

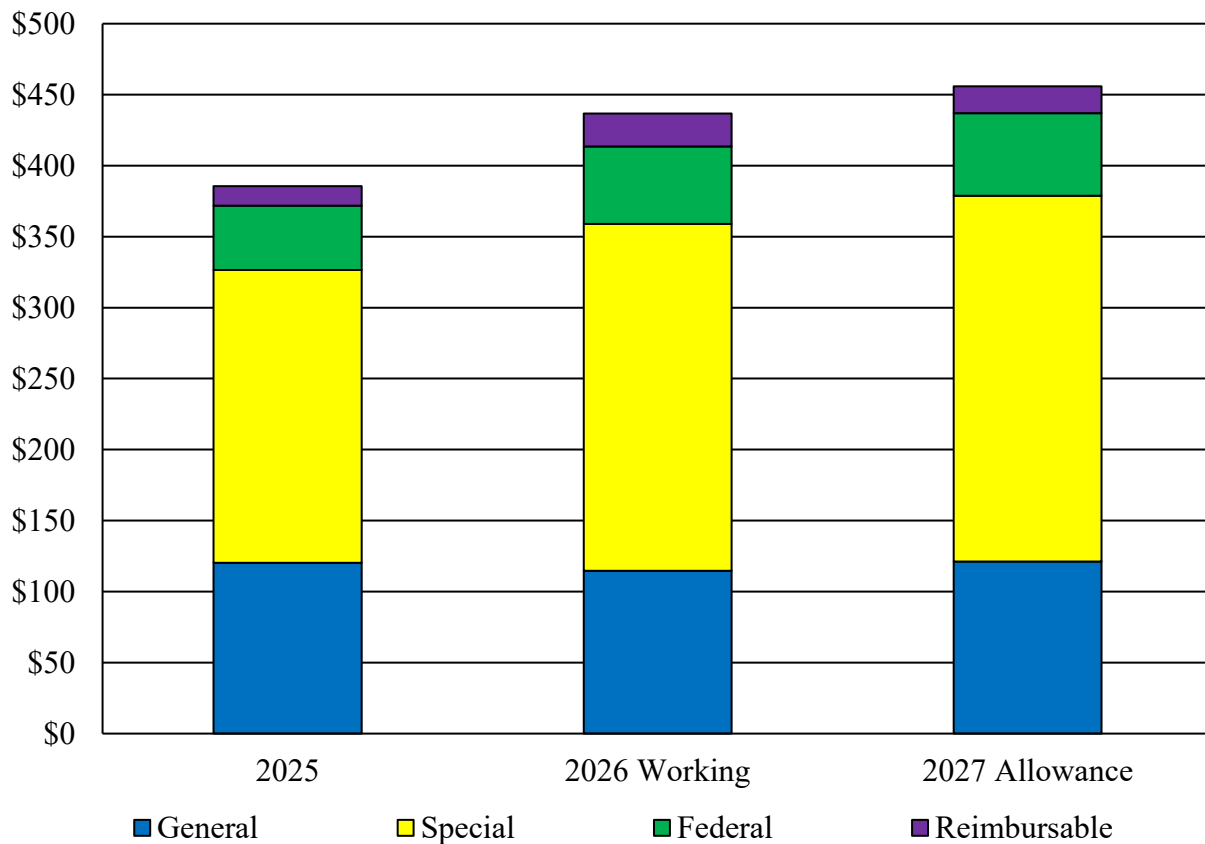
K00A
Department of Natural Resources

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 2027 Budget Increases \$19.2 Million, or 4.4%, to \$455.8 Million
(\$ in Millions)**



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

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- The fiscal 2027 operating budget includes two fiscal 2026 deficiency appropriations: a reduction of \$500,000 in general funds in the Natural Resources Police (NRP) and a corresponding increase of \$500,000 in special funds from expected revenue increases to the State Boat Act Fund; and an increase of \$750,000 in special funds from the Somers Cove Marina Improvement Fund to fund the management of the marina.
- DNR’s budget was impacted by two federal rescissions: a reduction for oyster production, which was backfilled with general obligation (GO) bond funding from the Oyster Restoration Program; and a reduction of AmeriCorps funding, which was temporarily replaced with Forest or Park Reserve Funds.
- The largest funding changes between the fiscal 2026 working appropriation and the fiscal 2027 allowance are an increase of \$23.1 million for salary adjustments for regular positions and contractual full-time equivalents (FTE) and a decrease of \$6.5 million in Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grant funding.

Key Observations

- ***State Park Visitation Decline Levels Off; New Day-use Reservation System Reduces Capacity Closures:*** The number of visitors decreased for the fourth year in a row from fiscal 2024 to 2025 but is still above prepandemic levels. The park capacity closures increased from 139 in calendar 2022 to 145 in calendar 2023 and then increased again to 158 in calendar 2024 but has since declined to 131 in calendar 2025. In spring and summer 2025, the Maryland Park Service (MPS) expanded its reservation system through a different vendor to require day-use reservations for weekends and holiday daytime visits between Memorial Day weekend and Labor Day for five heavily visited State parks: Greenbrier; Sandy Point; Point Lookout; Newtowne Neck; and North Point. The institution of the day-use reservation system at these five parks substantially reduced traffic backups and eliminated capacity closures.
- ***Crab Population Declines Slightly; Harvesting Restrictions Continued:*** The Winter Dredge Survey results show the crab population decreased from 317 million crabs in calendar 2024 to 238 million crabs in calendar 2025, which is the second lowest Winter Dredge Survey crab population in the time series. DNR issued commercial male hard crab and mature female hard crab catch limits for July through December 2024 and recreational hard crab catch and possession limits for July 2024 through June 2025, which were adopted unchanged for July 2025 through June 2026. The blue crab benchmark stock assessment is expected in spring 2026.
- ***Maryland Juvenile Striped Bass Index Improves Slightly but Still Low; Harvest Regulations Modified to Support Juveniles:*** The most recent juvenile striped bass survey on October 15, 2025, reflects that the 2025 young-of-year index was 4.0, an improvement

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upon the calendar 2024 index of 2.0, but well below the long-term average of 11.0. DNR proposed regulations in January 2026 that would tighten restrictions through a no-targeting period due to concerns that juvenile fish populations are not increasing as intended.

- ***Additional MPS Parks to Open in 2026, While Overall MPS Funding Is Uncertain:*** MPS plans to open four new properties and expand two properties across the State in calendar 2026. The new properties include the Wetipquin Creek State Park, which will be the first State park in Wicomico County, and Freedman’s State Historical Park established by the Great Maryland Outdoors Act. Increasing reliance on the Program Open Space (POS) State land acquisition balance is not sustainable. While affiliated foundations may help relieve some of the funding burden, the Gwynns Falls/Leakin Park State Partnership Park is anticipated to have operating costs of \$2.8 million and capital costs of between \$7.0 million and \$18.0 million.
- ***Power Plant Assessment Program Funding Needs Addressed Temporarily:*** The Power Plant Assessment Program has been flooded with certificates of public convenience and necessity for utility-scale solar projects and transmission line upgrades. To address the funding needs associated with the additional workload, the Budget Reconciliation and Financing Act (BRFA) of 2026 includes a provision expanding the use of the Strategic Energy Investment Fund (SEIF) for the use of the Power Plant Assessment Program.
- ***Somers Cove Marina Management Transferred to DNR with Bad Debt:*** Chapter 444 of 2025 (Natural Resources – Repeal of Somers Cove Marina Commission and Improvement Fund and Alteration of Operations) transferred management of the Somers Cove Marina from the Somers Cove Marina Commission to DNR. A fiscal 2026 budget amendment provided \$1,125,402 from the Waterway Improvement Fund (WIF) to write off invoices owed by the commission as bad debt, given that the commission was operating at a net loss and lacked the financial capacity to pay DNR the outstanding invoices. DNR does not have a contract in place with an external management vendor and thus appears to be taking on long-term management of the marina.
- ***Audit Identifies Incomplete Revenue Transfers to Mel Noland Woodland Incentive Fund:*** DNR’s April 2025 audit included a finding about incomplete revenue transfers from the Comptroller’s Office to the Mel Noland Woodland Incentive Fund. The Comptroller’s Office did not transfer to DNR \$430,225 of the \$706,715 required for transfer under law. DNR noted in its audit response that it would work to recover the funds that should have been transferred to the fund.
- ***Climate Pollution Reduction Grants Funding Clarity Provided:*** The fiscal 2027 Maryland Department of the Environment (MDE) operating budget analysis noted the lack of clarity in how the U.S. Environmental Protection Agency’s (EPA) Climate Pollution Reduction Grants funding is being budgeted and used in the fiscal 2026 and 2027 budgets for DNR, MDE, and the Maryland Department of Agriculture (MDA). Information provided by MDE indicates that Maryland is anticipated to receive \$133.1 million over

five calendar years divided between the Atlantic Conservation Coalition and the Clean Corridor Coalition.

Operating Budget Recommended Actions

1. Adopt narrative on Chesapeake Bay restoration spending.
2. Adopt narrative on a historical and projected Chesapeake Bay restoration spending report.
3. Adopt narrative on Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans.
4. Adopt narrative on a Whole Watershed Act funding report.

Updates

- ***Report on Enhanced Management of the Merkle Wildlife Sanctuary:*** The budget committees requested that DNR report on its efforts to enhance management of the Merkle Wildlife Sanctuary to attract and retain migratory Canadian geese. The submitted report notes that DNR instituted a managed hunt program in calendar 2023 to reduce crop damage by deer, worked with the tenant farmer to amend the current agricultural lease such that 15 acres of standing corn will be retained through the 2025-2026 hunting season, and thinned hedgerows that were restricting waterfowl access to the area. A sunflower plot is also planned.
- ***Report on Recreational Fishing Data Reporting:*** The budget committees requested that DNR report on the feasibility of expanding the use of a mobile locator application to include the ability to report the recreational harvest of striped bass and other fish species. The submitted report notes that DNR has explored three methods to supplement data available through the Marine Recreational Information Program – a state-regional-federal partnership.

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Operating Budget Analysis

Program Description

DNR's mission is to lead Maryland toward a resilient future by using data, partnerships, and an innovative spirit to improve ecological, social, and economic outcomes for all communities. To accomplish this mission, DNR is structured into the programmatic units described as follows.

- ***Office of the Secretary:*** Provides overall direction and supervision; public outreach; customer service; and 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 128,000 acres of State-owned lands that are 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, maintains property records, administers the resident curatorship program, and leads the preparation of the Maryland Land Preservation and Recreation Plan.
- ***Licensing and Registration Service:*** Operates seven 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.

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- ***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. In addition, the unit also administers the Waterway Improvement Program’s capital projects – public boating access facilities and navigation channel dredging – which were recently transferred from Watershed and Climate Services.
- ***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.
- ***Watershed and Climate Services (formerly 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.
- ***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 manages the State-owned Somers Cove 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 vision is to be inspired by nature and rooted in science to improve and grow stewardship for Maryland’s natural resources. DNR’s goals are as follows.

- ***Goal 1:*** Healthy terrestrial ecosystems.
- ***Goal 2:*** Healthy aquatic ecosystems.

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- **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.

