Chesapeake Bay
Fiscal 2027 Budget Overview

Department of Legislative Services
Office of Policy Analysis
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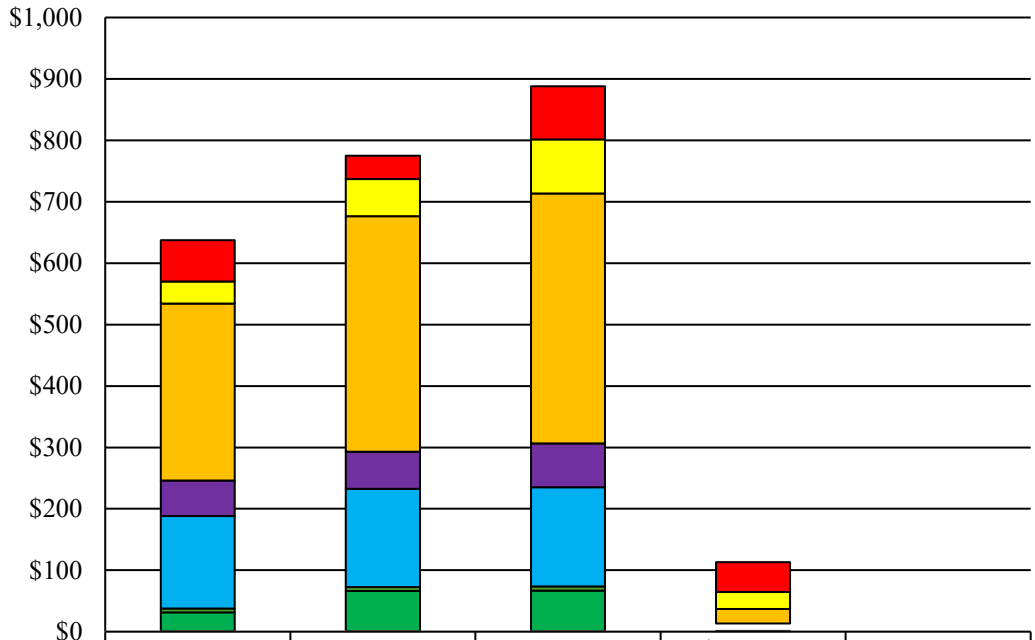
Executive Summary

In December 2010, the U.S. Environmental Protection Agency (EPA) established a Chesapeake Bay Total Maximum Daily Load (TMDL) as required under the federal Clean Water Act (CWA) and in response to consent decrees in the District of Columbia and Virginia. This TMDL sets the maximum amount of nutrient and sediment pollution that the bay can receive and still attain water quality standards. It also identifies specific pollution reduction requirements; all reduction measures must be in place by calendar 2025, with measures in place to achieve at least 60% of pollution reductions by calendar 2027.

Fiscal 2027 Budget Increases $113.2 Million, or 14.6%, to $888.0 Million
($ in Millions)



	Approp. 2025	Allowance 2026	Allowance 2027	$ Change 2026-2027	% Change 2026-2027
Total	$637.6	$774.8	$888.0	$113.2	14.6%
POS, Rural Legacy, MALPF	67.7	37.7	86.3	48.6	128.9%
MDOT	35.5	60.5	88.1	27.6	45.7%
MDE	288.5	383.5	407.1	23.6	6.2%
MDA	57.5	60.5	71.2	10.6	17.6%
DNR	150.5	159.9	161.5	1.6	1.0%
MDP	6.4	6.3	6.8	0.6	9.0%
Higher Education	30.8	65.7	66.3	0.5	0.8%
MSDE	0.8	0.7	0.7	0.0	0.0%

DNR: Department of Natural Resources
MALPF: Maryland Agricultural Land Preservation Foundation
MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment
MDOT: Maryland Department of Transportation
MDP: Maryland Department of Planning
MSDE: Maryland State Department of Education
POS: Program Open Space

Note: This presentation only includes State agency programs that have over 50% of their activities directly related to Chesapeake Bay restoration. In addition, funding related to salaries and fringe benefits does not reflect health insurance or increment adjustments.

Source: Department of Budget and Management

Key Observations

- ***Maryland's Progress:*** In order to meet the statewide pollution reduction goal for nitrogen as part of the Phase III Watershed Implementation Plan (WIP), the State must further reduce nitrogen loading to the bay by an additional 1.9 million pounds per year relative to the calendar 2024 level to meet the calendar 2025 target of 45.8 million pounds of nitrogen per year. Maryland intends to reduce nitrogen to 44.7 million pounds per year to account for unforeseen circumstances, but recent analysis indicates that Maryland's WIP may only reduce nitrogen loads to 47.0 million pounds per year, although 1.5 million pounds related to enhancements to water quality model data sets used by EPA (*e.g.* land use and population changes) can be addressed after the 2025 Chesapeake Bay restoration deadline.

- ***Chesapeake Bay in "Moderate Ecosystem Health":*** The health of the bay, as measured by the University of Maryland Center for Environmental Science's (UMCES) Chesapeake Bay and Watershed Report Card, has generally remained the same since calendar 2003. The overall health of the bay decreased by 5% in calendar 2024, receiving an overall score of C (50%), indicating that the bay is in "moderate ecosystem health.".

- ***Overall Chesapeake Bay Restoration Funding:*** Chesapeake Bay restoration funding increases by a net $113.2 million between fiscal 2026 and 2027. The major changes are increases of $48.6 million for land preservation programs – Program Open Space (POS), Rural Legacy, and the Maryland Agricultural Land Preservation Foundation (MALPF); $27.6 million for the Maryland Department of Transportation (MDOT), much of which supports the TMDL Compliance Program; $23.6 million for the Maryland Department of the Environment (MDE), primarily due to increased Water Quality Revolving Loan Fund funding; and $10.6 million for the Maryland Department of Agriculture (MDA) as a result of the Maryland Agricultural Cost-Share Program being funded in fiscal 2027.

- ***Chesapeake and Atlantic Coastal Bays 2010 Trust Fund:*** The appropriation from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund decreases $14.1 million in fiscal 2027. Fiscal 2027 funding largely remains the same as fiscal 2026 across programmatic uses except for the $12.7 million reduction budgeted for the Competitive Grant Program for non-point source pollution reduction projects and the $1.0 million reduction budgeted for Department of Natural Resources (DNR) administrative expenses. In the long term, the fund's expenditures exceeding its revenues will reduce the available fund balance and, thus, the fund will not be able to sustain its role in cost containment.

- ***Whole Watershed Act Implementation:*** Chapters 558 and 559 of 2024 established the Whole Watershed Restoration Partnership to accelerate restoration of the Chesapeake and Atlantic Coastal Bays and their watersheds. The partnership provides grants and technical assistance to eligible projects over a period of five years chosen by a State management team established to administer the Whole Watershed Restoration Partnership. Five watersheds have been selected – Antietam Creek, Baltimore Harbor, Upper Choptank

River, Newport Bay, and Severn River – and $11.2 million in fiscal 2026 funding has been allocated to projects. The amount of fiscal 2027 funding is unclear as is MDA's engagement in the Act's implementation.

- ***Revised Chesapeake Bay Watershed Agreement:*** On December 2, 2025, the Chesapeake Executive Council agreed to a revised Chesapeake Bay Watershed Agreement. The agreement includes a 2040 restoration requirement and no plan for a mid-term assessment.

- ***Historical and Projected Chesapeake Bay Restoration Spending:*** The spending report notes the difficulty of meeting the 2025 restoration requirement, the value of new recent programmatic enhancements for accelerating restoration progress, the need to address the 1.5 million of additional nutrient loading, improved water quality trends, and the MDE-proposed enhanced nutrient removal refinement program for major wastewater treatment plants (WWTP). This may be the appropriate time to revisit the regional financing authority, impervious surface fee, natural capital accounting, farmer engagement, and septic system regulation.

- ***Conowingo Dam WIP, Relicensing, and Settlement Agreement and Impact of Federal Energy Regulatory Commission (FERC) on Relicensing:*** Maryland budgeted $25.0 million for the Conowingo Dam WIP in fiscal 2023. The Susquehanna River Basin Commission – the fiscal agent selected for the project – initiated a request for proposals (RFP), which closed on January 22, 2024. On August 15, 2024, the commission announced $11.4 million in projects. The commission announced a round 2 RFP with a December 16, 2024 closing but, thus far, no projects have been approved by the Board of Public Works (BPW) because a funding transfer has been delayed. On October 2, 2025, Governor Wes Moore announced that a new settlement agreement had been reached with Constellation Energy, paving the way for approval of the water quality certification. The planned funding commitment by Constellation Energy, as part of the new settlement agreement, is $340 million.

Operating Recommended Actions

1. Nonbudgeted.

CHESBAY
Chesapeake Bay
Fiscal 2026 Budget Overview

Overview

Past efforts to restore the Chesapeake Bay watershed, which includes parts of Delaware, the District of Columbia, Maryland, New York, Pennsylvania, Virginia, and West Virginia, have resulted in insufficient progress and continued poor water quality. However, a regional restoration initiative, required by the federal government and characterized by accountability measures and shorter-term program evaluation, is underway. The current bay restoration policy framework is described in the following.

The Overarching Goal: Chesapeake Bay TMDL

In December 2010, EPA established a Chesapeake Bay TMDL as required under the federal CWA and in response to consent decrees in the District of Columbia and Virginia. This TMDL sets the maximum amount of nutrient and sediment pollution that the bay can receive and still attain water quality standards. It also identifies specific pollution reduction requirements; all reduction measures must be in place by calendar 2025, with measures in place to achieve at least 60% of pollution reductions by calendar 2017.

To ensure that nutrient and sediment reductions are met, EPA developed an accountability framework that includes WIPs; two-year milestones; federal review to track and assess progress and; as necessary, specific federal actions if the bay jurisdictions do not meet their commitments.

Achieving the Goal: An Accountability Framework for Jurisdictions in the Bay Watershed

WIPs

As part of the Chesapeake Bay TMDL, the bay jurisdictions must develop WIPs that identify the measures installed to reduce pollution and restore the bay. WIPs are submitted to EPA for review and evaluation to (1) identify pollution load reductions to be achieved by various source sectors and in different geographic areas and (2) help to provide reasonable assurance that sources of pollution will be cleaned up, which is a basic requirement of all TMDLs. In calendar 2010, each bay jurisdiction submitted a Phase I WIP that details how the jurisdiction plans to achieve its pollution reduction goals under the TMDL. In calendar 2012, the bay jurisdictions submitted Phase II WIPs that establish more detailed strategies to achieve the bay TMDL on a geographically smaller scale. A Phase III WIP was submitted in final form to EPA on August 23, 2019, with the intent to ensure that all measures are in place by calendar 2025 so that restoration goals can be met. Most recently, Maryland submitted a climate change addendum to its Phase III WIP in January 2022 to address additional load reductions associated with climate change.

The final target pollution loads for the five major basins in Maryland are shown in **Exhibit 1**.

Exhibit 1
Final Target Pollution Loads for Maryland's Major Basins
(in Million Pounds Per Year)

Major Basin	Nitrogen Pollution	Phosphorus Pollution	Sediment Pollution
Susquehanna	1.6	0.1	113.8
Eastern Shore	15.6	1.3	2,903.4
Western Shore	9.6	0.9	2,959.9
Patuxent	3.2	0.3	437.7
Potomac	15.8	1.1	1,928.0
Total	**45.8**	**3.7**	**8,342.9**

Note: Numbers may not sum due to rounding.

