific assessments and technical guidance for the management of geologic and hydrologic resources.
- **Maryland Environmental Trust:** Negotiates and accepts conservation easements over properties with environmental, scenic, historic, or cultural significance and provides grants, loans, and technical assistance to local land trusts.
- **Chesapeake and Coastal Services (formerly Watershed Services):** Coordinates State efforts to restore and protect the Chesapeake and Atlantic Coastal Bays by providing technical assistance and financial resources to local governments, State government agencies, nonprofit organizations, and private landowners in order to restore local waterways and prepare for future storms and coastline changes.
- **Fisheries Service:** Manages commercial and recreational harvests to maintain sustainable fisheries and to optimize recreational and economic use of these resources.

One of DNR's six primary goals has changed. DNR's goals are now to achieve the following:

- accelerated recovery of coastal resources through improved water quality (formerly an annual reduction of coastal nonpoint source pollution from entering Chesapeake, coastal, and ocean waters);
- healthy and productive Maryland watershed lands, streams, and nontidal rivers;
- an improvement in environmental literacy and to motivate individuals and groups to take actions that benefit Chesapeake, coastal, and ocean resources;
- a conserved and managed statewide network of ecologically valuable private and public lands;
- diverse outdoor recreation opportunities for Maryland citizens and visitors; and
- a diverse workforce and efficient operations.

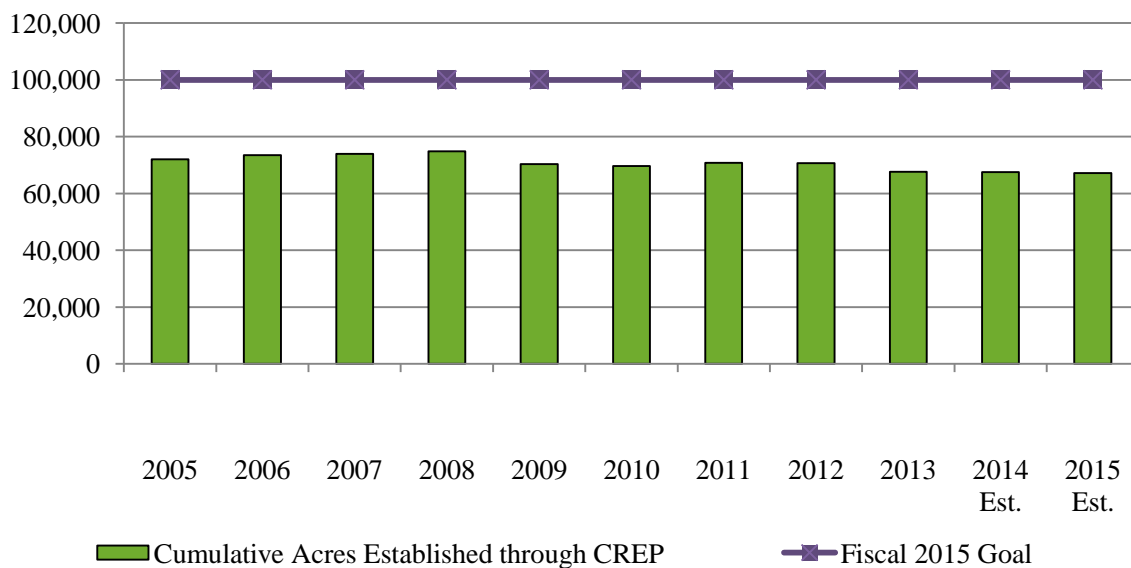
Performance Analysis: Managing for Results

The Managing for Results analysis reviews the Conservation Reserve Enhancement Program (CREP) falling short of the goal of establishing 100,000 acres of wetlands and riparian buffers by fiscal 2015, the contraction in youth conservation programs due to funding shortfalls, and the fluctuations in energy usage at Maryland Park Service facilities.

1. Conservation Reserve Enhancement Program Falls Short of Goal

DNR has a goal of conserving and managing a statewide network of ecologically valuable private and public lands. For this goal, it has an objective of establishing 100,000 acres of wetlands and riparian buffers by fiscal 2015 through the CREP. CREP is a cooperative program between Maryland and the U.S. Department of Agriculture that pays landowners who voluntarily enter into the program to take environmentally sensitive cropland out of production for 10 to 15 years and to install conservation practices that protect water quality and provide wildlife habitat. As **Exhibit 1** shows, DNR will not meet its 100,000 acre goal. DNR has provided Program Open Space funding in the past for easement in order to make the 10- to 15-year CREP contracts permanent, but a greater number of contracts appear to have expired and not re-enrolled since fiscal 2102. In addition, DNR notes that the CREP program was shut down for a substantial amount of time in the last year or so.

Exhibit 1
Cumulative Acres Established through the Conservation Reserve Enhancement Program (CREP)
Fiscal 2005-2015 Est.



Source: Governor's Budget Books, Fiscal 2008-2015

DNR notes that major changes in crop prices and continued high land values have limited progress toward the goal. In addition, the CREP has been on hold until the completion of the federal Farm Bill – signed on February 7, 2014. Future progress toward the CREP goal may come through the following.

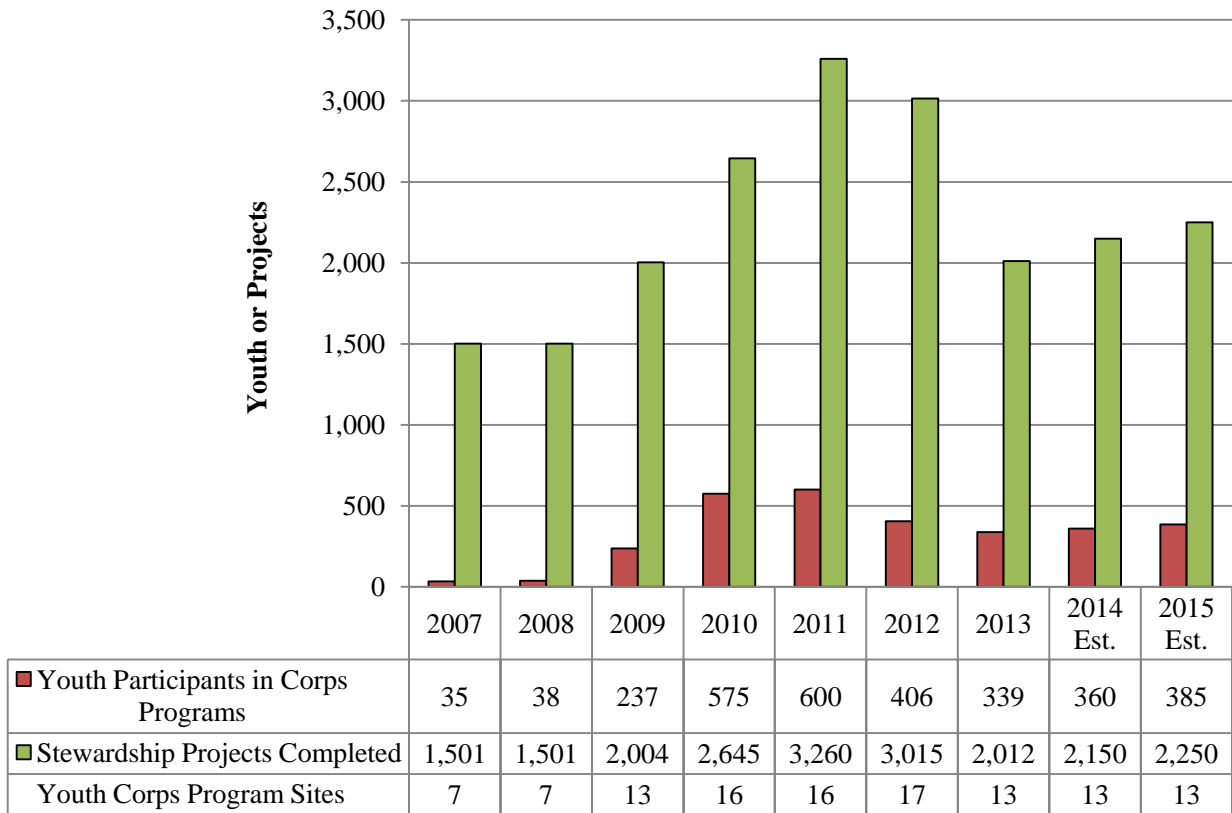
- **Programs** – Tracking for DNR’s existing Backyard Buffer program could be expanded in order to net an additional 10 miles per year toward the riparian buffer goal. Also, DNR is planning on starting a new program called Lawn-to-Leaf/Turf-to-Trees/Woods in My Backyard that would leverage additional streamside plantings. Finally, the Governor’s Stream Restoration Challenge in fiscal 2014 is also expected to increase streamside planting of riparian buffers.
- **State and Federal Policy** – Consistent funding through the new Farm Bill, biofuel policy changes allowing crop prices to fall, and Maryland Department of Agriculture (MDA) regulations for nutrient management and fertilizer application setbacks are all expected to encourage greater riparian buffer development.
- **Tracking/Assessment** – DNR notes that new fine-scale forest cover data being completed through the University of Maryland will allow for better accounting of buffers that may not have been counted before.