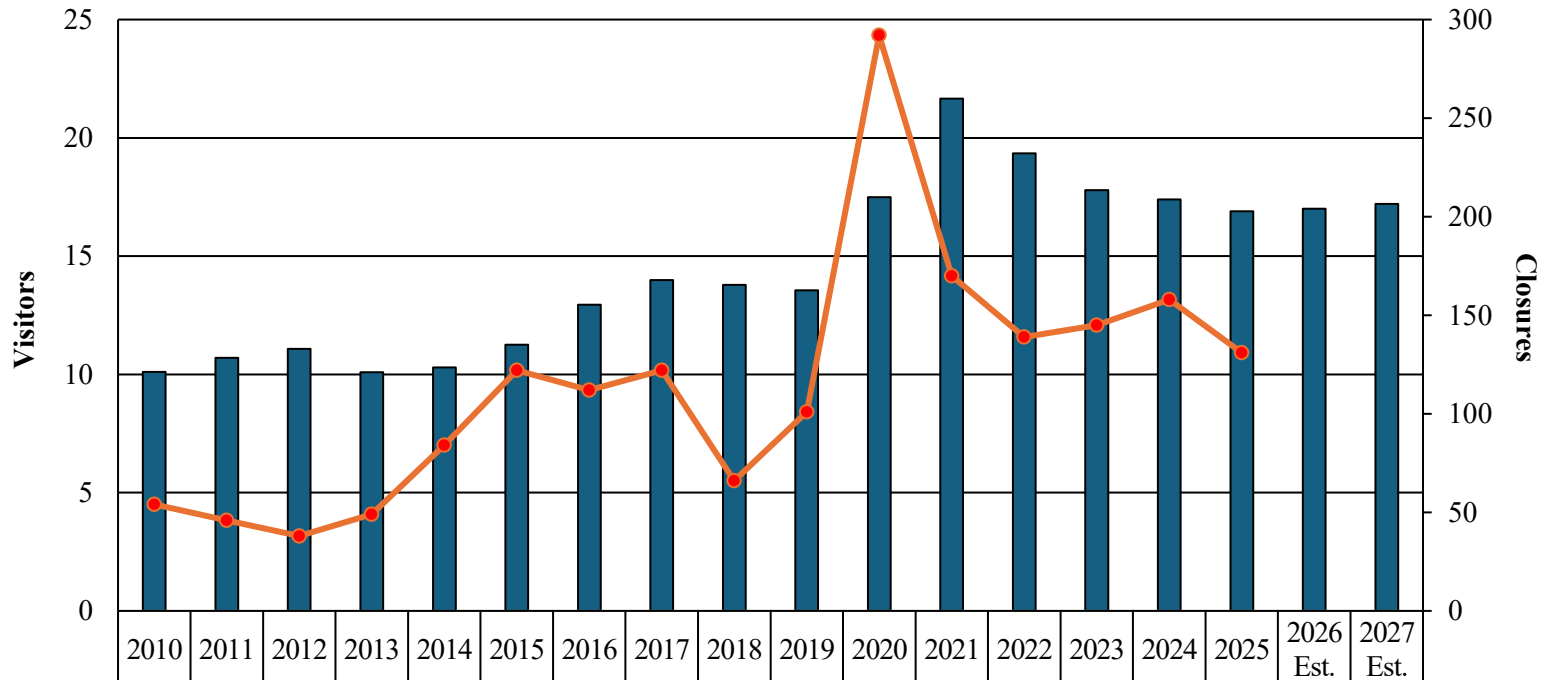
Performance Analysis: Managing for Results

1. State Park Visitation Decline Levels Off; New Day-use Reservation System Reduces Capacity Closures

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 experienced a substantial increase in visitation that forced a greater number of park capacity shutdowns and exposed equity of access concerns. Considering these conditions, Chapter 39 of 2022 was enacted, providing substantial enhancements to MPS operating and supporting capital programs. The independent park consultant study required by Chapter 39 was completed in January 2024, providing recommendations for how to deal with the increase in visitors and address capacity shutdowns.

As shown in **Exhibit 1**, MPS generally has experienced both increasing visitation and park capacity closures since calendar 2010. This trend was exacerbated with the onset of the COVID-19 pandemic in March 2020. It now appears that capacity closures peaked at 292 in calendar 2020, and park visitation peaked at 21.7 million in fiscal 2021 although the assumption is that park visitation will continue to rise with population growth. The number of visitors decreased for the fourth year in a row from fiscal 2024 to 2025 but is still above prepandemic levels. The park capacity closures increased from 139 in calendar 2022 to 145 in calendar 2023 and then increased again to 158 in calendar 2024 but has since declined to 131 in calendar 2025. MPS piloted a permit/reservation system at the Kilgore Falls and Falling Branch areas of Rocks State Park to address overcrowding. In spring and summer 2025, MPS expanded its reservation system through a different vendor to require day-use reservations for weekends and holiday daytime visits between Memorial Day weekend and Labor Day for five heavily trafficked State parks: Greenbrier; Sandy Point; Point Lookout; Newtowne Neck; and North Point. The institution of the day-use reservation system at these five parks substantially reduced traffic backups and eliminated capacity closures. **The Department of Legislative Services (DLS) recommends that DNR comment on its plans for expanding the day-use reservation system and whether the new system is changing access.**

Exhibit 1
Maryland State Park Visitors and Capacity Closures
 Fiscal and Calendar 2010-2027 Est.
 (Visitors in Millions)



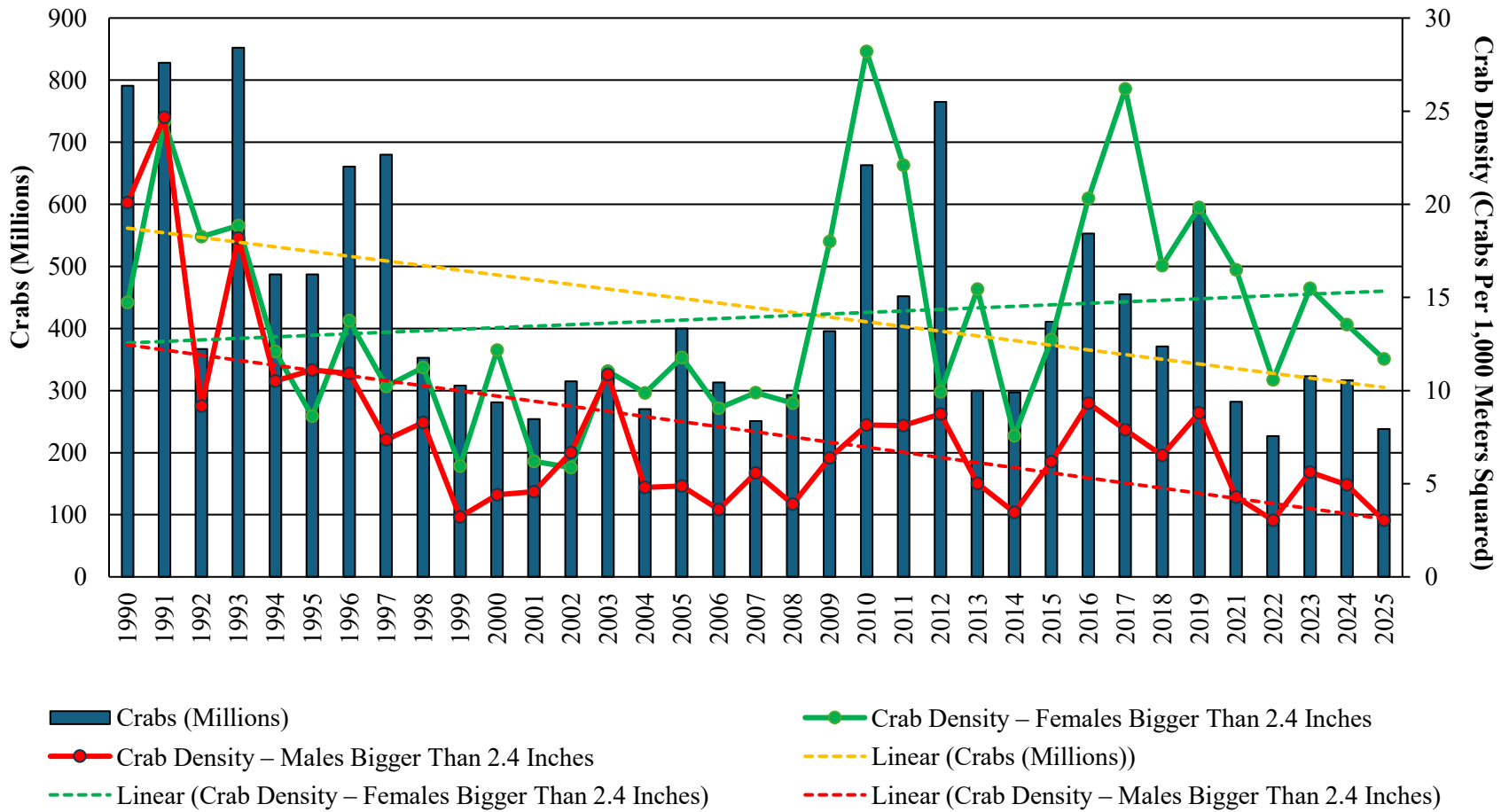
Source: Department of Budget and Management; Department of Natural Resources

2. Crab Population Declines Slightly; Harvesting Restrictions Continued

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 of female spawning age crabs relative to a 196 million female crab target and 72.5 million female crab threshold. The 2025 data on female spawning age crabs reflects a decrease from 152 million in calendar 2023 to 133 million crabs in calendar 2024 and then another decrease to 115 million crabs in calendar 2025, although this is still above the abundance threshold of 72.5 million crabs. In addition, the percentage of female crabs removed by fishing (exploitation rate) in calendar 2024 was estimated at 22%, which is below the exploitation rate management target (28%) and threshold (37%).

As shown in **Exhibit 2**, the trend is an overall decline in the crab population since calendar 1990. While there were 323 million crabs in calendar 2023, this is just one year of improvement since the 227 million level in calendar 2022, the lowest the crab population has been since the initiation of the Winter Dredge Survey – the main source of crab population statistics. There were 317 million crabs in calendar 2024, which does not appear to be a statistically relevant change from the 323 million crabs in calendar 2023, but then the crab population decreased again to 238 million crabs in calendar 2025, which is the second lowest crab population in the time series. It is particularly worrisome that the trend in 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.

Exhibit 2
Winter Dredge Survey Crab Population Statistics
Calendar 1990-2025



Source: Department of Natural Resources

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 over time. DNR has taken a number of actions to address these considerations. Most recently, DNR issued commercial male hard crab and mature female hard crab catch limits for July through December 2024, and recreational hard crab catch and possession limits for July 2024 through June 2025 which were adopted unchanged for July 2025 through June 2026. Of note, the blue crab population is naturally variable and impacted by multiple factors, including habitat availability, bay and oceanic conditions, disease, and predation, including by red drum and invasive blue catfish.

