

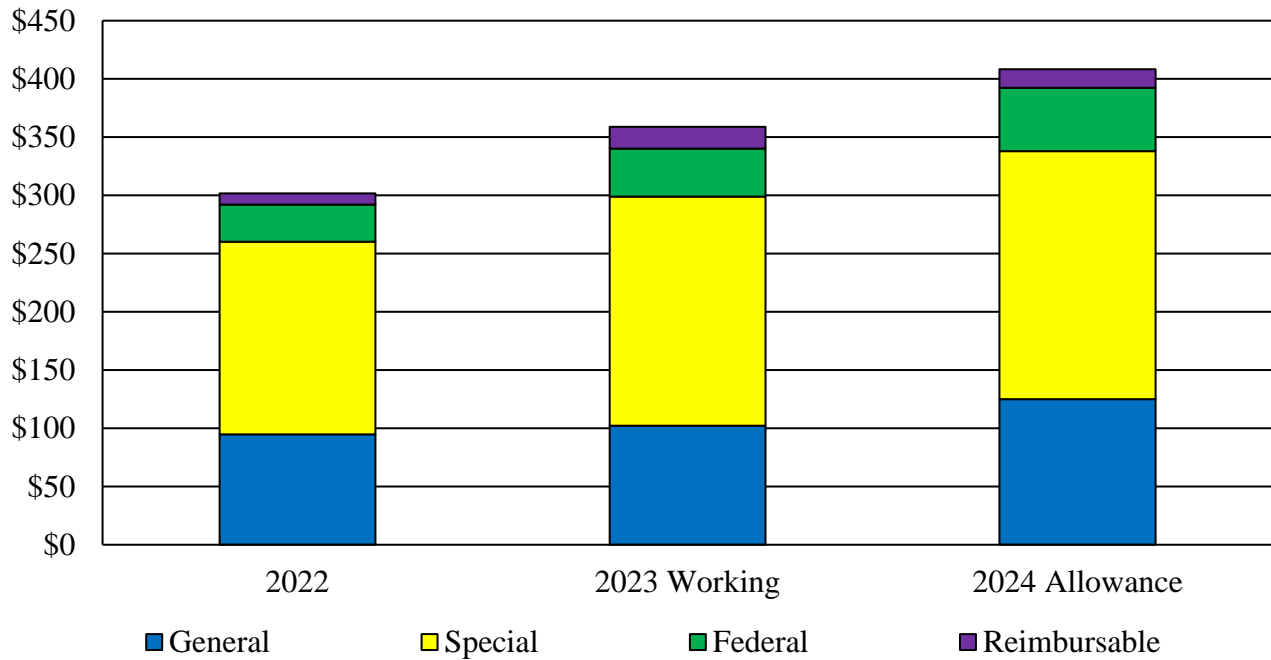
K00A
Department of Natural Resources

Executive Summary

The Department of Natural Resources (DNR) leads Maryland in securing a sustainable future for its environment, society, and economy by preserving, protecting, restoring, and enhancing the State’s natural resources.

Operating Budget Summary

**Fiscal 2024 Budget Increases \$49.2 Million, or 13.7%, to \$408.2 Million
(\$ in Millions)**



Note: Numbers may not sum due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

- DNR’s budget includes fiscal 2023 deficiencies of \$3,148,378 in federal funds for three programs to conduct environmental restoration projects and fund Natural Resources Police (NRP) work.

For further information contact: Andrew Gray

Andrew.Gray@mlis.state.md.us

K00A – Department of Natural Resources

- The overall change in DNR’s budget is an increase of \$49.2 million, or 13.7%. The three largest changes are an increase of \$14.0 million in Chesapeake and Atlantic Coastal Bays 2010 Trust Fund funding for nonpoint source pollution reduction projects – comprised of \$11.5 million in special funds and \$2.5 million in general funds for tree planting on public and private land as part of the 5 Million Tree Program goal – \$12.5 million for vehicle and watercraft replacement purchases, and \$11.5 million for personnel expenditures.

Key Observations

- ***Managing for Results (MFR) Measures:*** DNR’s fiscal 2024 MFR reflects the following: (1) State Park visitation and capacity closures decline from pandemic highs; (2) crab population declines and recreational limits for male crabs imposed; and (3) the NRP minority representation goal has been set.
- ***Tree Solutions Now Act Planning Begun and Recommendations Identified:*** Forest policy in Maryland has been active recently. Chapter 645 of 2021 (Tree Solutions Now Act) set the goal of planting and helping to maintain 5 million sustainable trees in the State by the end of calendar 2031. In addition, the Harry R. Hughes Center for Agro-Ecology recently published the long-awaited Forest Technical Study. The Commission for the Innovation and Advancement of Carbon Markets and Sustainable Tree Plantings has made several recommendations regarding the Tree Solutions Now Act. The Forest Technical Study notes that several data sources converge on the following finding: forest area in Maryland has been slightly decreasing over 5- and 20-year intervals but with a trend toward stabilization in the past 10 years due at least partially to the Forest Conservation Act of 1991.
- ***Great Maryland Outdoors Act:*** Chapter 39 of 2022 (Great Maryland Outdoors Act) made a number of changes to State law affecting the Maryland Park Service (MPS), parks and forests in the State, land conservation, and State lakes, relating to (1) funding for parks, land conservation, State lakes, and forest-related purposes; (2) parks staff and volunteers; (3) management of parks and park infrastructure; and (4) new parks/amenities and other considerations. One of the provisions requires the Department of Legislative Services (DLS) to hire an independent consultant to conduct (and report on by December 1, 2023) an independent study of the MPS. DLS hired the consultant, and the kickoff meeting is planned for early March 2023. The Act’s funding provisions for fiscal 2024 are largely addressed in the budget discussion of this analysis and in the DNR pay-as-you-go (PAYGO) analysis. The remaining provisions are either in progress by DNR, the Department of Budget and Management (DBM), or the Department of General Services (DGS), or will be addressed in future reporting requirements.
- ***NRP Hiring and Promotion Plan Status Report Submitted; Challenges Acknowledged:*** Fiscal 2023 budget bill language restricted \$750,000 in general funds in the NRP – General

K00A – Department of Natural Resources

Direction until DNR, in consultation with the Natural Resources Police Force Black Officers Association and other stakeholders, submitted a hiring and promotion plan to the budget committees. The submitted reports note that NRP has taken a number of actions to diversify its workforce. These actions include recruiting improvements, training, efforts to address bias, and recruitment outreach efforts. The reports note that recruiting and hiring minority candidates for conservation police agencies is a challenge across the northeastern states, but that in this region, Maryland ranks at the top of diversity among similar conservation police agencies. The underlying challenge appears to be three-fold: minorities are underrepresented in the traditional outdoor activities that inspire working for conservation police agencies; minorities are applying but not necessarily appearing for testing; and minority applicants who do test are not selected due to low math and physical test scores.

Operating Budget Recommended Actions

1. Add language restricting funding pending submission of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans.
2. Adopt narrative requesting a report on Chesapeake Bay restoration spending.

Updates

- ***Female Black Bear Population Report:*** The committees were concerned that insufficient information is known about the impact of the annual black bear hunt on the female black bear population in Maryland. Therefore, the committees requested that DNR submit a report on the impact of the annual hunt on the female black bear population. The submitted report notes that the bear population has stabilized in Garrett and Allegany counties but continues to expand eastward, which leads to increased conflicts with humans. The most effective way to manage the black bear population is to harvest female bears and the information provided by DNR reflects that approximately 60% between 2004 and 2022 were female. DNR has used density extrapolation data since 2011 to determine the population and estimates that there are approximately 2,000 black bears in Maryland's four occupied counties – Allegany, Frederick, Garrett, and Washington counties. DNR is investigating alternative methods for estimating bear population size, including models that can incorporate harvest and other data.
- ***Tundra Swan Hunting Season:*** The budget committees were interested in exploring the possibility of a tundra swan hunting season in Maryland. Therefore, the committees requested that DNR submit a report on the status of its work with the U.S. Department of the Interior's U.S. Fish and Wildlife Service to conduct the necessary flyover studies for permit allocation and to establish a fee and application process for licensed hunters. The submitted report notes a process by which Maryland could be allocated 478 permits to

K00A – Department of Natural Resources

harvest tundra swan that would likely lead to an estimated harvest of approximately 160 to 180 birds. This would happen no sooner than the 2024 to 2025 hunting season, though. In addition, the report notes that several factors suggest caution with regard to a tundra swan hunting season: existing population distribution concerns, lack of wildlife management necessity, public perception issues about hunting, and future population concerns.

- ***Condition and Needs of the 16 State Lakes Report:*** Fiscal 2023 Budget Bill language restricted \$100,000 pending the submission of a report by DNR to the budget committees on the condition and needs of the 16 State lakes. The submitted report notes that 6 State-owned lakes currently meet the designated use and 9 do not meet the designated use due to phosphorus impairment. The status of 1 lake was not provided. The report further notes that it would cost approximately \$20 million to \$185 million to dredge the lakes to restore them to their original depths.

