



Martin O'Malley, Governor
Anthony G. Brown, Lt. Governor
John R. Griffin, Secretary
Eric Schwaab, Deputy Secretary

February 13, 2009

The Honorable Ulysses Currie
Chairman, Senate Budget & Taxation Committee

The Honorable James E. DeGrange, Sr.
Chairman, Senate Subcommittee Public Safety, Transportation & the Environment

The Honorable Norman H. Conway
Chairman, House Committee on Appropriations

The Honorable Tawanna P. Gaines
Chairman, House Subcommittee on Transportation & the Environment

RE: DEPARTMENT OF NATURAL RESOURCES – BUDGET LANGUAGE

HONORABLE MEMBERS:

The 2008 Maryland General Assembly set forth the following directive in the fiscal year 2009 Budget Bill:

K
Department of Natural Resources
OFFICE OF THE SECRETARY

Provided that \$2,715,000 in special funds from the increase in non-tidal angler and sport fishing license fees may not be expended until the submission of a comprehensive plan to the budget committees on how the new revenues will be used. The budget committees shall have 45 days to review and comment on the plan.

Please find attached our response to this budgetary directive.

It is important to note that DNR developed this spending plan in close coordination with the Task Force on Fishery Management, consistent with the intent of the enabling legislation which created this Task Force and also authorized the increase in recreational fishing license fees for a 3-year period (*Chapter 217 of the Acts of 2007*). The Task Force submitted their 2008 report to Governor Martin O'Malley and the Maryland General Assembly on December 1, 2008. The Task Force is scheduled to complete its work before the 2010 Session of the Maryland General Assembly and the fee increase authorized by Chapter 217 is scheduled to sunset on June 30, 2010.

The Department stands prepared to be of any assistance deemed appropriate by the respective budget committees and is hopeful the attached response meets with your approval.

Sincerely,

/original signed

John R. Griffin
Secretary

Cc:

Karl S. Aro
Executive Director, Department of Legislative Services

The Honorable T. Eloise Foster
Secretary, Department of Budget & Management

**MARYLAND DEPARTMENT OF NATURAL
RESOURCES' SPENDING PLAN FOR REVENUES
GENERATED FROM SENATE BILL 1012 OF THE
2007 GENERAL ASSEMBLY**

Presented to:

The Honorable Ulysses Currie
Chairman, Senate Budget & Taxation Committee

The Honorable James E. DeGrange, Sr.
Chairman, Senate Subcommittee Public Safety, Transportation & the Environment

The Honorable Norman H. Conway
Chairman, House Committee on Appropriations

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February 2009

INTRODUCTION

The 2008 Maryland General Assembly set forth the following directive in the fiscal year 2009 Budget Bill:

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Provided that \$2,715,000 in special funds from the increase in non-tidal angler and sport fishing license fees may not be expended until the submission of a comprehensive plan to the budget committees on how the new revenues will be used. The budget committees shall have 45 days to review and comment on the plan.

This report provides the Maryland Department of Natural Resources (DNR) response to this budgetary directive. It is important to note that DNR is working closely with the Task Force on Fishery Management, consistent with the intent of the enabling legislation, SB 1012 (2007), which created this Task Force and also authorized the increase in recreational fishing license fees for a 3-year period (*Chapter 217 of the Acts of 2007*). The Task Force is scheduled to complete its work before the 2010 Session of the Maryland General Assembly and the fee increase authorized by Chapter 217 is scheduled to sunset on June 30, 2010.

The Department stands prepared to be of any assistance deemed appropriate by the respective budget committees and is hopeful the attached response meets with your approval.

REVENUES PROJECTED AND REALIZED

The Department of Legislative Services' fiscal summary for SB 1012 (2007) projected a Special fund revenue increase of \$2.3 million due to an increase in specified sport fishing license fees. This projection assumed that the number of specified licenses issued remained the same despite the fact that the number of sport fishing licenses issued has been decreasing by 15% annually.

The total amount of Special fund revenues realized from this legislation for FY 2008 is \$1,371,000. The Fisheries Management and Protection Fund (Inland Fisheries) received an increase of \$923,000. The Research and Development Fund (Tidal Fisheries) received an increase of \$448,000.

In addition to this Special fund increase, Governor Martin O'Malley provided a General Fund match of \$750,000 in the FY 2009 budget.

This report provides DNR's spending plan for the combined Special and General fund increase of \$2,121,000 subject to modifications based upon ongoing cost containment related to the FY 2009 State budget. Any Special funds not utilized by June 30, 2009 will be carried over to a reserve account and expended in FY 2010. All of the FY 2009 General fund appropriation will be obligated by June 30, 2009.