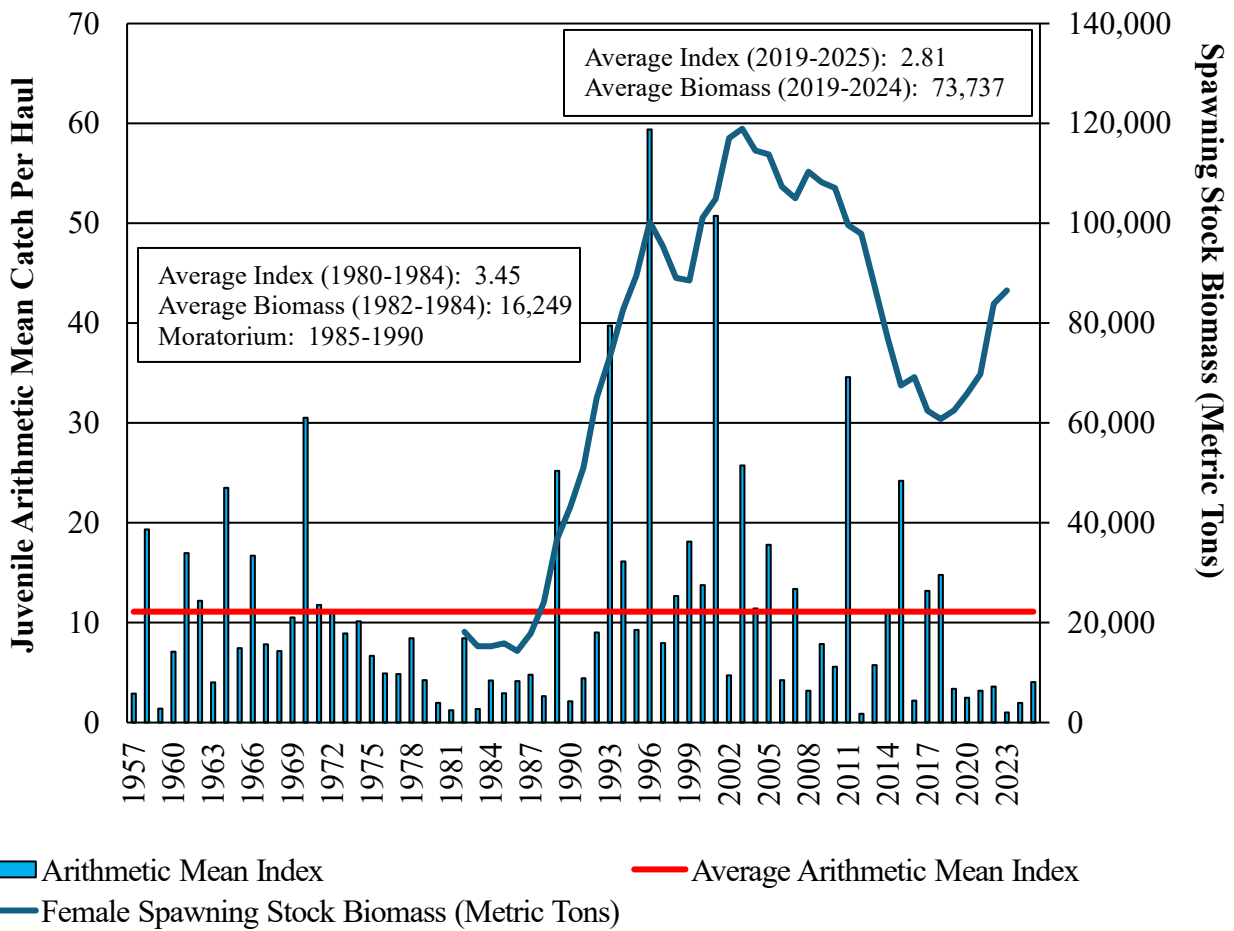
On June 5, 2025, the Chesapeake Bay Program’s Chesapeake Bay Stock Assessment Committee issued its annual blue crab advisory report, which recommended precautionary management measures focused on protecting mature females and juveniles to maintain a healthy spawning stock and to consider male crab protections due to the conservation trigger for male harvest being met several times in recent years. The report noted that, while the blue crab population is not overfished based on current biological reference points, estimated adult abundance and recruitment remain at or near the recorded lowest levels. To improve understanding of blue crab population dynamics and fishery, the Chesapeake Bay Stock Assessment Committee is conducting a benchmark stock assessment that accounts for new data and alternative model structures to evaluate and revise the management framework. The last assessment was conducted in 2011. The new assessment originally was expected to be completed by late calendar 2025 but was pushed back to March 2026. The assessment is funded by a legislative addition of \$225,000 in general funds to DNR’s fiscal 2024 budget. **DNR should comment on the status of the Chesapeake Bay Stock Assessment, any preliminary findings included in drafts of the assessment, and the attendant potential blue crab management considerations.**

3. Maryland Juvenile Striped Bass Index Improves Slightly but Still Low; Harvest Regulations Modified to Support Juveniles

Management of the striped bass fishery is also under DNR’s second goal of healthy aquatic ecosystems. DNR announced the results of the most recent juvenile striped bass survey on October 15, 2025. As shown in **Exhibit 3**, the survey reflected that the 2025 young-of-year index is 4.0, which is well below the long-term average of 11.0 and is the nineteenth lowest value since at least calendar 1957. This is an improvement upon the 2024 index of 2.0, which was the seventh lowest value since at least calendar 1957. In terms of historical precedents, the average young-of-year index for calendar 1980 through 1984 – the period immediately preceding the 1985 to 1990 striped bass fishing moratorium – was 3.45. Of concern is that the average young-of-year index for calendar 2019 through 2025 is 2.81. DNR has noted that the index does not appear to warrant a moratorium because the average spawning stock biomass – reproductive females – was only 16,249 metric tons for calendar 1980 to 1984, while it is 73,737 metric tons for calendar 2019 through 2023, or 4.5 times greater. However, DNR is still concerned that the index has been below the long-term average for the last seven years. On January 23, 2026, DNR published in the Maryland Register modifications to its Atlantic Striped Bass regulations to implement the Atlantic

States Marine Fisheries Commission’s revisions to the Interstate Fishery Management Plan for Atlantic Striped Bass. The changes to the plan allowed Maryland to modify its recreational Atlantic Striped Bass season, which DNR did by loosening restrictions on the harvest of Atlantic Striped Bass during the spring and tightening restrictions in August. Overall, total access was increased while the number of harvest days was reduced by five. The changes acknowledge that mature female abundance has improved, so spring recreational fishing restrictions can be loosened. The tightening of the August restrictions through a no-targeting period is due to concerns that juvenile fish populations are not increasing as intended due to the fish being stressed by warmer temperatures, lower amounts of oxygen in the water, and months of fishing pressure. These regulations could become effective by April 1, 2026.

Exhibit 3
Maryland Juvenile Striped Bass Index and
Atlantic Spawning Stock Biomass
Calendar 1957-2024



Source: Department of Natural Resources; Atlantic States Marine Fisheries Commission

Federal Rescissions

Federal funding rescissions by the President Donald J. Trump Administration impacted oyster production and, temporarily, the MPS' Maryland Conservation Corps – an AmeriCorps program – as follows.

- **Oysters:** In September 2025, the U.S. Department of Commerce's National Oceanic and Atmospheric Administration alerted DNR that it was reducing the final year of a four-year grant for Oyster Production for Tributary – Scale Habitat Restoration. The funding was reduced from \$800,000 to \$449,000, which DNR backfilled with \$815,693 of fiscal 2026 GO bond funding from the Oyster Restoration Program as approved by the Department of Budget and Management (DBM). The Oyster Restoration Program funding was intended to support work in the Herring Bay and Hoopers Straight sanctuaries but was instead repurposed for purchasing oyster larvae from the University of Maryland Center for Environmental Science's Horn Point Laboratory to support oyster restoration in the Nanticoke sanctuary. Any remaining GO bond funding repurposed from the Oyster Restoration Program will be used for plantings at the Herring Bay sanctuary.
- **AmeriCorps:** On April 25, 2025, the Trump Administration began notifying AmeriCorps State Service Commissions that nearly \$400 million in AmeriCorps funding was terminated. A lawsuit filed by 24 states, including Maryland, resulted in a stop order in June 2025 and eventually a resumption of funding in August 2025. During the period in which funding was rescinded, DNR funded the Maryland Conservation Corps with Forest or Park Reserve Fund special funds, ensuring the successful graduation of the impacted Maryland Conservation Corps cohort. DNR has been reimbursed for the period during which the federal funds were rescinded, and the Department of Service and Civic Innovation, which typically passes the federal funding to DNR, identified alternative funding for the AmeriCorps program in fiscal 2026.

Fiscal 2026

Status of Legislative Additions

The fiscal 2026 operating budget included a legislative addition of \$200,000 in general funds for the Deep Creek Lake Mechanical Harvester Program. The fiscal 2026 operating budget also restricted \$1,000,000 of the special fund appropriation for the purpose of protecting or restoring State-owned and State-managed lakes as supported by the State Lakes Protection and Restoration Fund to be used only to fund a Deep Creek Lake Pilot Program. The Deep Creek Lake Policy Review Board's meeting minutes note that the use of the \$1.0 million for the Deep Creek Lake Pilot Program is dependent upon the outcome of the Deep Creek Lake Mechanical Harvester Program. The harvester was used in August and September 2025 at three sites of varying depths to test whether the equipment could be used to manage submerged aquatic vegetation at Deep Creek Lake. One concern was avoiding the invasive species hydrilla, which was not impacted as

hydrilla is being treated separately. The intent was for a draft report, including an analysis of the data and a discussion of options, to be completed by January 2026. **DLS recommends that DNR comment on the status of the draft report on the Deep Creek Lake Pilot Program.**

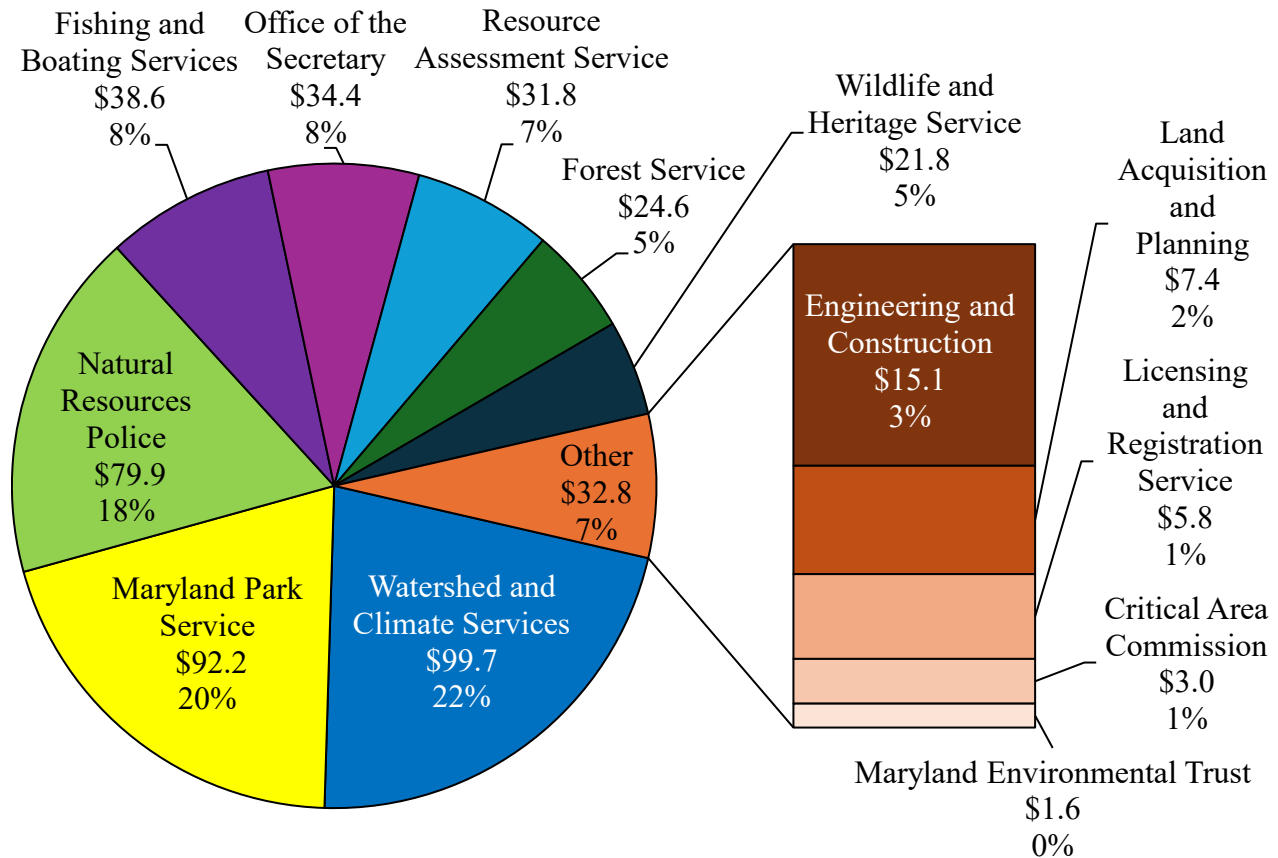
Proposed Deficiency

The fiscal 2027 operating budget includes two fiscal 2026 deficiency appropriations. The first is a reduction of \$500,000 in general funds in NRP and a corresponding increase of \$500,000 in special funds from expected revenue increases to the State Boat Act Fund. The second is an increase of \$750,000 in special funds from the Somers Cove Marina Improvement Fund to fund the management of the marina.