Source: Chesapeake Bay Program – Chesapeake Assessment and Scenario Tool

Two-year Milestones

President Barack H. Obama issued an executive order in May 2009 that directed the federal government to lead a renewed effort to restore and protect the bay and its watershed. At the same time, the bay jurisdictions committed to achieving specific, short-term bay restoration milestones to assess progress toward achieving nitrogen, phosphorus, and sediment reduction goals. Generally, milestones are goals to be reached in two-year increments; they include implementation actions, best management practices (BMP), and program enhancement actions. As a part of this effort, bay jurisdictions must submit pollution reduction progress and program action information to EPA. Although the bay jurisdictions developed the milestones prior to the establishment of the TMDL, the milestones have been incorporated into the TMDL process as a series of checkpoints for assessing progress toward achieving the pollution reduction goals. EPA plans to release its evaluation of the 2024 to 2025 completed milestones in July 2026. Updated milestone expectations for calendar 2026 through 2027 are due in February 2026.

Federal Review and Contingency Actions

EPA reviews each jurisdiction's progress toward its two-year milestones. If a jurisdiction's plans are inadequate or its progress is insufficient, EPA may take action to ensure pollution reductions, including increased oversight of State-issued pollution permits, requiring additional pollution reductions, prohibiting new or expanded pollution discharges, redirecting federal grants, and revising water quality standards to better protect local and downstream waters.

Chesapeake Bay Program Funding

The Chesapeake Bay Program directs bay restoration and operates as a partnership between federal and state agencies, local governments, nonprofit organizations, and academic institutions. In October 2020, the U.S. Congress passed America's Conservation Enhancement Act, which reauthorized the program for another five years and provides up to $92.0 million annually by federal fiscal 2025 to fully fund bay water quality monitoring and coordination activities between the bay jurisdictions. Under recent continuing resolutions passed by the U.S. Congress, Chesapeake Bay Program funding had remained at $92.0 million. House Resolution 6938 became law on January 23, 2026, and funded the Chesapeake Bay Program at the historic high level of $93.0 million, a $1.0 million increase relative to its recent funding level.

Reaching the Goal: Progress to Date

The 2017 Midpoint Assessment

On July 27, 2018, EPA released its midpoint assessment of the progress made by the bay jurisdictions toward meeting the 2017 goal of having measures in place to achieve 60% of the necessary pollution reductions. This 2017 midpoint assessment found that the bay jurisdictions exceeded the 2017 pollution reduction goals for phosphorus and sediment but did not achieve the reduction goal for nitrogen. To achieve the necessary nitrogen reductions by calendar 2025, the bay jurisdictions must reduce an additional 48.4 million pounds of nitrogen, resulting in the need to reduce more than twice as much nitrogen in the next eight years in comparison to the nitrogen reductions achieved during the previous eight years.

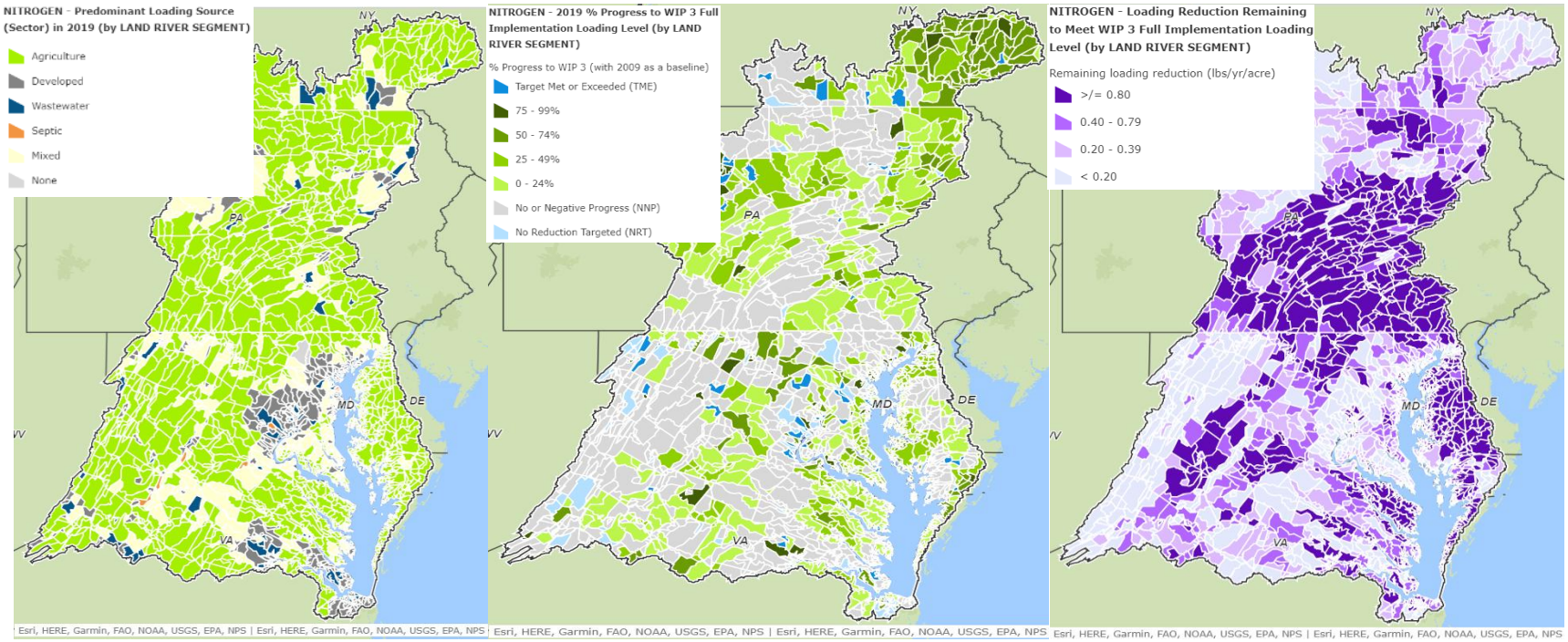
For illustrative purposes, **Exhibit 2** reflects (1) the predominant nitrogen loading source in calendar 2019 for each land river segment – the smallest available geographic area for which data is available; (2) the calendar 2019 percentage progress toward the Phase III WIP implementation loading level for each land river segment; and (3) the loading reduction remaining to meet Phase III WIP full implementation. The progress toward the TMDL shown in the maps is based on the Phase III WIP planning targets that were approved in July 2018. Some of the large-scale patterns shown in the exhibit are as follows:

- ***Predominance:*** agriculture is the predominant loading source by land river segment in the Chesapeake Bay watershed with wastewater and stormwater concentrated in urban areas and septic systems in exurban areas;

- ***Progress:*** progress toward reducing nitrogen loading is piecemeal throughout the watershed, with few land river segments meeting or exceeding their targets, and a substantial number of land river segments reflecting no or negative progress; and

- ***Remaining:*** nitrogen loading remaining is concentrated in the predominantly agricultural Lancaster region of Pennsylvania, the Delmarva Peninsula of Maryland and Delaware, and the Shenandoah River valley of Virginia as well as in urban areas serviced by WWTPs.

Exhibit 2
Bay Restoration Maps – Nitrogen Pollution (Loading)
Calendar 2009-2019



TMDL: Total Maximum Daily Load

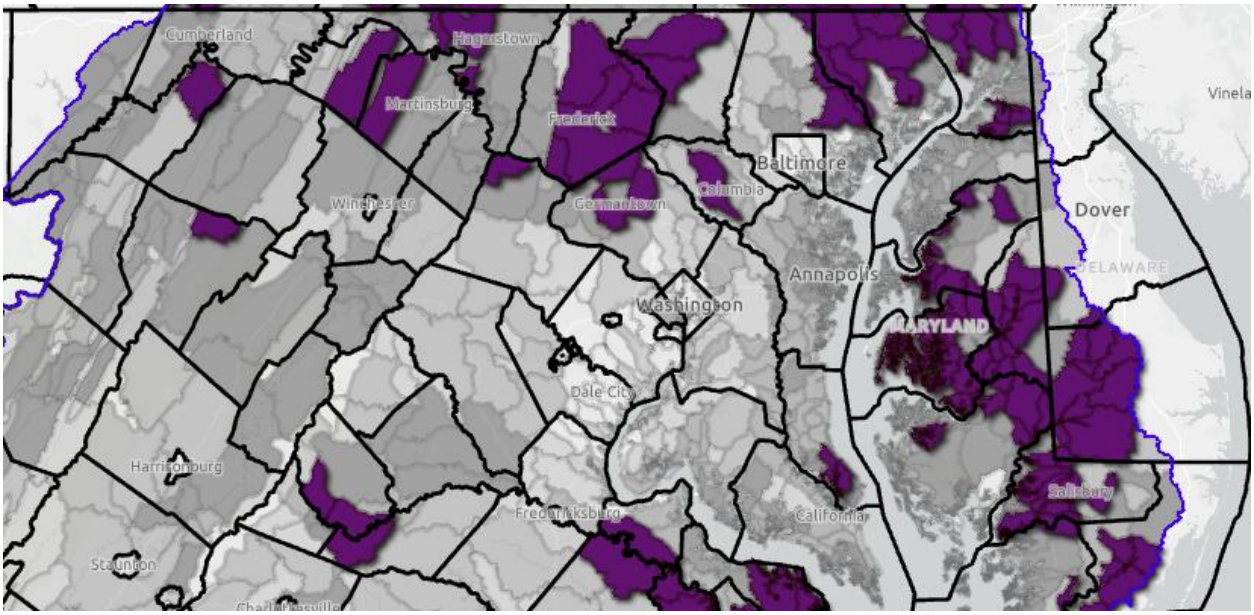
Note: Land river segments are the smallest geographic areas for which nitrogen, phosphorus, and sediment loading are estimated by the Chesapeake Bay Program's Phase 6 Model. Natural loading sources include forests and other natural areas. State basins consist of the individual states' portion of each of the major watersheds within the Chesapeake Bay watershed. Predominant loading sectors are responsible for at least 50% of the loading in the land river segment, and the next highest loading sector is not closer than 10 percentage points. (Mixed means no sector meets that definition.) The predominant loading sector shown for each land river segment does not necessarily indicate the predominant land use in that land river segment, especially because natural loading sources are excluded.

Source: Chesapeake Bay Program; U.S. Census Bureau; Department of Legislative Services

Targeting Maps

The Chesapeake Assessment and Scenario Tool is a web-based nitrogen, phosphorus, and sediment load estimator. BMP targeting maps are a relatively recent addition to the tool. By land river segment (unit for dividing up the bay watershed) and sector (wastewater, agriculture, urban/stormwater/developed, forest/natural, and septic), the maps capture the nitrogen, phosphorous, and sediment loading (pounds or tons of nutrients and sediment) and delivery factor (likelihood of reaching the Chesapeake Bay). Areas with high loading and high delivery factors are best suited for BMP targeting because this is where BMPs will be most effective at reducing nutrients and sediment. **Exhibit 3** shows the Maryland land river segments most effective for reducing agricultural nitrogen. In turn, **Exhibit 4** shows the Maryland land river segments most effective for reducing urban/stormwater nitrogen.