K00A
Department of Natural Resources

Operating Budget Analysis

Program Description

DNR leads Maryland in securing a sustainable future for its environment, society, and economy by preserving, protecting, restoring, and enhancing the State's natural resources. To accomplish this mission, DNR is structured into the programmatic units described as follows.

- ***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 over 125,000 acres of State-owned lands classified as Wildlife Management Areas.
- ***MPS:*** Manages natural, cultural, historic, and recreational resources in parks across the State and provides related educational services.
- ***Land Acquisition and Planning:*** Administers diverse financial assistance programs that support public land and easement acquisitions and local grants and leads the preparation of the Maryland Land Preservation and Recreation Plan.
- ***Licensing and Registration Service:*** Operates eight regional service centers (primarily within the Motor Vehicle Administration branch offices) that assist the public with vessel titling and registration, offroad vehicle registration, commercial fishing licenses, and recreational hunting and fishing licenses.
- ***NRP:*** Preserves and protects Maryland's natural resources and its citizens through enforcement of conservation, boating, and criminal law; provides primary law enforcement services for Maryland's public lands owned by DNR; and serves as the State's lead on maritime homeland security.
- ***Engineering and Construction:*** Provides engineering, project management, and in-house construction services for all capital development and critical maintenance projects located on lands owned by DNR.

K00A – Department of Natural Resources

- ***Critical Area Commission:*** Implements the cooperative resource protection program between the State and local governments in the 1,000-foot-wide critical area surrounding the Chesapeake Bay by reviewing local development proposals, providing technical planning assistance to local governments, approving amendments to local plans, and providing grants for the implementation of 61 local critical area programs.
- ***Resource Assessment Service:*** Evaluates and directs implementation of environmental restoration and protection policy for tidal and nontidal ecosystems, ensures electricity demands are met at reasonable costs while protecting natural resources, and provides scientific assessments and technical guidance for the management of geologic and hydrologic resources.
- ***Maryland Environmental Trust:*** Negotiates and accepts conservation easements over properties with environmental, scenic, historic, or cultural significance and provides grants, loans, and technical assistance to local land trusts.
- ***Chesapeake and Coastal Service:*** 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 to restore local waterways and prepare for future storms and coastline changes. In addition, the unit also administers the Waterway Improvement Program’s capital projects – public boating access facilities and navigation channel dredging.
- ***Fishing and Boating Services:*** Manages commercial and recreational harvests to maintain sustainable fisheries and to optimize recreational and economic use of these resources. In addition, the unit also oversees a State-owned marina; places regulatory markers and navigation aids in support of sustainable development, use, and enjoyment of Maryland waterways for the general boating public; and coordinates the Clean Marina Initiative and Pumpout Program.

DNR’s mission is to lead Maryland in securing a sustainable future for its environment, society, and economy by preserving, protecting, restoring, and enhancing the State’s natural resources. DNR’s goals are as follows.

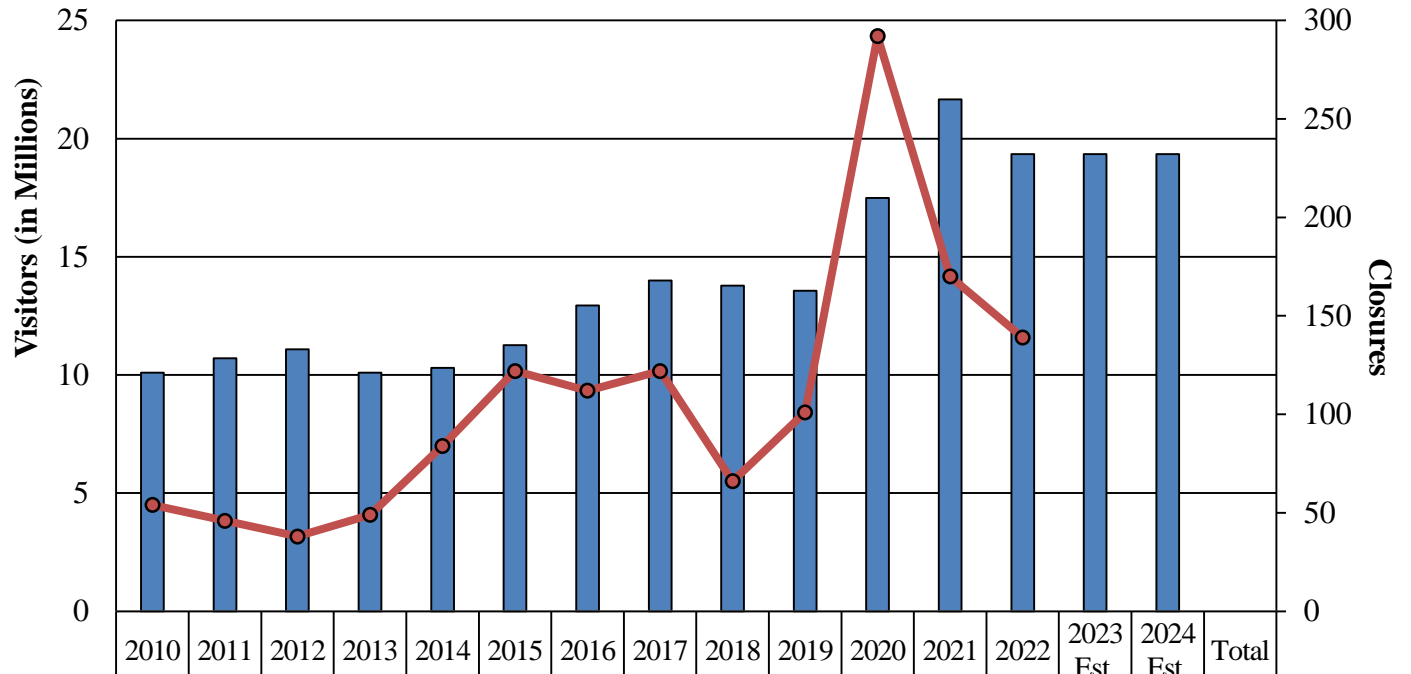
- ***Goal 1:*** Healthy terrestrial ecosystems.
- ***Goal 2:*** Healthy aquatic ecosystems.
- ***Goal 3:*** Fiscal responsibility – efficient use of energy and resources and the support of long-term economic prosperity.
- ***Goal 4:*** Citizen stewardship, outdoor recreation, and opportunities to take action.
- ***Goal 5:*** Vibrant communities and neighborhoods.

Performance Analysis: Managing for Results

1. State Park Visitation and Capacity Closures Decline from Pandemic Highs

DNR's fourth goal is citizen stewardship, outdoor recreation, and opportunities to take action. One of the objectives under this goal is to annually provide outdoor recreational, historical, and cultural resource experiences for over 10 million visitors to State Parks. As a result of the COVID-19 pandemic and underlying demographic changes, the State park system has experienced a substantial visitation increase that forced an increased number of park capacity shutdowns and exposed equity of access concerns. In light of these conditions, the State Park Investment Commission was created and subsequently Chapter 39 was enacted providing substantial enhancements to MPS operating and supporting capital programs. As shown in **Exhibit 1**, MPS generally has experienced both increasing visitation and park capacity closures since fiscal (visitors) and calendar (closures) 2010. This trend was exacerbated by the COVID-19 pandemic starting in March 2020. It now appears that the capacity closures may have peaked at 292 in calendar 2020 and the park visitors have a recent peak of 21.7 million in fiscal 2021, although the assumption is that park visitation will continue to rise with population growth. Of note, the park visitation of 19.4 million in fiscal 2022 may come down even further for fiscal 2023; the calendar 2022 data through December 20, 2022, reflects 16.3 million visitors.

Exhibit 1
Maryland State Park Visitors and Capacity Closures
Fiscal and Calendar 2010-2024 Est.



Visitors Using Parks (Fiscal Year)	10.10	10.70	11.08	10.09	10.30	11.26	12.94	13.99	13.78	13.56	17.49	21.66	19.35	19.35	19.35	215.0
Park Capacity Closures (Calendar Year)	54	46	38	49	84	122	112	122	66	101	292	170	139			1,395

Note: The Park capacity closures data is through December 20, 2022.