Fiscal 2027 Overview of Agency Spending

DNR is structured into a number of programmatic units and is staffed by 1,533 regular positions and 326.51 contractual FTEs in the fiscal 2027 allowance. **Exhibit 4** reflects the \$455.8 million spending breakdown for DNR's programmatic units. The programmatic units with the largest amount of funding are as follows.

Exhibit 4
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Thousands)



Note: The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Department of Budget and Management

- Watershed and Climate Services (\$99.7 Million, or 22%):** The primary funding is (1) \$73.7 million for grants; (2) \$16.6 million for contracts; and (3) \$8.3 million for regular positions.
- MPS (\$92.2 Million, or 20%):** The primary funding is (1) \$39.2 million for regular positions and \$13.0 million for contractual FTEs in Maryland’s parks; (2) \$12.3 million for contractual services; (3) \$7.0 million for grants; (4) \$6.9 million for fuel and utilities; (5) \$5.3 million for supplies and materials; and (6) \$4.7 million for motor vehicles.

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- ***NRP (\$79.9 Million, or 18%):*** The primary funding is (1) \$64.9 million for law enforcement officer regular positions; (2) \$9.3 million for vehicles; (3) \$1.9 million for supplies; and (4) \$1.2 million for contractual services.
- ***Fishing and Boating Services (\$38.6 Million, or 8%):*** The primary funding is (1) \$21.6 million for regular positions; (2) \$9.0 million for contracts; (3) \$2.2 million for grants; (4) \$1.6 million for supplies and materials; (5) \$1.6 million for motor vehicles; and (6) \$1.1 million for contractual FTEs.
- ***Office of the Secretary (\$34.4 Million, or 8%):*** The primary funding is (1) \$20.1 million for regular positions; (2) \$9.7 million for contracts; and (3) \$2.4 million for communications.
- ***Resource Assessment Service (\$31.8 Million, or 7%):*** The primary funding is (1) \$14.6 million for contracts; and (2) \$13.7 million for regular positions.
- ***Forest Service (\$24.6 Million, or 5%):*** The primary funding is (1) \$13.0 million for regular positions; (2) \$5.7 million for grants; (3) \$2.2 million for contractual services; (4) \$1.3 million for contractual FTEs; and (5) \$0.9 million for vehicles.
- ***Wildlife and Heritage Service (\$21.8 Million, or 5%):*** The primary funding is (1) \$12.4 million for regular positions; (2) \$4.3 million for contractual services; (3) \$2.1 million for equipment; and (4) \$1.0 million for vehicles.

Proposed Budget Change

DNR's fiscal 2027 allowance increases by \$19.2 million, or 4.4%, relative to the fiscal 2026 working appropriation, as shown in **Exhibit 5**. The \$6.6 million general fund increase is largely due to salary increases of \$5.2 million in NRP and \$1.6 million in MPS. Special funds increase by \$13.2 million due to salary increases of \$10.9 million across the agency, \$3.2 million for new and expansion State park costs, \$3.0 million for the technical contracts implemented by the Power Plant Assessment Program, and \$2.6 million for FTEs in MPS, which are offset partially by a decrease of \$6.5 million for Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grants. The federal fund appropriation increases by \$3.6 million due to a \$1.8 million in additional Chesapeake Bay National Estuarine Research Reserve Program funding, \$1.1 million for Federal Cooperative Forestry Assistance funding, and \$0.9 million for forest land management and operation contracts. There is a decrease of \$4.2 million for the reimbursable fund appropriation due to a \$5.2 million reduction in major IT development project funding and a decrease of \$0.8 million for salaries in the Forest Service, which are offset partially by increases of \$1.1 million for tree planting projects and an increase of \$0.9 million for Climate Pollution Reduction Grants funding.

**Exhibit 5
Proposed Budget
Department of Natural Resources
(\$ in Thousands)**

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2025 Actual	\$120,406	\$206,065	\$45,275	\$13,818	\$385,564
Fiscal 2026 Working	114,611	244,309	54,577	23,148	436,644
Fiscal 2027 Allowance	121,185	257,529	58,135	18,984	455,832
Fiscal 2026-2027 \$ Change	\$6,574	\$13,220	\$3,558	-\$4,164	\$19,188
Fiscal 2026-2027 % Change	5.7%	5.4%	6.5%	-18.0%	4.4%

Where It Goes: **Change**

Personnel Expenses

Employee and retiree health insurance.....	\$7,715
Salary adjustments.....	7,220
Turnover adjustments.....	4,928
Contractual FTEs.....	2,787
Deferred compensation match.....	438

Other Changes

Natural Resources Policy Grants

Whole Watershed Restoration Partnership grants and monitoring expenditures...	6,250
Tree Solutions Now Act projects.....	1,070
Federal Cooperative Forestry Assistance funding.....	1,060
Revenue Equity Program general fund increase.....	192
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund.....	-12,700
Maryland Park Explorers Pilot Program for Anne Arundel and Baltimore counties.....	-100

Major Information Technology Development Projects

Compass annual operations and maintenance.....	166
Park Reservation and Revenue Management System.....	-3,307
Modernization and OneStop Integration Project.....	-1,900

Miscellaneous Contracts

Power Plant Assessment Program technical contracts.....	3,020
Chesapeake Bay National Estuarine Research Reserve Program.....	1,830
Forest land management and operation contracts.....	1,353
Climate Pollution Reduction Grants for living shoreline implementation.....	878
Chesapeake Bay Implementation Grant funding, IJJA Most Effective Basin Awards.....	593
Game Management Program, Wildlife Restoration and Basic Hunter Education, federal funds.....	500

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Where It Goes:	Change
Maryland Biological Stream Survey training venue, freshwater mussels, office rental	254
Maryland Geological Survey vessel rental costs when DNR vessel is unavailable	-1,280
Oyster Recovery Partnership oyster planting in public fishery	-1,000
Chesapeake Bay Long-term Benthic Monitoring Program, benthic nutrient sampling.....	-320
Off-road vehicle trail projects in Forest Service	-296
<i>Maryland Park Service Funding Primarily for New and Expanded Parks</i>	
Savage Highlands State Park new park opening costs	625
Freedman’s State Historical Park new park opening costs	625
Holly Beach Farm Natural Resources Management Area new park opening costs.....	625
Wetipquin Creek State Park new park opening costs in Wicomico County	625
Maryland Park Service Headquarters reimbursable fund project.....	470
Catoctin Furnace Cemetery new park opening costs	350
Wills Mountain State Park access and site remediation costs	350
Savage Highlands State Park general fund contract.....	186
State Lakes Restoration and Protection Fund, funding mandate ends	-945
Deep Creek Lake Mechanical Harvester Program legislative addition.....	-200
Fair Hill Natural Resources Management Area operations and maintenance contracts	-179
<i>Budget Reconciliation and Financing Act Contingencies</i>	
Expand Strategic Energy Investment Fund use for Power Plant Assessment Program.....	-764
Modify Waterway Improvement Fund mandate for fiscal 2027-2028.....	-250
<i>Routine Operations</i>	
Statewide controlled subobjects	511
Communications.....	104
Travel.....	136
Equipment net increase.....	51
Supplies and materials across agency, uniforms and tools in Maryland Park Service	-1,198
Land and structures.....	-371
Vehicle (\$1,452,872), aircraft (\$110,322) decrease; watercraft increase (\$1,425,230).....	-158
Fuel and utilities	-126
Other	-631
Total	\$19,188

DNR: Department of Natural Resources
 FTE: full-time equivalent

IIJA: Infrastructure Investment and Jobs Act

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

Personnel

Personnel costs, including contractual FTEs, increase by \$23.1 million in the fiscal 2027 allowance. The increase is driven by \$7.7 million for employee and retiree health insurance; \$7.2 million for salary adjustments; \$4.9 million for turnover since the turnover rate was reduced from 10.60% in the fiscal 2026 working appropriation to 7.55% in the fiscal 2027 allowance; and \$2.8 million for contractual FTEs, which increases despite a decrease in the number of contractual FTEs because of the reduced turnover rate.

Natural Resources Policy Grants

The largest increase under the category of spending that can be described as natural resources policy grants is the \$6.3 million increase in Whole Watershed Restoration Partnership grants and monitoring funding. This increase reflects the spending from the Whole Watershed Act Fund – \$5.0 million in Chesapeake and Atlantic Coastal Bays 2010 Trust Fund special funds for grants and \$1.3 million in Waterway Improvement Program special funds for monitoring. The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund funding is unavoidably counted twice in the fiscal 2027 allowance to reflect both the \$5.0 million spent into the Whole Watershed Act Fund and \$5.0 million spent out of the fund. It is not clear whether the WIF funding may be characterized the same way. The largest decrease is the \$12.7 million reduction in overall Chesapeake and Atlantic Coastal Bays 2010 Trust Fund expenditures as a result of recent spending exceeding revenues and the interest in defraying DNR operating expenses previously supported by general funds.

Major Information Technology Development Projects

DNR’s fiscal 2027 allowance does not include any funding for the two current Major Information Technology Development Projects. Therefore, there is a decrease of \$3.3 million for the Park Reservation and Revenue Management System and \$1.9 million for the Modernization and OneStop Integration Project, which are discussed further in **Appendix 3** and **Appendix 4** of this analysis.

Miscellaneous Contracts

Under miscellaneous contracts, there are two large increases. The Power Plant Assessment Program’s contracts to provide technical assistance related to certificates of public convenience and need for power plants and transmission lines increases by \$3.0 million. The increase corresponds with the increase in utility-scale solar energy certificates of public convenience and need applications. There is also an increase of \$1.8 million for the Chesapeake Bay National Estuarine Research Reserve Program Grant Operation program funded with federal funds. The largest decreases are for Maryland Geological Survey vessel rental costs when the relevant DNR vessel is unavailable for the Coastal and Estuarine Geology program and \$1.0 million for the Oyster Recovery Partnership planting of oysters in the public fishery.