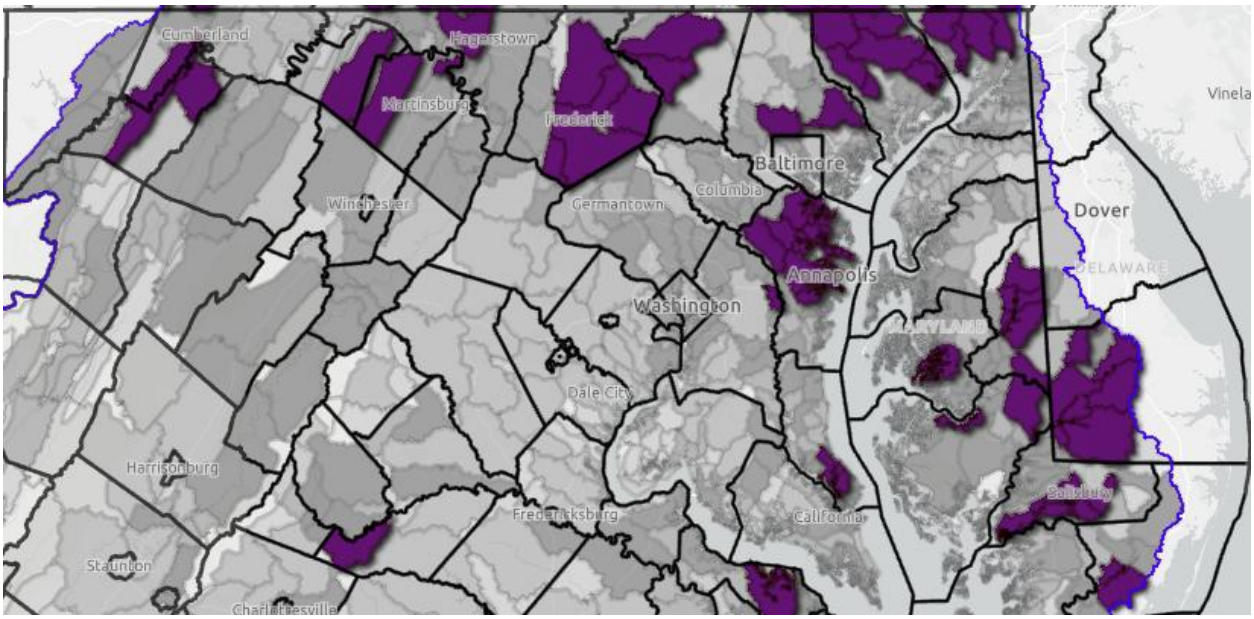
Exhibit 3
Agricultural Nitrogen BMP Targeting Map for Maryland
Calendar 2024



BMP: best management practice

Source: Chesapeake Bay Program – Chesapeake Assessment and Scenario Tool

Exhibit 4
Urban Nitrogen BMP Targeting Map for Maryland
Calendar 2024



BMP: best management practice

Source: Chesapeake Bay Program – Chesapeake Assessment and Scenario Tool

Maryland's Progress

In its July 2018 midpoint assessment, EPA concluded that the bay jurisdictions exceeded the 60% goal for reducing phosphorus and sediment but did not achieve the goal for reducing nitrogen. To achieve the necessary reductions by calendar 2025, the bay jurisdictions must reduce an additional 48.4 million pounds of nitrogen, which is more than twice the reductions achieved by the bay jurisdictions between calendar 2009 and 2017. Pennsylvania and Maryland are responsible for most of the remaining nitrogen reductions (70.6% and 17.4%, respectively). Pennsylvania is responsible for reducing an additional 34.1 million pounds of nitrogen, or 6.3 times its reductions between calendar 2009 and 2017, and Maryland is responsible for reducing an additional 8.4 million pounds of nitrogen, or 2.5 times its reductions between calendar 2009 and 2017.

Maryland's Phase III WIP originally anticipated that the State would achieve and possibly exceed statewide nutrient and sediment pollution reduction goals by calendar 2025, although more recent modeling suggests that these goals may be more difficult to meet than first anticipated.

Maryland's strategy relies on accelerated pollution load reductions from the agricultural sector to achieve a majority of the necessary reductions. The State estimates that on an idealized nitrogen reduction path, it will meet its 2025 pollution reduction goals, but it does not appear to be on track to meet its goals. Previous concerns raised by EPA are (1) whether Maryland's Phase III WIP includes sufficient detail regarding the actions that must be taken to achieve pollution reduction goals; (2) the feasibility of continued reliance on the wastewater sector to meet pollution reduction goals when other sectors fall short; and (3) whether adequate resources are available to implement necessary agricultural practices. In addition, Maryland's Phase III WIP acknowledges that pollution loading resulting from climate change, population growth, and the Conowingo Dam may impact the achievement and sustainability of restoration beyond calendar 2025.

In its August 2024 evaluation of Maryland's 2022 to 2023 completed and 2024 to 2025 projected milestones, EPA noted that Maryland did not achieve its 2023 target for nitrogen but did achieve its target for phosphorus and sediment. The evaluation specifically notes, as areas for improvement, (1) the State's implementation of BMPs for agriculture and urban and suburban stormwater management and (2) the State's reporting of milestone progress that has resulted from activities relating to investments under the federal Infrastructure Investment and Jobs Act and the federal Bipartisan Infrastructure Law. Delaware, New York, Pennsylvania, and Virginia also fell short on their projected milestones, prompting EPA to note that it remains prepared to assist each of the watershed jurisdictions in implementing the 2024 to 2025 milestones. EPA oversight and assistance activities to support the implementation efforts of bay jurisdictions could include funding; technical assistance; and analysis, training, and regulatory reviews.

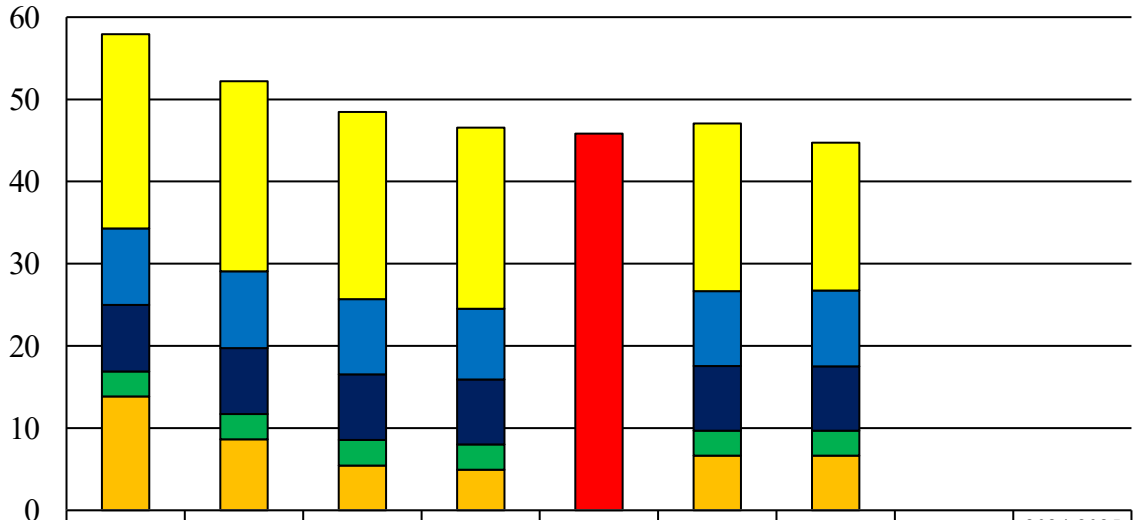
To meet the statewide pollution reduction goal for nitrogen as part of the Phase III WIP, the State must further reduce nitrogen loading to the bay by an additional 1.9 million pounds per year relative to the calendar 2024 level to meet the 2025 target of 45.8 million pounds of nitrogen per year. **Exhibit 5** shows Maryland's nitrogen pollution loads by sector for calendar 2009, 2022, 2023, and 2024; the target load for 2025 using the Phase 6 model (2025 Target); the official Maryland Phase III WIP using the 2023 version of the Chesapeake Assessment and Scenario Tool (2025 WIP Goal (2023)), which shows the 2023 version of where the State would be if it implemented everything in its Phase III WIP; and the Maryland Phase III WIP using the 2017 version of the Chesapeake Assessment and Scenario Tool (2025 WIP Goal Official), which shows the 2017 version of where the State would be if it implemented everything in the Phase III WIP. A couple of observations are as follows:

- ***Progress:*** Maryland decreased loading by 1.9 million pounds of nitrogen between calendar 2023 and 2024, largely due to the continued full operation of the Back River and Patapsco WWTPs;

- ***Target Missed:*** the 2024 version of the Chesapeake Assessment and Scenario Tool indicates that the loading under Maryland's 2025 WIP Goal will be closer to 47.0 million pounds per year, which means that Maryland is anticipated to be over the 2025 target, although 1.5 million pounds related to enhancements to water quality model data sets used by EPA (*e.g.* land use and population changes) can be addressed after the 2025 deadline; and

- ***Percentage Changes:*** Maryland needs to maintain the pace of progress relative to the overall 2009 through 2024 period to meet the 2025 target, but the pace of progress in the agriculture sector will need to increase.

Exhibit 5
Maryland Nitrogen Pollution Loads by Sector
Trends and Targets
(in Million Pounds Per Year)



	2009 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 WIP Goal (2023)	2025 WIP Goal (Official)	2009-2024 Percent Change	2024-2025 Official Percent Change
Total	57.9	52.2	48.5	46.6	45.8	47.0	44.7	-19.6%	-4.0%
Agriculture	23.6	23.2	22.8	22.0		20.4	18.0	-6.7%	-18.5%
Developed	9.3	9.3	9.2	8.6		9.1	9.3	-7.5%	7.7%
Natural	8.1	8.0	8.0	7.9		7.9	7.8	-2.6%	-1.2%
Septic	3.0	3.1	3.1	3.1		3.0	3.1	1.9%	-1.6%
Wastewater	13.8	8.6	5.4	4.9		6.6	6.6	-64.4%	34.9%

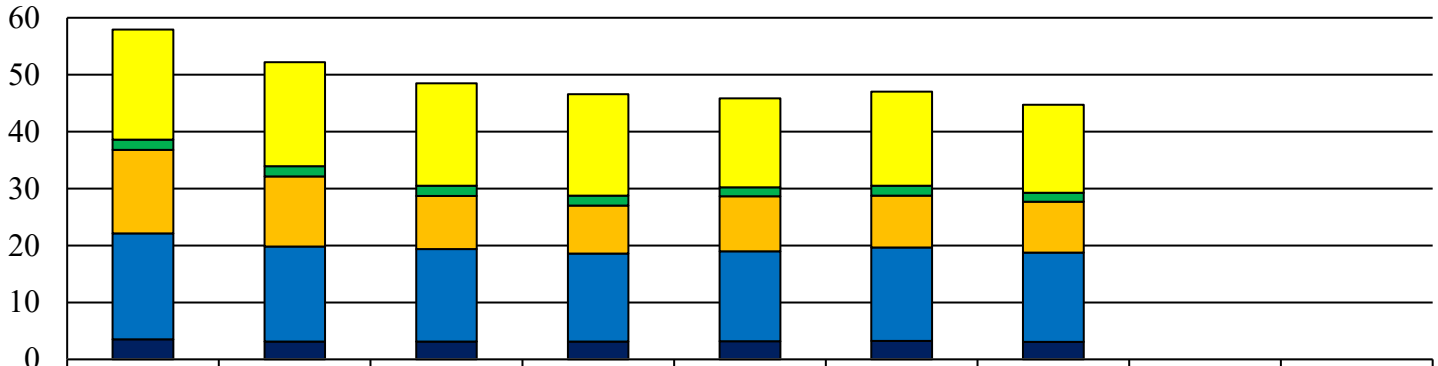
WIP: Watershed Implementation Plan

Note: The 2025 Target is not broken down by sector in order to give the states flexibility in how they meet their load reductions.

Source: Chesapeake Bay Program – Chesapeake Assessment and Scenario Tool

Another way to evaluate Maryland's progress is to look at nitrogen loads by major basin. **Exhibit 6** reflects that Maryland's Eastern Shore basin – predominated by the agricultural sector – will have to reduce the highest percentage of its load at 13.3% compared to the other basins and that the 13.3% reduction in 2025 represents a substantial increase in activity relative to the 7.9% reduced in the 2009 through 2024 period. The Susquehanna River basin will need to reduce 8.9% of its load, which is lower than the 12.3% it needed to reduce last year. Of note, the Patuxent River basin's loading decreased relative to last year, which reverses the negative trend observed in the fiscal 2026 analysis.