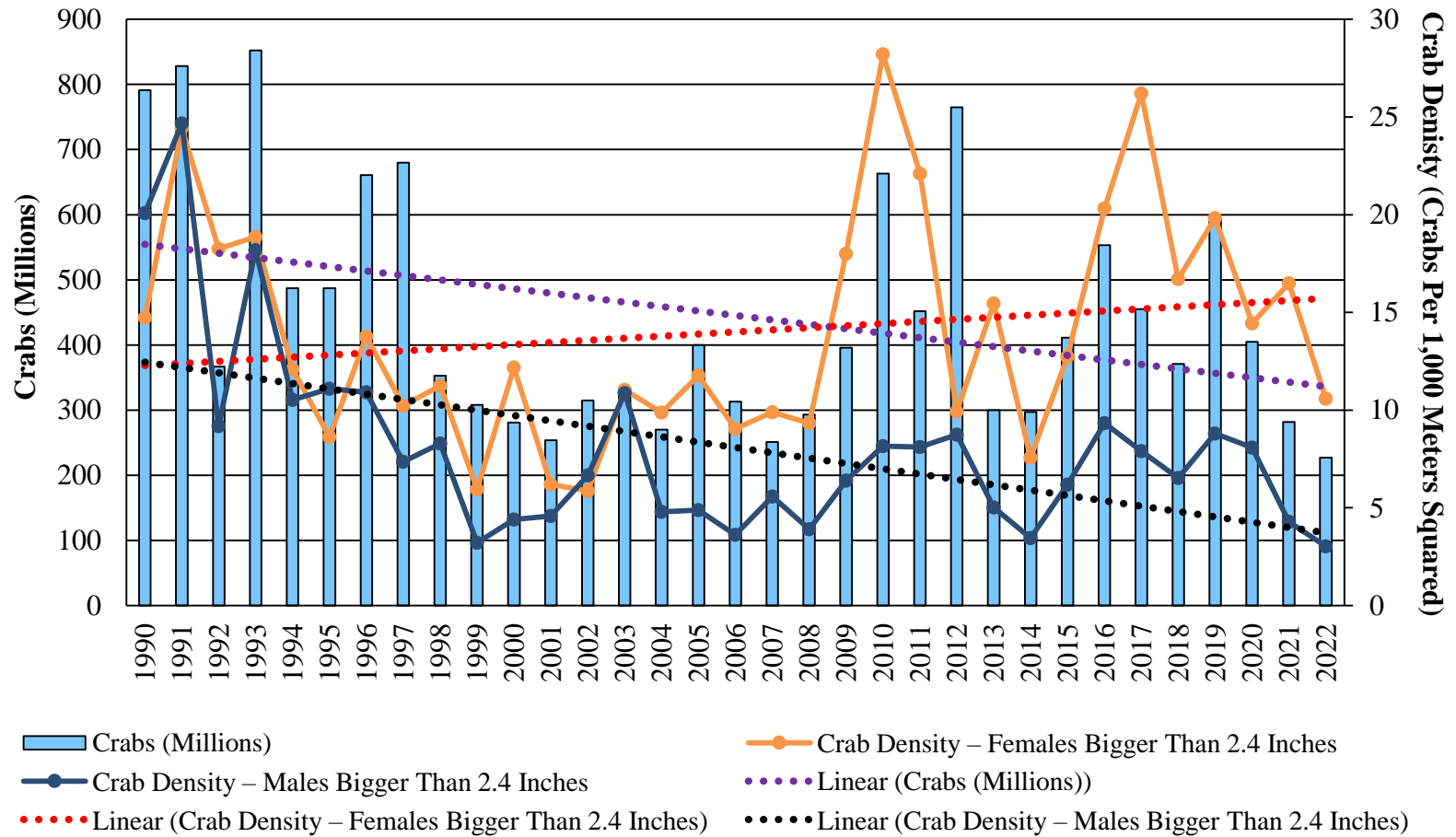
Source: Governor’s Fiscal 2012-2024 Budget Books; Department of Natural Resources

2. Crab Population Declines; Recreational Catch Limits for Male Crabs Imposed

DNR’s second goal is healthy aquatic ecosystems. Under this goal is the objective to annually achieve fishery sustainability objectives (target fishing level and/or biomass threshold) for blue crab, striped bass, and oyster fisheries. The crab fishery is usually managed by adjusting the harvest rate, or exploitation, of female crabs relative to a target harvest rate of 25.5%. However, as shown in **Exhibit 2**, the overall crab population is declining and, at 227 million in calendar 2022, was the lowest it has been since the initiation of the Winter Dredge Survey – the main source of crab population statistics. What is particularly worrying is that the overall crab population is declining despite the female harvest rate being at or near the target. This suggests that the decline in the crab population may be due to the male crab population. The male and female crab statistics shown in Exhibit 2 reflect the densities of crabs per 1,000 meters squared. The trend lines reflect that the breeding age female crab population – females bigger than 2.4 inches – is slightly increasing over time. In contrast, the male crab population bigger than 2.4 inches is decreasing. In light of these considerations, on February 22, 2023, DNR’s Secretary announced modifications to the recreational male hard crab catch and possession limits to make sure that male crabs are not overharvested and that the crab population is managed sustainably.

Exhibit 2
Winter Dredge Survey Crab Population Statistics
Calendar 1990-2022

Analysis of the FY 2024 Maryland Executive Budget, 2023



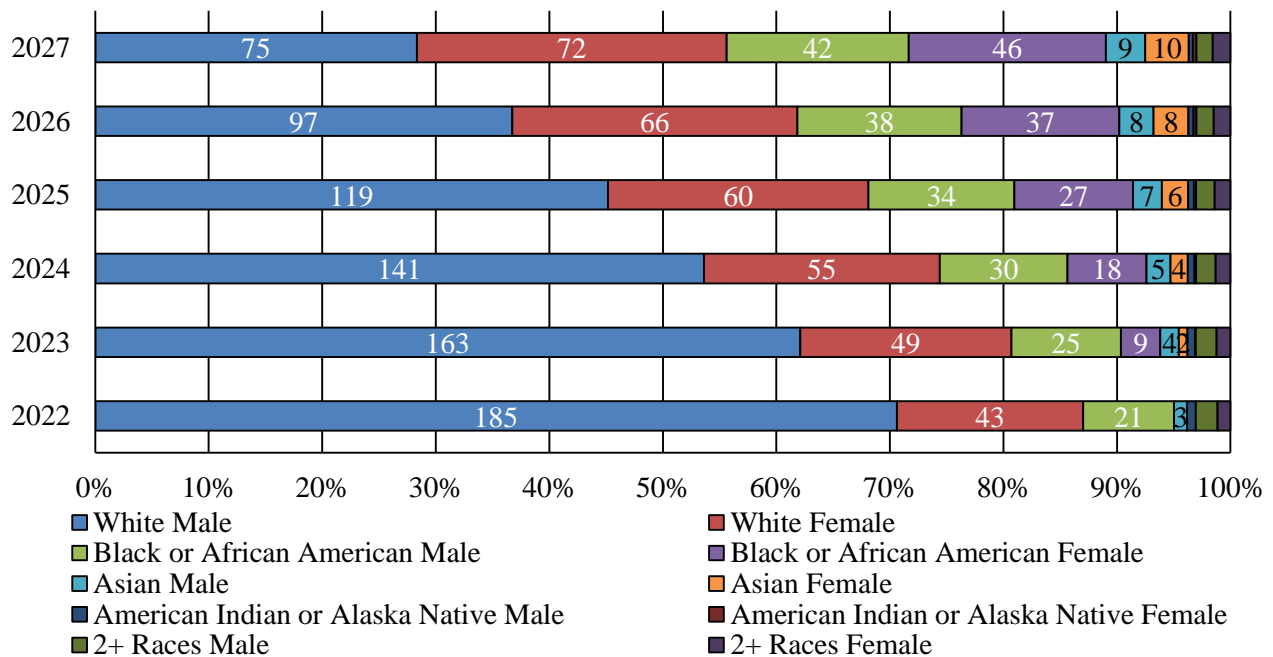
K004 - Department of Natural Resources

Source: Department of Natural Resources

3. NRP Minority Representation Goal Set

DNR’s fourth goal includes provisions related to NRP, including providing effective law enforcement services as a public safety agency. Relevant performance measures under this objective include the number of law enforcement officers. Another aspect of the NRP’s work is to reflect Maryland’s diversity in its workforce. **Exhibit 3** shows a possible progression for NRP to increase minority representation by the 20% annual requirement in Chapter 203 of 2022. The data is based on DNR’s current demographics and the fiscal 2027 goal of matching Maryland’s current 2020 Census demographics for Marylanders aged 20 to 41 years to the extent practicable. As can be seen, there will need to be a substantial increase in the hiring of white females, Black or African American males, and Black or African American females to meet the goal within the 264 regular position authorized force.

Exhibit 3
Natural Resources Police 20% Annual Progression Toward Minority Goal
Fiscal 2022-2027



Note: The Natural Resource Police’s (NRP) data reflects officers identifying as Hispanic, but there is no Hispanic category for race in the 2020 Census data, so for the purposes of this exhibit, NRP officers identifying as Hispanic are reflected as being White. The NRP data does not break out Native Hawaiian and Other Pacific Islander, while the 2020 Census does. Therefore, Native Hawaiian and Other Pacific Islander are combined with the American Indian or Alaska Native category. The NRP data also reflects two people who did not identify with a race.