The Department of Legislative Services (DLS) recommends that DNR comment on the CREP funding anticipated through the Farm Bill.

2. Youth Conservation Programs Contract

Maryland Park Service’s goal is to provide natural resources stewardship opportunities for Maryland’s urban and rural citizens. DNR measures progress toward this goal through outcomes related to its youth conservation programs – Maryland Conservation Corps, an AmeriCorps program, and the Conservation Jobs Corps, a program for at-risk youth. **Exhibit 2** shows that DNR’s youth conservation programs expanded between fiscal 2007 and 2011 in terms of the additional number of participants and stewardship projects completed. However, between fiscal 2011 and 2013, the numbers declined.

Exhibit 2
Youth Conservation Program Metrics
Fiscal 2007-2015 Est.



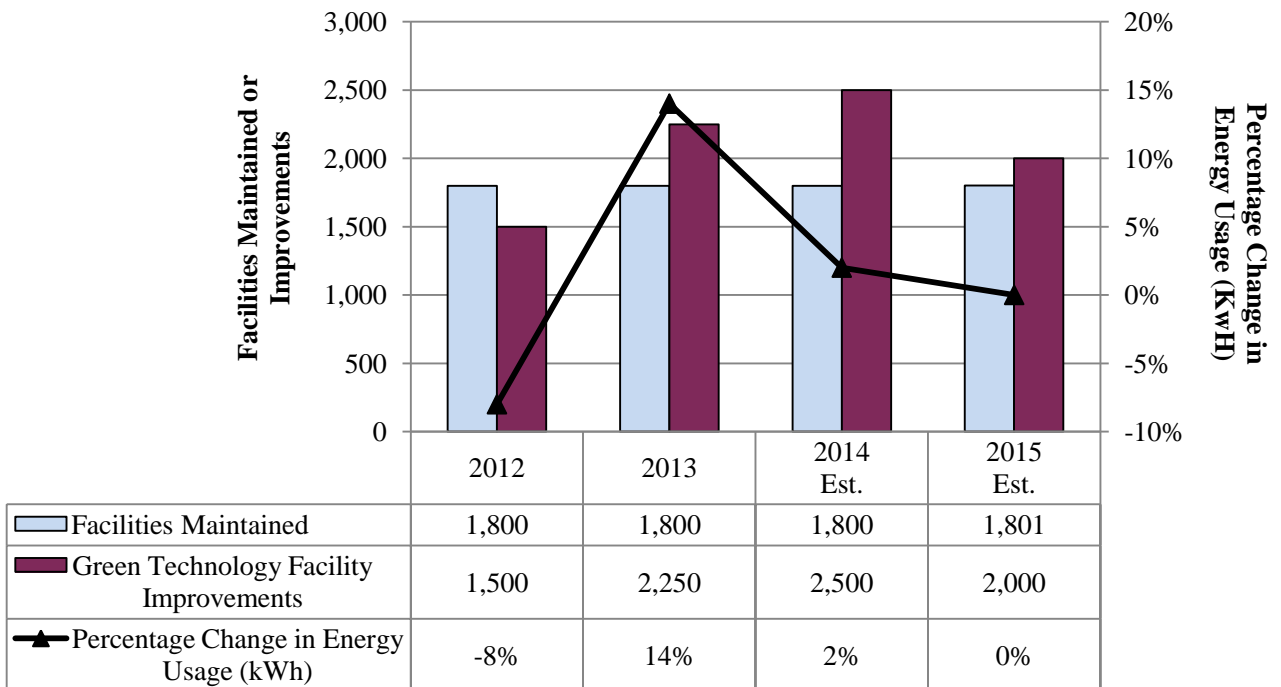
Source: Governor's Budget Books, Fiscal 2007-2015

DNR notes that the Maryland Conservation Corps and Conservation Jobs Corps programs are dependent upon both State and external funding and that a portion of the federal AmeriCorps grant funding that has been received for over a decade by the Maryland Conservation Corps was eliminated in fiscal 2013. Similarly, federal funding and outside partner funding were not available to support additional Conservation Jobs Corps crews in fiscal 2013. **DLS recommends that DNR comment on the likelihood of receiving AmeriCorps or other sources of stable funding for its youth conservation programs in the future.**

3. Early Energy Usage Data Shows Annual Fluctuations

Another one of the Maryland Park Service's goals is the development of natural resource management strategies to enhance a sustainable future for Maryland citizens. The associated objective is to employ management practices that conserve and restore natural resources. DNR measures progress toward this objective by the number of green technology facility improvements and the percentage decrease in energy usage measured in kilowatt hours. Green technology facility improvements reflect replacement of any traditional light bulb, air conditioner, heater, water heater, or appliance with a more energy efficient alternative. **Exhibit 3** shows the data for these measures between fiscal 2012 and the 2015 estimate.

Exhibit 3
Green Technology Facility Improvements and Energy Usage
Fiscal 2012-2015 Est.



kWh: kilowatt hour

Source: Governor's Budget Books, Fiscal 2015

DNR indicates that the substantial increase in green technology facility improvements between fiscal 2012 and 2013 is due to a Maryland Energy Administration (MEA) grant, which provided for the upgrade of over 2,000 fluorescent light fixtures as well as the upgrade of air conditioners, hot water heaters, recycled kit boxes, and dozens of appliances.

While it is too early to make any judgment on energy usage trends, it appears that there can be substantial fluctuations in year-to-year energy usage. DNR indicates that electricity use is a function of heating and cooling, which are in turn a function of the weather. In addition, facility closures for renovation affect overall energy usage. Finally, DNR notes that tracking energy usage is a new effort and is complicated by the greater than 800 electric meters measuring DNR's electricity use.

Looking forward, DNR anticipates building on the \$632,000 it has invested in energy efficiency over the last three years with MEA funding in order to reduce energy usage over the long term. For instance, in fiscal 2014, DNR will be working with MEA and the Department of General Services (DGS) on alternative energy installation, including solar power. **DLS recommends that DNR comment on the amount of cost savings associated with the energy reduction it has achieved so far and how it determines which green technology facility improvements to employ given the variability in payback periods between energy efficiency improvements.**

Fiscal 2014 Actions

Proposed Deficiency

The Governor has submitted a deficiency appropriation for the fiscal 2014 operating budget, which would increase DNR's special fund appropriation by \$269,476 and federal fund appropriation by \$247,917. The increased appropriations would be as follows.

- **Special Fund** – For the Chesapeake and Coastal Services program to provide funds for technical assistance to implement stormwater best management practices from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund (\$269,476).
- **Federal Fund** – For the Chesapeake and Coastal Services program to lead efforts to identify and assess the impact of climate change on National Wildlife Refuge species and to guide future research and monitoring from the U.S. Department of the Interior – Fish and Wildlife Service's Visitor Facility Enhancements – Wildlife Refuges funding (\$133,200), and for the Fisheries Services to provide funds for Atlantic Sturgeon habitat assessment from U.S. Department of Commerce – National Oceanic and Atmospheric Administration Unallied Science Program funding (\$114,717).

Cost Containment

There are three across-the-board withdrawn appropriations that offset the increase in deficiency appropriations. This includes reductions to employee/retiree health insurance, funding for a new Statewide Personnel IT system, and retirement reinvestment. These actions are fully explained in the analyses of the Department of Budget and Management (DBM) – Personnel, the Department of Information Technology (DoIT), and the State Retirement Agency (SRA), respectively.

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In addition to statewide cost containment, DNR also has agency-specific general fund cost containment actions for fiscal 2014. The cost containment reductions are applied to salaries, wages, and fringe benefits, and DNR is allowed to reallocate the reduction by budget amendment. The reductions are as follows.

- **Natural Resources Police – Field Operations** – Reduction of \$506,000 through an increase in the turnover rate due to a high vacancy rate.
- **Maryland Park Service – Statewide Operation** – Reduction of \$78,164 intended for technical and special fees, communications, travel, and supplies at Harriet Tubman Underground Railroad State Park.

DNR indicates that the turnover increase for the Natural Resources Police (NRP) will not affect its ability to fill the April academy class and that the funding reduction to the Harriet Tubman Underground Railroad State Park will not affect the ongoing park development operations.