Exhibit 6
Maryland Nitrogen Pollution Loads by Basin
Trends and Targets
(in Million Pounds Per Year)



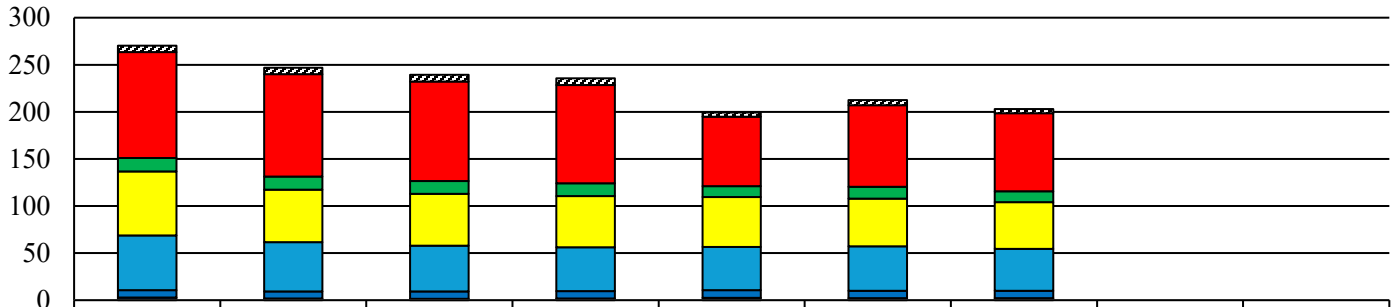
	2009 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 WIP Goal (2023)	2025 WIP Goal (Official)	2009-2024 Percent Change	2024-2025 Official Percent Change
Total	57.9	52.2	48.5	46.6	45.8	47.0	44.7	-19.6%	-4.0%
Eastern Shore	19.3	18.3	18.0	17.8	15.6	16.6	15.4	-7.9%	-13.3%
Susquehanna River	1.8	1.8	1.8	1.7	1.6	1.7	1.6	-3.1%	-8.9%
Western Shore	14.7	12.3	9.3	8.5	9.6	9.1	9.0	-42.4%	5.9%
Potomac River	18.6	16.7	16.2	15.4	15.8	16.4	15.6	-17.0%	1.3%
Patuxent River	3.5	3.1	3.1	3.1	3.2	3.2	3.1	-11.4%	-1.2%

WIP: Watershed Implementation Plan

Source: Chesapeake Bay Program – Chesapeake Assessment and Scenario Tool

Lastly, there is the Chesapeake Bay watershed nitrogen pollution loading as a whole, which is reflected in **Exhibit 7**. As shown, although Delaware has the greatest percentage reduction needed between calendar 2024 and 2025, Pennsylvania, which contributes the largest amount of nitrogen pollution loading, has the largest magnitude of reductions, and must substantially increase its load reductions by calendar 2025, from the 7.0% between calendar 2009 and 2024 to 20.8% between calendar 2024 and 2025. Overall, the Chesapeake Bay watershed states will need to increase reductions from the 12.8% between calendar 2009 and 2024 to 13.9% between calendar 2024 and 2025. This is a significant factor for the pessimism of meeting the 2025 TMDL.

Exhibit 7
Chesapeake Bay Watershed Nitrogen Pollution Loads by State
Trends and Targets
Calendar 2009-2025
(Million Pounds Per Year)



	2009 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 WIP Goal (2023)	2025 WIP Goal (Official)	2009-2024 Percent Change	2024-2025 Official Percent Change
Total	270.1	246.8	239.4	235.7	199.3	212.6	202.9	-12.8%	-13.9%
Delaware	6.6	6.9	7.3	7.1	4.6	5.6	4.5	8.1%	-37.5%
Pennsylvania	112.4	108.6	105.8	104.5	73.5	86.5	82.7	-7.0%	-20.8%
New York	14.4	13.8	13.5	13.3	11.8	12.6	11.6	-7.8%	-12.5%
Virginia	68.0	55.8	55.1	54.5	53.0	50.8	49.6	-19.7%	-9.1%
Maryland	57.9	52.2	48.5	46.6	45.8	47.0	44.7	-19.6%	-4.0%
West Virginia	8.0	7.8	7.8	7.8	8.2	7.7	7.5	-2.9%	-3.8%
District of Columbia	2.8	1.6	1.6	1.8	2.4	2.3	2.3	-34.4%	

WIP: Watershed Implementation Plan

Note: The District of Columbia has exceeded its 2025 goal.

Source: Chesapeake Bay Program – Chesapeake Assessment and Scenario Tool

Health

On June 10, 2025, UMCES released the 2025 Chesapeake Bay and Watershed Report Card (report card), which assesses the aquatic ecosystem health of the bay and the ecological, societal, and economic conditions of the bay watershed. The results of the report card are outlined below.

- ***Chesapeake Bay Health Score:*** The bay health score measures the latest available data for seven indicators – dissolved oxygen, nitrogen, phosphorus, chlorophyll a, water clarity, aquatic grasses, and benthic community. The health of the bay, as measured by the report card, has generally remained the same since 2003. The overall health of the bay decreased by 5% in calendar 2024, receiving an overall score of C (50%), indicating that the bay is in "moderate ecosystem health." Despite the decline in 2024 (in part due to changing climate conditions), the bay continues to show an improving long-term trend.

- ***Chesapeake Bay Watershed Health Score:*** The watershed health score includes 3 categories comprised of 12 indicators, as follows: ecological-water quality (combines various indicators, including nutrients), protected lands, fish community, benthic community, and temperature stress; societal-heat vulnerability, social index, and walkability; and economic – household income, jobs growth, income equality, and affordable housing. Overall, the bay watershed scored a C+ (57%), up 5% from the previous year.

Transportation Stormwater Management

Funding for stormwater management sector improvements associated with State transportation infrastructure, across MDOT and including operational expenditures related to BMPs and the anticipation of future requirements, represents approximately $0.8 billion, which is down from the original expectation of $1.5 billion. The State Highway Administration (SHA) owns more than 2,500 stormwater management facilities and more than 17,400 lane miles of roadway throughout the State. The Transportation Trust Fund is authorized as the fund source for the mandated cost of complying with the WIP.

Exhibit 8 reflects the most recent SHA WIP funding estimate of $790.0 million, which includes $534.5 million expended prior to fiscal 2026 and $41.7 million added in fiscal 2030. The $105.3 million increase in total estimated costs from last year's estimate of $684.5 million is due to the addition of fiscal 2031 funding and increases in fiscal 2026 through 2030 estimated spending.

Exhibit 8
SHA Watershed Implementation Plan Funding
Fiscal 2026-2031
($ in Thousands)

Source	Prior Auth.	2026	2027	2028	2029	2030	2031	Total
Special Funds	$352,681	$7,735	$25,659	$14,045	$14,988	$10,371	$11,086	$436,565
Federal Funds	136,828	16,981	30,229	34,105	29,181	30,344	30,595	308,263
GO Bonds	45,000	0	0	0	0	0	0	45,000
Total	**$534,509**	**$24,716**	**$55,888**	**$48,150**	**$44,169**	**$40,715**	**$41,681**	**$789,828**
Use								
Planning	$37,170	$3,630	$1,707	$2,500	$2,500	$2,500	$2,500	$52,507
Engineering	149,338	8,016	2,171	4,500	4,500	4,500	4,500	177,525
Right-of-way	5,960	0	0	1,000	1,000	1,000	1,000	9,960
Utilities	35	0	0	0	0	0	0	35
Construction	342,006	13,070	52,010	40,150	36,169	32,715	33,681	549,801
Total	**$534,509**	**$24,716**	**$55,888**	**$48,150**	**$44,169**	**$40,715**	**$41,681**	**$789,828**

GO: general obligation
SHA: State Highway Administration

Note: The GO bond funding was set up through the Secretary's Office; SHA spent its own funds and then was reimbursed by the Secretary's Office. However, the GO bond funding is reflected here in order to account for the funding for the Maryland Department of Transportation as a whole. For the prior authorization, $6.5 million in special funds are budgeted in the Secretary's Office capital program for an innovative stormwater pond management pilot program, and the remaining funds are budgeted in the SHA capital program.

Source: Maryland Department of Transportation; Fiscal 2026-2031 *Consolidated Transportation Program*

SHA has received a final determination from MDE on the pollutant reduction credits and particularly the pollutant reduction credits from stream restoration that are two to three times the expected credit, depending on the watershed where the work is completed. In addition, SHA is expecting efficiencies from the use of a new smart pond technology being piloted that improves stormwater pond operations with the use of sensors and software that monitor real-time conditions, such as water level and storage volume. Overall, as noted previously, SHA estimates that it will be able to comply with the Phase I municipal separate storm sewer system (MS4) permit for less than $1.0 billion. MDE issued a new MS4 permit for SHA on August 22, 2025.

Special funds comprise the largest share of the projected fund sources, accounting for 55% of the planned funding, followed by federal funds (39%) and general obligation (GO) bonds (6%). SHA has noted in the past that federal funds are difficult to use because stormwater work related to the TMDL program does not have a dedicated funding source under the U.S. Department of Transportation and thus the use of any federal funds for the TMDL program would draw funds away from the same funding sources needed to support the safe and efficient movement of people and goods in Maryland.

Issues

1. Overall Chesapeake Bay Restoration Funding

The current state of Chesapeake Bay restoration funding may be reviewed at three levels (two of which are discussed in the following):

- ***Overall Chesapeake Bay Restoration:*** environmental education, land preservation, transit projects, and nutrient and sediment reduction, among others;

- ***Two-year Milestones:*** nutrient and sediment reduction only; and

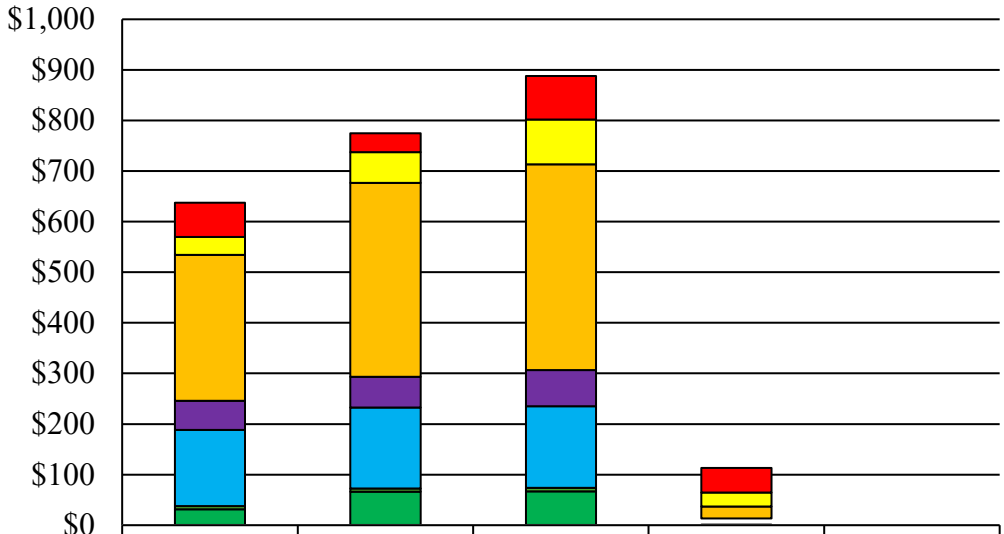
- ***Chesapeake and Atlantic Coastal Bays 2010 Trust Fund:*** nutrient and sediment reduction from non-point sources only using certain revenues.

Overall Chesapeake Bay Restoration

The 2025 *Joint Chairmen's Report* (JCR) expressed the General Assembly's intent that DNR, the Department of Budget and Management (DBM), and MDE submit a report on overall Chesapeake Bay restoration expenditures. The report was requested to include 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 2025 actual, the fiscal 2026 working appropriation, and the fiscal 2027 allowance.

The purpose of the Chesapeake Bay restoration expenditures exhibit is to understand the overall scope of restoration funding. **Exhibit 9** illustrates the change in funding by State agency. The full funding detail by agency, fund source, and spending category is provided in **Appendix 1**.