Source: Department of Natural Resources

Fiscal 2023

Legislative Priorities

The fiscal 2023 budget restricted \$1,125,000 in general funds in the Revenue Stabilization Account (also known as the Rainy Day Fund) for a grant to the Chesapeake Bay Trust for the Chesapeake Conservation Corps. Governor Wes Moore announced the release of funds on January 19, 2023. The funding is a down payment on the \$1,500,000 in general funds mandated for the Chesapeake Conservation Corps in fiscal 2024 per Chapter 38 of 2022 (Climate Solutions Now Act). The fiscal 2024 funding is reflected in the Board of Public Works budget.

Proposed Deficiency

The fiscal 2024 budget contains fiscal 2023 deficiency appropriations for three programs that would increase DNR's overall appropriation by \$3,148,378 in federal funds. The changes would be as follows.

- ***Chesapeake and Coastal Service:*** An increase of \$2,039,378 for federally funded environmental restoration projects. The funding includes \$1,861,316 from the U.S. Environmental Protection Agency (EPA) geographic programs funding for the Chesapeake Bay Program Implementation, Regulatory/Accountability and Monitoring Grants funding and \$178,062 from the U.S. Department of Commerce – National Oceanic and Atmospheric Administration – Office for Coastal Management funding.
- ***NRP – General Direction:*** An increase of \$744,000 for port security and boating safety federal grant programs from the U.S. Department of Homeland Security (DHS) – U.S. Coast Guard's Boating Safety Financial Assistance program funding.
- ***NRP – Field Operations:*** An increase of \$365,000 for Port Security and Boating Safety federal grant programs including \$275,000 from U.S. Department of Justice – Criminal Division's Asset Forfeiture Program, also known as the Equitable Sharing Program, and \$90,000 from the DHS – U.S. Coast Guard's Boating Safety Financial Assistance funding.

Federal Stimulus Funds

DNR is in various stages of applying for, being awarded, and budgeting federal Infrastructure Investment and Jobs Act (IIJA) funding. The funding is largely from three federal agencies: the Department of Commerce's National Oceanic and Atmospheric Administration for coastal zone management and estuarine research; EPA for the Chesapeake Bay geographic program allocation; and the U.S. Department of Agriculture (USDA) for forest-related work. In terms of federal Inflation Reduction Act funding, DNR has applied for USDA funding once again for forest-related work. **DLS recommends that DNR comment on potential funding opportunities available through the Inflation Reduction Act and DNR's planned efforts to pursue competitive funding.**

Fiscal 2024 Overview of Agency Spending

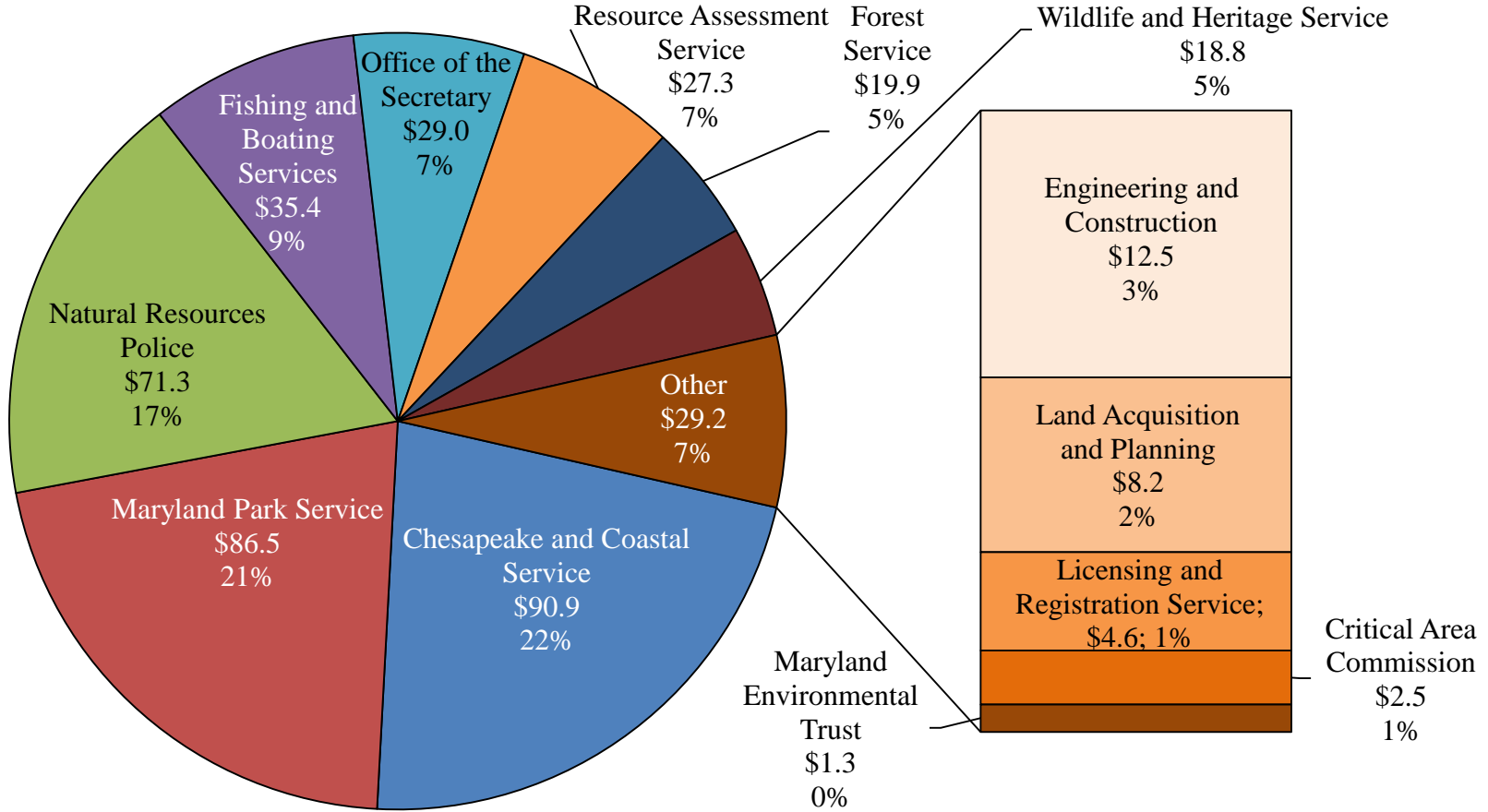
DNR is structured into a number of programmatic units and is staffed by 1,461.50 regular positions and 476.38 contractual full-time equivalents (FTE) in the fiscal 2024 allowance. **Exhibit 4** reflects the \$408.2 million spending breakdown for DNR's programmatic units. The programmatic units with the largest amount of funding are as follows:

- ***Chesapeake and Coastal Service (\$90.2 Million, 22%):*** The primary funding is \$68.2 million for grants, including the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grant funding of \$56.9 million in fiscal 2024, \$4.0 million for National Fish and Wildlife Foundation (NFWF) America the Beautiful funding, \$3.0 million for pumpout construction or operations and maintenance of pumpout facilities and boats, and \$2.5 million for Tree Solutions Now Act projects. There is also \$13.1 million for contracts, including \$2.9 million for NFWF America the Beautiful funding, \$1.8 million for federal IJA funding for Most Effective Basin program local partner subawards, \$1.6 million for ecosystem restoration support services; and \$7.8 million for regular positions.
- ***MPS (\$86.5 Million, 21%):*** The primary funding is \$33.1 million for regular positions and \$12.7 million for 296.25 contractual FTEs in Maryland's parks. There is also \$11.2 million for contractual services, including \$5.2 million for operations and maintenance contracts for the Fair Hill event area, \$0.6 million for park lake projects addressing fish habitat, invasive species control, and erosion, and \$0.6 million for landscape restoration projects; and \$7.0 million for grants, including \$4.0 million for the Revenue Equity Program payments to counties, and \$2.6 million for payments in lieu of taxes to the counties.
- ***NRP (\$71.3 Million, 17%):*** The primary funding is \$54.1 million for law enforcement officer regular positions, \$11.2 million for vehicles, and \$2.1 million for supplies.
- ***Fishing and Boating Services (\$35.4 Million, 9%):*** The primary funding is \$19.4 million for regular positions. There is also \$6.6 million for contracts, including \$3.4 million for public oyster fishery planting and seeding, \$1.9 million for mussel hatchery design and construction, \$0.6 million for Horn Point Laboratory spat growth and spat plantings as part of the oyster recovery effort; and \$2.2 million for grants, including \$1.8 million mandated for the Fisheries Research and Development Fund and \$0.4 million for the Abandoned Boat and Debris Grant program.
- ***Office of the Secretary (\$29.0 Million, 7%):*** The primary funding is \$14.6 million for regular positions along with \$10.1 million for contracts, including \$6.5 million for the Department of Information Technology's (DoIT) service allocation and \$2.0 million reflecting both general funds and special funds for the Outdoor Recreation Apprenticeship Program.