Budget Reconciliation and Financing Act of 2014

Actions in the Budget Reconciliation and Financing Act (BRFA) of 2014 propose to transfer \$2.4 million of the balance in the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to the general fund in fiscal 2014 and redirect an additional \$11.2 million of the revenues from the short-term vehicle rentals tax from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to the general fund – \$8.0 million in fiscal 2014 and \$3.2 million in fiscal 2015. In addition, the fiscal 2015 operating budget bill provides for a \$3.2 million reduction in special funds in Chesapeake and Coastal Services contingent upon the BRFA provision being enacted. **DLS recommends concurrence with the \$3.2 million special fund contingent reduction in Chesapeake and Coastal Services.**

Proposed Budget

DNR's fiscal 2015 allowance increases by \$31.4 million, or 14.8%, relative to the fiscal 2014 working appropriation, as shown in **Exhibit 4**. However, when the allocation of \$20.4 million in Chesapeake and Atlantic Coastal Bay's 2010 Trust Fund monies to MDA and the Maryland Department of the Environment is taken into account, DNR's budget increases by approximately \$11.0 million relative to the fiscal 2014 working appropriation. The changes by fund in Exhibit 4 reflect a \$2.3 million increase in general funds, an increase of \$34.0 million in special funds, a decrease of \$1.2 million in federal funds, and a \$3.6 million decrease in reimbursable funds. Cost containment is discussed first followed by personnel and other changes.

Exhibit 4
Proposed Budget
Department of Natural Resources
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
2014 Working Appropriation	\$50,559	\$120,178	\$28,284	\$13,704	\$212,726
2015 Allowance	<u>52,814</u>	<u>154,159</u>	<u>27,071</u>	<u>10,117</u>	<u>244,160</u>
Amount Change	\$2,255	\$33,981	-\$1,213	-\$3,588	\$31,434
Percent Change	4.5%	28.3%	-4.3%	-26.2%	14.8%

Where It Goes:**Personnel Expenses**

Annualized increments and general salary increase	\$3,260
Workers' compensation.....	557
Turnover adjustments	494
New positions	340
Abolished positions	-94
Retirement contribution net of across-the-board reduction	-1,837
Regular earnings.....	-1,955
Other.....	-19

Other Changes***Chesapeake Bay Restoration***

Chesapeake and Atlantic Coastal Bays 2010 Trust Fund net of contingent reduction.....	25,673
Conservation Estuarine Land Conservation Program Funds and Special Project	933
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund project oversight.....	230

Fisheries

Oyster Tax Fund.....	2,143
Horn Point Hatchery expansion	1,500
Offshore wind development	552
Federal blue crab fishery disaster grant completion.....	-1,500

Routine Operations

Contractual full-time equivalents	1,409
Vehicle operations.....	1,162
Federal fiscal 2011 Port Security Grant expiration	-1,598
Maryland Outdoor Customer Service Delivery System transition	-264

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Where It Goes:

Parks and Land

Maryland Park Service Five-year Strategic Plan purchases.....	1,265
Natural Resources Police equipment.....	282
Land Acquisition and Planning funding.....	279
Maryland Environmental Trust grant	-954
Maryland Conservation Corps funding	-212
Other.....	-212
Total	\$31,434

Note: The fiscal 2014 working appropriation reflects negative deficiencies and contingent reductions. The fiscal 2015 allowance reflects back of the bill and contingent reductions. Numbers may not sum to total due to rounding.

Cost Containment

There is one across-the-board reduction and one contingent reduction reflected in the Governor's spending plan for the fiscal 2015 allowance. This affects funding for employee/retiree health insurance and retirement reinvestment. These actions are fully explained in the analyses of DBM – Personnel and SRA.

Personnel

DNR's overall personnel expenditures increase by \$0.7 million. The personnel expenditure changes are as follows.

- **Annualized Increments and General Salary Increase** – Salary expenses increase by \$3,259,900 to reflect the annualization of the cost-of-living allowance (COLA) provided on January 1, 2014, and increments on April 1, 2014.
- **Workers' Compensation** – There is an increase of \$556,982 for workers' compensation. DNR notes that workers' compensation rates are set by the Injured Workers' Insurance Fund and that they are a function of claims submitted in the prior fiscal year.
- **Turnover Adjustments** – Turnover adjustments amount to a \$494,143 increase since the overall turnover rate is reduced from 4.22 to 3.87%. DNR indicates that the overall 4.22% turnover rate reflects an agencywide rate of 5.0% with the exception of a 3.0% rate for the Maryland Park Service in order to fill vacant positions per a recent Maryland Park Service funding study. However, the vacancy rate as of December 31, 2013, was 8.034%.
- **New Positions** – DNR's position count increases by 11 regular positions in the fiscal 2015 allowance, which amounts to an increase of \$339,940. Of the 11 new regular positions, 6 are new NRP positions, and 5 are long-term contractual full-time equivalents (FTE) converted to

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regular positions. The contractual conversions are budgeted as follows: 2 in Fisheries Service – Hatcheries Division, 1 in Fisheries Service – Fisheries Habitat and Ecosystems, 1 in Engineering and Construction – In-house Construction, and 1 in Chesapeake and Coastal Services – 2010 Trust Fund. The turnover rate for the new NRP positions is set at a level appropriate for filling the positions in April 2015 as a new academy class.

- **Abolished Positions** – One abolished position reduces the fiscal 2015 allowance by \$94,311. The position was the director of the Resource Assessment Service.
- **Retirement Contribution Net of Across-the-board Reduction** – Retirement contribution costs decrease by a net of \$1,837,094, accounting for a statewide across-the-board reduction. The primary reason for the decrease is a reduction of \$2,301,067 for the Law Enforcement Officer Pension System. DNR notes that there are 15 fewer employees in the system since fiscal 2013 and that contribution rates have changed.
- **Regular Earnings** – General salaries decrease by \$1,955,394.

Other Changes

Overall, the nonpersonnel portion of DNR's fiscal 2015 allowance increases \$30.7 million. The areas of change include Chesapeake Bay restoration, fisheries, routine operations, and parks and land. The largest change is an increase of \$28.9 million for the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grants allocation. The BayStat agencies anticipate bringing in a special fund budget amendment to transfer the funding to other agencies after the legislative appropriation has been determined. The changes are as follows.

- **Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Net of Contingent Reduction** – The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund special fund appropriation for grants increases \$25,672,913 relative to the fiscal 2014 working appropriation, net of a reduction of \$3.2 million contingent upon the funding being transferred to the general fund by the BRFA of 2014.
- **Conservation Estuarine Land Conservation Program Funds and Special Project** – Federal funds increase by \$933,478 to reflect funding from the Conservation Estuarine Land Conservation Program, a competitive land conservation program provided by the National Oceanic and Atmospheric Administration, and Project of Special Merit funding that is being used to assess shoreline rate of change and to update shore erosion control program policies.
- **Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Project Oversight** – The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund allocation for contractual services increases by \$230,000 in the fiscal 2015 allowance for nonpoint source pollution reduction project oversight, including contractual services for engineering, modeling and other studies related to the projects.

Fisheries

- **Oyster Tax Fund** – DNR’s fiscal 2015 allowance includes \$2,393,232 from a new Oyster Tax Fund, of which \$2,143,272 is budgeted as an increase for contractual services in the Fisheries Service for repletion of the natural oyster bars of the State. The fund is intended to be the repository of the severance tax of \$1.00 per bushel that is levied upon every bushel of oysters caught within the limits of the natural oyster bars of the State exclusive of the Potomac River. However, as discussed in Issue 2 of this analysis, this funding is statutorily required to be credited to the Fisheries Research and Development Fund.
- **Horn Point Hatchery Expansion** – The University of Maryland Center for Environmental Science – Horn Point Laboratory is programmed to receive expansion funding from DNR in the amount of \$1,500,000 in general funds. The expansion would increase oyster spat production for the Harris Creek oyster bar being created through Oyster Restoration Program general obligation bond funding in DNR’s capital budget. DNR notes that the funding supports the Governor’s Oyster Restoration and Aquaculture Development Plan.
- **Offshore Wind Development** – There is an increase of \$551,941 between fiscal 2014 and 2015 for offshore wind development ecological baseline studies. The funding comes from MEA, as part of the September 4, 2012 agreement that established the Offshore Wind Development Fund Working Group to coordinate program activities between agencies.
- **Federal Blue Crab Fishery Disaster Grant Completion** – The Federal Blue Crab Fishery Disaster Grant is anticipated to be completed in fiscal 2014, accounting for a decrease of \$1,500,000. The overall \$15,000,000 award was provided after the Maryland and Virginia soft and peeler blue crab fishery landing values had decreased by 41% and has been used primarily for a blue crab license buy-back program in order to reduce the number of licenses that have not been actively used in crabbing in order to improve management of the fishery.

Routine Operations

- **Contractual FTEs** – Contractual FTEs increase by 33.07 in the fiscal 2015 allowance for a funding increase of \$1,408,648. The increases include 16.6 in the Maryland Park Service – Statewide Operations for lifeguards, maintenance staff, and seasonal law enforcement; 13.96 in Chesapeake and Coastal Services for supporting Chesapeake and Atlantic Coastal Bays 2010 Trust Fund projects; 5.18 in Wildlife and Heritage Service for managing wildlife habitat, hunter access, and hunter recruitment; 2.4 in Boating Services to paint and crew large vessels; 1.0 in Land Acquisition and Planning; 1.0 in Engineering and Construction; 0.83 in Forest Service; and 0.2 in the Critical Area Commission. FTEs decrease by 3.3 in Fisheries Service due to contractual conversions; 2.5 in Resource Assessment Service – Monitoring and Ecosystem Assessment due to reduced availability of federal funding; 1.8 in the Maryland Park Service – Revenue Operations; and 0.5 in the Maryland Environmental Trust.