Exhibit 9
Overview of Maryland's Funding for Chesapeake Bay Restoration
Fiscal 2025-2027 Allowance



	Approp. 2025	Allowance 2026	Allowance 2027	$ Change 2026-2027	% Change 2026-2027
Total	$637.6	$774.8	$888.0	$113.2	14.6%
POS, Rural Legacy, MALPF	67.7	37.7	86.3	48.6	128.9%
MDOT	35.5	60.5	88.1	27.6	45.7%
MDE	288.5	383.5	407.1	23.6	6.2%
MDA	57.5	60.5	71.2	10.6	17.6%
DNR	150.5	159.9	161.5	1.6	1.0%
MDP	6.4	6.3	6.8	0.6	9.0%
Higher Education	30.8	65.7	66.3	0.5	0.8%
MSDE	0.8	0.7	0.7	0.0	0.0%

DNR: Department of Natural Resources
MALPF: Maryland Agricultural Land Preservation Foundation
MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment
MDOT: Maryland Department of Transportation
MDP: Maryland Department of Planning
MSDE: Maryland State Department of Education
POS: Program Open Space

Note: This presentation only includes State agency programs that have over 50% of their activities directly related to Chesapeake Bay restoration. In addition, funding related to salaries and fringe benefits does not reflect health insurance or increment adjustments.

Source: Department of Budget and Management

Overall Chesapeake Bay restoration spending increases by $113.2 million, or 14.6%, between the fiscal 2026 working appropriation and the fiscal 2027 allowance. The major changes are as follows.

- ***POS, Rural Legacy, and MALPF:*** Increases by $48.6 million primarily as a result of an increased transfer tax revenue estimate budgeted in fiscal 2027 and a smaller underattainment of revenue from fiscal 2025 that is applied to the final amount budgeted for fiscal 2027. This includes $20.1 million for MALPF, $19.4 million for POS, and a net increase of $9.9 million for the Rural Legacy Program.

- ***MDOT:*** Increases by $27.6 million in special funds primarily due to increases of $25.7 million for SHA's TMDL Compliance Program, $3.6 million for the Maryland Transportation Authority's (MDTA) Bay Water Quality Restoration Capital Program, $3.3 million for SHA – stormwater management rehabilitation projects, and $1.4 million for SHA – drainage outfall remediation projects in Anne Arundel County. These increases are offset partially by decreases of $3.7 million for the Maryland Port Authority's (MPA) mitigation and Swan Creek nature trail as part of the Cox Creek Expansion project, $2.5 million for an MDTA outfall stabilization project, $2.0 million for oyster restoration by DNR, and $1.9 million for MPA chromium ore processing residue projects.

- ***MDE:*** Increases by $23.6 million, primarily due to a $27.2 million increase in the Water Quality Revolving Loan Fund, comprised of an increase of $2.3 million in special funds, $20.4 million in federal funds that capitalize the fund, and $4.6 million in GO bonds in federal matching funds. There are also increases of $4.9 million in special funds and $1.3 million in general funds in the Wetlands and Waterways program and increases of $2.7 million in reimbursable funds from DNR in the Sediment, Stormwater, and Dam Safety program. These increases are offset partially by a decrease of $10.0 million for water quality infrastructure projects funded by the Bay Restoration Fund and a net decrease of $2.9 million in EPA's Performance Partnership Grants funding across the Sediment, Stormwater, and Dam Safety and Wetlands and Waterways programs.

- ***MDA:*** Increases by $10.6 million due to increases of $8.0 million in GO bonds for the Maryland Agricultural Cost-Share Program, which did not receive a fiscal 2026 authorization, $1.3 million for reimbursable Chesapeake and Atlantic Coastal Bays 2010 Trust Fund funding from DNR in the Ecosystem Incentives Program, $0.7 million for reimbursable EPA – Climate Pollution Reduction Grant funding from MDE, $0.5 million in general funds for the Soil Conservation District Operations – Eastern Shore, and $0.4 million for the Leaders in Environmentally Engaged Farming program established in fiscal 2026. These increases are offset partially by a decrease of $2.4 million for reimbursable Chesapeake and Atlantic Coastal Bays 2010 Trust Fund funding for the Cover Crop Program.

Chesapeake and Atlantic Coastal Bays 2010 Trust Fund

The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund was established 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.

The COVID-19 pandemic reduced revenues for the fund, particularly from the sales and use tax on short-term vehicle rentals. Since the end of the pandemic, however, revenues have rebounded. As a result, the fund had a $48.2 million fiscal 2025 closing balance, which partially reflects underspending of the fiscal 2025 appropriation. However, the fiscal 2026 closing balance is estimated to be $23.2 million, which decreases further to $11.2 million in fiscal 2027 as a result of expenditures exceeding revenues and a decrease of $1.2 million in the estimated revenues for fiscal 2027.

The fund allocations for the fiscal 2025 actual, fiscal 2026 working appropriation, and the fiscal 2027 allowance are shown in **Exhibit 10**, although final decisions on allocations typically are made by the BayStat agencies after the final funding levels have been determined. The exhibit reflects the following.

- ***Funding:*** There is a $14.1 million decrease in the funding between fiscal 2026 and 2027 due to expenditures exceeding revenues. In the long term, this level of funding is not sustainable due to the declining fund balance and the flat or slightly declining revenues.

- ***Allocation:*** The fiscal 2027 funding largely remains the same as fiscal 2026 across programmatic uses except for the $12.7 million reduction budgeted for the Competitive Grant Program for non-point source pollution reduction projects and the $1.0 million reduction budgeted for DNR's administrative expenses. Chapter 604 of 2025 (Budget Reconciliation and Financing Act) expanded the allowable uses of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to support up to $10.5 million of DNR's operating expenses in the annual budget bill. The full $10.5 million authorization was used in fiscal 2026, which decreases by $1.0 million to $9.5 million in fiscal 2027 due to the ongoing decrease in the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund's balance.

Exhibit 10

Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Planned Expenditures

Fiscal 2025-2027

($ in Millions)

Category/Activity	Agency	2025	2026	2027	Difference 2026-2027
Starting Balance		**$47.4**	**$48.2**	**$23.2**	**-$24.9**
Revenue		**$67.9**	**$65.6**	**$64.4**	**-$1.2**
Accountability, Verification, and Management					
Strategic Monitoring and Assessment	DNR	$0.4	$0.6	$0.6	$0.0
Implementation Tracking	DNR/DoIT	0.2	0.2	0.2	0.0
Administration and Management (1.5%)	DNR	1.1	1.2	1.0	-0.2
Subtotal		***$1.7***	***$1.9***	***$1.7***	***-$0.2***
Accelerating Restoration Through Research and Development					
Innovative Technology Fund	DNR/UM	$1.0	$1.0	$1.0	$0.0
Targeted Pooled Monitoring	DNR	0.3	0.3	0.3	0.0
Subtotal		***$1.3***	***$1.3***	***$1.3***	***$0.0***
Implementation Technical Assistance					
Agricultural Technical Assistance	MDA	$6.3	$6.6	$6.6	$0.0
Stormwater Management Permit Expediters	MDE	0.9	0.9	0.9	0.0
Field Restoration Specialists	DNR	0.9	0.9	0.9	0.0
Tree Solutions Now Coordinator	MDE	0.2	0.2	0.2	0.0
Subtotal		***$8.2***	***$8.5***	***$8.5***	***$0.0***
Non-point Source Pollution Control Projects					
Cover Crop Program	MDA	$11.3	$11.3	$11.3	$0.0
Conservation Reserve Enhancement Program Bonus Payments	MDA	0.5	0.5	0.5	0.0
Grants to Farmers	MDA	3.0	3.0	3.0	0.0
Manure Transport Program	MDA	1.8	1.8	1.8	0.0
Competitive Grant Program	DNR	35.9	35.7	23.0	-12.7
Natural Filters on Public Lands	DNR	6.0	6.0	6.0	0.0
Tree Solutions Now Act Tree Plantings	DNR	2.5	2.5	2.5	0.0
Tree Solutions Now Forest Service Staffing	DNR	1.0	1.0	1.0	0.0
Adaptive Management and Maintenance (2%)	DNR	1.4	1.5	1.3	-$0.3
Subtotal		***$63.3***	***$63.3***	***$50.3***	***-$13.0***

Category/Activity	Agency	2025	2026	2027	Difference 2026-2027
Additional Allocations					
Whole Watershed Fund per Whole Watershed Act	DNR	$0.0	$5.0	$5.0	$0.0
DNR Administrative Operating Expenses General Fund Swap (BRFA)	DNR	0.0	8.4	7.4	-1.0
DNR Watershed and Climate Services General Fund Swap (BRFA)	DNR	2.6	2.1	2.1	$0.0
Subtotal		***$2.6***	***$15.5***	***$14.5***	***-$1.0***
Total		**$77.1**	**$90.5**	**$76.4**	**-$14.1**
DNR Total		**$53.2**	**$66.3**	**$52.2**	**-$14.1**
MDA Total		**$22.8**	**$23.1**	**$23.1**	**$0.0**
MDE Total		**$1.1**	**$1.1**	**$1.1**	**$0.0**
Amount Underspent (Increases Closing Balance)		**$9.9**	**$0.0**	**$0.0**	**$0.0**
Closing Balance		**$48.2**	**$23.2**	**$11.2**	**-$12.0**

BRFA: Budget Reconciliation and Financing Act
DNR: Department of Natural Resources
DoIT: Department of Information Technology
MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment
UM: University of Maryland

Note: Under Additional Allocations, the administrative operating expenses and Watershed and Climate Services (formerly Chesapeake and Coastal Service) general fund swaps reflect the BRFA of 2025 authorizing up to $10.5 million of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to be used in the annual budget.

Source: Department of Budget and Management

The Department of Legislative Services (DLS) recommends the adoption of committee narrative requesting that the Administration continue to publish the overall Chesapeake Bay restoration data in the Governor's budget books and provide the electronic data separately. For administrative purposes, this recommendation will appear in the operating budget analysis K00A – DNR. DLS also recommends the adoption of committee narrative requesting that DNR comply with statute and provide the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual report at the time of the fiscal 2028 budget submission. This recommendation also will appear in the operating budget analysis for K00A – DNR.

2. Whole Watershed Act Implementation

Chapters 558 and 559 (Whole Watershed Act) established the Whole Watershed Restoration Partnership to accelerate restoration of the Chesapeake and Atlantic Coastal Bays and their watersheds. The partnership provides grants and technical assistance to eligible projects over a period of five years chosen by a State management team established to administer the partnership. The Whole Watershed Fund was established in DNR to provide funding for approved projects and is generally authorized to receive funding from specified State agricultural and environmental special funds. There are annual mandated distributions from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund for fiscal 2026 through 2030 of $100,000 to fund five $20,000 project sponsor operation grants. The possible Whole Watershed Fund funding sources include the following: Chesapeake and Atlantic Coastal Bays 2010 Trust Fund (DNR); Bay Restoration Fund (MDE); Clean Water Commerce Account (MDE); Maryland Agricultural Land Preservation Fund (MDA); Maryland Agricultural Water Quality Cost-Share Program; and Waterway Improvement Fund.

The Whole Watershed Act required the State management team to issue an RFP for projects by October 1, 2024, and every five years thereafter that meet specified criteria for location in a watershed that can see the greatest improvements, cost effectiveness, and support by local government policies. By March 1, 2025, and every five years thereafter, the State management team may approve up to five projects to receive assistance. The State management team issued an RFP in fall 2024 with a deadline of December 3, 2024. The Administration has decided to implement the Whole Watershed Act by selecting one project in each of five Maryland watersheds.