K00A – Department of Natural Resources

- ***Resource Assessment Service (\$27.3 Million, 7%):*** The primary funding is \$10.5 million for contracts, including \$5.2 million for four power plant siting technical assistance contracts and \$1.0 million for the State Lakes Protection and Restoration Fund per Chapter 39; and \$9.9 million for regular positions.
- ***Forest Service (\$19.9 million, 5%):*** The primary funding is \$9.7 million for regular positions; \$2.1 million for contractual FTEs; \$1.9 million for contractual services, including \$0.7 million for off-road vehicle trail projects; and \$1.8 million for grants, including \$1.0 million for the Mel Noland Woodland Incentives and Fellowship Fund.
- ***Wildlife and Heritage Service (\$18.8 Million, 5%):*** The primary funding is \$9.5 million for regular positions and \$3.5 million for contractual services, including \$0.7 million in the Natural Heritage program, \$0.7 million in the Game Management program, and \$0.5 million in the Migratory Game Bird Fund program.

Exhibit 4
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Millions)



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

K00A – Department of Natural Resources

Proposed Budget Change

DNR’s fiscal 2024 allowance increases by \$49.2 million, or 13.7%, relative to the fiscal 2023 working appropriation, as shown in **Exhibit 5**.

**Exhibit 5
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>
Fiscal 2022 Actual	\$94,835	\$165,248	\$31,951	\$9,535	\$301,569
Fiscal 2023 Working Appropriation	102,196	196,792	41,190	18,763	358,941
Fiscal 2024 Allowance	<u>125,131</u>	<u>212,782</u>	<u>54,358</u>	<u>15,913</u>	<u>408,185</u>
Fiscal 2023-2024 Amount Change	\$22,935	\$15,990	\$13,168	-\$2,850	\$49,243
Fiscal 2023-2024 Percent Change	22.4%	8.1%	32.0%	-15.2%	13.7%

Where It Goes:	<u>Change</u>
Personnel Expenses	
New positions (75 in the Maryland Park Service (MPS))	\$4,427
Employee and retiree health insurance	3,488
Annualization of the November 2022 4.5% cost-of-living adjustment (COLA) .	1,838
Reclassification	831
Regular earnings	546
Workers’ compensation premium assessment	305
Retirement contributions.....	288
Social Security contributions	195
Other fringe benefit adjustments.....	94
Turnover adjustments	-498
Other Changes	
<i>Natural Resources Policy</i>	
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grant funding	13,959
National Fish and Wildlife Foundation America the Beautiful federal funding ..	4,000
Clean Vessel Act funding for boat pumpouts	2,997
Contract for a new Outdoor Recreation Apprenticeship Program.....	2,000
Mel Noland Fellowship funding mandate increased by Chapter 223 of 2021	950
Waterway Improvement Fund Clean Marine Program grants	275

K00A – Department of Natural Resources

Where It Goes:	<u>Change</u>
Off-road vehicle trail projects in the Forest Service.....	250
State tree nursery labor in the Forest Service	125
Maryland Department of Transportation Urban Tree grant funding	125
Park Explorers Pilot programs grant funding per Chapter 470 of 2022	100
Office of Outdoor Recreation start-up costs provided as grant funding.....	-750
One-time funding for new MPS exhibits.....	-1,975
<i>Contracts</i>	
Chesapeake and Coastal Service, primarily America the Beautiful Challenge funding.....	2,009
Wildlife and Heritage Service, primarily Sita deer calf survival and recruitment study.....	750
Fishing and Boating Services, primarily mussel hatchery design and construction.....	658
Resource Assessment Service, State Lakes Protection and Restoration Fund budgeting	-645
MPS contracts, primarily one-time transfer tax repayment projects	-697
Natural Resources Police, primarily due to one-time fiscal 2023 deficiency.....	-960
Engineering and Construction, primarily for reimbursable projects with other units.....	-2,273
<i>Routine Operations</i>	
Vehicles and watercraft increases, including research vessel “Kerhin” replacement	12,476
Department of Information Technology services allocation	1,132
Equipment increases, primarily in MPS	966
Supplies and materials, primarily in MPS for new positions	959
Fuel and utilities costs increase, primarily in MPS	515
Fixed charges increase across the agency, primarily for insurance and rent	255
Communications costs, primarily Maryland Park Service, Natural Resources Police.	250
Engineering and Construction major improvements	200
Travel, changes in Chesapeake and Coastal Service and Natural Resources Police	68
Forest Service land and structures costs, primarily one-time repairs	-219
Contractual full-time equivalent costs decrease, including annualization of 4.5% COLA	-265
MPS Reservation System information technology project.....	-500
Other	996
Total	\$49,243

Note: Numbers may not sum to total due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management.

K00A – Department of Natural Resources

Personnel

DNR's overall personnel expenditures increase by \$11,513,869 in the fiscal 2024 allowance. The major increases are \$4,427,056 for the 82 new positions, of which 75 are in the Maryland Park Service. Other major increases include \$3,488,313 for employee and retiree health insurance and \$1,837,671 for the annualization of the November 2022 4.5% cost-of-living adjustment (COLA). In terms of decreases, there is \$497,938 for turnover adjustments due to an increase of budgeted turnover from 4.27% in the fiscal 223 adjusted working appropriation to 4.60% in the fiscal 2024 allowance.

While not reflected in DNR's budget, there is annual salary review funding for State park rangers and park technicians in DBM's budget. DNR notes that this affects 110 employees in the ranger classifications and 96 technicians.

Other Changes

Overall, the nonpersonnel portion of DNR's fiscal 2024 allowance increases by \$37,729,501. The areas of change may be broadly categorized as natural resources policy, contracts, and routine operations.

Natural Resources Policy

The largest increase under the category of natural resources policy is \$13,958,521 in grant funding for the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. This reflects \$11,458,521 in special funds and \$2,500,000 in general funds. The special fund increase largely reflects balance available from prior year deficiency appropriations provided to offset declines in the short-term rental vehicle tax revenues. The \$2,500,000 in general funds reflects the required general fund appropriation to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to be used for tree planting on public and private land as part of the 5 Million Tree Program goal. Further discussion of the allocation of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund funding can be found in the budget analysis for the Chesapeake Bay Overview – CHESBAY.

There is an increase of \$4,000,000 in federal funds for America the Beautiful program grant funding provided by NFWF. The America the Beautiful Challenge provides grants to projects that conserve, restore, and connect habitats for wildlife while improving community resilience and access to nature. There is an increase of \$2,996,750 in federal funds for Clean Vessel Act funding for pumpout construction and/or operations and maintenance of pumpout facilities and boats to address the discharge of raw sewage from vessels. Funding for a new Outdoor Recreation Apprenticeship Program accounts for an increase of \$2,000,000. The contract for the program will be awarded to a government or nongovernmental organization via a request for proposals (RFP).

There are a number of smaller increases under the category of natural resources policy. There is an increase of \$950,000 in general funds for the Mel Noland Woodland Incentives and Fellowship Fund. Chapter 223 of 2019 established the Mel Noland Fellowship Program in DNR

K00A – Department of Natural Resources

to support students seeking careers in fields relating to natural resources. Waterway Improvement Fund special funds increase by \$275,000 for Clean Marine Program grants in the Chesapeake and Coastal Service. Off-road vehicle trail projects funding increases by \$250,000 in special funds in the Forest Service. There is an increase of \$125,000 in special funds for the State tree nursery for seedling harvest, processing, packaging, seed bed weeding and other labor. Reimbursable funds increase by \$125,000 from the Maryland Department of Transportation for Urban Tree Program pass-through funding. Finally, there is an increase of \$100,000 in MPS for grants to Anne Arundel County and Baltimore County to establish local Park Explorers Pilot programs as required by Chapter 470 of 2022.

In terms of decreases, there is a reduction of \$1,975,000 in special funds in MPS for one-time funding provided as repayment for prior year transfer tax diversions to the General Fund that was used for contractual services to design and complete new exhibits for public use. In addition, there is a decrease of \$750,000 in special funds for one-time start-up costs for the Office of Outdoor Recreation that was provided as grant funding in fiscal 2023. Chapter 39 established the Great Maryland Outdoors Fund in DNR, to be used for implementing the recommendations of the Maryland Outdoor Recreation Economic Commission (including establishing and supporting an Office of Outdoor Recreation in DNR); for department projects and programs that provide, promote, and enhance outdoor recreation opportunities in the State; and for awarding grants to destination marketing organizations for the purpose of promoting and marketing State parks. In addition, Chapter 39 authorized an appropriation of up to \$3.0 million to the fund in fiscal 2024 and each fiscal year thereafter. The fiscal 2024 allowance includes \$1.0 million of both general and special fund appropriations for the Great Maryland Outdoors Fund for the new Outdoor Recreation Apprenticeship Program as noted above. The general fund appropriation reflects the funding appropriated to the special fund and the special fund appropriation reflects the actual spending from the special fund. Therefore, there is only \$1.0 million in new spending.

