



MARYLAND'S CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND

Fiscal Year 2014 Budget At a Glance

The goal of Chesapeake and Atlantic Coastal Bays Trust Fund (Trust Fund) each year is to identify projects and develop a work plan designed to maximize the Trust Fund's environmental return on investment, thereby serving as a model of restoration financing efficiency and effectiveness and critical to achieving the States Chesapeake Bay restoration commitment. These investments also create green jobs, and provide habitat, mitigate flood hazards, and prevent soil erosion. The Fiscal Year 2014 Trust Fund request targets \$68 M (\$31.5 operating allowance and \$36.5 M in general obligation bonds) to accelerate State and local efforts to improve the health of the Chesapeake Bay.

Fiscal Year 2014 Trust Fund Budget

	Project Lead	FY 13 Special Fund Actual	FY 13 Capital Fund Actual	FY 14 Special Fund Request	FY 14 Capital Fund Request	+/-
Accountability, Verification and Management						
1. Strategic Monitoring	DNR/UMD	\$400,000	-	\$400,000	-	-
2. Targeted Monitoring of Out of State Sources	DNR/USGS	\$200,000	-	\$300,000	-	\$100,000
3. Implementation Tracking	DoIT	\$200,000	-	\$200,000	-	-
4. Administration and Management (1.5%)	DNR	\$380,000	-	\$414,000	-	\$34,000
Accelerating Restoration through Research and Development						
5. Manure to Energy Projects with Proven Technology	MDA/ Interagency	-	-	-	\$2,500,000	\$2,500,000
6. Maryland's Innovative Technology Partnership	UMD/DNR	\$250,000	-	\$750,000	-	\$500,000
Implementation of Local WIPs						
7. Targeted Watershed Restoration Projects	Local Partners	-	\$37,790,000	-	\$25,156,687	(\$12,633,313)
8. Urban Tree Canopy Projects	Competitive Solicitation	-	-	\$1,000,000	\$2,000,000	\$3,000,000
9. Stream Restoration Challenge	Competitive Solicitation	\$1,000,000	-	\$5,000,000	-	\$4,000,000
10. Grants for the Design of Sludge Storage Facilities	Competitive Solicitation	-	-	-	\$500,000	\$500,000
Implementation of the State's WIP						
11. Maryland's Cover Crops Program	MDA	\$8,900,000	-	\$10,000,000	-	\$1,100,000
12. Grants to Farmers (Nutrient Mngt Regulations)	MDA	\$2,000,000	-	\$2,000,000	-	\$0
13. Conservation Reserve Enhancement Program Incentive	MDA	\$500,000	-	\$500,000	-	\$0
14. Manure Transport	MDA	\$500,000	-	\$500,000	-	\$0
15. Natural Filters on State Lands (Leadership by Example)	DNR	\$8,070,000	-	\$6,336,000	\$6,343,313	4,609,313
Implementation Technical Assistance						
16. Agricultural Technical Assistance	MDA	\$2,600,000	-	\$2,600,000	-	-
17. Stormwater Permit Expeditors	MDE	-	-	\$750,000	-	\$750,000
18. Field Restoration Specialists	DNR	-	-	\$750,000	-	\$750,000
FUND SOURCE SUB TOTAL		\$25,000,000	37,790,000	\$31,500,000	36,500,000	
		\$62,790,000		\$68,000,000		

"The Chesapeake Bay Trust Fund has been a tremendous help to us.

By supplementing the County's capital funds for watershed improvement projects, the Grant has allowed us to accelerate our schedule for getting much needed water quality improvement projects in the ground."