MPS Funding, Including New and Expanded Parks

MPS has \$3.2 million budgeted for operating costs associated with four new parks and two expanded parks that are going to be made available to the public in calendar 2026. This funding is on top of \$2.4 million that is already in MPS' base budget for this purpose. The new and expanded parks are discussed further in Issue 1 of this analysis. The largest decrease related to MPS is \$0.9 million for the end of the funding mandated by Chapter 39 for the State Lakes Restoration and Protection Fund to receive \$1.0 million annually. There is also a decrease of \$0.2 million for the one-time Deep Creek Lake Mechanical Harvester Program legislative addition.

BRFA

The BRFA of 2026 includes provisions affecting DNR's operating budget. The BRFA provisions are as follows.

- ***MPS Operating Costs Supported:*** Clarifies that the Heritage Conservation Fund and any other funds appropriated to POS Stateside are to be included as part of the POS State land acquisition balance. The fiscal 2027 operating budget as introduced includes a \$5,598,443 special fund appropriation in MPS, contingent on the BRFA of 2026, including the Heritage Conservation Fund with the POS land acquisition balance for the purposes of the fund transfer to MPS' operating fund, as authorized by Chapter 443 of 2025 (Natural Resources – Public Lands – Acquisition, Staffing, Operations, and Funding). Chapter 443 authorized the Governor to transfer to DNR, funds from the POS State land acquisition balance if (1) the balance is more than \$80.0 million at the end of a given fiscal year and (2) DNR's existing special fund sources are insufficient to cover existing salaries for permanent, classified positions responsible for operating and maintaining land administered and managed by the department. After such a fund transfer, the remaining balance must be at least \$80.0 million. DNR may use any amount of the transferred funds as a one-time fiscal year expenditure for (1) operation and maintenance of lands administered and managed by the department; (2) administrative expenses related to land acquired by the department under POS; or (3) law enforcement activities, services, salaries, and related expenses of NRP. DNR may also transfer any amount of the transferred funds to the Forest or Park Reserve Fund. Any fund transfer supplements rather than supplants any other funding for operation, maintenance, and administration of lands administered and managed by DNR regardless of the source of the other funding.
- ***Power Plant Assessment Program SEIF Authorization:*** Expands the use of the SEIF within the Maryland Energy Administration to include the Power Plant Assessment Program, including to support environmental review of certificates of public necessity associated with power plant construction. The fiscal 2027 operating budget includes a general fund reduction of \$764,039 and special fund appropriation of \$794,398 contingent upon the enactment of the BRFA of 2026 expanding the allowable uses of the SEIF. DBM intends to submit an amendment to the BRFA of 2026 to formally expand the uses of the

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SEIF to all three of the Power Plant Assessment Program’s subprograms: General Direction, Impact Assessment, and Environmental Review. As introduced, the provision appears to only apply to the Environmental Review subprogram.

- **WIF Distribution Modification:** Modifies, for fiscal 2027 and 2028 only, the mandate for DNR to distribute at least \$250,000 from the WIF to a statewide, Maryland-based, historic preservation nonprofit organization with demonstrated experience in grantmaking. The mandate continues in fiscal 2029 and annually thereafter. The fiscal 2027 budget as introduced includes a \$250,000 special fund reduction contingent on legislation eliminating the mandate for the WIF distribution to a Maryland-based historic preservation nonprofit in fiscal 2027 and 2028 only.

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	1,501.00	1,521.00	1,533.00	12.00
Contractual FTEs	<u>381.39</u>	<u>367.51</u>	<u>326.51</u>	<u>-41.00</u>
Total Personnel	1,882.39	1,888.51	1,859.51	-29.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	115.74	7.55%
Positions and Percentage Vacant as of 12/31/2025	171.00	11.24%
Vacancies Above Turnover	55.26	

- In October 2025, the Board of Public Works (BPW) approved the abolition of 502.7 positions statewide, including 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program (VSP). In DNR, 34.0 positions were abolished, of which 9.0 were vacant and 25.0 were due to the VSP.
- The fiscal 2027 allowance reflects 1,533.0 positions, a net increase of 12.0 positions relative to the fiscal 2026 working appropriation. Overall, there are 7 new positions – 5.0 in the Power Plant Assessment Program to handle the influx of renewable energy projects and 2.0 in NRP, 7.0 contractual conversions, and 2.0 abolished positions.
- DNR’s vacancy rate decreased from 12.43% to 11.24% between December 31, 2024, and December 31, 2025. As of December 31, 2025, DNR had 171.0 positions vacant. Of these

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positions, 27.0 have been vacant for more than a year. Another 56.0 vacant positions have a vacancy date suggesting they were recently created.

- DNR contractual FTEs decrease by a net of 41.0 FTEs in the fiscal 2027 allowance. The largest FTE changes are as follows: decreases of 28.0 in MPS, 7.0 in NRP, 6.4 in the Human Resource Service, and 5.0 in Climate and Watershed Services; and an increase by 2.0 in the Power Plant Assessment Program.
- The DNR budgeted turnover rate was reduced from 10.60% in the fiscal 2026 working appropriation to 7.55% in the fiscal 2027 allowance. Therefore, DNR must hold open approximately 115.7 positions throughout fiscal 2027 to meet turnover. DNR currently has sufficient vacancies to meet the turnover rate.

Issues

1. Additional MPS Parks to Open in 2026, While Overall MPS Funding Uncertain and Likely Increased Costs

Calendar 2026 is a big year for MPS. The plan is to open four new properties and expand two properties across the State. These properties range from Savage Highlands State Park and Wills Mountain State Park in Allegany County to Wetipquin Creek State Park in Wicomico County. **Exhibit 6** shows the information about the six properties and the funding they receive in the fiscal 2027 allowance either for opening or expansion. Wetipquin Creek State Park will be the first State park opened in Wicomico County and Freedman’s State Historical Park was established by the Great Maryland Outdoors Act.

**Exhibit 6
New and Expanded Maryland State Parks Opening
Calendar 2026**

<u>Name/County</u>	<u>New/ Expanded</u>	<u>Planned Opening Date</u>	<u>Description</u>	<u>Funding</u>
Wetipquin Creek State Park (Wicomico)	New	April or July 2026	445.8-acre property along Wetipquin Creek and the Nanticoke River that contains the historic Long Hill house, dating from the mid- 18th century.	\$625,000
Freedman’s State Historical Park (Montgomery)	New	April or July 2026	State historical park established by the Great Maryland Outdoors Act to educate about, preserve, and interpret the lives of Black Americans both before and after the abolition of slavery.	625,000
Savage Highlands State Park (Allegany)	New	August 2026	40-acre property formerly known as Savage River Lodge that will require renovations for public use and road improvements for access.	625,000

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<u>Name/County</u>	<u>New/ Expanded</u>	<u>Planned Opening Date</u>	<u>Description</u>	<u>Funding</u>
Holly Beach Farm Natural Resources Management Area (Anne Arundel)	New	October 2026	324-acre peninsula with nearly five miles of Chesapeake Bay waterfront and ecological, resilience, and recreational value.	625,000
Catoctin Furnace Cemetery (Frederick)	Expansion	February 2026	Cemetery where the enslaved people who toiled at Catoctin Furnace are laid to rest, which is to be managed as part of Cunningham Falls State Park and will require maintenance, archaeology, and further research.	350,000
Wills Mountain State Park (Allegany)	Expansion	September 2026	Home to rare, threatened, and endangered species with climbing opportunities that have been hindered by site access and contamination issues.	350,000
Total				\$3,200,000

Source: Department of Natural Resources

The six properties will be opened or expanded in a time of funding uncertainty for MPS. For instance, MPS’ fiscal 2027 allowance includes \$12.6 million in POS State land acquisition balance to support its operations due to insufficient transfer tax and Forest or Park Reserve Fund special funds, among other sources. The use of the POS State land acquisition balance also occurred in fiscal 2025 (\$5.7 million) and fiscal 2026 (\$16.3 million). The use of POS State land acquisition balance in fiscal 2027 is authorized by Chapter 443 but is reliant on the POS State land acquisition balance staying above the \$80.0 million threshold. Chapter 443 also included authorization to create one or more affiliated foundations, which may help to defray some of MPS’ costs.

One park not included in MPS’ fiscal 2027 allowance is Gwynns Falls State Park. Chapter 965 of 2024 required DNR and Baltimore City to (1) convene focus group meetings on the establishment of the Gwynn Falls State Park with community members and stakeholders that reside or operate in the vicinity of the proposed park; (2) develop a list of priority needs and associated cost assessments for park operations and improvements, as specified; and (3) establish a specified stakeholder advisory committee to advise DNR and Baltimore City on the scope and management of the park. By December 1, 2025, DNR was required to submit a report to the

General Assembly on (1) property owned by the State in Baltimore City that is suitable for inclusion in the park; (2) property owned by Baltimore City or a nonprofit organization in Baltimore City that is suitable for inclusion in the park and for which the landowners are willing to enter into a partnership agreement; and (3) the funding needed to establish and promote Gwynns Falls State Park.

The submitted report notes substantial operating and capital costs for the Gwynns Falls/Leakin Park State Partnership Park. The estimated operating costs total \$2.8 million, while the estimated capital costs total ranges from a low of \$7.0 million to a high of \$18.0 million. **DLS recommends that DNR comment on what the long-term plan is for funding the six new or expanding parks and the estimated operating and capital costs for the Gwynns Falls/Leakin Park State Partnership Park given the heavy reliance on the POS State land acquisition balance. DLS also recommends that DNR comment on the status of setting up affiliated foundations and the potential revenue or in-kind cost offsets they represent.**

2. Power Plant Assessment Program Funding Needs Addressed Temporarily

The Power Plant Assessment Program is tasked with completing an independent environmental and socioeconomic project assessment report for every application to the Public Service Commission for a certificate of public convenience and necessity associated with power plant construction. For many years, this meant the evaluation of large baseload coal and nuclear power plants and transmission lines. Increasing solar carve-outs for solar generation in the State's Renewable Portfolio Standard has resulted in a substantial increase in certificate of public convenience and necessity applications for utility-scale solar energy generating systems and a commensurate increase in the Power Plant Assessment Program's workload.

The Power Plant Assessment Program is divided into three subprograms as follows.