Contracts

Contract funding increases for three of DNR's programs in the fiscal 2024 allowance. The largest increase is \$2,009,301 in the Chesapeake and Coastal Service. This primarily reflects increases of \$2,863,498 for NFWF's America the Beautiful Challenge contract and an increase of \$450,000 for National Estuarine Research Reserve System grant funding from the U.S. Department of Commerce's National Oceanic and Atmospheric Administration via federal IJA funding. There is an increase of \$750,250 for Wildlife and Heritage Service contracts. The largest change is an increase of \$468,757 for a contract with the University of Delaware to study Sika deer calf survival and recruitment. There is also an increase of \$658,211 for Fishing and Boating Services contracts. The largest changes are increases of \$1,922,000 in reimbursable funds from the Maryland Department of the Environment (MDE) for mussel hatchery design and construction funded by the Exelon Conowingo Settlement. This is offset partially by a decrease of \$1,135,191 for oyster planting and seeding work.

There are also three decreases in contract funding for DNR's programs between fiscal 2023 and 2024. Engineering and Construction contracts decrease by \$2,273,000. This primarily reflects a net decrease of \$2,000,000 in reimbursable funds for projects done for the Wildlife and Heritage

K00A – Department of Natural Resources

Service and Chesapeake and Coastal Service as well as a decrease of \$250,000 in special funds for repairs to “Big Lou” – one of DNR’s icebreaking vessels. NRP contracts decrease by \$960,485. This largely reflects the one-time nature of approximately \$664,000 of the \$744,000 in port security and boating safety federal grant program funding that was used to replace the current phone system and make other upgrades to the DNR Communications Center in NRP. Contracts in MPS decrease by \$696,696 in the fiscal 2024 allowance. The largest changes include decreases of \$1,305,379 for a management plan, \$1,105,000 for landscape restoration, and \$100,000 for exhibit design/fabrication that were funded by transfer tax repayment funding provided to MPS in fiscal 2023. These decreases are offset partially by an increase of \$914,566 in special funds for Fair Hill Event Area operations and maintenance contracts.

Finally, Resource Assessment Service contracts decrease by \$644,869. This primarily reflects a reduction of \$1,016,640 in special funds for State Lakes Protection and Restoration Fund projects that protect and restore State-owned or State-operated lakes. However, this appears to be an accounting adjustment to not double count the funding for the State Lakes Protection and Restoration Fund. The decrease in special funds for the State Lakes Protection and Restoration Fund is offset partially by an increase of \$450,000 in general funds for survey vessel rental when DNR’s vessel is unavailable.

Routine Operations

A number of changes in DNR’s budget may be considered routine operations. The largest increase is an increase of \$12,475,723 for vehicle and watercraft costs. The largest vehicle cost increases are as follows: \$6,614,646 in NRP; \$3,106,437 in MPS; and \$2,449,735 in the Resource Assessment Service. The increase in NRP includes \$1,950,000 for watercraft purchases. The increase in the Resource Assessment Service primarily reflects an increase of \$2,500,000 in general funds to replace the research vessel Kerhin, which is used to monitor water quality and habitat in Maryland tidal waters as part of tracking progress toward Chesapeake Bay restoration goals. Another large increase is the \$1,131,863 for DoIT services allocation. There is an increase of \$965,571 for equipment. This primarily reflects an increase of \$836,437 in MPS for new and replacement computer and building and maintenance equipment. There are offsetting costs for one-time new equipment in NRP and new agricultural equipment in the Wildlife and Heritage Service. Supplies and materials increase across the agency by \$958,554. This primarily reflects an increase of \$654,450 in MPS for equipping the new positions in the fiscal 2024 allowance, including uniforms and tools.

Smaller increases in the fiscal 2024 allowance include the increase of \$514,933 in fuel and utilities costs, primarily due to an increase of \$466,452 in MPS. There is an increase of \$254,959 for fixed charges across the agency. The largest increase is \$99,364 for insurance coverage paid to the State Treasurer’s Office followed by \$75,317 for rent paid to DGS. Communication costs increase by \$249,727. This primarily reflects an increase of \$498,931 for 700 megahertz radio system operating costs and \$89,820 for cell phone expenditures. There is an increase of \$200,000 in Engineering and Construction for major improvements. Finally, there is a net increase of \$67,810 for travel costs.

K00A – Department of Natural Resources

In terms of routine operations decreases, there is a decrease of \$500,000 in special funds for the MPS Reservation System IT project. The project is intended to create a modern reservation system for MPS that is integrated into the State’s OneStop contract. This IT project is discussed further in **Appendix 3**. Contractual FTE costs decrease by \$265,060 between fiscal 2023 and 2024. This accounts for the annualization of the November 2022 4.5% COLA. Finally, there is a decrease of \$219,000 for land and structures in the Forest Service. This primarily reflects a decrease of \$1,000,000 in special funds in the Forest Service for one-time facilities repairs for field offices, maintenance equipment, and trailers, which is offset partially by an increase of \$658,000 for similar work.

Personnel Data

	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 23-24</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	1,353.00	1,379.50	1,461.50	82.00
Contractual FTEs	<u>285.97</u>	<u>472.43</u>	<u>476.38</u>	<u>3.95</u>
Total Personnel	1,638.97	1,851.93	1,937.88	85.95

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	67.26	4.60%
Positions and Percentage Vacant as of 12/31/22	146.00	10.58%
Vacancies Above Turnover	78.74	

- DNR’s regular positions increase by 82 between the fiscal 2023 working appropriation and the fiscal 2024 allowance. This primarily reflects an increase of 75 regular positions in MPS and 2 assistant Attorneys General in the Office of the Secretary to satisfy the mandated 90 positions in Chapter 39 (15 positions were provided in the fiscal 2023 budget).
- DNR’s contractual FTEs increase by 3.95 in the fiscal 2024 allowance. The largest changes are an increase of 2.5 contractual FTEs in each of the Resource Assessment Service and Chesapeake and Coastal Service and a decrease of 4.0 contractual FTEs in the Land Acquisition and Planning unit.
- DNR had 146.00 vacant positions as of December 31, 2022. However, updated information through February 2023 reflects 138.00 vacant positions. Of these 138.00 vacant positions, 24 have been vacant for more than a year. The positions that have been vacant for more than a year are spread around DNR with the largest concentration of 7 vacancies in NRP – General Direction.

K00A – Department of Natural Resources

- DNR’s budgeted turnover rate increases from 4.27% in the fiscal 2023 adjusted working appropriation to 4.60% in the fiscal 2024 allowance. DNR has 146.00 positions vacant as of December 31, 2022, which is 79 vacancies above turnover.

Issues

1. Tree Solutions Now Act Planning Begun and Recommendations Identified

Forest policy in Maryland has been active recently. Chapter 645 set the goal of planting and helping to maintain 5 million sustainable trees in the State by the end of calendar 2031. As part of this goal, there is a provision to target planting of at least 500,000 of the trees in underserved urban communities. In addition, the Harry R. Hughes Center for Agro-Ecology recently published the long-awaited Forest Technical Study.

The Commission for the Innovation and Advancement of Carbon Markets and Sustainable Tree Plantings met over summer and fall 2022 to plan for the Tree Solutions Now Act goals. The commission acknowledges the challenge of meeting the goal and has made several recommendations as follows: optimize the use of State property for the tree plantings; support long-term management of forests in Maryland by attracting and growing forest product industries; engage the carbon market by creating a standard for State procurement of carbon outcomes; and allow for the inclusion of nonnative, noninvasive fruit and nut trees to count toward the 5 million tree goal.

In November 2022, the Harry R. Hughes Center for Agro-Ecology published the long-awaited Forest Technical Study. The Forest Technical Study notes that several data sources converge on the following finding: forest area in Maryland has been slightly decreasing over 5- and 20-year intervals but with a trend toward stabilization in the past 10 years due, at least partially, to the Forest Conservation Act of 1991. Forest cover decreases have been offset partially by an increase in tree canopy outside forests. Two major additional trends are the loss of forest for development and the forest fragmentation, particularly in Central Maryland. **DLS recommends that DNR comment on its role in realizing the recommendations outlined by the commission and the implications of the Forest Technical Study for the work of the Forest Service, particularly as it relates to the need for a landscape approach to forest conservation in order to combat forest fragmentation.**

2. Great Maryland Outdoors Act

Chapter 39 made a number of changes to State law affecting MPS, parks and forests in the State, land conservation, and State lakes, relating to (1) funding for parks, land conservation, State lakes, and forest-related purposes; (2) parks staff and volunteers; (3) management of parks and park infrastructure; and (4) new parks/amenities and other considerations. The provisions affect both DNR's operating and PAYGO capital budgets and include requirements for DNR, DBM, DGS, and DLS.