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- **Vehicle Operations** – There is an increase of \$1,162,087 for vehicle operations, which amounts to \$935,922 in the Maryland Park Service for replacing between 24 and 29 passenger size vehicles and \$226,165 in NRP for vehicle replacement.
- **Federal Fiscal 2011 Port Security Grant Expiration** – There is a net decrease of \$1,597,735 in federal Port Security Grant funding for NRP homeland security work, primarily due to the end of the federal fiscal 2011 Port Security Grant on August 31, 2014.
- **Maryland Outdoor Customer Service Delivery System Transition** – The Maryland Outdoor Customer Service Delivery System IT project appropriation decreases by a net of \$264,240. This reflects the end of the development phase and the beginning of operation and maintenance.

Parks and Land

- **Maryland Park Service Five-year Strategic Plan Purchases** – An increase of \$1,265,287 relates to the Maryland Park Service Five-year Strategic Plan. The increases include \$640,686 for heavy equipment – two bucket trucks, two dump trucks, and one backhoe; \$324,601 to replace campground amenities and power equipment for grounds maintenance; and \$300,000 for purchasing durable goods, such as basic cleaning and paper supplies, lumber, plumbing parts, and office supplies.
- **Natural Resources Police Equipment** – The budget increases by \$281,796 for NRP equipment. This funding increase includes \$221,796 for vehicle outfitting, supplies for new recruits and cadets, vessel supplies, and radios; and \$60,000 for 30 new laptop computers for existing and new officers.
- **Land Acquisition and Planning Funding** – Fiscal 2015 contractual services funding for the Land Acquisition and Planning program increases by a net of \$278,576. This reflects an increase of \$201,733 for IT services provided by DoIT, an increase of \$151,843 for boundary line surveys and mineral rights searches, and a decrease of \$75,000 for work completed by DGS.
- **Maryland Environmental Trust Grant** – The Maryland Environmental Trust received a one-time State Highway Administration (SHA) grant in fiscal 2014, which accounts for a decrease of \$954,450 in the fiscal 2015 allowance.
- **Maryland Conservation Corps Funding** – Maryland Conservation Corps funding decreases by a net of \$212,072, which is attributable to a decrease of \$313,000 in federal funds for contractual services after the loss of a federal AmeriCorps award and an increase of \$60,928 in federal funds for supplies and materials used for trail maintenance, wildlife habitat restoration, and historical and environmental education programs.

Issues

1. Hunting Fees Restriction Still to Be Resolved

HB 1419 of 2012 (Natural Resources – Hunting Licenses and Stamps) did not pass. This bill would have eliminated the requirement that DNR divert \$1.00 from the sale of specified hunting licenses to the processing of deer for donation to the needy. SB 619 (Wildlife Management and Sustainability Act of 2013) was introduced in the 2013 legislative session but also failed. Both bills were introduced in response to a federal audit that found that the diversion of license revenue did not comply with requirements governing qualification for federal matching funds. The requirement is that fee revenue from hunting license sales is not to be used for purposes other than wildlife management.

DNR used \$248,000 in general funds for deer processing in fiscal 2013 and has budgeted the same amount in fiscal 2014 and the fiscal 2015 allowance, but this does not address the statutory \$1.00 diversion requirement noted above. Instead, DNR will continue to ignore the provision in Natural Resources Article Section 10-308 (the \$1.00 diversion requirement) because following it would endanger federal funding. DNR has noted in the past that this approach is supported by Natural Resources Article Section 10-208, which states that DNR will do what is necessary to comply with federal requirements. The \$248,000 is granted to Farmers and Hunters Feeding the Hungry of Williamsport, Maryland, which runs a venison donation program.

DNR indicates that approximately \$4.1 million in federal Wildlife Restoration and Basic Hunter Education funding from the U.S. Department of the Interior could be jeopardized if the \$1.00 diversion requirement were upheld. This funding is budgeted in the Wildlife and Heritage Service for wildlife restoration and NRP for hunter education. **DLS recommends that a provision be added to the BRFA of 2014 relieving DNR of the requirement to divert \$1.00 from the sale of hunting licenses to the processing of deer for donation to the needy.**

2. Oyster Tax Fund Needs Statutory Basis

Natural Resources Article Section 4-1020 specifies that there is a severance tax of \$1.00 per bushel that shall be levied upon every bushel of oysters caught within the limits of the natural oyster bars of the State exclusive of the Potomac River. This funding is to be credited to the Fisheries Research and Development Fund and used only for the repletion of the natural oyster bars of the State. Furthermore, the statute specifies that the increase, effective July 1, 1982, shall be used solely for the oyster seed program, with at least 5% of the increase being used in each of the following counties: Anne Arundel, Calvert, Charles, Dorchester, Kent, Queen Anne's, Somerset, St. Mary's, Talbot, and Wicomico.

The Fisheries Service's fiscal 2015 budget includes \$2.4 million of special fund income from a new Oyster Tax Fund, which is the funding noted above from Natural Resources Article Section 4-1020. DNR accounted for this revenue separately in order to reflect that this funding is for a particular purpose – repletion of the natural oyster bars of the State. However, DNR needs

legislation to create a new special fund; thus, the funding should be budgeted as special fund revenue from the Fisheries Research and Development Fund. Alternatively, DNR could propose legislation either to create a new Oyster Tax Fund or create an Oyster Tax Fund account within the Fisheries Research and Development Fund. **DLS recommends that DNR budget the Oyster Tax Fund revenue within the Fisheries Research and Development Fund as required by statute, introduce legislation to create a separate fund, or create an account within the Fisheries Research and Development Fund.**

3. Unmanned Aerial Vehicles for Conservation?

Unmanned aerial vehicles, or drones, have received attention recently in part for their proposed novel retail uses but also for their military and police work capabilities and the attendant civil liberties questions in a surveillance society. One possible police work function of drones is to support NRP in its three-part mission: conservation enforcement, search and rescue operations, and maritime homeland security. At this time, the Federal Aviation Administration has taken a conservative approach to incorporating drones into the national airspace with the selection of only six test site operators: University of Alaska, State of Nevada, New York's Griffiss International Airport, North Dakota Department of Commerce, Texas A&M University – Corpus Christi, and Virginia Polytechnic Institute and State University (Virginia Tech). However, it is not too early to consider the possible costs and benefits of drone use by NRP.

Background

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

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

Drone Costs Compared to Helicopter and Fixed Wing Aircraft

DNR has researched both the amount of time a drone would be used and the cost to purchase an Aerovironment Puma AE drone system. DNR estimates the drone usage reflected in **Exhibit 5**.

Exhibit 5
Estimated Drone Flight Hours
Over One Year and Five Years

	<u>Flights</u>	<u>Time Per Flight</u>	<u>Total Hours</u>
Conservation Enforcement	225	1.0	225
Search and Rescue	20	1.0	20
Maritime Homeland Security	50	0.5	25
Total (1 Year)	295		270
Total (5 Years)	1,475		1,350

Source: Department of Natural Resources

Costs associated with the Aerovironment Puma AE drone system include the components in **Exhibit 6**.

Exhibit 6
Aerovironment Puma AE Drone System Costs

<u>Component</u>	<u>Details</u>	<u>Five-year Cost</u>
Basic System	The basic system including two aircraft, controller, and limited spare parts would cost \$254,000, which DNR raises to \$400,000 to reflect contingencies.	\$400,000
Maintenance	DNR estimates 5% per year of the \$400,000 basic system cost would be needed for maintenance costs, service, and repairs, which is \$20,000 over one year or \$100,000 over five years.	100,000
Personnel	DNR did not provide personnel information, so it is estimated that it could be on the order of \$45 per hour for 1,475 flights over five years or \$66,375.	66,375
Total		\$566,375
Per Flight Cost		\$384
Per Hour Cost		\$420

DNR: Department of Natural Resources

Source: Department of Natural Resources; Department of Legislative Services

To assess the cost-effectiveness of a drone system, it is necessary to compare it with the costs of operating the MSP airplanes and helicopter that are currently available for flying NRP missions. Based on the estimates above, the per-flight cost for the drone is \$384 and the per-hour cost is \$420. **Exhibit 7** reflects a cost per flight hour comparison between the Aerovironment Puma AE drone system and MSP's equipment: a Cessna fixed wing aircraft, a King Air fixed wing aircraft, and a helicopter. As can be seen, the drone system is slightly more expensive than the Cessna but is substantially less expensive than the King Air and the helicopter.