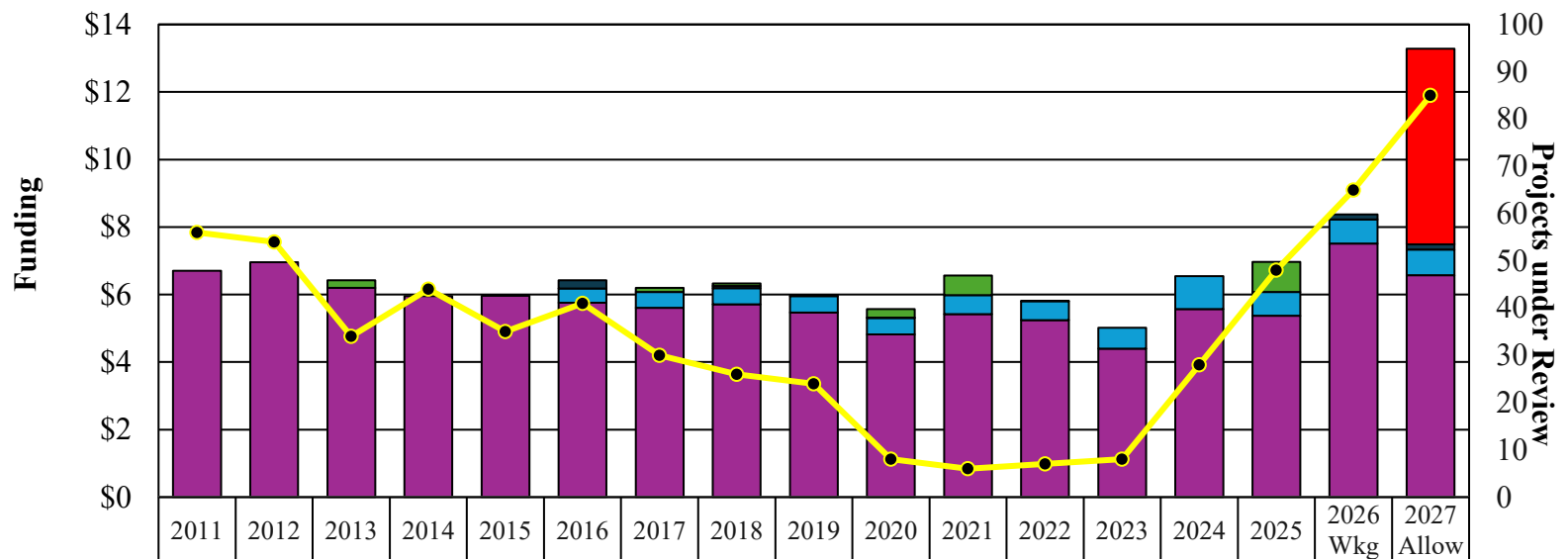
- **General Direction:** manages the other two subprograms, processes certificates of public convenience and necessity, and supports environmental documentation of potentially impacted areas using Environmental Trust Fund special funds from the electricity surcharge on ratepayer bills. The fiscal 2027 budget includes funding from the SEIF per the understanding that General Direction's functions have a clear energy nexus. There is no budget bill contingency.
- **Impact Assessment:** also processes certificates of public convenience and necessity using Environmental Trust Fund special funds and is funded the same way as General Direction in fiscal 2027.
- **Environmental Review:** reviews permit applications or project proposals to assess potential impacts on natural resources and recommends mitigation measures if needed. The Environmental Review subprogram reviews projects as varied as boat lift installations and

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new spans for the Chesapeake Bay Bridge. The fiscal 2027 budget includes general funds because the Environmental Review subprogram does not review any power generation or transmission projects and thus is not eligible for Environmental Trust Fund special funds. The BRFA provision authorizing the use of the SEIF initially was intended to support the funding of this subprogram. As noted previously, the fiscal 2027 operating budget includes a general fund reduction of \$764,039 and a special fund appropriation of \$794,398 contingent upon the enactment of the BRFA of 2026 expanding the allowable uses of the SEIF.

Exhibit 7 shows the funding, personnel, and plant/transmission line projects under review. As can be seen, regular positions and primary support from the Environmental Trust Fund held steady through about fiscal 2016 when there was the introduction of general funds and then an increase of 4.0 regular positions in fiscal 2017. This corresponded with a period of reduced power plant/transmission line projects under review, but this likely understates the complexity and scope of the cases reviewed. Regular positions fluctuated for a couple of years before increasing to 18.0 in fiscal 2025 and then again to 23.0 in the fiscal 2027 allowance. This increase corresponds with the substantial increase in overall certificate of public convenience and necessity applications beginning in fiscal 2024, largely driven by solar projects. The increase in workload – driven by solar energy projects as well as transmission upgrades and increased legal and public scrutiny – could not be supported by the current electricity surcharge associated with the Environmental Trust Fund, and thus, the fiscal 2027 budget plan includes the BRFA of 2026 provision expanding the use of the SEIF for the program. Of note, the fiscal 2027 budget as introduced reflects the use of \$5.0 million from the SEIF, which was assumed to be eligible by the General Direction and Impact Assessment subprograms and \$0.8 million contingent on the BRFA of 2026 expanding the use of the SEIF for the use of the Environmental Review subprogram. DBM notes that it intends to submit an amendment to the BRFA of 2026 specifying that all three Power Plant Assessment Program subprograms are eligible to use SEIF special funds. **DLS recommends that DNR comment on the long-term funding plan for the Power Plant Assessment Program and what roles the following should play in the program’s funding structure: an allocation of certificate of public convenience and necessity application fees, perhaps after a fee increase; and an increase in the environmental surcharge per kilowatt hour of electricity distributed to retail electric customers supporting the Environmental Trust Fund.**

Exhibit 7
Power Plant Assessment Program Funding, Personnel, and Plant/Transmission Line Projects under Review
Fiscal 2011-2027
(\$ in Millions)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Wkg	2027 Allow
Total	\$6.7	\$7.0	\$6.4	\$6.0	\$6.0	\$6.4	\$6.2	\$6.3	\$6.0	\$5.6	\$6.6	\$5.8	\$5.0	\$6.5	\$7.0	\$8.4	\$13.3
SF – SEIF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.8
SF – Other	0.0	0.0	0.2	0.0	0.0	0.0	0.1	0.1	0.0	0.3	0.6	0.0	0.0	0.0	0.9	0.0	0.0
RF	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
GF	0.0	0.0	0.0	0.0	0.0	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	1.0	0.7	0.7	0.8
SF – ETF	6.7	7.0	6.2	6.0	6.0	5.8	5.6	5.7	5.5	4.8	5.4	5.2	4.4	5.6	5.4	7.5	6.6
Regular Positions	10	10	10	10	10	10	14	14	14	15.5	15.5	15.5	14	14	18	18	23
Contractual FTEs	0	0	0	0	0.2	1	1.3	1.26	0.12	0	0.18	0	0	1.1	0.7	0	2
New Power Plant/Transmission Line Projects under Review	56	54	34	44	35	41	30	26	24	8	6	7	8	28	48	65	85

ETF: Environmental Trust Fund
FTE: full-time equivalent
GF: general funds
RF: reimbursable funds
SEIF: Strategic Energy Investment Fund
SF: special funds

Note: Fiscal 2013 funding includes \$230,000 from private donation. Fiscal 2016 includes \$250,000 in Maryland Energy Administration (MEA) reimbursable funding. Fiscal 2017 funding includes \$123,000 from private donation. Fiscal 2018 includes \$79,604 from private donation and \$64,105 in reimbursable funds, comprised of \$50,000 from MEA and \$14,105 from Maryland Park Service. Fiscal 2020 funding includes \$250,000 from private donation and \$8,908 in reimbursable funds. Fiscal 2022 includes \$12,000 in reimbursable funds from the Forest Service. Fiscal 2025 includes \$887,532 from the Forest or Park Reserve Fund. Fiscal 2026 includes \$152,000 in reimbursable funds from the Maryland Department of the Environment – Water Management Administration. Fiscal 2027 includes \$5,794,398 from the SEIF and \$152,000 in reimbursable funds from the Maryland Department of the Environment – Water Management Administration.

Source: Governor’s Budget Books, Fiscal 2011-2027

3. Somers Cove Marina Management Transferred to DNR with Bad Debt

Chapter 444 transferred management of the Somers Cove Marina from the Somers Cove Marina Commission to DNR. The bill established and delegated authority over the marina to the Somers Cove Marina Advisory Commission within DNR. Further, the bill made the Secretary of Natural Resources responsible for commercial activities relating to the marina. Lastly, the bill transferred the remaining balance from the Somers Cove Marina Improvement Fund to the Natural Resources Property Maintenance Fund in DNR, which also receives ongoing revenue from the marina and may be used by DNR for managing, operating, maintaining, and developing the marina.

DNR’s fiscal 2027 allowance includes \$272,352 in the Somers Cove Marina special fund but does not appear to reflect an increase of funding in the Natural Resources Property Maintenance Fund. In addition, a fiscal 2026 budget amendment increased the Boating and Fishing Services special fund appropriation by \$1,125,402 from the WIF to write off invoices owed by the Somers Cove Marina Commission as bad debt given that the Somers Cove Marina Commission was operating at a net loss and lacked the financial capacity to pay DNR the outstanding invoices. DNR does not have a contract in place to have an external vendor manage Somers Cove Marina and thus appears to be taking on the management responsibility. **DLS recommends that DNR comment on why Somers Cove Marina was operating at a loss and what the implications are for DNR’s management. DLS also recommends that DNR comment on whether it has decided whether the marina will be managed internally or contracted out.**

4. Audit Identifies Incomplete Revenue Transfers to Mel Noland Woodland Incentive Fund

As noted in **Appendix 2**, DNR’s April 2025 audit included a finding about incomplete revenue transfers from the Comptroller’s Office to the Mel Noland Woodland Incentive Fund. The fund receives proceeds from the agricultural land transfer tax attributable to the taxation of land that is entirely woodland. The Comptroller’s Office did not transfer to DNR \$430,225 of the \$706,715 required under law. DNR noted in response that it had reestablished contact with the State Department of Assessments and Taxation to request and receive woodland tax collection reports and will use that data to ensure that the fund receives the proper amount of proceeds going forward. DNR also noted that it would work with the Comptroller’s Office to recover the \$430,225 that should have been transferred to the fund. **DLS recommends that DNR comment on the status of recovering the \$430,225 that should have transferred to the Mel Noland Woodland Incentive Fund.**

5. Climate Pollution Reduction Grants Funding Clarity Provided

The fiscal 2027 MDE operating budget analysis noted the lack of clarity in how the EPA’s Climate Pollution Reduction Grants funding is being budgeted and used in the fiscal 2026 and

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2027 budgets for DNR, MDE, and MDA. Information provided by MDE in response to its operating budget analysis provides greater clarity on the funding picture.

As noted in the fiscal 2027 operating budget analysis, EPA Climate Pollution Reduction Grants funding reflects a substantial increase in climate change funding for MDE, DNR, and MDA, but the funding is not budgeted transparently. MDE’s contract information reflects that the Atlantic Conservation Coalition, led by North Carolina, allocates \$50 million for Maryland State agencies – including \$42.4 million for DNR and \$4.8 million for MDA – to support natural carbon sequestration projects like afforestation, agroforestry, and coastal restoration. The funding in agency budgets does not match this information and instead is shown as follows: MDE fiscal 2026 deficiency (\$4,200,000) and fiscal 2027 allowance (\$11,512,324); DNR fiscal 2026 working appropriation (\$4,350,370) and fiscal 2027 allowance (\$5,232,342); and no funding for MDA in either fiscal 2026 or 2027. MDE’s funding is reflected as federal funds coming from the EPA Climate Pollution Reduction Grant Fund while DNR’s funding is shown as reimbursable funds coming from DNR’s Office of the Secretary, which does not appear to have a corresponding federal fund appropriation, and MDA, once again, reflects no funding. This lack of funding clarity makes it difficult to track whether DNR and MDA are intended to receive federal funding directly or via a reimbursable fund appropriation supported by federal funds in MDE’s budget.