One of the provisions requires DLS to hire an independent consultant to conduct (and report on by December 1, 2023) an independent study of (1) whether MPS is producing outcomes

K00A – Department of Natural Resources

consistent with its mission; (2) the visitor experience for State parks; (3) how funding can be used to enable MPS to produce outcomes consistent with its mission; and (4) how MPS projects can support public health as well as climate change mitigation, adaptation, and resiliency. DLS hired the consultant, and the kickoff meeting is planned for early March 2023.

The funding provisions for fiscal 2024 are largely addressed in the budget discussion of this analysis and in the capital analysis for DNR – KA00. The remaining provisions are either in progress by DNR, DBM, or DGS or will be addressed in future reporting requirements. **DLS recommends that DNR comment on the status of implementing the provisions of Chapter 39 under the following categories: (1) funding for parks, land conservation, State lakes, and forest-related purposes; (2) park staff and volunteers; (3) management of parks and park infrastructure; and (4) new parks/amenities and other considerations. In addition, DLS recommends that DNR comment on the status of the Office of Outdoor Recreation and the plans for the Outdoor Recreation Apprenticeship Program.**

3. NRP Hiring and Promotion Plan Status Report Submitted; Challenges Acknowledged

Fiscal 2023 budget bill language restricted \$750,000 in general funds in the NRP – General Direction until DNR, in consultation with the Natural Resources Police Force Black Officers Association and other stakeholders, submitted a hiring and promotion plan to the budget committees. The hiring and promotion plan was required to have an intermediate goal of achieving an improvement of at least 20% each year in representative composition compared to State demographics in the 2020 Census to the greatest extent practicable and a final goal of reflecting the demographics of the State by September 30, 2027, to the greatest extent practicable. The hiring and promotion plan also was required to have an ongoing goal that NRP be representative of State demographics for the immediately preceding Census to the greatest extent practicable. The reporting requirement included a status update to be submitted by September 15, 2022, and the final hiring and promotion plan to be submitted by December 15, 2022. In parallel, Chapter 203 also established requirements to improve diversity within NRP.

The submitted reports in response to the budget bill language note that NRP has taken a number of actions to diversify its workforce. These actions include recruiting improvements, training, efforts to address bias, and recruitment outreach efforts. The reports note that recruiting and hiring minority candidates for conservation police agencies is a challenge across the northeastern states but that in this region Maryland ranks at the top of diversity among similar conservation police agencies. The underlying challenge appears to be three-fold: minorities are underrepresented in the traditional outdoor activities that inspire working for conservation police agencies; minorities are applying but not necessarily appearing for testing; and minority applicants who do test are not selected due to low math and physical test scores. **DLS recommends that DNR comment on the status of reaching the first 20% increment for increasing the representation of minorities within NRP and the progress made both with its recent and upcoming recruitments and existing staff development.**

Operating Budget Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$100,000 of this appropriation made for the purpose of general administrative expenses may not be expended until the Department of Natural Resources submits the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans to the budget committees. The annual work and expenditure plans shall be submitted with the fiscal 2025 budget submission as required by Section 8-2A-03(d) of the Natural Resources Article, and the budget committees shall have 45 days from the date of the receipt of the plans to review and comment. Funds restricted pending the receipt of annual work and expenditure plans may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the annual work and expenditure plans are not submitted to the budget committees.

Explanation: Section 8-2A-03(d) of the Natural Resources Article requires the Governor to submit the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans to the General Assembly as part of the annual budget submission, but the Governor has not done so on a regular basis. This action restricts funding in the Department of Natural Resources’ (DNR) budget until the annual work and expenditure plans are submitted with the fiscal 2025 budget submission.

Information Request	Author	Due Date
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans	DNR	Fiscal 2025 budget submission

2. Adopt the following narrative:

Summary of Chesapeake Bay Restoration Spending: The budget committees request that the Department of Budget and Management (DBM), the Department of Natural Resources (DNR), and the Maryland Department of the Environment (MDE) provide a report on Chesapeake Bay restoration spending. The report shall be drafted subject to the concurrence of the Department of Legislative Services (DLS) in terms of both electronic format to be used and data to be included. The scope of the report is as follows: Chesapeake Bay restoration operating and capital expenditures by agency, fund type, and particular fund source based on programs that have over 50% of their activities directly related to Chesapeake Bay restoration for the fiscal 2023 actual, fiscal 2024 working appropriation, and fiscal 2025 allowance to be included as an appendix in the fiscal 2025 budget volumes and submitted electronically in disaggregated form to DLS.

K00A – Department of Natural Resources

Information Request	Author	Due Date
Summary of Chesapeake Bay restoration spending for programs that have over 50% of their activities directly related to Chesapeake Bay restoration	DBM DNR MDE	Fiscal 2025 budget submission

Updates

1. Female Black Bear Population Report

The committees were concerned that insufficient information is known about the impact of the annual black bear hunt on the female black bear population in Maryland. For instance, the five-day hunt held October 25, 2022, through October 29, 2022, in Allegany, Frederick, Garrett, and Washington counties harvested 34 female bears as opposed to only 20 male bears. In addition, the last black bear population survey was conducted in 2011. Therefore, the committees requested that DNR submit a report on the impact of the annual hunt on the female black bear population, including information from the statewide Sightings and Complaints Survey, the Black Bear Bait Station Survey, the Mortality Survey, and the Reproduction Survey. The report was requested to include information from the calendar 2022 annual black bear hunt and to be submitted by December 1, 2022.

The submitted report notes that the bear population has stabilized in Allegany and Garrett counties but continues to expand eastward, which leads to increased conflicts with humans. The most effective way to manage the black bear population is to harvest female bears, and the information provided by DNR reflects that approximately 60% of the bears harvested between 2004 and 2022 were female. Nonhunting black bear mortality is largely driven by vehicle collisions, which is lowest in years of food abundance when bears move less (*e.g.* 2021 during the 17-year cicada hatch) and does not appear to be affecting the bear population adversely.

To determine the bear population, DNR uses various indices: hunting mortality; nonhunting mortality; reproductive surveys; complaints and sightings; and scent station surveys. Based on mark-recapture studies, DNR estimates that the black bear population increased as follows: 1991 – 75 black bears (Garrett County); 2000 – 225 black bears (Allegany and Garrett counties); 2005 – 350 black bears (Allegany and Garrett counties); and 2011 – 700 black bears (Allegany and Garrett counties). DNR has used density extrapolation data since 2011 to determine the population and estimates that there are currently approximately 2,000 black bears in Maryland’s four occupied counties – Allegany, Frederick, Garrett, and Washington counties. DNR is investigating alternative methods for estimating bear population size, including models that can incorporate harvest and other data.

2. Tundra Swan Hunting Season

The budget committees were interested in exploring the possibility of a tundra swan hunting season in Maryland. Therefore, the committees requested that DNR submit a report on the status of its work with the U.S. Department of the Interior’s U.S. Fish and Wildlife Service to conduct the necessary flyover studies for permit allocation and to establish a fee and application process for licensed hunters. The report was requested to be submitted by October 1, 2022.

K00A – Department of Natural Resources

The submitted report notes a process by which Maryland could be allocated 478 permits to harvest tundra swan that would likely lead to an estimated harvest of approximately 160 to 180 birds. This would happen no sooner than the 2024-2025 hunting season, though. In addition, the report notes that several factors suggest caution with regards to a tundra swan hunting season. The factors include the following:

- ***Existing Population Distribution Concerns:*** The overall number of tundra swans in the Atlantic Flyway has increased, but Maryland’s share of the wintering tundra swans has declined from 65% of the flyway total in the 1960’s to about 8% now (the tundra swans have largely shifted to Virginia and North Carolina).
- ***Lack of Wildlife Management Necessity:*** USDA – Animal and Plant Health Inspection Service – Wildlife Services data reflects some aviation complaints but little commodity crop damage suggesting that there is not a wildlife management need.
- ***Public Perception Issues about Hunting:*** The tundra swan could be considered a charismatic megafauna and thus a hunting season could be rejected by the public.
- ***Future Population Concerns:*** The current population is healthy and stable at 80,000 tundra swans, but late spring thaws on northern nesting ground have impacted reproductive efforts.

3. Condition and Needs of the 16 State Lakes Report

Fiscal 2023 budget bill language restricted \$100,000 pending the submission of a report by DNR to the budget committees on the condition and needs of the 16 State lakes. The report was required to include the action items needed to address invasive species, maintenance dredging, and to bring the 16 State lakes up to Use Class I for water contact recreation and protection of nontidal warmwater aquatic life. The report was required to be submitted by December 1, 2022.

The submitted report notes the following status of the 16 State-owned lakes: 2 meet Use Class I-P – provide water contact recreation, protect nontidal warmwater aquatic life, and provide a public water supply; 7 meet Use Class I – provide all but the public water supply provision component of Use Class I-P; and 7 lakes are designated Use Class III-P – provide a nontidal cold water habitat beneficial to trout and provide a public water supply. Of the 16 State-owned lakes, 6 currently meet the designated use, and 9 do not meet the designated use due to phosphorus impairment. The status of 1 lake was not provided. The report further notes that it would cost approximately \$20 million to \$185 million to dredge the lakes to restore them to their original depths.