Exhibit 7
Comparison of Drone to Maryland State Police Airplanes and Helicopter

	<u>Drone</u>	<u>Cessna</u>	<u>King Air</u>	<u>Helicopter</u>
Cost Per Flight Hour	\$420	\$299	\$1,511	\$5,881
Flight Hours	1,350	1,350	1,350	1,350
Total	\$567,000	\$403,650	\$2,039,850	\$7,939,350

Source: Maryland State Police; Department of Legislative Services

In addition to possible cost savings, other benefits of drone purchases include the access to surveillance capability without needing to ask MSP to fly missions and the prolonged hovering capability provided by drones allowing for the detection of poaching. **DLS recommends that DNR comment on whether it is considering drone technology to extend its ability to conduct its conservation enforcement, search and rescue operations, and maritime homeland security missions.**

4. 2010 Trust Fund Allocation

Chapter 6 of the 2007 special session (House Bill 5) established a Chesapeake Bay 2010 Trust Fund to be used to implement the State's tributary strategy. The fund is financed with a portion of existing revenues from the motor fuel tax and the sales and use tax on short-term vehicle rentals. Subsequently, Chapters 120 and 121 of 2008 established a framework for how the trust fund money must be spent by specifying that it be used for nonpoint source pollution control projects and by expanding it to apply to the Atlantic Coastal Bays.

History

Exhibit 8 shows the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund history, including revenues, transfers, and expenditures. Overall, it is only beginning in fiscal 2014 that revenues have met the \$50 million revenue estimate originally projected for the fund. In addition, transfers to the general fund for cost containment have reduced expenditure levels even further. A general fund deficiency is reflected for fiscal 2013 to cover a shortfall in revenues.

Exhibit 8
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund History
Fiscal 2009-2015 Est.
(\$ in Millions)

<u>Appropriation</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Est.</u>	<u>2015 Est.</u>
Opening Balance	\$0.00	\$3.63	\$5.84	\$3.23	\$3.43	\$3.44	\$1.66
Revenue	\$38.23	\$41.50	\$43.10	\$41.79	\$44.29	\$51.98	\$53.69
Transfers to the General Fund							
Chapter 414 of 2008	-\$25.00						
Chapter 487 of 2009		-\$21.49					
Chapter 484 of 2010		-10.50	-\$22.10				
Chapter 397 of 2011			-0.97	-\$20.17	-\$15.08	-\$11.54	-\$8.05
Chapter 1 of 2012 First Special Session					-8.00		
BRFA of 2014						-10.40	-3.20
Subtotal GF Transfers	-\$25.00	-\$31.99	-\$23.07	-\$20.17	-\$23.08	-\$21.94	-\$11.25
General Fund Deficiency					2.80		
Available Revenue	\$13.23	\$13.14	\$25.87	\$24.85	\$27.44	\$33.48	\$44.10
Spending							
MDA	-\$6.93	-\$3.92	-\$12.34	-\$13.18	-\$14.50	-\$15.60	-\$19.60
MDE	-1.83	-1.65	-2.10	0.00	0.00	-0.75	-0.75
DNR	-0.84	-1.73	-8.20	-10.40	-10.29	-15.47	-22.10
Subtotal Agency Spending	-\$9.60	-\$7.30	-\$22.64	-\$23.58	-\$24.79	-\$31.82	-\$42.45
Cancellations				\$2.16	\$0.78		
Available Balance	\$3.63	\$5.84	\$3.23	\$3.43	\$3.44	\$1.66	\$1.65

BRFA: Budget Reconciliation and Financing Act
DNR: Department of Natural Resources
GF: general fund

MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment

Note: Under transfers, the \$10.5 million transferred by the BRFA of 2010 included \$8.0 million in fiscal 2010 revenues and \$2.5 million in fund balance. Fiscal 2013 reflects a \$2.8 million general fund deficiency appropriation in order to backstop an estimated decrease in revenues. The BRFA of 2014 proposes to transfer \$2.4 million from fund balance and \$8.0 million in revenues in fiscal 2014. Numbers may not sum due to rounding.

Source: Department of Natural Resources; Department of Legislative Services

The BRFA of 2014 proposes to transfer \$2.4 million of the balance in the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to the general fund in fiscal 2014 and redirects an additional \$8.0 million of the revenues from the short-term vehicle rentals tax from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to the general fund in fiscal 2014 and \$3.2 million in fiscal 2015. Recent BRFA actions impacting the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund are shown in **Exhibit 9**.

Exhibit 9
2010 Trust Fund Revenue and Fund Balance Transfers to the General Fund and
Budget Restoration Fund under Recent BRFAs and the Proposed BRFA of 2014
Fiscal 2012-2016
(\$ in Millions)

<u>Fiscal Year</u>	<u>BRFA of 2011</u>	<u>First Special Session</u>		<u>BRFA of 2014</u>	<u>Total</u>
		<u>BRFA of 2012</u>			
2012	\$20.2	\$0.0		\$0.0	\$20.2
2013	15.1	8.0		0.0	23.1
2014	11.5	0.0		10.4	21.9
2015	8.1	0.0		3.2	11.3
2016	4.6	0.0		0.0	4.6

BRFA: Budget Reconciliation and Financing Act

Note: The fiscal 2014 transfers by the BRFA of 2014 include \$2.4 million from fund balance and \$8.0 million in revenues.

Source: Department of Legislative Services

Fiscal 2015 Allocation

Exhibit 10 provides an overview of the currently planned trust fund allocations for fiscal 2015 as compared with fiscal 2009 through 2014. Of note, Exhibit 10 reflects general funds, special funds from the motor fuel tax and short-term rental vehicle tax, and general obligation bond capital funding, which is provided in fiscal 2013, fiscal 2014, and the Governor's fiscal 2015 capital budget. Final decisions on allocations typically are made by the BayStat agencies after the final funding levels have been determined. However, budgeting reimbursable fund appropriation in the receiving agencies would aid in year-to-year budget comparisons for agencies that typically receive funding.

Exhibit 10
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Planned Expenditures
Fiscal 2009-2015
(\$ in Millions)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>				<u>2014</u>			<u>2015</u>		
					<u>SF</u>	<u>GF</u>	<u>GO</u>	<u>Total</u>	<u>SF</u>	<u>GO</u>	<u>Total</u>	<u>SF</u>	<u>GO</u>	<u>Total</u>
Maryland Department of Agriculture														
Agency Technical Assistance	\$0.85	\$0.75	\$0.68	\$1.20	\$2.60	\$0.00	\$0.00	\$2.60	\$2.60	\$0.00	\$2.60	\$2.60	\$0.00	\$2.60
Cover Crops ¹	3.08	1.90	10.06	11.98	8.90	0.00	0.00	8.90	10.00	0.00	10.00	11.25	0.00	11.25
Conservation Reserve Enhancement Program Incentive	0.00	0.27	0.80	0.00	0.50	0.00	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50
Animal Waste Management	3.00	1.00	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Manure to Energy Projects with Proven Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50	2.50	0.00	2.50
Manure Transport	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	0.50	0.00	0.50	0.75	0.00	0.75
Grants to Farmers	0.00	0.00	0.00	0.00	2.00	0.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00
Subtotal	\$6.93	\$3.92	\$12.34	\$13.18	\$14.50	\$0.00	\$0.00	\$14.50	\$15.60	\$2.50	\$18.10	\$19.60	\$0.00	\$19.60
Maryland Department of the Environment														
Urban/Suburban SWM	\$1.83	\$1.65	\$2.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stormwater Permit Expeditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.00	0.75	0.75	0.00	0.75
Subtotal	\$1.83	\$1.65	\$2.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.75	\$0.00	\$0.75	\$0.75	\$0.00	\$0.75
Department of Natural Resources														
Agency Direct Costs	\$0.00	\$0.00	\$0.30	\$0.35	\$0.38	\$0.00	\$0.00	\$0.38	\$0.41	\$0.00	\$0.41	\$0.64	\$0.00	\$0.64
Strategic Monitoring (UM)	0.25	0.09	0.40	0.15	0.40	0.00	0.00	0.40	0.40	0.00	0.40	0.50	0.00	0.50
Implementation Tracking (DoIT)	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.20	0.20	0.00	0.20	0.20	0.00	0.20
Targeted Monitoring of Out of State Sources ²	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.20	0.30	0.00	0.30	0.10	0.00	0.10
Innovative Technology (UM)	0.25	0.25	0.25	0.25	0.25	0.00	0.00	0.25	0.75	0.00	0.75	1.00	0.00	1.00

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>				<u>2014</u>			<u>2015</u>		
					<u>SF</u>	<u>GF</u>	<u>GO</u>	<u>Total</u>	<u>SF</u>	<u>GO</u>	<u>Total</u>	<u>SF</u>	<u>GO</u>	<u>Total</u>
Nutrient and Sediment Reduction on State Lands (Natural Filters) ³	0.00	0.00	2.40	1.70	5.07	2.80	0.00	7.87	6.34	6.34	12.68	6.00	0.00	6.00
Capital Stormwater Infrastructure Projects (Local Governments)	0.00	0.00	0.00	0.00	0.00	0.00	38.00	38.00	0.00	25.66	25.66	0.00	25.00	25.00
Cost-effective Nonpoint Source Projects (Targeted) ⁴	0.34	1.39	4.85	7.95	1.00	0.00	0.00	1.00	6.00	2.00	8.00	9.86	0.00	9.86
Local Stormwater Remediation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.79	0.00	2.79
Field Restoration Specialist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.07	0.00	1.07	0.75	0.00	0.75
Community Mini-grants/ Small Nonprofits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00
Subtotal	\$0.84	\$1.73	\$8.20	\$10.40	\$7.50	\$2.80	\$38.00	\$48.30	\$15.47	\$34.00	\$49.47	\$22.09	\$25.00	\$46.84
Total	\$9.60	\$7.30	\$22.64	\$23.58	\$22.00	\$2.80	\$38.00	\$62.80	\$31.82	\$36.50	\$68.32	\$42.44	\$25.00	\$67.19

DoIT: Department of Information Technology
GF: general fund
GO: general obligation

SF: special fund
SWM: stormwater management
UM: University of Maryland

¹ In order to help fill the funding gap for cover crops, agencies agreed to realign \$2.5 million of special funds from the Manure to Energy Program under the Department of Natural Resources (DNR) to the cover crop program in the Maryland Department of Agriculture (MDA). The Manure to Energy Program was deferred to fiscal 2014.

