

**Wednesday, March 4, 2026**

**TO:** Senator Guy Guzzone, Chair, Senate Budget and Taxation Committee; and Committee Members

**FROM:** Cait Kerr, State Policy Manager, The Nature Conservancy; Michelle Dietz, Director of Government Relations, The Nature Conservancy; and Humna Sharif, Climate Adaptation Manager, The Nature Conservancy

**POSITION:** Support for SB 284 Budget Reconciliation and Financing Act of 2026

The Nature Conservancy (TNC) supports the Moore Administration's proposed Maryland FY2027 budget request and supports a Budget Reconciliation and Financing Act (BRFA) that makes minimal changes to environmental funding. TNC is a global conservation organization working in Maryland since 1977 to conserve the lands and waters on which all life depends. Our work in Maryland spans the breadth of the state and includes protecting forests, increasing agricultural sustainability, bringing nature's benefits to cities and helping coastal communities adapt to climate change. TNC is also one of the largest non-profit landowners in the state. We own and manage approximately 27,000 acres and have assisted the state and others to protect almost 100,000 additional acres. We focus on delivering data-driven, on-the-ground solutions that secure clean water, air, and healthy, secure living environments for our human and natural communities today and for generations to come.

We know that our state faces a challenging FY2027 budget cycle, and TNC wishes to express our thanks to the General Assembly and the Administration for your continued efforts to preserve funding for foundational environmental programs. TNC supports a balanced budget that reflects forward-thinking investments in protecting and enhancing our state's natural places, advancing climate resilience and mitigation, and appropriately staffing state agencies. Investing in nature brings strong returns for our security, economy, communities and families. TNC supports programs and investments that ensure economic and environmental benefits are enhanced today and made sustainable for tomorrow. We believe that Governor Moore's proposed budget for FY2027 broadly reflects this shared vision.

TNC is concerned that the Department of Natural Resources (DNR) FY2027 Capital Budget includes a significant year-over-year cut to oyster restoration funding, that will eventually be offset by increases beginning in FY2030. **We recommend that restoration funding be kept level to maintain our steady progress towards Maryland's Bay restoration goals.** Maryland's ability to scale large-tributary restoration has produced significant efficiencies. Restoration partners now operate with optimized reef-building techniques, established supply chains,

coordinated permitting, and data-driven site selection. Sustaining DNR's capital funding allows Maryland to take advantage of these existing efficiencies.

Environmental protection and robust climate programs are a fraction of the state's budget but provide outsized benefits for all Marylanders and our state's irreplaceable natural heritage. Funding for these programs should be treated as an essential part of the solution to preserve our state's economic wellbeing, and the path towards achieving Maryland's climate mitigation, adaptation, water quality enhancement, and land protection commitments.

## **Investing in Nature**

Maryland's land and resource management agencies do crucial work to manage and protect our state's natural riches in order to conserve their cultural, economic, and health benefits for current and future generations to enjoy. The lands and waters that surround us are an invaluable part of our heritage, our economy, and our identity. The following program areas exemplify the critical work that is being done at our state agencies to steward Maryland's robust natural heritage:

### The Chesapeake and Atlantic Coastal Bays Trust Fund

The Chesapeake and Atlantic Coastal Bays Trust Fund directs funding toward the most efficient and cost-effective non-point source pollution control projects, improving water quality and accelerating Bay restoration. It also leverages private and federal funds to multiply the program's total impact.

TNC, in partnership with the Natural Resources Conservation Service, U.S. Fish & Wildlife Service, State of Maryland Department of Natural Resources, U.S. Geological Survey, and local contractors, leveraged a Trust Fund allocation to restore more than 3,000 acres of wetlands and associated forested buffers in the Pocomoke River watershed. It is estimated to remove 71,000 pounds per year of total nitrogen; 7,600 pounds per year of total phosphorus; and 47,500 pounds per year of total suspended solids. As we restructure the Chesapeake Bay Watershed Agreement, funding sources like the Chesapeake and Atlantic Coastal Bays Trust Fund are critical to tackling pollution reduction goals and advancing nature-based restoration solutions. **TNC supports full funding for the Chesapeake and Atlantic Coastal Bays Trust Fund in order to continue implementing projects on the ground that use cost-effective and future-proof approaches to achieving our water quality goals.**