The information submitted by MDE indicates that Maryland is party to two coalitions – the Atlantic Conservation Coalition and the Clean Corridor Coalition – funded by Climate Pollution Reduction Grants funding and anticipates receiving a total of approximately \$133.1 million. The Atlantic Conservation Coalition is led by North Carolina, and includes South Carolina, Virginia, and MDE, and is intended to leverage the carbon sequestration capacity of natural and working lands (*e.g.*, coastal wetlands, peatlands, forest, and urban forestry). For the Atlantic Conservation Coalition, MDE received a \$50.0 million subaward over a five-year period, which MDE then has structured as interagency agreements with DNR, MDA, and the Maryland Port Administration (MPA). As shown in **Exhibit 8**, \$42.5 million is allocated to DNR for large-scale land conservation, \$4.8 million to MDA for agroforestry and soil health, \$1.6 million to MDE, and \$1.0 million to MPA. Maryland is also part of the Clean Corridor Coalition, which is focused on electric vehicle charging infrastructure on the Interstate 95 freight corridor and includes Connecticut, Delaware, New Jersey, and both MDE and the Maryland Department of Transportation (MDOT). The coalition is led by New Jersey, and MDE and MDOT received separate five-year subawards from New Jersey of \$2.5 million and \$77.7 million, respectively. The information on the \$77.7 million breakdown for MDOT was not available and thus is not included in the exhibit. In addition, the approximately \$3.0 million that MDE is receiving for Climate Pollution Reduction Grants planning work is not included in the exhibit. MDE will receive the \$3.0 million for planning work from July 1, 2023, to June 30, 2027, and of the \$3.0 million, \$663,295 is budgeted in fiscal 2026 and \$675,134 in fiscal 2027. **DLS recommends that DNR comment on how it intends to use the \$42.5 million over the five-year period that it is receiving through MDE’s subaward as part of the Atlantic Conservation Coalition.**

Exhibit 8
Climate Pollution Reduction Grants Planned Funding
October 2024-September 2029
(\$ in Millions)

	Year 1 October 2024 – September <u>2025</u>	Year 2 October 2025 – September <u>2026</u>	Year 3 October 2026 – September <u>2027</u>	Year 4 October 2027 – September <u>2028</u>	Year 5 October 2028 – September <u>2029</u>	<u>Total</u>
<i>Atlantic Conservation Coalition</i>						
MDE	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3	\$1.6
DNR	3.0	9.7	9.9	9.9	9.9	42.5
MDA	0.8	0.8	1.1	1.1	1.0	4.8
MDOT – MPA	0.2	0.2	0.2	0.2	0.2	1.0
<i>Subtotal</i>	<i>\$4.4</i>	<i>\$11.0</i>	<i>\$11.5</i>	<i>\$11.6</i>	<i>\$11.5</i>	<i>\$50.0</i>
<i>Clean Corridor Coalition</i>						
MDE	\$0.4	\$0.4	\$0.5	\$0.6	\$0.6	\$2.5
<i>Subtotal</i>	<i>\$0.4</i>	<i>\$0.4</i>	<i>\$0.5</i>	<i>\$0.6</i>	<i>\$0.6</i>	<i>\$2.5</i>
Total	\$4.7	\$11.5	\$12.0	\$12.1	\$12.1	\$52.5

DNR: Department of Natural Resources
MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment
MDOT: Maryland Department of Transportation
MPA: Maryland Port Administration

Note: Overall, MDE anticipates the receipt of \$133.1 million in Climate Pollution Reduction Grants funding. MDOT will receive an additional \$77.7 million through the Clean Corridor Coalition over the same time period, but the funding breakdown was not available; thus, the funding is not reflected in the exhibit. For planning work purposes, MDE will receive an additional \$3.0 million, of which \$0.7 million is budgeted in fiscal 2026 and \$0.7 million in fiscal 2027.

Source: Maryland Department of the Environment

6. Memorandum of Understanding on Patuxent River Wildlands Trail Maintenance

The fiscal 2026 budget included language restricting \$100,000 in general funds in MPS's budget pending the submission of a memorandum of understanding (MOU) between MPS and a volunteer or emergency responder group to assist in the maintenance of the trails for emergency purposes at the Patuxent River Wildlands within Patuxent River State Park located in Howard and Montgomery counties. DNR submitted an MOU on August 4, 2025, regarding Patuxent River Wildland trail maintenance, and the restricted funding was released.

The main components of the memorandum of understanding are as follows.

- ***Scope and Cost:*** The Lisbon Volunteer Fire Company, Inc. (LVFC), a not-for-profit corporation that operates as a volunteer fire company serving the Lisbon area within Howard County, is authorized to use mechanized equipment to keep emergency trails open in the Patuxent River Wildland subject to DNR permission and oversight and at LVFC's expense;
- ***Terms:*** The term of the MOU is three years and may be terminated at any time by any party or mutual agreement of both parties after giving 90 days' notice in writing to the other party. DNR may also immediately terminate the agreement in its sole discretion in the event of any unauthorized cutting or clearing activities by LVFC.
- ***Indemnification:*** LVFC shall hold harmless the State of Maryland from all claims of liability for personal injury or property damage.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Summary of Chesapeake Bay Restoration Spending: The 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 2026 actual, fiscal 2027 working appropriation, and fiscal 2028 allowance to be included as an appendix in the fiscal 2027 budget volumes and submitted electronically in disaggregated form to DLS.

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 2028 budget submission

2. Adopt the following narrative:

Historical and Projected Chesapeake Bay Restoration Spending: The committees are interested in the status of Chesapeake Bay restoration. Therefore, the committees request that the Maryland Department of Planning (MDP), the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), the Maryland Department of the Environment (MDE), and the Department of Budget and Management (DBM) provide a report by December 1, 2026, on recent and projected Chesapeake Bay restoration spending and associated impacts and the overall framework to meet the calendar 2025 requirement of having all best management practices (BMP) in place to meet water quality standards for restoring the Chesapeake Bay. The report is requested to include the following:

- fiscal 2026 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries

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to be submitted electronically in disaggregated form to the Department of Legislative Services (DLS);

- projected fiscal 2027 to 2028 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries to be submitted electronically in disaggregated form to DLS;
- an overall framework discussing the needed regulations, revenues, laws, and administrative actions and their impacts on individuals, organizations, governments, and businesses by year from fiscal 2026 to 2027 on the way to reaching the calendar 2040 requirement of having all BMPs in place to meet water quality standards for restoring the Chesapeake Bay, to be both written in narrative form and tabulated in spreadsheet form that is submitted electronically in disaggregated form to DLS;
- an analysis of the various options for financing Chesapeake Bay restoration, including public-private partnerships, a regional financing authority, nutrient trading, technological developments, and any other policy innovations that would improve the effectiveness of Maryland and other states’ efforts toward Chesapeake Bay restoration;
- an analysis on how cost effective the existing State funding sources, such as the Bay Restoration Fund, the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund, the Water Quality Revolving Loan Fund, the Clean Water Commerce Account, and the Whole Watershed Fund among others are for Chesapeake Bay restoration purposes; and
- updated information on the Phase III Watershed Implementation Plan implementation and how the loads associated with the Conowingo Dam infill, growth of people and animals, and climate change will be addressed.

Information Request	Author	Due Date
Historical and projected Chesapeake Bay restoration spending	MDP DNR MDA MDE DBM	December 1, 2026

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3. Adopt the following narrative:

Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Annual Work and Expenditure Plans: The committees are concerned that 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. Therefore, the committees request that the Department of Natural Resources (DNR) submit the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans with the fiscal 2028 budget submission.

Information Request	Author	Due Date
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans	DNR	Fiscal 2028 budget submission

4. Adopt the following narrative:

Whole Watershed Act Funding Report: The committees recognize the importance of the communication process for successful implementation of the Whole Watershed Act. Therefore, the committees request that the Department of Natural Resources (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 request for proposals 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, nutrient and sediment reductions, and any other relevant co-benefits. The report is requested to be submitted with the Governor’s fiscal 2028 budget submission.

Information Request	Author	Due Date
Whole Watershed Act funding report	DNR	With the Governor’s fiscal 2028 budget submission

Updates

1. Report on Enhanced Management of the Merkle Wildlife Sanctuary

The budget committees were concerned that Maryland’s only wildlife management sanctuary is not being sufficiently managed for migratory Canada geese as conditioned as part of the transfer of the property to the State in 1982. Therefore, the budget committees expressed the intent that DNR take steps to cultivate food plots designed to attract and retain migratory Canada geese on the upper Patuxent River, while minimizing visitor disturbance of the Canada geese between October and March of each year, the yearly window when migratory Canada geese can be found in Maryland. DNR was requested to report on its efforts to enhance management of the Merkle Wildlife Sanctuary in this manner by October 1, 2025.

The submitted report notes that growing deer numbers have encouraged tenant farmers to plant deer resistant crops like hay and soybeans, which are more financially remunerative but are less attractive to Canada geese. DNR instituted a managed hunt program in calendar 2023 to reduce crop damage by deer, which has led the tenant farmer to plant corn on the row crop portions of the Merkle and adjacent Truman property leases. In addition, DNR has worked with the tenant farmer to amend the current agricultural lease such that 15 acres of standing corn will be retained through the 2025-2026 hunting season, which is in accord with Wildlife and Heritage Service/MPS cooperative Canada goose management activities at locations such as Wye Island Natural Resources Management Area and Sassafras Natural Resources Management Area. DNR also thinned hedgerows that were restricting waterfowl access to the area, and a sunflower plot is also planned to be planted.

2. Report on Recreational Fishing Data Reporting

Chapter 169 of 2021 required DNR to develop a mobile locator application for use by an individual while on the waters of the State to aid in determining the individual’s location, in real time, relative to certain natural resource areas. The budget committees requested that DNR report on the feasibility of expanding the use of a mobile locator application to include the ability to report the recreational harvest of striped bass and other fish species. The report was requested to be submitted by December 1, 2025.

The submitted report noted several options for improving recreational fishing reporting and provided an update on activities related to Chapters 409 and 410 of 2022 (Chesapeake Bay and Coastal Sport Fishing License and Recreational Fishing – Pilot Program and Task Force), which included provisions to improve the collection of recreational fishing data. In terms of improving recreational fishing reporting, DNR noted that it has explored three methods as follows to supplement data available through the Marine Recreational Information Program – a state-regional-federal partnership.

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- ***MD Outdoors:*** DNR has worked with the contractor for developing the new licensing system – MD Outdoors – and updating the DNR Mobile Application. While some survey information has been added to MD Outdoors, recreational fishing instant reporting uploads is outside the scope of work.
- ***Private Sector:*** DNR explored using private sector owned fishing applications that include reporting mechanisms, but found that private sector applications would not be able to update fishing regulatory information, the data collected would not be owned by DNR in terms of ownership and storage, and data on when no fish are caught or fish are released would not be provided, which DNR needs to understand overall fishing efforts.
- ***SciFish:*** DNR is actively considering opportunities to use the SciFish recreational data collection application developed by the Atlantic Coastal Cooperative Statistics Program, which functions as a citizen science mobile application. DNR is considering the possibility of applying to use the SciFish application to collect data for certain fisheries for which Marine Recreational Information Program data is not available.

Appendix 1
2025 Joint Chairmen’s Report Responses from Agency

The 2025 *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.

