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For Information

Submitted to: Environment and Transportation Committee

Submitted by: Chesapeake Bay Trust

The Chesapeake Bay Trust (the Trust), a nonprofit grant-maker, was established by the General Assembly in 1985 to complement the work of natural resource state agencies by reaching directly to community-based groups on the ground. The Trust's method is to empower groups by providing them the ability to lead and own their own work to co-benefit their own communities and natural resources, mainly through grants.

A key Trust tenet: All Marylanders benefit from healthy natural resources, and all Marylanders can help make natural resources better (aided by Trust grants), a sentiment that has led to the Trust's 15-year old Diversity, Equity, and Inclusion initiative (<https://cbtrust.org/diversity-inclusion/>). The Trust issues about 350 grants per year across Maryland, from the Youghiogheny watershed in Western Maryland to the Coastal Bays on the Eastern Shore and ranging in size from \$200 to \$200K+. We have made grants in every Maryland district in the past 10 years.

When the Trust was created, the General Assembly did not provide a general appropriation, but instead created two revenue streams: The Chesapeake Bay License Plate program and the Chesapeake and Endangered Species Tax Check Off (shared with the Maryland Department of Natural Resources) that raise private, non-governmental dollars. Both revenue streams have remained relatively stable since 2010, with the "bay plate" generating on average \$3.5 million per year and the tax checkoff \$450K.

The nature of license plate revenue

Data from other states show that only about 8-10% of the population will spend an additional amount (~\$20) for a colorful license plate (Figure 1 below). Maryland has two background scene plates now designed to generate revenue: The Chesapeake Bay Plate and the Agriculture Plate (ag tag). Combined with the hundreds of organizational tags <https://mva.maryland.gov/Pages/licenseplates-Organizational.aspx> which are mainly designed for awareness/pride rather than revenue, Maryland is at about 10% saturation level now (mainly due to heavy Bay Plate and Ag Tag advertising). Public opinion polling shows that about 70% of people buy the bay plate for aesthetic value. Currently the demographics of bay and ag tags owners are close to the demographics of Maryland by geography, gender, and ethnicity/race. For example, 29-37% and 37-44% of people who have bay plates and ag tags, respectively, on their vehicles or in their households are of color.

Because there are a finite number of registered vehicles and 10% of the population already has a special license plate, the larger the number of license plate options, the less revenue each will generate (Figure 2 below). HB 1257, currently in the Rules Committee, would compensate for the drop in bay plate and ag tag revenue as new plates celebrating all causes are introduced with a general appropriation, with an amendment proposed that it be fixed to FY17-FY22 levels.

Value of Chesapeake Bay Trust unrestricted revenue

The Trust leverages the \$4 million in unrestricted Bay Plate and Tax Checkoff dollars into \$20 million annually by attracting other partners with resources. An example is the Trust's partnership with the U.S. Environmental Protection Agency, in which the Trust offers \$300,000, and the EPA matches it with \$1,000,000 for a Green Streets, Green Jobs, Green Towns grant program.

<https://cbtrust.org/grants/green-streets-green-jobs-green-towns/>. In addition, in 2021 and 2022, the General Assembly tapped the Trust to create and administer the Urban Trees Grant Program (2021) <https://cbtrust.org/grants/urban-trees/> and the Chesapeake Conservation Corps (2020) www.cbtrust.org/corps, which we have partly staffed and supported with unrestricted Bay Plate dollars. The bay plate and other unrestricted revenue also funds our K-12 environmental education, on-the-ground restoration, and community engagement.



About the Chesapeake Bay Trust

The Trust was created by the Maryland General Assembly in 1985 as a non-profit grant-making organization with a goal to increase stewardship and engagement in the restoration of the state's local rivers, streams, parks, and other natural resources in diverse communities across the state, from the mountains of Western Maryland and the Youghiogheny watershed to the marshes of the Coastal Bays. The goal was to create an entity that could complement state agency work with groups on the ground: schools, nonprofit organizations, faith-based and reach large institutions, homeowners associations, community and civic associations, and other types of groups.



The Trust invests in local communities and watersheds through grant programs and special initiatives and is known for its efficiency, putting on average 90 cents of every dollar into programs. The Trust has awarded over \$150 million through more than 12,000 grants and projects in every county in Maryland since 1985. We make about 350 grants and other awards a year and have about 1,000 active grantees at any one time.



The Trust does not receive a direct state appropriation to support its operations, instead supported through revenue from the Chesapeake Bay vehicle license plate; half of the Chesapeake and Endangered Species Fund checkoff on the state income tax form; two new donation options through Maryland's online boating, fishing, hunting license system, one that focuses on veterans' rehabilitation; partnerships with federal, state, local agencies, family foundations, and corporate foundations; and individual donors.

Due to its efficiency, the Trust has been rated with the maximum four-star rating by the nation’s leading charity evaluator, Charity Navigator, for more than two decades, putting it in the top 1% of non-profits in the nation.

One of the Trust’s basic tenets in its strategic plan is to engage under-engaged audiences in natural resources issues, and that theme characterizes both programs discussed today (Urban Trees and Corps). Every individual in our area benefits from healthy natural resources, and in turn, every individual can help natural resources. Three under-engaged audiences of particular focus identified by our Diversity and Inclusion Committee are the faith-based sector, communities of color, and the human health sector. The Trust has seen much success: The number of students, volunteers, and teachers of color engaged in our grants match the demographics of Maryland. Close to 10% of our grants supported work at faith-based institutions of 13 different religions.

Thank you very much for the opportunity to present to the Committee. If you should have any questions regarding the Trust’s testimony, please contact us at 410-974-2941 x100 or jdavis@cbtrust.org.

Figure 1: Market saturation of background scene plates

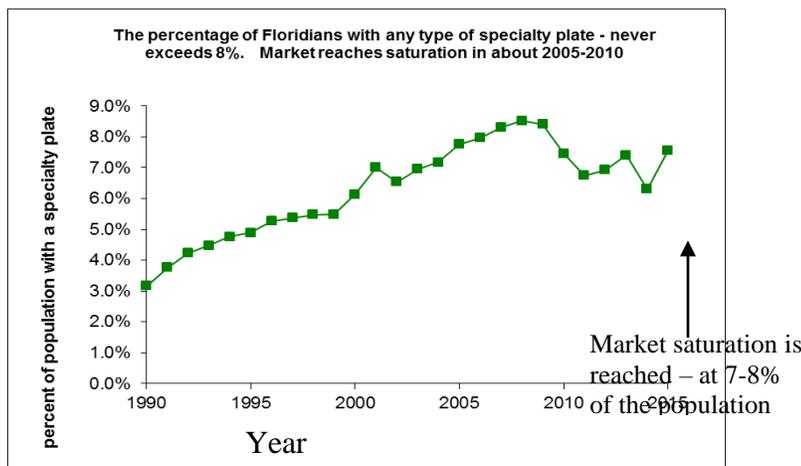


Figure 2: Examples of decreases in specialty license plate revenue with increasing #s of additional plates