### Program Open Space

Program Open Space funding protects and manages open space and outdoor recreation areas for public use. Program Open Space Local grants have assisted over 7,100 park and conservation area projects. Program Open Space Stateside preserves natural areas for public recreation, as well as watershed and wildlife protection across Maryland. In previous years, the Program's funding has been redistributed, and repayments have

historically been delayed and reduced from their original amounts. **TNC advocates for consistent, reliable funding for Program Open Space so that Maryland can continue investing in this program's benefits to our outdoor recreation economy, public health, land management goals, community resilience, ecosystem stability, and educational, cultural and historical values.**

#### Greenspace Equity Program

A portion of the state share of Program Open Space funding is authorized for the Greenspace Equity Program, which directly supports projects to steward greenspaces in communities across Maryland that have historically been limited in investment and access to these spaces. This grant program invests in land acquisition, maintenance, and greenspace development projects to support a variety of greenspaces, including community gardens and urban farms, parks and trails, woodlands and green networks, and other open gathering spaces. **TNC supports full and consistent funding for Greenspace Equity Program grants, which serve as an invaluable resource to communities for stewarding existing green spaces or creating new greenspaces.**

#### Woodlands Incentive Program

The Woodlands Incentive Program provides cost-sharing assistance for tree planting, site preparation and timber stand improvement practices. TNC is currently partnering with DNR, the Ruffed Grouse Society, and Maryland Extension Service for improved forest management in western Maryland through a large landscape forest management collaboration. **TNC supports continued state investment in the Woodlands Incentive Program to advance both environmental and economical forest management practices.**

#### Rural Legacy Program

Maryland's Rural Legacy Program is used to preserve large, contiguous tracts of land that enhance natural resource, agricultural, forestry and environmental protection. There is at least one Rural Legacy Area in every county. These acres include ecologically valuable properties, productive farms, and forests, representing a public investment of more than \$405 million since the start of the program. **State investment in the Maryland Rural Legacy Program preserves the cultural, historical, educational, and environmental value in our lands and supports natural resource-based industries statewide.**

#### Waterways Improvement Fund

Maryland's Waterways Improvement Fund provides funding for projects that improve and promote our state waterways' recreational and commercial capabilities, including conditions and safety. Since it was established, the Waterway Improvement Fund has provided more than \$429 million for over 4,900 projects. In FY2026, the Fund has been used to support public boating access, waterway dredging, emergency response equipment, and other infrastructure projects. **The State's Waterways Improvement**

**Fund investments promote clean, accessible, and safe waterways which benefit Maryland tourism and our seafood industry, alongside providing environmental and health benefits.**

### **Investing in Adaptation, and Resilience and Mitigation for Marylanders of Current and Future Generations**

The impacts of climate change, through sea level rise, extreme precipitation, and other intense weather events, are causing increased flooding across Maryland. Last year, Western Maryland communities experienced devastating flooding in Allegheny and Garrett Counties. On the other side of the state, our vibrant coastline is experiencing increasing sunny day flooding from sea level rise. Maryland's low-lying coastal areas, including Eastern Shore counties, are particularly vulnerable to high tide flooding events.

Building resilience to climate change is among the biggest challenges of our time, and many aspects of our governance system must come together to tackle this crisis. The state of Maryland has already shown itself to be a leader in fighting climate change. As our state pursues our goals on renewable energy and reducing emissions, we must give equal importance to resilience-building measures that will reduce damage in the long run. In order to achieve state climate goals and protect our communities from climate impacts, we must continue to make strong and innovative investments in program design and implementation across Maryland. There is an increasing need for investments in community resilience and preparedness to protect critical infrastructure. The long-term costs of climate change will be far greater if Maryland doesn't invest in our response now through programs such as the following:

#### Comprehensive Flood Management Grant Program (CFMGP)

TNC enthusiastically supports increasing investments in flood resilience programs like the Comprehensive Flood Management Grant Program (CFMGP). The CFMGP was established to assist local jurisdictions with implementation of capital projects including infrastructure repairs, watershed restoration, and emergency protection work associated with flood events.”<sup>1</sup> This program is administered by MDE and aims to protect communities from floodwaters and to develop plans to mitigate future flooding. The program also funds comprehensive watershed studies to better understand flood risks.