**- Mark Richmond, P.E.
Bureau of Environmental Services, Howard County**

*Martin O'Malley, Governor
John R. Griffin, Secretary*



Accountability, Verification and Management ~ \$1,314,000

- 1. Strategic Monitoring:** The Fiscal Year 14 Budget will continue to provide \$400,000 to DNR and UMCES to develop and implement monitoring strategies, collect and analyze data for trends, provide biological monitoring in Trust Fund watersheds and comparison watersheds, and to communicate the results of the Trust Fund restoration efforts.
- 2. Targeted Monitoring of Out of State Sources:** As required by the budget committees, the Fiscal Year 14 Budget will provide \$300,000 to DNR for year two of a three year initiative to quantify the impact of nutrient and sediment loads from out of state tributaries. DNR implemented enhanced non tidal nutrient and sediment load monitoring at 3 key locations on streams entering Maryland from adjacent States – PA, WV and VA in FY '13. An increase of \$100,000 Trust Fund resources is required for FY '14 to maintain steam gage support provided by USGS and to develop nutrient and sediment loading curves based on the first year of data.
- 3. Implementation Tracking:** The Fiscal Year 14 Budget will continue to provide \$200,000 to the DoIT to provide hosting, application, maintenance, and data support services for Maryland's IMAP including the Trust Fund mapper which provides implementation information including cost, match, estimated nutrient reduction and status.
- 4. Administration and Management:** The Fiscal Year 14 Budget will continue to provide 1.5 % of the total operating allowance to DNR to provide fiscal oversight; manage grant programs including RFP development, project review, contract and project development and management; coordination with BayStat agencies, the BayStat Scientific Advisory Panel, DBM, and DLS, and reporting to the General Assembly.

Accelerating Restoration through Research and Development ~ \$3,250,000

- 5. Manure to Energy Projects with Proven Technology:** This Fiscal Year, the Trust Fund will provide \$2,500,000 in general obligation bonds to MDA to support the Animal Waste Technology Fund. These funds will be used to support technologies that provide promising alternatives for utilization of excess animal wastes such as energy production. This program not only supports the sustainability of Maryland's animal industries but will also assist with implementation of the new nutrient management regulations and accelerate water quality goals. This effort was delayed from FY 2013 to FY 2014 due to need to cover the shortfall of funding available to the Cover Crop Program as a result of the record enrollment last year.
- 6. Maryland's Innovative Technology Fund:** This Fiscal Year, the Trust Fund will provide \$750,000 to the Innovative Technology Fund, established with the goal of accelerating Chesapeake Bay restoration through the development of new innovative technologies. In FY 14, \$500,000 of the \$750,000 will be utilized to support the development of new, innovative technologies for on-farm manure to energy projects. The Innovative Technology Fund is made possible through funding from the Trust Fund, the Environmental Protection Agency's Chesapeake Bay Implementation Grant (CBIG) and in partnership with the University of Maryland's Industrial Partnership (MIPS) and the Mtech Ventures Program.

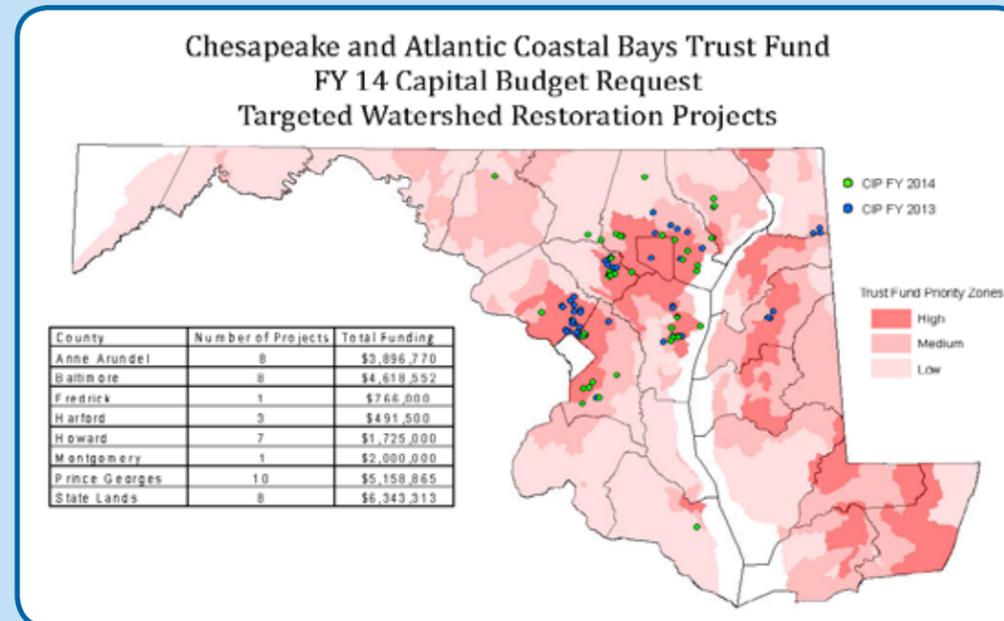
Implementation of Local Watershed Implementation Plans (WIPs) ~ \$33,656,687