² Targeted Monitoring of Out of State Sources is a three-year commitment based on budget bill language to monitor non-tidal nutrient and sediment loads entering Maryland from adjacent states. Fiscal 2015 represents the final year of this three-year commitment.

³ The December 2012 revenue estimate for short-term rental vehicle sales tax was down by \$2.8 million from the prior year. To offset the revenue shortfall, DNR received \$2.8 million in general funds in fiscal 2013. The general funds were applied toward Natural Filters.

⁴ Annually, the BayStat agencies issue competitive solicitations to target specific opportunities or challenges as identified. Historically, this included the Stream Restoration Challenge, the Urban Tree Canopy, and the Local Implementation Grant.

Note: The Conservation Reserve Enhancement Program agreement was not signed until late fiscal 2009; therefore, the \$250,000 that was originally planned for MDA was not spent. Instead, this funding was used for cover crops. Numbers may not sum to total due to rounding.

Source: Department of Natural Resources; Department of Legislative Services

Fiscal 2015 Highlights

The highlighted changes between the fiscal 2014 and 2015 allocation of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund are as follows.

- **Cost-effective Nonpoint Source Projects** – The fiscal 2015 workplan includes \$9,866,472 for grants awarded on a competitive basis for cost-effective nonpoint source pollution reduction. Practices include wetland restoration, buffers, floodplain restoration, and stormwater management. Previously, this funding was called Local Implementation Grants in fiscal 2012 and the Urban Tree Canopy and Stream Restoration Challenge in fiscal 2013.
- **Local Stormwater Remediation Grants** – There is \$2,787,717 programmed in fiscal 2015 for the counties with Municipal Separate Storm Sewer System permits that have established a local stormwater restoration fund and fee as required under Chapter 151 of 2012 (Stormwater Management – Watershed Protection and Restoration Program). The funding will help local jurisdictions to help defray the costs of providing stormwater remediation for State facilities of less than five acres and not subject to separate stormwater permits issued by the State. A distribution list has not been made available but will be based on the amount of impervious surface at the State facilities in each jurisdiction and the comparative effort of stormwater remediation by the counties. To that end, the grants will be directed to each jurisdiction's local stormwater restoration fund to be used solely for the planning, design, and construction of stormwater restoration project.
- **Community Mini-Grants/Small Nonprofits** – Nonprofit organizations are programmed to receive \$250,000 in competitive funding for restoration work and community outreach activities that promote sustainable landscaping and improve stormwater runoff management.

Historic Funding Level Reached

The \$42.5 million spending level programmed for the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund for fiscal 2015 is the highest funding level since the fund's inception. However, spending at this level is not affordable at this time. Given the State's ongoing structural deficit and modest general fund balance projected for fiscal 2015, a reduction of \$10.0 million in the fiscal 2015 operating budget and the transfer of this additional revenue to the general fund via the BRFA of 2014 would augment the State's fund balance and would provide \$0.6 million more funding than currently programmed in fiscal 2014. In addition, general obligation bonds could be utilized to minimize the impact of the reduction.

DLS recommends the addition of budget bill language to express the intent that the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund be budgeted as reimbursable funds in the fiscal 2016 operating budget bill by agencies receiving those funds from DNR. DLS also recommends that a reduction of \$10.0 million in special fund appropriation attributable to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund be adopted in the operating budget and a transfer of this additional amount be adopted in the BRFA of 2014.

Recommended Actions

- | | <u>Amount
Reduction</u> | |
|---|--|----------------|
| 1. Increase turnover to 6.0% to reflect actual turnover in recent years. The current vacancy rate is 8.03%, or 103.95 positions, while the fiscal 2015 budgeted turnover is only 3.87%. Therefore, this action more accurately budgets for the agency's current vacancy rate. | \$ 822,755
\$ 1,159,401
\$ 166,102 | GF
SF
FF |
| 2. Modify the following language on the special fund appropriation: | | |
| , provided that this appropriation shall be reduced by \$3,200,000 <u>\$13,200,000</u> contingent upon the enactment of legislation to allocate Chesapeake <u>and Atlantic Coastal</u> Bays 2010 Trust Fund revenue to the General Fund. | | |

Explanation: The budget bill as introduced includes a reduction of \$3,200,000 contingent upon the Budget Reconciliation and Financing Act of 2014 transferring the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund special funds to the general fund. This action increases the contingent reduction by \$10,000,000 for a total reduction of \$13,200,000, which helps augment the State's general fund balance and would provide \$0.6 million more funding than currently programmed in fiscal 2014.

3. Add the following language to the special fund appropriation:

Further provided that it is the General Assembly's intent that the Administration budget the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund for the fiscal 2014 actual, fiscal 2015 working appropriation, and the fiscal 2016 allowance and annually thereafter as a special fund appropriation in the Department of Natural Resources' operating budget and reimbursable fund appropriation in the receiving agencies' budgets. The amount budgeted should reflect the allocation in the annual work and expenditure plans required to be submitted with the annual budget under Natural Resources Article § 8-2A-03(d).

Explanation: This action expresses the Maryland General Assembly's intent that the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund be budgeted in such a way that improves the ability to make year-to-year comparisons of funding in receiving agencies' budgets.

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Total Reductions	\$ 2,148,258
Total General Fund Reductions	\$ 822,755
Total Special Fund Reductions	\$ 1,159,401
Total Federal Fund Reductions	\$ 166,102

Updates

1. New Integrated Policy and Review Unit

DNR has reorganized its policy and project/permit review groups in fiscal 2014. The new unit is called the Integrated Policy and Review Unit and is designed to improve coordination of sustainable and consistent environment policies and project review across DNR. For instance, it has taken over the responsibility for reviewing project proposals for the use of DNR public lands. DNR notes that the unit combines the existing functions and staff as follows.

- **Office for a Sustainable Future** – Coordinated policy across DNR and was organizationally located within the Office of the Secretary but operated fiscally under the Chesapeake and Coastal Services.
- **Environmental Review Division** – Coordinated project and permit review across DNR (along with the additional staff below) and operated organizationally and fiscally within the Chesapeake and Coastal Services.
- **Additional Staff** – Coordinated project and permit review across DNR and included staff from the Fisheries Service and Resource Assessment Service.

2. Southern States Energy Compact Dues

The Southern States Energy Board originated as the Southern Interstate Nuclear Board, created in 1962 by the Southern Interstate Nuclear Compact. The compact has been approved by 16 southern states, Puerto Rico, the Virgin Islands, and the U.S. Congress. Maryland ratified the compact in 1963. As part of the compact, Maryland is required to pay dues to the board subject to appropriation by the General Assembly. DNR indicated in the 2013 legislative session that it no longer needed the assistance of the board nor could it afford to pay the board's dues of \$40,000 per year because of reduced electricity usage – the source of Environmental Trust Fund revenues – and the other claims on the fund.

DNR now indicates that it has been advised to continue paying the dues based on statutory requirements. DNR is working on an agreement to split the dues payment equally between its Power Plant Research Program and MEA.

3. Conowingo Dam Status

The Conowingo Dam has been described as the biggest best management practice on the Susquehanna River. It is now near 86% storage capacity for sediment, which means that it may have on the order of 10 to 15 years of storage capacity remaining. A U.S. Army Corps of Engineers'

sediment remediation study and Federal Energy Regulatory Commission relicensing of the hydroelectric dam are under way. DNR notes that the U.S. Army Corps of Engineers' Lower Susquehanna River Watershed Assessment Study is on schedule with a draft report expected to be available for public comment in July 2014. The Federal Energy Regulatory Commission granted an extension for the Final License Application until January 31, 2014. DNR indicates that addressing sediment is still its highest priority and that it is under negotiations with the applicant to address all relevant issues.