**This year, \$13.87 million for the CFMGP is proposed to be funded through the Strategic Energy Investment Fund (SEIF).<sup>2</sup> TNC requests that funding for CFMGP be increased to at least \$20 million annually in future years.**

There are currently CFMGP funded projects in 11 counties from Western Maryland to the Eastern Shore and funding is only becoming more necessary and in-demand. The list of

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<sup>1</sup> ([Comprehensive Flood Management Grant Program](#)).

<sup>2</sup> (FY 2027) Maryland Department of the Environment, Capital Budget:

<https://mgaleg.maryland.gov/pubs/budgetfiscal/2027fy-budget-docs-capital-U00-Department-of-the-Environment.pdf>

Currently Funded Projects illustrates the crucial work that the CFMGP is advancing in communities across our state. Dozens of flood preparedness applications in the state go unfunded each year. For many coastal counties, particularly on the Eastern Shore, the CFMGP is a critical funding source to update water-related infrastructure. We recognize the challenges of a tough budget year, and we appreciate that cuts are not being made to the CFMGP this year. We also respectfully ask that this program be considered for a larger increase next year, and each subsequent year thereafter. **The Comprehensive Flood Management Grant Program must be a budgetary priority to protect Marylanders' homes, livelihoods, and communities when we prepare for and respond to environmental disasters.**

#### Strategic Energy Investment Fund (SEIF)

The SEIF plays a critical role in making Maryland's energy cleaner, more reliable and more affordable through programs offered by the Maryland Energy Administration (MEA) and other state agencies. These programs address: consumer energy costs, global climate change concerns, job creation, energy resilience, economic development, business retention, and energy freedom. In FY2024, over \$25 million of the SEIF was committed to programs or initiatives benefiting low- or moderate-income Maryland residents. MEA grant programs, including the Energy Efficiency Equity Grant Program, the Community Solar Program, and the Solar Energy Equity Grant Program are funding through SEIF. MEA made more than 7,500 awards in FY2024, which have helped incentivize over 50 megawatts of new solar energy, including over 4,000 residential solar projects. **It is key that this funding remains focused on its designated objectives: investing in clean energy and climate resilience. Redirecting SEIF dollars for short-term rate relief, as was done in FY2026, undermines long-term benefits for our energy security and our economy. Maryland must continue to prioritize SEIF investments that reduce energy demand and accelerate the transition to a cleaner, more resilient, and more equitable energy system.**

### **Investing in Capacity at State Agencies: The People that Make the Work Possible**

#### Agency Staffing

The partnerships between Maryland state agencies and organizations like TNC have been vital to implementing important conservation, climate and science programs that advance our shared goals. For example, TNC is a national leader in using controlled fire as a land management tool and a long-time partner to DNR on both public and private lands where controlled fire is used a tool to enhance ecological benefits. **Agency staffing in the Maryland Forest Service and the Wildlife and Heritage Service is a critical factor in our ability to meet mutual goals for improved habitat, forest health and ecosystem resilience in the Appalachian corridor. Likewise, the Maryland Department of Agriculture's administration of the Healthy Soils Competitive Fund provides farmers TNC works with a valuable opportunity for financial assistance for**

**regenerative practices.** These practices improve efficiencies for their business, while also advancing sustainable land use, water quality improvement, and erosion prevention.

State investment in staff capacity, technical expertise, and resources for enhancing air and water quality is an investment in quality of life and economic sustainability.

**Collaboration between TNC and agency staff is crucial to achieving our shared goals and TNC strongly supports funding the people and programs that make all the aforementioned outcomes possible.** We look forward to continued partnerships with staff across state agencies and urge continued investment in staff capacity to accomplish monumental outcomes.

TNC commends the Administration for developing a balanced budget with measures to protect both people and the environment. **Therefore, we urge this committee to advance the BRFA with minimal changes to the proposed environmental funding in the Administration's budget.**