The Administration announced the selection of the five watersheds on March 6, 2025. As shown in **Exhibit 11**, agriculture is a sector in three of the selected watersheds, environmental justice in two of the watersheds, and urban and suburban are each a sector in one watershed. Two of the watersheds, Antietam Creek and Upper Choptank River, overlap with Pennsylvania and Delaware, respectively. **Exhibit 12** shows project funding in terms of the additional partners associated with each project and the project type. **Exhibit 13** shows project funding by project type, amount, and number. It is noteworthy that while agriculture is labeled as a sector in three of the watersheds, only one project is explicitly labeled as agricultural conservation. Agricultural purposes are noted in several of the community engagement projects, but do not appear to be the primary focus.

Exhibit 11
Whole Watershed Act Selections
Fiscal 2026

Watershed	Project Sponsor	Sector
Antietam Creek	Catoctin Land Trust	Agriculture, Environmental Justice, Pennsylvania
Baltimore Harbor	South Baltimore Gateway	Urban, Environmental Justice
Upper Choptank River	Shore Rivers	Agriculture, Environmental Justice, Delaware
Newport Bay	Maryland Coastal Bays	Agriculture
Severn River	Resilience Authority	Suburban

Source: Department of Natural Resources

Exhibit 12
Whole Watershed Act Funding
Fiscal 2026

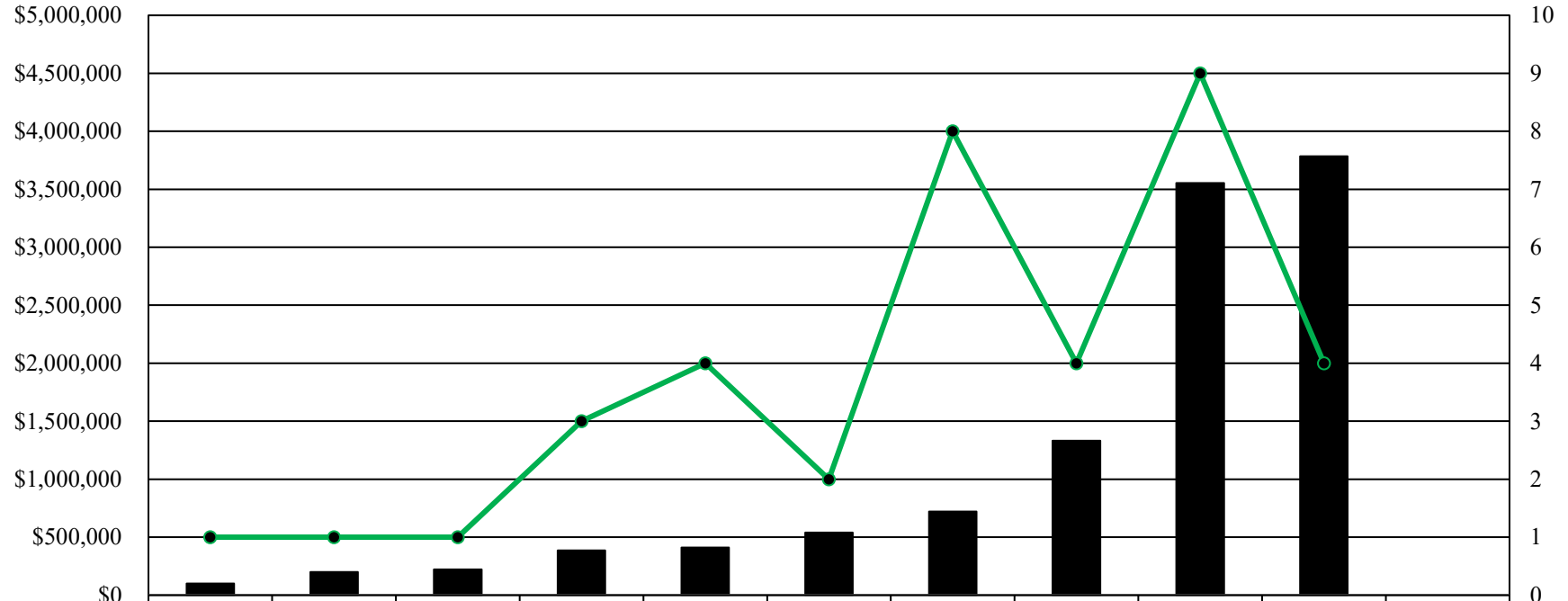
Project Name	Additional Partners	Project Type	Funding
Antietam Creek Watershed (Catoctin Land Trust)			
The Terrace Stream Restoration	City of Hagerstown, Ecotone, Washington County Soil Conservation District	Stream Restoration	$1,051,406
Beaver Creek Dam Removal Design	Ecotone	Aquatic Resources	150,000
Little Antietam Creek North Riparian Buffer Plantings	Maryland Forest Service	Forestry Plantings	85,000
Upper Antietam Creek Mainstem Riparian Buffer Plantings	Maryland Forest Service	Forestry Plantings	30,000
Antietam Watershed Wide Tree Plantings	Maryland Forest Service	Forestry Plantings	250,650
Unspecified Tree Planting	Maryland Forest Service	Forestry Plantings	20,000
Liberty Tree Planting Program	Washington County	Community Engagement	75,000
Antietam Mainstem Boat Put-In	To Be Determined	Public Access	85,000
Biological Monitoring	Maryland Biological Stream Survey	Watershed Monitoring	11,000
Outreach and Project Management	Catoctin Land Trust	Agricultural Conservation	220,820
Subtotal			***$1,978,876***
Baltimore Harbor Watershed (South Baltimore Gateway Partnership)			
Medstar Hospital Tidal Wetland	GreenVest LLC	Stormwater Management	$500,000
Patapsco Delta West Stormwater Wetland Design	GreenVest LLC	Stormwater Management	880,000

Project Name	Additional Partners	Project Type	Funding
Cherry Hill Equitable Waterfront Access Design	Field Operations	Public Access	455,320
Reel Rewards Invasive Fish Bounty Program	Environmental Justice Journalism Initiative	Aquatic Resources	94,680
"Witness Trees" Urban Forestry Program	The Nature Conservancy	Community Engagement	50,000
Subtotal			***$1,980,000***
Upper Choptank Watershed (Shore Rivers)			
Poor House Run Stream Restoration	Shore Rivers	Stream Restoration	$1,033,233
Pealiquor Road Stormwater Wetland	Caroline County	Stormwater Management	500,000
Hannah Henry Way Stormwater Projects	To Be Determined	Stormwater Management	120,000
Fish Passage	U.S. Fish and Wildlife Service	Aquatic Resources	140,000
Producer-led Agricultural Projects Outreach	Talbot and Caroline Soil Conservation Districts	Community Engagement	105,000
Biological Monitoring	Maryland Biological Stream Survey	Watershed Monitoring	6,767
Community Engagement	JBO Conservation	Community Engagement	75,000
Subtotal			***$1,980,000***
Newport Bay Watershed (Maryland Coastal Bays)			
Berlin Stormwater Upgrades	Town of Berlin	Stormwater Management	$650,000
Hudson Branch Stream Restoration	Town of Berlin	Stream Restoration	870,000
Horner and Bay Creek Marsh Restoration Design	U.S. Fish and Wildlife Service	Marsh Restoration	199,650
Community Engagement Plan	Assateague Coastal Trust and Lower Shore Land Trust	Community Engagement	115,000
Whole Watershed Coordinator	Maryland Coastal Bays	Program Administration	80,350

Project Name	Additional Partners	Project Type	Funding
Biological Monitoring	Maryland Biological Stream Survey	Watershed Monitoring	65,000
Subtotal			***$1,980,000***
Severn River Watershed (Resilience Authority of Annapolis and Anne Arundel County)			
Key Point Giant Stormwater Management	Severn River Association and BayLand Consultants	Stormwater Management	$254,109
Wardour Stormwater Management	Severn River Association and BayLand Consultants	Stormwater Management	147,000
Merryman Stream Restoration	City of Annapolis and Resilience Authority	Stream Restoration	831,038
Brewer Hill Cemetery Step Pool Conveyance	City of Annapolis and Resilience Authority	Community Engagement	125,000
Rideout Creek Gully Prevention	Severn RiverKeeper and Underwood & Associates	Stormwater Management	162,500
Build a Reef	Oyster Recovery Partnership	Aquatic Resources	25,000
Truxton Cove Submerged Wetland	Spa Creek Conservancy and Biohabitats	Stormwater Management	340,000
Watershed Planning & Design	Full Partnership	Community Engagement	95,353
Subtotal			***$1,980,000***
Programwide Support			
Program Administration ($20,000 Per Watershed)	Project Sponsors	Program Administration	$100,000
Watershed Monitoring ($250,000 Per Watershed)	To Be Determined	Watershed Monitoring	1,250,000
Subtotal			***$1,350,000***
Total			**$11,248,876**

Source: Department of Natural Resources

Exhibit 13
Whole Watershed Act Project Type, Amount, and Number
Fiscal 2026



	Program Administration	Marsh Restoration	Agricultural Conservation	Forestry Plantings	Aquatic Resources	Public Access	Community Engagement	Watershed Monitoring	Stormwater Management	Stream Restoration	Total
Project Type Amount	$100,000	$199,650	$220,820	$385,650	$409,680	$540,320	$720,703	$1,332,767	$3,553,609	$3,785,677	$11,248,876
Project Type Number	1	1	1	3	4	2	8	4	9	4	37

Source: Department of Natural Resources

The Whole Watershed Fund consists of revenue distributed from six programs or sources. The total amount provided in fiscal 2026 was $10.0 million in the fiscal 2026 legislative appropriation, comprised of $5.0 million from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund and $5.0 million from the Bay Restoration Fund with an additional $1.25 million provided for watershed monitoring. The fiscal 2026 Whole Watershed Fund Report notes a total of $11.3 million in fiscal 2026 funding and notes that MDA's funding is accounted for separately. MDA is not listed as playing a formal role in any of the projects selected. In addition, it is not clear what the funding sources and amounts are for fiscal 2027 and whether ongoing maintenance funding is being considered for projects beyond the five-year window. There is $5.0 million in Chesapeake and Atlantic Coastal Bays 2010 Trust Fund special funds for fiscal 2027, but the other funding sources have not been clearly delineated.

DLS recommends that the Administration comment on why the Whole Watershed Fund special fund does not reflect all funding sources in the fiscal 2027 budget, the amount of funding budgeted for the Whole Watershed Act in fiscal 2027, and how the funding will support the proposals to be selected. The Administration should also comment on why only one explicit agricultural project was selected for fiscal 2026 despite three of the watersheds having an agricultural sector focus, why MDA's funding is being accounted for separately, why MDA is not reflected as playing a formal role in any of the projects selected in fiscal 2026, and whether any decisions have been made about providing long-term maintenance funding to ensure projects are successful.

DLS also recommends that DNR, in cooperation with its partner BayStat agencies, submit a report with the fiscal 2028 allowance describing the Whole Watershed Act funding by amount and source; the status of each project; the use of the fiscal 2027 and 2028 funding since the RFP is every five years; how projects will be funded over multiple years assuming uncertain appropriations to the Whole Watershed Fund each fiscal year; and preliminary outcomes of the projects selected, including State support provided to project sponsors and nutrient and sediment reductions. This recommendation will also appear in the operating budget analysis for K00A – DNR.