- 7. Targeted Watershed Restoration Projects:** This Fiscal Year, the Trust Fund will provide \$25,156,687 in general obligation bonds for 38 projects in 7 subdivisions throughout the State. As a compliment to the specific local stormwater projects listed below, this allocation will make grants available on a competitive basis for additional stormwater projects in watersheds and subwatersheds impacted heavily by prior development. Grants made available to local governments through this competition will be awarded on factors including the maximum amount of reduction per dollar spent and the ability to commence construction during FY 14.

FY 14 targeted watershed restoration projects include:

- A total of 8 projects in Anne Arundel County (\$3,896,770)
- A total of 8 projects in Baltimore County (\$4,618,552)
- A total of 1 project in Fredrick County (\$766,000)
- A total of 3 projects in Harford County (\$491,500)
- A total of 7 projects in Howard County (\$1,725,000)
- A total of 1 project in Montgomery County (\$2,000,000)
- A total of 10 projects in Prince Georges County (\$5,158,865)

- 8. Urban Tree Canopy Projects:** This Fiscal Year, the Trust Fund will provide \$1,000,000 in operating allowance and an additional \$2,000,000 in General Obligation Bonds for DNR to administer a competitive grant program to municipalities and some unincorporated areas to implement their urban tree canopy assessments and mapping of planting sites. DNR has worked for a decade or so to assist upwards of 60 such towns to do an urban tree canopy assessment and to map available planting sites including those sites with pavement compaction. Communities have been hampered in their efforts to implement their plans due to the costs of clearing and preparing these compacted sites. The costs of tree purchase, planting and maintenance will be handled through companion grants from the TF operating budget. Projects will be integrated with local competitive stormwater restorations projects where ever feasible.



- 9. Stream Restoration Challenge:** This Fiscal Year, the Trust Fund will provide \$5,000,000 for year two of a competitive grant program open to local governments and non-government organizations to establish 1,000 acres of stream-side forests by 2015. For this challenge, the State and its partners will make available \$5 million to plant forested stream buffers with the goals of improving Bay water quality and creating opportunities for middle and high school students to engage in service-learning and environmental literacy activities.
- 10. Design of Winter Sludge Storage Facilities for Small Municipalities:** This Fiscal Year, pursuant to the recently adopted regulations, the Trust Fund will provide \$500,000 to MDE to solicit funding applications for the design of winter sludge storage facilities from small municipalities operating waste water treatment plants at or below 0.5 million gallons per day. Financial assistance will be limited to small disadvantaged communities interested in pursuing design in FY'14. Consistent with current MDE financial assistance capital programs, MDE will provide up to 87.5% of the design cost in grant funds, with a 12.5% local match requirement.