FY 2009 SPENDING PLAN

The DNR Fisheries Service's FY 2009 spending plan for this increased revenue is based upon recommendations included in the December 1, 2008 report of the Task Force on Fishery Management, and results from a strategic planning exercise conducted by Fisheries Service staff in June 2008. The spending plan is described within the following 7 management areas:

1. Research and monitoring;
2. Data management;
3. Statistical analysis and assessment;
4. Conservation and management;
5. Hatcheries and restoration;
6. Public outreach, communication and marketing; and
7. Enforcement

1. Research and Monitoring

- Provide additional support to the Regional Managers in Garrett, Allegany, Washington, and Frederick Counties that will enable them to adopt the Maryland Biological Stream Survey habitat assessment protocols and maintain a re-survey schedule of brook trout populations currently being developed. This will be accomplished by two new full time contractual natural resource technician and one natural resource biologist positions in the Inland Fisheries Division, Western Region (**\$125,000**).
- Brook trout study – State funding will be used as match for a \$300,000 grant application to conduct study in the Savage River drainage which provides a unique opportunity due to No Harvest regulation to get accurate estimates of growth, mortality and recruitment, determine rates of emigration & immigration between populations and study habitat usage by brook trout (**\$75,000**).
- Contract with U.S. Fish and Wildlife Service Lamar Fish Health Laboratory to provide testing of hatchery progeny for largemouth bass virus, whirling disease in trout, including testing of sentinel fry, and other pathogens (**\$125,000**).

2. Data Management

- Create a program within Fisheries Service that is dedicated to the creation, maintenance and oversight of a fisheries-wide data base that can interface with other DNR data bases (i.e. water quality, land-use), including the Blue Infrastructure Program, provide mapping capability (GIS), and increase data accessibility to managers, scientists, planning/zoning agencies, permitting agencies and the public. This will be accomplished by using a full time position approved in the FY 2009 budget and contractual services: 1) a data management program manager for all of Fisheries Service; 2) an Inland Fisheries Division data

Maryland Department of Natural Resources Spending Plan for Revenues Generated from
SB 1012 of the 2007 General Assembly – January 2009

coordinator; and 3) an Estuarine and Marine Fisheries Division data coordinator (**\$180,000**).

- Hire a contractor for the initial development of a fisheries-wide database, which will generate analytical precision as well as the ability to better incorporate ecosystem based fisheries management questions into analyses (**\$150,000**).

3. Statistical Analysis and Assessment

- Provide training to ensure staff remains fluent in state of the art fisheries monitoring and assessment techniques (**\$30,000**).
- Hire a contractor to quantify the socio-economic impacts of Maryland's fishing communities (**\$60,000**).

4. Conservation and Management

- Provide additional support within DNR's Environmental Review Program to ensure that fisheries habitat criteria are utilized in project review activities. This will be accomplished by a contractual position within the Environmental Review Program (**\$60,000**).
- Provide additional support within Fisheries Service to identify the impacts of land-use on fisheries resources, and promote the protection of these habitats. This will be accomplished by a using a PIN approved in the FY 2009 budget for a habitat specialist program manager position (**\$70,000**).
- Provide additional support within the Inland Division for the monitoring and management of tidal largemouth and freshwater smallmouth bass populations and fisheries. This will be accomplished by a using a PIN approved in the FY 2009 budget for a natural resources biologist position (**\$60,000**).
- Provide additional support within the Shellfish Division to assist with the planning, implementation, and monitoring of oyster restoration projects that provide important fish habitat and water quality benefits. This will be accomplished by a contractual natural resource biologist position with the Shellfish Division (**\$60,000**).
- Provide additional support within the Blue Crab Program to assist with research, monitoring and administrative efforts on blue crabs, and interfacing with constituents and managers in neighboring Bay jurisdictions to ensure effective management of the blue crab fisheries. This will be accomplished by a contractual natural resource biologist position within the Blue Crab Program (**\$60,000**).
- Obtain the support from a trained socio-economist to evaluate the impacts of alternative management strategies and provide information to facilitate fisheries allocation decisions. This will be accomplished by a contractual socio-economist position within Fisheries Service (**\$60,000**).
- Provide funding to support the development of a Savage River coldwater discharge model to provide a technically sound basis for decisions on the allocation of water from Savage River Reservoir (**\$20,000**).