3. Revised Chesapeake Bay Watershed Agreement

On June 30, 2025, the Chesapeake Bay Program released a draft revised Chesapeake Bay Watershed Agreement (draft agreement), which is intended to chart a course for bay restoration beyond 2025. The draft agreement alters the structure of the Chesapeake Bay Watershed Agreement by consolidating the previous 31 outcomes and 10 overall goals to 21 outcomes across 4 goals relating to (1) thriving habitat and wildlife; (2) clean water; (3) healthy landscapes; and (4) engaged communities. The draft agreement received pushback from environmental groups, who raised concerns regarding accountability, scaled back restoration targets, the lack of defined nutrient pollution reduction targets, and delayed deadlines. Based on public feedback, representatives of the bay jurisdictions proposed changes to the draft agreement during the Chesapeake Bay Program Management Board's retreat that started in late September. The board did not make a formal decision on any changes during the retreat due to the federal government

shutdown beginning on October 1, 2025, which left representatives from key federal agencies unable to participate in the board's deliberations. However, the board met again on October 9, 2025, and agreed (in the absence of most of the relevant federal agencies other than EPA) on several key changes, including adopting a 2040-time horizon for the revised Chesapeake Bay Watershed Agreement, despite support from both Maryland and Virginia to set an earlier target of 2035. The final revised agreement was approved at the December 2, 2025 meeting of the Chesapeake Executive Council with a 2040 restoration requirement and no plan for a mid-term assessment. **DLS recommends that the Administration brief the committees on the policy implications of pushing out the restoration requirement to 2040 under the revised agreement; what this means for programs, policies, and funding going forward; and what this means overall for the Chesapeake Bay.**

4. Historical and Projected Chesapeake Bay Restoration Spending Report and Next Steps Towards the New Calendar 2040 Deadline

The committees requested that the Maryland Department of Planning, DNR, MDA, MDE, and DBM provide a report by December 1, 2025, on recent and projected Chesapeake Bay restoration spending and associated impacts, and the overall framework to meet the calendar 2025 requirement of having all BMPs in place to meet water quality standards for restoring the Chesapeake Bay. The new 2040 deadline approved in the revised Chesapeake Bay Watershed Agreement is not addressed or mentioned in the report.

The report notes the following.

- ***Likelihood of Meeting 2025 Deadline:*** Maryland's path toward the 2025 restoration deadline is looking increasingly constrained. Past phosphorus and sediment reductions have been sufficient to meet the deadline, but nitrogen reductions have not been sufficient.

- ***Programmatic Enhancements:*** The Governor's executive order signed July 26, 2023, established the Governor's Council on the Chesapeake and Coastal Bays Watershed, the Whole Watershed Act Fund, the Conowingo WIP, and the Leaders in Environmentally Engaged Farming program, which will help accelerate progress.

- ***Post-2025 Unaccounted Additional Loads:*** Model updates require Maryland to reduce an additional 1.5 million pounds of nitrogen after the 2025 deadline, which will be difficult to achieve.

- ***Water Quality Monitoring Trends:*** Total nitrogen concentrations between calendar 1999 and 2024 reflect 73.4% of stations having improved nitrogen levels, 2.4% of stations have degraded nitrogen levels, and 24.2% of stations do not have significantly different nitrogen levels.

- ***Enhanced Nutrient Removal Refinement:*** The report notes that wastewater treatment plants upgraded to enhanced nutrient removal technology are approaching their 20-year anniversary and that additional funding will be needed to ensure that the WWTPs continue to meet their 2025 target loads. MDE is offering 100% funding for comprehensive engineering evaluation to all major WWTPs approaching 20 years of enhanced nutrient removal operation. This funding is a precursor to the use of Bay Restoration Fund funding by the major WWTPs to do enhanced nutrient removal refinement. However, to be eligible for Bay Restoration Fund funding, the WWTPs will need to achieve a new goal of 2.85 milligrams per liter for nitrogen. The cost of the enhanced nutrient removal refinement upgrades is estimated to be close to $900 million, which will not be affordable if the Bay Restoration Fund fee sunsets to half its current amount in June 2030, as currently planned in statute.

Looking forward, it may be beneficial for the Administration to consider past plans for reaching Maryland's Chesapeake Bay restoration goals. Some of the highlights of these past plans are as follows:

- ***Regional Financing Authority:*** A regional financing authority was recommended by the Chesapeake Bay Watershed Blue Ribbon Finance Panel. The authority was not adopted but has resurfaced as an option through the Conowingo WIP. The key to the authority would be the ability to pay for the cost-effective reductions wherever they occur in the watershed instead of each member of the Chesapeake Bay partnership attempting to pay for higher-cost practices going forward now that the lower cost practices have likely all been funded. However, this may be frustrated by parochial funding decisions and the fact that the Chesapeake Bay restoration effort has shifted to a more local shallow-water aquatic resource restoration approach.

- ***Impervious Surface Fee:*** An impervious surface fee was originally considered as the funding source for the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. Stakeholders could not agree on a suitable proposal for the fee and thus the idea was dropped in favor of the current tax funding arrangement. Reconsidering something like an impervious surface fee would be important not just for revenue considerations but perhaps more importantly for development pattern behavior change.

- ***Natural Capital Accounting:*** Chapters 237 and 238 of 2022 made changes to a broad variety of existing programs related to environmental conservation and natural resources management and expanded opportunities for agencies to obtain private investment and financing for State environmental projects, including conservation efforts, restoration projects, and the installation and repair of green and blue infrastructure. Chapters 237 and 238 also created a new Task Force on State and Local Government Accounting for Natural Capital. One component of the task force's work was to make recommendations regarding public accounting and auditing practices that could help State and local governments to better quantify and value natural capital alongside traditional asset accounting. The task force submitted a report dated September 30, 2023, but to date, it does not appear that the

hopes that Government Accounting Standards Board 62 guidance concerning natural capital accounting has been realized.

- ***Farmer Engagement:*** The Leaders in Environmental Engaged Farming program is intended to incentivize farm conservation and ambassadorship but, to date, there appears to have been little progress. For instance, a progress report required by fiscal 2026 Budget Bill language has yet to be submitted. An alternative approach similar to the Tributary Strategies model of bottom-up engagement of various communities such as the agricultural community is being piloted by Envision Choptank, the sponsor for the Upper Choptank Watershed selected as one of the five Whole Watershed Act watersheds. The model being explored is called the Producer-Led Bundling Agricultural Practices Project Concept and involves collaborative learning between the agricultural community and the greater Chesapeake Bay restoration effort. This bottom-up collaborative approach that sees farmers as ambassadors for good farming practices may be a more cost-effective approach to agricultural community engagement than the top-down Leaders in Environmentally Engaged Farming program.

- ***Septic System Regulation:*** MDE adopted a new septic system regulation that became effective on November 24, 2016. The regulation removed the universal requirement for all new construction or replacement septic systems outside of the Chesapeake and Atlantic Coastal Bays Critical Area (critical area) to use Best Available Technology for removal of Nitrogen systems. At the time, the Administration noted that there may be an increase of approximately 50,000 pounds of nitrogen over the next 10 years. Revisiting the septic system regulation may be of assistance in curbing septic system loading of nutrients.

DLS recommends that the Administration comment on the plan for meeting the new 2040 Chesapeake Bay restoration requirement; the implications of the 2040 restoration requirement for funding; the need and prospects for enhanced nutrient removal refinement given the current sunset of the Bay Restoration Fund fee on June 30, 2030; and the possible reconsideration of the regional financing authority, impervious surface fee, natural capital accounting, bottom-up farmer engagement, and septic system regulations.

DLS also recommends that committee narrative be adopted requesting a report from the agencies for the fiscal 2028 budget submission on updated historical and projected Chesapeake Bay spending and associated impacts and both the final status of meeting the calendar 2025 requirement of having all BMPs in place to meet water quality standards for restoring the Chesapeake Bay and the new 2040 requirement. The report should include updated information on how the loads associated with the Conowingo Dam infill, population growth for both people and animals, and climate change will be addressed; the status of staffing and preventive maintenance at the 67 major WWTPs; the status of the Soil Conservation District field positions in terms of Soil and Water Quality Conservation Plan development and BMP implementation; and the long-term plans for reducing loading from the stormwater sector. For administrative purposes, this committee narrative will appear in the operating budget analysis for K00A – DNR.

5. Conowingo Dam WIP, Relicensing and Settlement Agreement

The Conowingo Dam, a peaking hydroelectric facility that uses reservoir storage to generate electricity during peak electricity demand periods, has been described as the largest BMP on the Susquehanna River because it collects sediment and associated nutrients that would otherwise flow into the bay. However, the dam, owned by Constellation Energy (formerly Exelon Corporation), has reached its sediment storage capacity. As a result, the jurisdictions have a reduction target of 6.0 million pounds of nitrogen and 260,000 pounds of phosphorus under a separate WIP managed by MDE, the Pennsylvania Department of Environmental Protection, and the New York State Department of Environmental Conservation with a trio of third parties contracted to help with certain tasks. The ultimate implementation of the WIP is the responsibility of the jurisdictions.

Conowingo Dam WIP

The final Conowingo Dam WIP submitted to EPA for review in September 2021 reflects an over-the-target reduction of 6.75 million pounds of nitrogen per year. The total annualized cost of nitrogen reduction is still to be determined but ranges from $53.3 million to $253.0 million per year. In its January 2022 evaluation of the final Conowingo Dam WIP, EPA raised concerns over the need to distinguish restoration activities under the Conowingo Dam WIP from activities that are already pledged under the bay jurisdictions' Phase III WIPs as well as the need to identify dedicated funding mechanisms. On July 19, 2022, based on EPA guidance, the Principals' Staff Committee reached consensus that Maryland, New York, and Pennsylvania can use a phased approach that extends beyond calendar 2025 to address nutrient loads from the Conowingo Dam, indicating that this approach will allow time to build the organizational infrastructure necessary to implement the final Conowingo Dam WIP.

The Conowingo Dam WIP is the first of three activities to be addressed by the third-party contractors and reflects the recommended BMP implementation strategy. The two remaining activities to be addressed by the third-party contractors include the development and implementation of (1) a financing strategy (Phase I of the financing strategy was completed on July 1, 2021, by the University of Maryland Center for Global Sustainability and covers the 2022 to 2025 time period) and (2) a system for tracking, verifying, and reporting BMP implementation to be completed by the Chesapeake Conservancy. A letter of agreement template was completed in September 2021 and approved by the Chesapeake Bay partnership. The letter of agreement template provides jurisdictions a legal/contractual mechanism to contribute funding toward the Conowingo Dam WIP implementation, but it does not commit any jurisdiction to provide funding. Instead, it appears that the financing strategy relies on the $25.0 million provided in MDE's fiscal 2023 budget, although the Administration did note in its 2023 session agency testimony that New York committed $500,000 to Conowingo practices, the Susquehanna River Basin Commission identified a $6 million grant program that can fund Conowingo BMPs, and Maryland was working with Pennsylvania on a Conowingo set-aside in Pennsylvania's $22 million clean water procurement program run by PennVest. The Conowingo WIP Steering Committee's June 3, 2024 meeting notes reflect that the Chesapeake Conservancy distributed documentation

outlining the work on tracking and reporting BMP implementation, but it is not clear whether the work has been completed.

Maryland's fiscal 2023 budget included $25.0 million for a Conowingo Dam WIP project in MDE to implement nutrient control actions under the Conowingo Dam WIP. The 2022 JCR included committee narrative requesting two reports concerning the Conowingo Dam WIP funding. The first report on a non-State funding match was due 30 days after the non-State match has been secured, and a second report on how funds would be spent was due 30 days before the spending of the fiscal 2023 funding. In addition, the budget committees expressed the intent that the funding be used only for the purchase or implementation of cost-effective pollution load reduction BMPs, with at least a 15-year beneficial life that support the Chesapeake Bay Program partnership's efforts to achieve the Chesapeake Bay TMDL, with a priority placed on the purchase or implementation of fixed natural filter practices as defined in § 8-701 of the Agriculture Article. The reports were requested in light of the lack of an agreed-upon funding strategy for the Conowingo Dam WIP and the uncertainty about how the funding was to be used. The triggering events did not occur during fiscal 2023, so the reports were not submitted.

A January 4, 2023 BPW agenda item for MDE approved the use of the $25.0 million in pay-as-you-go general funds for the Conowingo Dam WIP – Nutrient Reduction project. The funding is being used according to the pay-for-performance financing model. The Susquehanna River Basin Commission – the fiscal agent selected for the project – initiated an RFP that closed on January 22, 2024. On August 15, 2024, the Susquehanna River Basin Commission announced $11.4 million in projects. The commission announced a round 2 RFP with a December 16, 2024 closing. DBM submitted a budget amendment in November 2025 to release the remaining $9.0 million in the Dedicated Purpose Account to MDE. To date, the round 2 projects have not been brought to BPW because of a funding transfer delay.