Implementation of the State's Watershed Implementation Plan ~ \$25,679,313

- 11. Maryland's Cover Crops Program:** This Fiscal Year, the Trust Fund will provide \$10,000,000 to supplement Maryland's Chesapeake Bay Restoration Fund to MDA's Cover Crop Program. Cover crops are critical to Maryland achieving the reduction of nutrients necessary to meeting the State's WIP. As mentioned above, the record enrollment in cover crops by Maryland farmers last year required the State to reallocate resources in the Trust Fund from manure to energy projects to meet the cover crop funding shortfall. To improve planning for FY 14, the starting allocation from the Trust Fund for this program was raised from \$6,400,000 to \$10,000,000.
- 12. Grants to Farmers (Nutrient Management Regulations):** The Fiscal Year 14 Budget will continue to provide \$2,000,000 to MDA to assist farmers with implementing the new nutrient management regulations. This funding will help offset the infrastructure costs to implement or enhance manure storage and provide incentives for improved management of manure and other sources of crop nutrients. Manure storage contains animal waste in structures to protect it from weather to reduce nutrient runoff until it can be used as a crop fertilizer when conditions minimize environmental impacts or to be transported to another location. Manure incorporation integrates animal waste into the soil at the time of application utilizing low disturbance technology.
- 13. Conservation Reserve Enhancement Incentive:** The Fiscal Year 14 Budget will continue to provide \$500,000 to MDA to support the Conservation Reserve Enhancement Program (CREP). BMPs targeted include grass and forest stream-side buffers, wetlands and permanent stabilization of highly erodible land. Water quality bonds provide the state's share of funding to implement these BMPs. Trust Funds are used to provide the state \$100 per acre signing incentive for new and re-enrolled acres.
- 14. Manure Transport Program:** The Fiscal Year 14 Budget will continue to provide \$500,000 to MDA to transport excess manure away from farms with high soil phosphorus levels to other farms or locations that can use the manure agronomically to minimize phosphorus runoff. Trust Fund dollars will leverage funds already provided by the poultry companies and state general funds traditionally used to support manure transport.
- 15. Natural Filters on State Lands (Leadership by Example):** This Fiscal Year, the Trust Fund will provide \$6,336,000 and an additional \$6,343,313 in general obligation bonds to the Trust Fund for the implementation of nutrient and sediment reduction projects on State lands. Since 2011, DNR has undertaken a comprehensive effort to identify and design nutrient reduction opportunities on its own land as well as at other State owned facilities. Projects include forested buffers; reforestation; wetland restoration; stream and floodplain restoration; stormwater retrofits; and other bioremediation projects.

Implementation Technical Assistance ~ \$4,100,000

- 16. Agricultural Technical Assistance:** The Fiscal Year 14 Budget will continue to provide \$2,600,000 to MDA to support agricultural technical assistance positions in the Soil Conservation Districts. In total, the Trust Fund now supports 39 SCD position needed to assist farmers in the implementation of agricultural best management practices as identified in the State's Watershed Implementation Plan.
- 17. Water Management Permit Expeditors:** This Fiscal year, the Trust Fund will provide \$750,000 to MDE to expedite state review of qualifying stormwater and wetland restoration projects and to protect the quality of the State's ground and surface waters.
- 18. Field Restoration Specialists:** This Fiscal year, the Trust Fund will provide \$750,000 to DNR to increase the level of field specialists to assist State and Local partners identify, engineer, design and provide construction and construction oversight assistance of priority Chesapeake Bay restoration projects.

Impact by the Numbers

\$107.6M

Targeted for on-the-ground nonpoint source pollution reduction projects through FY13

\$111M

Dollars leveraged in federal, state, and local funds through FY13

2.7M

Pounds of nitrogen reduced FY09-FY12

200,394

Pounds of phosphorus reduced FY09-FY12

113

Tons of sediment reduced FY09-FY12

39

Soil Conservation District positions hired to provide agricultural technical assistance through FY13