4. Quality Deer Management Report Submitted

The budget committees were concerned during the 2013 legislative session that DNR is not implementing Quality Deer Management (QDM) restrictions. QDM is generally defined as voluntary or regulatory restrictions that limit a hunter from taking antlered deer under a certain antler size. Therefore, the budget committees requested that DNR consult with stakeholders in the hunting and agricultural communities concerning the possibility of QDM implementation. The goal of this deliberative process was to ensure that any decision on antler size restrictions is consistent with the ecology of the local deer population in each of the jurisdictions in the State and that the concerns and recommendations of local stakeholders in each jurisdiction or hunting region were addressed. In addition, the budget committees requested that DNR report by November 1, 2013, on the findings of its consultations with stakeholders and on the decision it made regarding antler size restrictions. The requested report defines QDM as the use of management techniques to increase the number of older bucks with large antlers in the deer population and includes reducing the harvest of yearling bucks and increasing the harvest of antlerless deer to balance the population. Setting a certain number of points (three or four) on one side of a set of antlers or a minimum antler spread (14 or 15 inches spread) are ways QDM may be accomplished.

DNR discussed QDM with the national, State, and Mountain Maryland QDM association chapters and the Maryland Legislative Sportsmen's Foundation. The outcome was an agreement to conduct a survey paid for by DNR. DNR contracted with the polling firm Responsive Management to conduct telephone surveys between October and November 2013 of three populations in Western Maryland: (1) deer hunters who live in Western Maryland; (2) deer hunters who live outside Western Maryland; and (3) landowners in Western Maryland owning more than 20 acres. The deer hunters and landowners were further divided into Allegany and Garrett counties residents, as shown in **Exhibit 11**, for a total survey population of 680.

Exhibit 11
Quality Deer Management Survey Respondents

<u>Population</u>	<u>Jurisdiction</u>	<u>Sample</u>
Deer hunter residence	Allegany County	153
	Garrett County	162
	Outside Western Maryland	157
	Subtotal	472
Landowners with more than 20 acres	Allegany County	104
	Garrett County	104
	Subtotal	208
	Total	680

Source: Department of Natural Resources

In terms of the survey results, the greatest areas of agreement appear to be the following:

- **Public vs. Private Land** – establishing mandatory antler restriction regulations on all *public* land in Western Maryland as opposed to increasing government regulations on private land;
- **Exemptions** – exempting youth and senior deer hunters from mandatory antler restrictions, if they are implemented;
- **Threshold** – requiring a buck to have at least three antler points on one side to be legal, as opposed to requiring at least four antler points or requiring an antler spread of either 14 or 15 inches, which may be difficult to determine at typical hunting distances; and
- **Bag Limit** – reducing the antlered bag limits in Western Maryland from three antlered deer to two.

DNR notes that it is in the early stages of its biennial review of hunting regulations and that the results of the stakeholder survey will be helpful in terms of potential regulations for white-tailed deer. For the 2014 to 2016 seasons, DNR will include a limited antler restriction proposal for Western Maryland, although this proposal may undergo extensive changes during the internal DNR and external public review process.

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2013					
Legislative Appropriation	\$44,950	\$128,516	\$28,307	\$13,488	\$215,260
Deficiency Appropriation	3,643	50	772	0	4,465
Budget Amendments	-58	-11,666	672	2,089	-8,963
Reversions and Cancellations	-304	-11,099	-5,093	-4,886	-21,383
Actual Expenditures	\$48,230	\$105,801	\$24,657	\$10,690	\$189,379
Fiscal 2014					
Legislative Appropriation	\$50,621	\$133,588	\$26,685	\$12,402	\$223,296
Budget Amendments	1,319	-13,410	1,599	1,303	-9,190
Working Appropriation	\$51,939	\$120,178	\$28,284	\$13,704	\$214,106

Note: The fiscal 2014 working appropriation does not include deficiencies or contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2013

DNR's general fund appropriation increased by \$3,280,701 as follows:

- **Deficiency Appropriation** – An increase of \$3,643,000 for offsetting a revenue shortfall to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund (\$2,800,000), surface water quality monitoring associated with Marcellus Shale gas well drilling (\$385,000), continuing the Maryland Conservation Corps program (\$343,000), and ground water quality monitoring associated with Marcellus Shale gas well drilling (\$115,000).
- **Budget Amendments** – A decrease of \$57,903 due to the reallocation of funding from DNR's Office of the Secretary – Information Technology Service to DoIT for the positions and funding related to Geographic Information Systems and web design in accordance with Sections 19 and 20 of the fiscal 2013 budget bill (\$99,346), which is offset partially by an increase due to the realignment of telecommunications expenditures between State agencies budgeted in the Finance and Administrative Service program (\$41,443).
- **Reversions** – A decrease of \$304,396 due to State agencies being assessed a fee for development of a new Statewide Personnel System for which the State spent approximately 48% of its major IT project's appropriated budget, with the remainder reverted to the general fund from the Office of the Secretary – Finance and Administrative Service program (\$190,397); unneeded appropriation in the Office of the Secretary – Finance and Administrative Service program (\$90,096), and unneeded appropriation in the Critical Area Commission program (\$23,902).

DNR's special fund appropriation decreased by \$22,715,135 as follows:

- **Deficiency Appropriation** – An increase of \$49,997 for the Potomac River Conservation Job Training Program from the special fund Private Donations in Maryland Park Service.
- **Budget Amendments** – A decrease of \$11,666,028 due to the allocation of Chesapeake and Atlantic Coastal Bays 2010 Trust Fund funding to MDA (\$14,500,000), which is partially offset by increases for allocating funding to the Land Acquisition and Planning program from the admissions and amusement tax available to DNR for use in Calvert County to increase youth recreational opportunities via Chapter 603 of 2012 (Gaming – Electronic Machines – Regulation) (\$2,098,800); reallocation of the fiscal 2013 special fund appropriation for the COLA since the General Assembly created a special fund source, Budget Restoration Fund, during the First Special Session of 2012 in order to fund the general fund share of the COLA (\$684,174); allocation of funding for a habitat restoration assistance team that will develop a collaborative, science-based approach to conservation and restoration in the Chesapeake Bay watershed from National Fish and Wildlife Foundation funding in the Chesapeake and Coastal Services program (\$49,498); and support for development of a nature play space for children at the Jug Bay Wetlands Sanctuary from Chesapeake Bay Trust funding in the Chesapeake and Coastal Services program (\$1,500).

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- **Cancellations** – A decrease of \$11,099,104 primarily as a result of cancellations due to appropriations not being needed in Chesapeake and Coastal Services (\$2,964,426), Forest Service (\$1,513,204), Land Acquisition and Planning (\$1,323,480), NRP – Field Operations (\$1,212,172), Natural Resources Police – General Direction (\$982,719), Boating Services (\$752,029), Licensing and Registration Service (\$517,853), Power Plant Assessment Program (\$396,700), and Monitoring and Ecosystem Assessment (\$367,259).

DNR's federal fund appropriation decreased by \$3,649,678 as follows:

- **Deficiency Appropriation** – An increase of \$771,590 for unanticipated out-of-state fire suppression overtime expenses and federal grant awards for the Forest Service program (\$754,000) and for an agreement with the National Parks Service as part of the National Trail Systems Recovery Project (\$17,590).
- **Budget Amendments** – An increase of \$671,663 for NRP – General Direction program as part of the U.S. Department of Justice's Asset Forfeiture Program funding that will cover the costs for travel, motor vehicle operations, contractual services, supplies and materials, and equipment (\$240,000); for NRP – General Direction salary costs related to recreational boating from the U.S. Coast Guard – Recreational Boating Safety Grant (\$169,514); for NRP – General Direction supplies, materials, and equipment to support the Tac-Stack Radio Interoperability Initiative Project and contractual services for the automated identification signal project from Port Security Grant funding (\$109,395); allocation of the fiscal 2013 federal fund appropriation for the COLA (\$98,611); and geologic mapping of the Hagerstown Quadrangle and development of digital infrastructure for the aerial photograph collection from two Grant and Cooperative Agreements in the Maryland Geological Survey program (\$54,143).
- **Cancellations** – a decrease of \$5,092,931 primarily as a result of cancellations due to appropriations not being needed since grant costs and revenue were less than anticipated in Fisheries Service (\$3,630,736), Chesapeake and Coastal Services (\$642,339), Maryland Park Service – Statewide Operation (\$434,788), and Boating Services (\$155,256).