- ***Report on Enhanced Management of the Merkle Wildlife Sanctuary:*** The budget committees expressed the intent that DNR take steps to cultivate food plots designed to attract and retain migratory Canada geese on the upper Patuxent River, while minimizing visitor disturbance of the Canada geese between October and March of each year, the yearly window when migratory Canada geese can be found in Maryland. DNR was requested to report on its efforts to enhance management of the Merkle Wildlife Sanctuary in this manner by October 1, 2025. Further discussion of this data can be found in the Updates section of this analysis.
- ***MOU on Patuxent River Wildlands Trail Maintenance:*** Fiscal 2026 Budget Bill language restricted \$100,000 in general funds in MPS’ budget pending the submission of an MOU between MPS and a volunteer or emergency responder group to assist in the maintenance of the trails for emergency purposes at the Patuxent River Wildlands within Patuxent River State Park. The MOU was required to be submitted by September 1, 2025. Further discussion of this data can be found in Issue 6 of this analysis.
- ***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 CHESBAY – Chesapeake Bay Overview.
- ***Historical and Projected Chesapeake Bay Restoration:*** The budget committees requested that the Maryland Department of Planning, DNR, MDA, MDE, and DBM submit 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 CHESBAY – Chesapeake Bay Overview.
- ***Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Annual Work and Expenditure Plans:*** The budget committees requested that DNR submit the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans with the fiscal 2027 budget submission. Further discussion of this data can be found in the analysis for CHESBAY – Chesapeake Bay Overview.
- ***Whole Watershed Act Funding Report:*** The budget committees requested that DNR, in cooperation with its partner BayStat agencies, submit a report describing the Whole Watershed Act funding by amount and source; the projects that were selected by

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March 1, 2025, and the status of each project; use of the fiscal 2027 funding given that the request for proposals 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, nutrient and sediment reductions, and any other relevant co-benefits. The report was requested to be submitted with the Governor’s fiscal 2027 budget submission. Further discussion of this data can be found in the analysis for CHESBAY – Chesapeake Bay Overview.

- ***Report on Recreational Fishing Data Reporting:*** The budget committees requested that DNR report on the feasibility of expanding the use of a mobile locator application to include the ability to report the recreational harvest of striped bass and other fish species. The report was requested to be submitted by December 1, 2025. Further discussion of this data can be found in the Updates section of this analysis.

**Appendix 2
Audit Findings**

Audit Period for Last Audit	August 6, 2019 – December 31, 2023
Issue Date	April 2025
Number of Findings	6
Number of Repeat Findings:	3
% of Repeat Findings:	50%
Rating (if applicable)	

Finding 1: *Forest Conservation Act:* DNR did not effectively monitor local Forest Conservation Act programs to ensure that they complied with the terms of the program and did not properly account for the related funds.

Finding 2: *Forest Conservation Act:* DNR did not use \$3.4 million collected for reforestation projects within the required timeframe and did not refund the funds to the paying entities to use for planting trees as required by State law.

Finding 3: *Chesapeake and Atlantic Coastal Bays 2010 Trust Fund:* DNR did not evaluate Chesapeake and Atlantic Coastal Bays 2010 Trust Fund grant proposals using the published grant selection criteria, and certain grants were not competitively awarded as required by State law.

Finding 4: *Budget and Year-end Closing:* DNR could not provide documentation to support the propriety of approximately \$1.7 million in federal fund accrued revenue. DNR also could not document the recovery of the funds and subsequently advised the Office of Legislative Audits that approximately \$603,000 is not recoverable because the related costs were deemed ineligible by the federal granting agency.

Finding 5: *Mel Noland Woodland Incentive Fund:* DNR did not use available information to ensure that the Comptroller of Maryland transferred certain required revenue into the Mel Noland Woodland Incentive Fund.

Finding 6: *Disbursements:* DNR did not verify the propriety of \$15.1 million in charges for technology enterprise services from the Department of Information Technology (DoIT) during fiscal years 2021 through 2023.

*Bold denote item repeated in full or part from preceding audit report.

Appendix 3
Modernization and OneStop Integration Project
Major Information Technology Development Project
Department of Natural Resources

New/Ongoing: Ongoing					
Start Date: July 2020				Est. Completion Date: March 5, 2025	
Implementation Strategy: Agile					
(\$ in Millions)	Prior Year	2026	2027	Remainder	Total
GF	\$15.324	\$0.000	\$0.000	\$14.676	\$30.000
Total	\$15.324	\$0.000	\$0.000	\$14.676	\$30.000

- Project Summary:** The project would replace the current Electronic Licensing and Registration System – a web-based licensing and registration system – known as Compass. The company Brandt Information Services, LLC is developing the system. The goals for the project are to link to the Maryland OneStop platform as necessary, 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 two, but then the bankruptcy of the State’s OneStop vendor – Enovational – required a change in plans. DNR worked with DoIT and received approval to use a new solution. The contract with Brandt Information Services, LLC for the new solution was approved by BPW for the October 2023 through September 2026 time period. The project has deployed the web-based sales platform and is processing over 4,000 transactions daily. In addition, a mobile application has been deployed.
- Changes:** The total project cost appears to have increased from the \$16.0 million noted in last year’s analysis, to \$30.0 million due to project expansion. The December 12, 2025 project status indicates that the project has been expanded to increase geographic information system enhancements and to add permitting and licensing for Deep Creek Lake and notes both a June 2026 planned implementation date and fiscal 2029 end date.
- Concerns:** The addition of the new components increase the overall project cost; these new components are not fully scoped and a rebaseline submission is anticipated by March 2026. DNR is reliant on the success of the new MD Outdoors online licensing system to bolster fishing and hunting license sales, which in turn provide the revenue for

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DNR to do monitoring, research, surveys, and other technical and scientific management in the field and the laboratory. According to the December 12, 2025 status update, DNR has seen an increase of over \$500,000 in license revenue generated between July through September 2024 and July through September 2025, which is a good sign.

Appendix 4
Park Reservation and Revenue Management System
Major Information Technology Development Project
Department of Natural Resources

New/Ongoing: Ongoing					
Start Date: July 1, 2022				Est. Completion Date: December 1, 2026	
Implementation Strategy: Agile					
(\$ in Millions)	Prior Year	2026	2027	Remainder	Total
GF	\$3.728	\$0.000	\$0.000	\$5.772	\$9.500
SF	0.500	0.000	0.000	0.000	0.500
Total	\$4.228	\$0.000	\$0.000	\$5.772	\$10.000

- 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 BPW 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. A request for proposals was advertised on October 2, 2023. DNR formed an evaluation committee and chose RA Outdoors, LLC (doing business as Aspira), which was approved on the November 20, 2024 BPW agenda. As of last year’s analysis, the project timeline reflected the completion of implementation by December 1, 2026, as opposed to March 1, 2026. However, new components have been added to the scope, which appears to have pushed the overall completion of the project to fiscal 2030, even though the project is implementing components that were part of the original proposal. The new components include internet infrastructure and hardware upgrades at selected parks and a geographic information system tailored to user needs in State parks.
- Concerns:** The current vendor contract ended in March 2024, however DNR advised that it worked with the vendor to provide operation and maintenance of the existing system until a viable replacement system is ready. The user acceptance testing phase ended December 28, 2025, with an operational date of February 24, 2026, but the user acceptance

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testing did not include the public. In addition, a delay in the internet/geographic information system may impact effectiveness of the system in remote parks.

Appendix 5
Object/Fund Difference Report
Department of Natural Resources

<u>Object/Fund</u>	<u>FY 25 Actual</u>	<u>FY 26 Wrk Approp</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
Positions					
01 Regular	1,501.00	1,521.00	1,533.00	12.00	0.8%
02 Contractual	381.39	367.51	326.51	-41.00	-11.2%
Total Positions	1,882.39	1,888.51	1,859.51	-29.00	-1.5%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$187,373,079	\$191,760,835	\$212,061,755	\$20,300,920	10.6%
02 Technical and Special Fees	16,537,349	15,748,499	18,535,557	2,787,058	17.7%
03 Communications	3,455,706	4,184,476	4,393,954	209,478	5.0%
04 Travel	989,393	985,910	1,122,144	136,234	13.8%
06 Fuel and Utilities	8,176,998	7,811,284	7,964,260	152,976	2.0%
07 Motor Vehicle Operation and Maintenance	14,790,565	18,639,408	18,501,444	-137,964	-0.7%
08 Contractual Services	49,634,510	76,136,712	79,164,894	3,028,182	4.0%
09 Supplies and Materials	7,934,059	12,774,366	11,576,519	-1,197,847	-9.4%
10 Equipment – Replacement	2,470,808	3,754,469	4,126,207	371,738	9.9%
11 Equipment – Additional	4,711,123	3,925,588	3,604,497	-321,091	-8.2%
12 Grants, Subsidies, and Contributions	81,697,418	95,001,053	91,399,844	-3,601,209	-3.8%
13 Fixed Charges	5,520,900	4,140,684	4,185,206	44,522	1.1%
14 Land and Structures	2,272,390	1,781,100	210,000	-1,571,100	-88.2%
Total Objects	\$385,564,298	\$436,644,384	\$456,846,281	\$20,201,897	4.6%
Funds					
01 General Funds	\$120,406,120	\$114,610,574	\$121,948,800	\$7,338,226	6.4%
03 Special Funds	206,064,805	244,308,825	257,778,661	13,469,836	5.5%
05 Federal Funds	45,275,338	54,577,097	58,135,173	3,558,076	6.5%
09 Reimbursable Funds	13,818,035	23,147,888	18,983,647	-4,164,241	-18.0%
Total Funds	\$385,564,298	\$436,644,384	\$456,846,281	\$20,201,897	4.6%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 6
Fiscal Summary
Department of Natural Resources**

<u>Program/Unit</u>	<u>FY 25 Actual</u>	<u>FY 26 Working Appropriation</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
01 Office of the Secretary	\$31,321,755	\$37,873,641	\$34,443,824	-\$3,429,817	-9.1%
02 Forest Service	24,943,794	20,686,104	24,609,231	3,923,127	19.0%
03 Wildlife and Heritage Service	18,135,147	21,610,333	21,805,969	195,636	0.9%
04 Maryland Park Service	66,552,397	81,001,535	92,158,153	11,156,618	13.8%
05 Land Acquisition and Planning	7,237,009	7,082,194	7,359,004	276,810	3.9%
06 Licensing and Registration Service	4,704,774	5,242,977	5,756,169	513,192	9.8%
07 Natural Resources Police	70,895,889	73,382,632	79,890,021	6,507,389	8.9%
09 Engineering and Construction	10,273,045	14,605,828	15,050,337	444,509	3.0%
10 Critical Area Commission	2,852,057	2,848,618	3,038,188	189,570	6.7%
12 Resource Assessment Service	25,166,866	29,261,221	32,517,269	3,256,048	11.1%
13 Maryland Environmental Trust	1,218,076	1,439,537	1,624,021	184,484	12.8%
14 Watershed and Climate Services	86,326,135	101,924,339	99,742,525	-2,181,814	-2.1%
17 Fishing and Boating Services	35,937,354	39,685,425	38,851,570	-833,855	-2.1%
Total Expenditures	\$385,564,298	\$436,644,384	\$456,846,281	\$20,201,897	4.6%
General Funds	\$120,406,120	\$114,610,574	\$121,948,800	\$7,338,226	6.4%
Special Funds	206,064,805	244,308,825	257,778,661	13,469,836	5.5%
Federal Funds	45,275,338	54,577,097	58,135,173	3,558,076	6.5%
Total Appropriations	\$371,746,263	\$413,496,496	\$437,862,634	\$24,366,138	5.9%
Reimbursable Funds	\$13,818,035	\$23,147,888	\$18,983,647	-\$4,164,241	-18.0%
Total Funds	\$385,564,298	\$436,644,384	\$456,846,281	\$20,201,897	4.6%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.