Maryland Department of Natural Resources Spending Plan for Revenues Generated from
SB 1012 of the 2007 General Assembly – January 2009

- Provide funding to continue operation of the U.S. Geological Survey's Barton Stream gauge to provide a technically sound basis for decisions on the allocation of water from Savage River Reservoir **(\$8,000)**.
- Provide funding to support a contract with the Appalachian Laboratory to obtain water quality data from the North Branch of the Potomac and tributaries **(\$9,000)**.
- Conduct angler creel surveys in Inland waters **(\$146,000)**.
- Provide funding to contribute to the development and implementation of a survey to provide estimates of recreational catch and effort for estuarine species **(\$148,000)**.

5. Hatcheries and Restoration

- Provide funding to hire a contractor to conduct an assessment of Fisheries Services' current and potential trout production facilities. Contract will address raising disease free trout at Bear Creek Hatchery, suggest new technologies for more efficient use of Albert Powell Hatchery, provide a concept plan for a Jennings-Randolph aquaculture facility, and provide cost estimates for all **(\$150,000)**.
- Provide funding for the construction of discharge and intake treatment plants for Bear Creek Hatchery **(\$135,000)**.
- Provide funding to divert the discharge from the Bear Creek trout hatchery and surface runoff to reduce the likelihood of whirling disease transmission **(\$10,000)**.
- Provide additional support to assist with the planning, implementation and monitoring of artificial reef projects. This will be accomplished by a contractual natural resources biologist position with Fisheries Service **(\$60,000)**.
- Provide additional support to assist with anadromous fish restoration projects. This will be accomplished by a contractual natural resources biologist position at the Cedarville hatchery **(\$60,000)**.

6. Public Outreach, Communication and Marketing

- Provide additional support that is dedicated to the enhancement and maintenance of a state of the art Fisheries Service website to better inform constituents on an array of Fisheries Service products. This will be accomplished by a contractual position within Fisheries Service **(\$60,000)**.
- Provide funding for the development and distribution of public information material **(\$50,000)**.
- Provide funding to train staff on stakeholder communication, consensus building and conflict resolution **(\$25,000)**.
- Provide funding to develop and distribute educational information to increase public awareness about invasive species threats (i.e. Didymo, crayfish, snakehead) **(\$25,000)**.

7. Enforcement

Maryland Department of Natural Resources Spending Plan for Revenues Generated from
SB 1012 of the 2007 General Assembly – January 2009

- Provide funding to the Natural Resources Police to improve enforcement of fisheries laws and regulations (i.e. dedicated enforcement officer, equipment) **(\$100,000).**

FY 2010 and Beyond

SB 1012 has provided an important source of funding to advance fisheries management and conservation in Maryland. Additionally Governor O’Malley has provided a General Fund match to leverage the increased special funds and recognize the financial commitment of the recreational angler community. Working with the Task Force on Fishery Management, the Department has been and will continue to engage its key stakeholders in fisheries management issues, including the use of funding from SB 1012. The severe economic issues now before the State challenge us severely, but the recreational angler community has demonstrated its willingness to fund enhanced fisheries conservation and management.

An unresolved issue is the availability of new permanent positions to advance over the long-term the projects described in this document. Ultimately, the Department desires to convert eight existing contractals into permanent positions (funded with pre-SB 1012 funds), and do the same with the multiple new contractual positions outlined above. The current fiscal climate, however, limits expansion of the State work force despite the availability of dedicated funding for fisheries programs. Additionally, the sunset provision of SB 1012 makes it impossible for the State to make long-term financial commitments related to increased permanent staff. Our hope is that ultimately economic improvement and removal of the sunset provision will allow for the approval of a number of new PINs to advance the key fisheries priorities outlined above.

SUMMARY

A summary of the spending plan by management category and area is included below. Note that spending plan items that pertain to both Inland and Tidal Fisheries were accounted for applying half of the funding amount to each management area.

	Total	Inland Fisheries	Tidal Fisheries
1. Research and Monitoring	\$325,000	\$325,000	\$0
2. Data Management	\$330,000	\$165,000	\$165,000
3. Statistical Analysis and Assessment	\$90,000	\$45,000	\$45,000
4. Conservation and Management	\$701,000	\$338,000	\$363,000
5. Hatcheries and Restoration	\$415,000	\$295,000	\$120,000
6. Public Outreach, Communication and	\$160,000	\$80,000	\$80,000

Maryland Department of Natural Resources Spending Plan for Revenues Generated from
 SB 1012 of the 2007 General Assembly – January 2009

Marketing			
7. Enforcement	\$100,000	\$50,000	\$50,000
Total	\$2,121,000	\$1,298,000	\$823,000
Target Amount	\$2,121,000	\$1,298,000*	\$823,000*

* The target amount is based upon the special fund revenues realized for the Inland and Tidal fisheries programs and a 50/50 allocation of available General funds between these programs.