DNR's reimbursable fund appropriation decreased by \$2,797,208 as follows:

- **Budget Amendments** – An increase of \$2,089,011 for funding transferred from the Maryland Department of Transportation (MDOT) – SHA to the Maryland Environmental Trust to acquire property easements in Frederick County as part of the "Saving Maryland's Critical Civil War Battlefields" project (\$979,450); MEA for meteorological, ecological, and oceanographic studies related to offshore wind from a portion of the \$30,000,000 offshore wind contribution in the Strategic Energy Investment Fund that was one of the conditions of the Exelon and Constellation merger (\$750,000); MEA for converting Maryland Park Service infrastructure to more energy efficient systems through supplies and materials and contractual services (\$180,000); internally from Chesapeake and Coastal Services to Resources Assessment Service to support mapping of benthic habitats in State waters off Maryland's

Atlantic Coast and conduct a 10,000 acre benthic habitat survey on the Choptank River and tidal sub-estuaries needed for oyster habitat restoration and fisheries management (\$163,259); and MDOT – SHA to the Land Acquisition and Planning program to cover costs associated with the Recreational Trail Grant projects awarded by SHA (\$16,302).

- **Cancellations** – A decrease of \$4,886,219 primarily as a result of cancellations due to appropriations not being needed since reimbursable funds were not available in NRP – General Direction (\$1,634,761), Maryland Environmental Trust (\$1,029,406), Chesapeake and Coastal Services (\$924,141), Maryland Geological Survey (\$484,936), Engineering and Construction (\$269,854), Fisheries Service (\$216,413), and Maryland Park Service – Statewide Operation (\$103,157).

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DNR's general fund appropriation increases by \$1,318,514 due to budget amendments allocating the COLA effective January 1, 2014 (\$523,475), State Law Enforcement Officer Labor Alliance salary-related bargaining increase (\$480,668), employee salary increments effective April 1, 2014 (\$304,781), and personnel classifications as part of the Annual Salary Review (\$9,590).

DNR's special fund appropriation decreases by \$13,409,935 due to budget amendments. The budget amendments allocate Chesapeake and Atlantic Coastal Bays 2010 Trust Fund funding to MDA (\$15,600,000), which is offset partially by allocations of transfer tax funding from Land Acquisition and Planning for administrative purposes in the Office of the Secretary – Finance and Administrative Services per Chapter 425 of 2013 (BRFA) (\$1,217,000), the COLA (\$689,756), employee salary increments (\$223,914); State Law Enforcement Officer Labor Alliance salary-related bargaining increase (\$52,099), and personnel classifications as part of the Annual Salary Review (\$7,296).

DNR's federal fund appropriation increases by \$1,598,840 by budget amendment for allocation of U.S. Department of Interior's Wildlife Restoration and Basic Hunter Education funding to the Wildlife and Heritage Service program to hire 6 seasonal contractual employees and 2 long-term contractual employees to manage Wildlife Management Areas, band ducks, provide technical guidance for bird habitat management to private landowners, and implement hunter recruitment events, replace 15 vehicles, research management options for deer, bear, wild turkey, bat, non-game mammals, and waterfowl, and provide additional postage for a statewide hunter mail survey (\$747,697); for purchases related to the Maritime Law Enforcement Information Network, Maritime Video Interoperability Initiative Among Port Partners project, and Automated Information System for Law Enforcement Patrol Craft project from federal fiscal 2013 Port Security Grant Program funding (\$697,137); for the COLA (\$119,756); and for employee salary increments (\$34,250).

DNR's reimbursable fund appropriation increases by \$1,302,599 for funding transferred from MEA to the Chesapeake and Coastal Services program for advancement of wind energy options for Maryland including aerial surveys of large whales in and around the Maryland Wind Energy Area,

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data collection, and analysis and reporting of findings (\$637,578); the MDOT – SHA to Maryland Environmental Trust for acquiring property easements in Frederick County as part of the “Saving Maryland’s Critical Civil War Battlefields” project from a Transportation Enhancement Program grant (\$479,450); MEA to the Maryland Park Service for implementing energy efficiency measures in State Park facilities from a Clean Energy Communities grant (\$123,000); internally from the Power Plant Assessment Program to Watershed Services to assess tree cover for use in determination of carbon energy storage and sequestration estimates and to report on the protocols for future use and development of carbon sequestration areas (\$33,000); and internally from the Maryland Park Service to the Chesapeake and Coastal Services for development of a watershed implementation plan for Deep Creek Lake through the collection of agricultural land use and forest land use data and facilitation of a steering committee to gather community input on issues and needs when developing recommended actions and strategies (\$29,571).

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

<u>Object/Fund</u>	<u>FY 13 Actual</u>	<u>FY 14 Working Appropriation</u>	<u>FY 15 Allowance</u>	<u>FY 14 - FY 15 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,293.50	1,294.50	1,304.50	10.00	0.8%
02 Contractual	487.81	398.76	431.83	33.07	8.3%
Total Positions	1,781.31	1,693.26	1,736.33	43.07	2.5%
Objects					
01 Salaries and Wages	\$ 106,836,871	\$ 116,611,654	\$ 117,434,054	\$ 822,400	0.7%
02 Technical and Spec. Fees	9,473,203	10,677,990	12,086,638	1,408,648	13.2%
03 Communication	1,978,001	2,090,188	2,316,785	226,597	10.8%
04 Travel	569,034	468,944	518,734	49,790	10.6%
06 Fuel and Utilities	4,927,707	4,919,308	5,053,281	133,973	2.7%
07 Motor Vehicles	7,467,264	8,299,999	9,310,046	1,010,047	12.2%
08 Contractual Services	37,794,558	33,368,397	37,294,044	3,925,647	11.8%
09 Supplies and Materials	6,549,583	7,129,408	7,486,330	356,922	5.0%
10 Equipment – Replacement	1,978,381	972,147	1,777,323	805,176	82.8%
11 Equipment – Additional	1,364,707	2,832,391	1,013,466	-1,818,925	-64.2%
12 Grants, Subsidies, and Contributions	7,125,907	23,539,562	51,181,385	27,641,823	117.4%
13 Fixed Charges	2,874,611	3,003,122	3,065,688	62,566	2.1%
14 Land and Structures	438,966	192,504	117,932	-74,572	-38.7%
Total Objects	\$ 189,378,793	\$ 214,105,614	\$ 248,655,706	\$ 34,550,092	16.1%
Funds					
01 General Fund	\$ 48,230,379	\$ 51,939,092	\$ 53,298,867	\$ 1,359,775	2.6%
03 Special Fund	105,801,170	120,178,233	158,075,313	37,897,080	31.5%
05 Federal Fund	24,656,900	28,283,804	27,165,022	-1,118,782	-4.0%
09 Reimbursable Fund	10,690,344	13,704,485	10,116,504	-3,587,981	-26.2%
Total Funds	\$ 189,378,793	\$ 214,105,614	\$ 248,655,706	\$ 34,550,092	16.1%

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.

Fiscal Summary
Department of Natural Resources

<u>Program/Unit</u>	<u>FY 13 Actual</u>	<u>FY 14 Wrk Approp</u>	<u>FY 15 Allowance</u>	<u>Change</u>	<u>FY 14 - FY 15 % Change</u>
01 Office of the Secretary	\$ 14,056,850	\$ 17,311,578	\$ 17,137,687	-\$ 173,891	-1.0%
02 Forestry Service	11,716,903	11,893,158	12,123,046	229,888	1.9%
03 Wildlife and Heritage Service	9,398,787	10,682,855	10,599,223	-83,632	-0.8%
04 Maryland Park Service	34,338,799	39,886,587	42,304,558	2,417,971	6.1%
05 Capital Grants and Loan Administration	4,837,024	5,122,575	5,305,421	182,846	3.6%
06 Licensing and Registration Service	3,020,427	3,509,297	3,825,672	316,375	9.0%
07 Natural Resources Police	39,156,031	42,589,383	40,698,506	-1,890,877	-4.4%
09 Engineering and Construction	4,106,582	4,487,357	4,664,123	176,766	3.9%
10 Chesapeake Bay Critical Area Commission	1,864,749	2,068,058	2,088,884	20,826	1.0%
11 Maryland Geological Survey	5,760,685	6,952,859	6,968,368	15,509	0.2%
12 Resource Assessment Service	17,089,962	17,393,961	17,336,644	-57,317	-0.3%
13 Maryland Environmental Trust	789,674	1,825,924	912,597	-913,327	-50.0%
14 Watershed Services	21,806,367	27,446,840	58,716,566	31,269,726	113.9%
17 Fisheries Service	21,435,953	22,935,182	25,974,411	3,039,229	13.3%
Total Expenditures	\$ 189,378,793	\$ 214,105,614	\$ 248,655,706	\$ 34,550,092	16.1%
General Fund	\$ 48,230,379	\$ 51,939,092	\$ 53,298,867	\$ 1,359,775	2.6%
Special Fund	105,801,170	120,178,233	158,075,313	37,897,080	31.5%
Federal Fund	24,656,900	28,283,804	27,165,022	-1,118,782	-4.0%
Total Appropriations	\$ 178,688,449	\$ 200,401,129	\$ 238,539,202	\$ 38,138,073	19.0%
Reimbursable Fund	\$ 10,690,344	\$ 13,704,485	\$ 10,116,504	-\$ 3,587,981	-26.2%
Total Funds	\$ 189,378,793	\$ 214,105,614	\$ 248,655,706	\$ 34,550,092	16.1%

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.