342

Jobs supported or created through funding of local stormwater projects in FY13

16

New technologies developed to advance Chesapeake Bay restoration through FY13

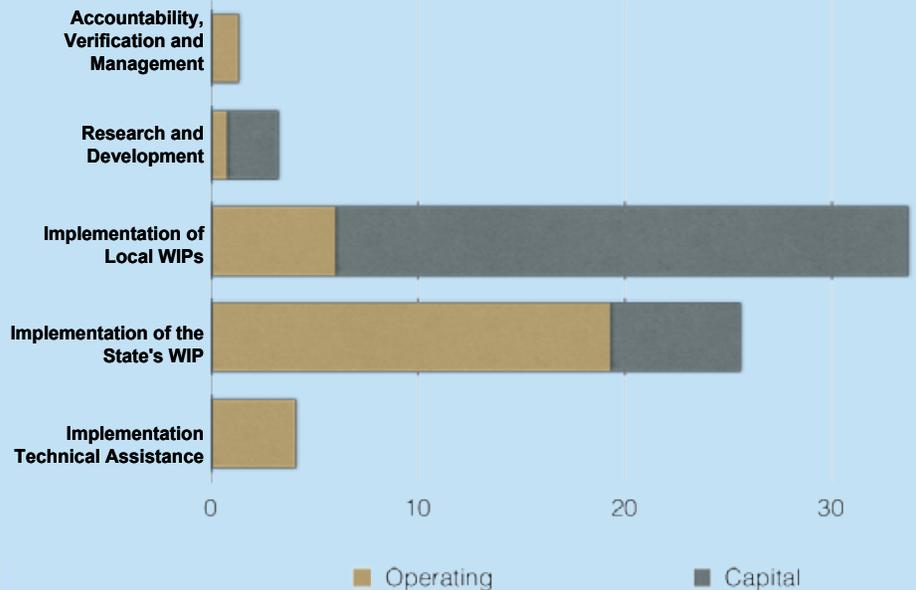
267,000

Acres of cover crops planted with Trust Fund incentives in FY12

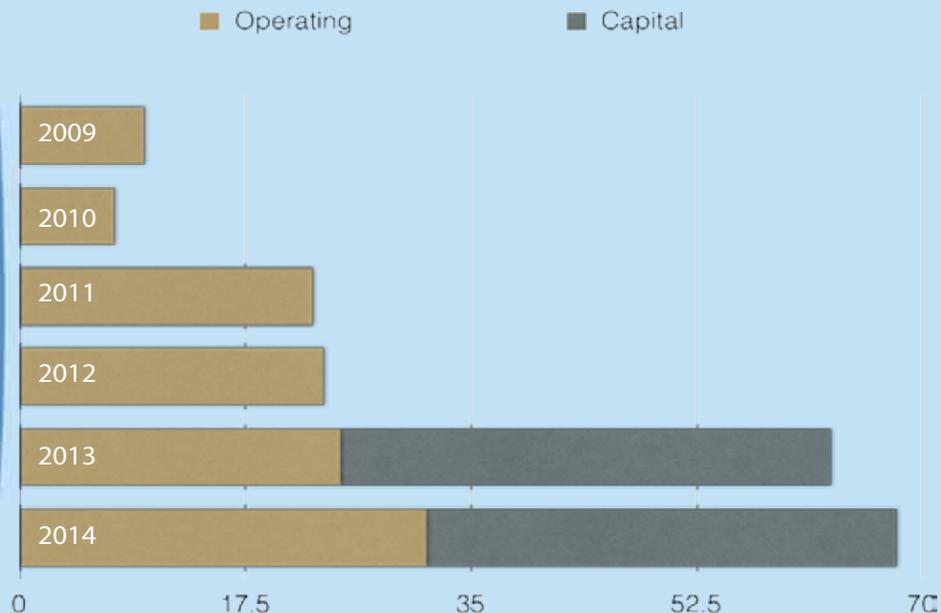
Trust Fund Background

In 2007, State leaders in Maryland took a bold step in their efforts to restore the Chesapeake Bay with the creation of the Chesapeake and Atlantic Coastal Bays Trust Fund (Trust Fund). The Chesapeake and Atlantic Coastal Bays Trust Fund is one of the region's most important funding tools targeting water quality and watershed restoration projects that reduce non point source pollution from entering the Chesapeake Bay. Dollars for the Trust Fund are generated through motor fuel tax and rental car tax in Maryland.

FY 14 Investment by Category
(in Millions)



Trust Fund Growth FY 09 - FY 14
(in Millions)



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