Appendix 1

2022 Joint Chairmen’s Report Responses from Agency

The 2022 *Joint Chairmen’s Report* (JCR) requested that DNR prepare seven reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Female Black Bear Population Report:*** The committees were concerned that insufficient information is known about the impact of the annual black bear hunt on the female black bear population in Maryland. The report submitted in response notes that the bear population has stabilized in Allegany and Garrett counties but continues to expand eastward, which leads to increased conflicts with humans. DNR is investigating alternative methods for estimating bear population size, including models that can incorporate harvest and other data. Further discussion of this data can be found in Update 1 of this analysis.
- ***Tundra Swan Hunting Season:*** The budget committees were interested in exploring the possibility of a tundra swan hunting season in Maryland. The report submitted in response notes a process by which Maryland could be allocated 478 permits to harvest tundra swan that would likely lead to an estimated harvest of approximately 160 to 180 birds. This would happen no sooner than the 2024-2025 hunting season, though. In addition, the report notes that several factors suggest caution with regard to a tundra swan hunting season. Further discussion of this data can be found in Update 2 of this analysis.
- ***NRP Hiring and Promotion Status and Final Plans:*** Fiscal 2023 budget bill language restricted funds in NRP until DNR, in consultation with the Natural Resources Police Force Black Officers Association and other stakeholders, submitted a hiring and promotion plan to the budget committees. The submitted reports note that NRP has taken a number of actions to diversity its workforce. Further discussion of this data can be found in Issue 3 of this analysis.
- ***Condition and Needs of the 16 State Lakes Report:*** Fiscal 2023 budget bill language restricted \$100,000 pending the submission of a report by DNR to the budget committees on the condition and needs of the 16 State lakes. The submitted report notes that 6 State-owned lakes currently meet the designated use, and 9 do not meet the designated use due to phosphorus impairment. The status of 1 lake was not provided. The report further notes that it would cost approximately \$20 million to \$185 million to dredge the lakes to restore them to their original depths. Further discussion of this data can be found in Update 3 of this analysis.
- ***Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Annual Work and Expenditure Plans:*** The fiscal 2023 budget included language restricting \$100,000 in general funds pending the submission of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Annual Work and Expenditure Plans. Further discussion of this data can be found in the analysis for the Chesapeake Bay Overview – CHESBAY.

K00A – Department of Natural Resources

- ***Summary of Chesapeake Bay Restoration Spending:*** The budget committees requested that DBM, DNR, and MDE provide a report on Chesapeake Bay restoration spending. Further discussion of this data can be found in the analysis for the Chesapeake Bay Overview – CHESBAY.
- ***Historical and Projected Chesapeake Bay Restoration:*** Section 35 of the fiscal 2023 Budget Bill requested the submission of a report on historical and projected Chesapeake Bay restoration spending and associated impacts and the overall framework needed to meet the calendar 2025 requirement of having all Best Management Practices in place to meet water quality standards for restoring the Chesapeake Bay. Further discussion of this data can be found in the analysis for the Chesapeake Bay Overview – CHESBAY.

Appendix 2
DNR Modernization and OneStop Integration Project
Major Information Technology Project
Department of Natural Resources

New/Ongoing: Ongoing								
Start Date: July 2020					Est. Completion Date: July 2024			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2023	2024	2025	2026	2027	Remainder	Total
GF	\$10.240	\$5.500	\$0.589	\$1.625	\$0.000	\$0.000	\$0.000	\$17.954
Total	\$10.240	\$5.500	\$0.589	\$1.625	\$0.000	\$0.000	\$0.000	\$17.954

- **Project Summary:** The project would replace the current COMPASS web-based licensing and registration system. The goals for the project are to integrate with the Maryland OneStop platform, reduce inefficiencies and redundancies, create a return on investment to ensure increased revenue, decrease monthly and annual operational costs, and increase customer satisfaction.
- **Need:** COMPASS can no longer meet current reporting requirements and is anticipated to become even less functional; the COMPASS contract expired in August 2020 and most recently was extended to June 2023. For instance, COMPASS cannot integrate with MPS’ parks reservation system or shop DNR’s point of sale system. A new system could increase the retention of fishing and hunting license holders through autorenewal, which is not available with COMPASS.
- **Observations and Milestones:** The project completed phase 2, but then the bankruptcy of the State’s OneStop vendor – Enovational – required a change in plans. The current plan is to issue an RFP for a new solution.
- **Changes:** As noted above, a new RFP is necessary.
- **Concerns:** The project has been delayed, and it is not clear how the future project will integrate with the State’s OneStop platform. Concerns regarding this project are also discussed in the fiscal 2024 operating budget analysis for DoIT.

Appendix 3
Modernizing Maryland Park Reservation and Revenue Management System
Major Information Technology Project
Department of Natural Resources

New/Ongoing: Ongoing								
Start Date: July 1, 2022					Est. Completion Date: June 30, 2025			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2023	2024	2025	2026	2027	Remainder	Total
GF	\$0.000	\$0.925	\$3.000	\$3.000	\$3.000	\$1.575	\$0.000	\$11.500
SF	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.500
Total	\$0.000	\$1.425	\$3.000	\$3.000	\$3.000	\$1.575	\$0.000	\$12.000

- Project Summary:** The project will provide DNR with a modern, reliable, mobile-enabled, web-based Park Reservation and Revenue Management System with a customer call center to take registrations and reservations and facilitate retail transactions, inventory control, revenue tracking, and reporting. Stakeholders include the users of the system: the public; park employees; and Central Call Center staff.
- Need:** The original vendor contract ended March 31, 2022. Therefore, DNR sought and received approval from the Board of Public Works to extend its contract by two years to March 2024 and to initiate a new procurement as soon as possible. In addition, there have been advancements in the park reservation system field over the past five years – the period in which the current park reservation system has been in use.
- Observations and Milestones:** DNR is proposing a two-step process for the new system procurement. First, DNR intends to procure a system-needs assessment to inform a new reservation system procurement. Second, DNR will use the knowledge gained by the system-needs assessment to go forward with a separate procurement. Planning is expected to be completed by the end of fiscal 2023 and the project plan is to have the system implemented by the end of fiscal 2025.
- Concerns:** The current vendor contract ends in March 2024, and it is unclear how this will be managed if the project is not completed until after that date. Fortunately, the project is not impacted by the bankruptcy of the State’s OneStop platform vendor.

**Appendix 4
Fiscal Summary
Department of Natural Resources**

<u>Program/Unit</u>	<u>FY 22 Actual</u>	<u>FY 23 Wrk Approp</u>	<u>FY 24 Allowance</u>	<u>Change</u>	<u>FY 23 - FY 24 % Change</u>
01 Office of the Secretary	\$ 20,890,985	\$ 23,633,098	\$ 28,999,158	\$ 5,366,060	22.7%
02 Forestry Service	13,283,131	17,340,289	19,864,843	2,524,554	14.6%
03 Wildlife and Heritage Service	12,031,101	16,229,609	18,778,085	2,548,476	15.7%
04 Maryland Park Service	60,728,341	78,572,147	86,489,934	7,917,787	10.1%
05 Capital Grants and Loan Administration	4,977,012	7,906,446	8,202,255	295,809	3.7%
06 Licensing and Registration Service	3,566,530	4,356,531	4,610,265	253,734	5.8%
07 Natural Resources Police	56,972,531	62,844,022	71,258,623	8,414,601	13.4%
09 Engineering and Construction	4,929,740	13,709,281	12,523,782	-1,185,499	-8.6%
10 Chesapeake Bay Critical Area Commission	2,204,094	2,505,542	2,539,047	33,505	1.3%
12 Resource Assessment Service	21,450,731	24,934,074	27,291,682	2,357,608	9.5%
13 Maryland Environmental Trust	974,892	1,022,654	1,275,780	253,126	24.8%
14 Watershed Services	69,681,738	64,695,088	90,937,776	26,242,688	40.6%
17 Fisheries Service	29,878,308	33,840,965	35,413,338	1,572,373	4.6%
Total Expenditures	\$ 301,569,134	\$ 351,589,746	\$ 408,184,568	\$ 56,594,822	16.1%
General Fund	\$ 94,834,888	\$ 100,248,477	\$ 125,131,111	\$ 24,882,634	24.8%
Special Fund	165,248,130	194,932,145	212,782,268	17,850,123	9.2%
Federal Fund	31,951,349	37,646,162	54,358,163	16,712,001	44.4%
Total Appropriations	\$ 292,034,367	\$ 332,826,784	\$ 392,271,542	\$ 59,444,758	17.9%
Reimbursable Fund	\$ 9,534,767	\$ 18,762,962	\$ 15,913,026	-\$ 2,849,936	-15.2%
Total Funds	\$ 301,569,134	\$ 351,589,746	\$ 408,184,568	\$ 56,594,822	16.1%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.