Conowingo Dam Relicensing and Settlement Agreement

Constellation Energy initiated the relicensing proceedings in calendar 2009 before the 2014 expiration of the prior license. The dam received automatic one-year renewals until relicensing was approved; FERC could not act on the relicensing application until MDE issued a CWA Section 401 water quality certification. On April 27, 2018, MDE issued the water quality certification with special conditions, which led Constellation Energy to file an administrative appeal with MDE and lawsuits in federal and State court. Ultimately, on October 29, 2019, the State announced a settlement agreement between MDE and Constellation Energy that requires Constellation Energy to invest more than $200 million in environmental projects and operational enhancements to improve water quality over the 50-year license term. FERC approved the settlement and issued a new license to Constellation Energy for Conowingo Dam on March 18, 2021. Although the settlement and FERC's issuance of the new license resolved the litigation against MDE, there were ongoing challenges regarding the water quality certification and relicensing of the dam. On June 17, 2021, environmental advocacy groups filed a petition for review in federal court to challenge FERC's issuance of the new license, and on July 19, 2021, the Maryland Attorney General filed a motion to intervene on the petition for review.

On December 20, 2022, the U.S. Court of Appeals for the District of Columbia Circuit ordered the Conowingo Dam license to be vacated. The ruling was based on the idea that FERC has the power to issue a license in two circumstances: (1) where a state has granted a water quality certification; or (2) where the state has waived its authority to certify by failing or refusing to act. FERC erred by taking a third route and issuing a license based on a private settlement arrangement entered into by Maryland, despite Maryland issuing the April 27, 2018 certification.

On June 1, 2023, MDE resumed its administrative review of the 2018 water quality certification by sending a letter to Constellation Energy and two environmental advocacy groups – Waterkeepers Chesapeake and Lower Susquehanna Riverkeepers – soliciting comments. In addition, MDE issued a limited public notice opportunity on June 30, 2023. Subsequently, the Lower Susquehanna Riverkeepers and Constellation Energy sent two rounds of supplemental replies outlining arguments for and against the 2018 certification, respectively.

FERC published a rule on November 21, 2024, clarifying that the reasonable period of time during which the certifying authority – MDE in this case – may act on a water quality certification request is one year from the certifying authority's receipt of the request. According to FERC, MDE emphasized in its comments that the one-year timeframe is reasonable if the application submitted is complete or nearly complete, which MDE noted is crucial for the certifying authority; more than one year has elapsed since Constellation Energy submitted its water quality certification request to MDE. This raises the question about how FERC's clarification impacts MDE's action on Constellation Energy's water quality certification request. Once again, the future of the settlement agreement between MDE and Constellation Energy, which required Constellation Energy to invest more than $200 million in environmental projects and operational enhancements to improve water quality over the 50-year license term, remained unclear. MDE has noted that the settlement agreement payments were paused while mediation was pursued.

On October 2, 2025, Governor Wes Moore announced a new settlement agreement with Constellation Energy paving the way for approval of the water quality certification. **Exhibit 14** shows the initial $6.3 million in 2019 Settlement Agreement payments made by Constellation Energy out of the $200 million overall commitment. MDE is authorized to retain these payments, and the payments do not count towards the amount of the new settlement agreement.

Exhibit 14
2019 Settlement Agreement Payments Received
October 2025

Purpose	Payment Received
Mussel Restoration	$2,000,000
Water Quality Projects	1,500,000
Eel Passage Research	1,000,000
Resiliency Projects	500,000
Sediment Disposal Study	500,000
Oversight Cost Reimbursement	300,000
Scour Mitigation	250,000
Litigation Expense Reimbursement	250,000
Total	**$6,300,000**

Source: Maryland Department of the Environment

The new settlement agreement includes commitments totaling more than $340 million, according to a press release from the Governor's Office. As shown in **Exhibit 15**, the amount enumerated in the press release is $244.8 million, which partially may reflect the complexity of accounting for the linking of payments to the consumer price index. Of note, the commitments include $18.7 million for dredging, which has not been found to be a cost-effective method for addressing nutrient and sediment loading from the Susquehanna River watershed. The settlement agreement notes that MDE will make further determinations about dredging after the U.S. Army Corps of Engineers completes its Conowingo Reservoir Modeling Study.

Exhibit 15
Constellation Energy Settlement Agreement Commitments
October 2025
($ in Millions)

Purpose	Description	Amount
Water Quality and Resiliency	Support pollution reduction and resiliency initiatives, including shoreline restoration, forest buffers, fish passage projects and planting underwater grasses.	$87.6

Purpose	Description	Amount
Trash and Debris Removal	Strengthen efforts to clear debris with practices like barging for removal.	77.8
Aquatic Life Passage	Construct fish and eel passage improvements and protections at the dam for American shad, river herring, and freshwater mussels.	28.0
Freshwater Mussel Restoration	Build and operate a hatchery that will seed the river with mussels.	23.3
Dredging	Support additional studies on dredging and related activities.	18.7
Invasive Species Management	Control destructive species like snakehead and blue catfish.	9.4
Total		**$244.8**

Source: The Office of Governor Wes Moore

DLS recommends that the Administration comment on the budget committees' past concerns about the status of contributions from other states toward the Conowingo Dam WIP and whether the round 1 projects chosen by the Susquehanna River Basin Commission meet the intent of the committees. The intent is that the $25.0 million allocated to this purpose in fiscal 2023 be used only for the purchase or implementation of cost-effective pollution load reduction BMPs with at least a 15-year beneficial life that support the Chesapeake Bay Program partnership's efforts to achieve the Chesapeake Bay TMDL, with a priority placed on the purchase or implementation of fixed natural filter practices as defined in § 8-701 of the Agriculture Article.

In addition, DLS recommends that the Administration comment on what is known about the responses to the round 2 RFP; what portion of the $13.6 million in remaining funding will be used for these proposals; how tracking, verifying, and reporting BMP implementation will be handled; why over a year has elapsed since the round 2 RFP closed with no BPW actions; and the next steps for Maryland's funding and overall involvement in the Conowingo Dam WIP.

DLS also recommends that the Administration comment on the next steps for Conowingo Dam water quality certification and relicensing as well as the timing and amount of the full settlement agreement between MDE and Constellation Energy and how this compares to the prior settlement agreement. Finally, DLS recommends that MDE comment on the status of the U.S. Army Corps of Engineers Conowingo Reservoir Modeling Study, what it expects to learn from the study, and how this will inform its next steps.

Operating Budget Recommended Actions

1. Nonbudgeted.

Appendix 1
Overview of Maryland's Funding for Chesapeake Bay Restoration
Fiscal 2023-2027

	Actual 2023	Actual 2024	Actual 2025	Approp. 2026	Allowance 2027	$ Change 2026-2027	% Change 2026-2027
Agency/Program Total Funds							
Department of Natural Resources[1,2]	$116,930,555	$113,395,843	$150,526,341	$159,894,991	$161,488,684	$1,593,693	1.0%
Program Open Space	93,528,126	106,233,129	12,638,450	11,596,400	31,005,630	19,409,230	167.4%
Rural Legacy	26,387,542	33,424,164	15,329,028	4,404,210	13,400,880	8,996,670	204.3%
Department of Planning	6,004,807	6,729,792	6,383,412	6,260,629	6,823,194	562,565	9.0%
Department of Agriculture	58,302,885	65,775,334	57,532,747	60,529,382	71,152,876	10,623,494	17.6%
Maryland Agricultural Land Preservation Foundation	85,052,216	97,505,036	39,710,102	21,717,216	41,911,503	20,194,287	93.0%
Maryland Department of the Environment	325,331,261	409,806,530	288,491,873	383,479,530	407,105,988	23,626,458	6.2%
Maryland State Department of Education	532,584	743,515	773,515	743,515	743,515	0	0.0%
Maryland Higher Education	32,325,303	30,824,498	30,758,143	65,735,072	66,283,423	548,351	0.8%
Maryland Department of Transportation	48,784,925	255,201,300	35,484,817	60,476,341	88,093,001	27,616,660	45.7%
Total	**$793,180,204**	**$1,119,639,141**	**$637,628,428**	**$774,837,286**	**$888,008,694**	**$113,171,408**	**14.6%**
Fund Type							
General Fund	$46,645,572	$74,614,316	$58,238,488	$55,271,679	$55,378,069	$106,390	0.2%
Special Fund[1]	538,392,851	615,412,783	298,854,702	421,023,389	400,341,927	-20,681,462	-4.9%
Federal Fund[3]	81,664,521	97,613,410	161,029,622	121,558,093	144,174,621	22,616,528	18.6%
Reimbursable Funds[3]	31,495,431	32,070,834	30,774,169	31,607,832	40,676,653	9,068,821	28.7%
Current Unrestricted	7,889,528	8,230,689	9,256,088	42,359,344	41,840,480	-518,864	-1.2%
Current Restricted	24,435,775	22,593,808	21,502,055	23,375,727	24,442,943	1,067,216	4.6%
General Obligation and Revenue Bonds[2]	13,871,600	13,902,000	22,488,487	19,164,880	93,061,000	73,896,120	385.6%

	Actual 2023	Actual 2024	Actual 2025	Approp. 2026	Allowance 2027	$ Change 2026-2027	% Change 2026-2027
Maryland Department of Transportation Funds	48,784,925	255,201,300	35,484,817	60,476,341	88,093,001	27,616,660	45.7%
Total	**$793,180,204**	**$1,119,639,141**	**$637,628,428**	**$774,837,286**	**$888,008,694**	**$113,171,408**	**14.6%**
Spending Category							
Land Preservation	$206,145,804	$238,618,786	$69,230,467	$42,863,733	$87,962,034	$45,098,301	105.2%
Septic Systems	22,383,807	23,169,792	21,701,176	22,760,629	23,323,194	562,565	2.5%
Wastewater Treatment	279,054,725	325,598,140	212,351,715	291,381,358	309,351,041	17,969,683	6.2%
Urban Stormwater	46,808,253	46,089,717	48,802,076	64,367,160	99,392,471	35,025,311	54.4%
Agricultural BMPs	78,062,971	92,588,049	84,432,747	87,525,406	98,148,893	10,623,487	12.1%
Oyster Restoration	6,937,582	7,863,037	10,972,976	13,909,132	8,168,480	-5,740,652	-41.3%
Transit and Sustainable Transportation Alternatives	15,920,629	220,560,090	249,892	1,478,144	565,006	-913,138	-61.8%
Living Resources[1,2]	69,756,100	64,049,063	89,743,553	97,081,129	105,039,580	7,958,451	8.2%
Education and Research	32,907,887	31,773,597	34,699,271	70,223,022	70,770,793	547,771	0.8%
Other	35,202,446	69,328,871	65,444,555	83,247,573	85,287,202	2,039,629	2.5%
Total	**$793,180,204**	**$1,119,639,141**	**$637,628,428**	**$774,837,286**	**$888,008,694**	**$113,171,408**	**14.6%**

BMP: best management practice

[1] Reflects an additional $1,970,000 in general obligation bonds in fiscal 2023 for the Resiliency through Restoration Initiative Program (formerly the Coastal Resiliency Program) that were inadvertently left out of the Appendix L of the Governor's Budget Highlights.
[2] Reflects $13,620,000 in special funds in fiscal 2023 for the Oyster Restoration Program that were inadvertently left out of the Appendix L of the Governor's Budget Highlights.
[3] Reflects the correction for the inadvertent coding of reimbursable funds as federal funds.

Note: This presentation only includes State agency programs that have over 50% of their activities directly related to Chesapeake Bay restoration. In addition, funding related to salaries and fringe benefits does not reflect health insurance or increment adjustments.

Source: Department of Budget and Management