# Mel Noland Woodland Incentive Fund

# FY 25

Natural Resources Article, Section 5-307

Prepared by the Department of Natural Resources

January 2026

January 26, 2026

The Honorable Brian Feldman
Chair, Senate Education, Energy and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

The Honorable Marc Korman
Chair, House Environment and Transportation Committee
251 Taylor House Office Building
Annapolis, Maryland 21401

Dear Senator Feldman and Delegate Korman:

I am pleased to provide you this report on the status of the Woodland Incentive Fund for FY25.

The Woodland Incentive Fund (Natural Resources Article, Section 5-307), together with General Fund (GF) appropriations, may be used toward private landowner cost-share assistance and administrative costs for preparing forest stewardship plans; annual grants to the Forest Conservancy District Boards' outreach efforts; supporting activities pursuant to the Forest Health Emergency Contingency Program; financial assistance for the administration of an Urban and Community Forestry Program; funding forest products marketing and utilization programming in the Department of Natural Resources (DNR) and helping DNR, in cooperation with other public and private entities, develop and expand forest mitigation banking, carbon crediting, clean water credit trading and environmental services credit training programs; and offsetting the administrative costs for providing staff assistance to the Sustainable Forestry Council.

Funding sources include revenues from forestry practices on designated lands owned and managed by the Department subject to approval by the Secretary and the Board of Public Works, as well as the woodland transfer tax and surcharge and various fees for landowner services.

Revenue derived from forestry practices on designated lands owned and managed by the Department consists of timber sale revenues from State Forests and the Chesapeake Forest Lands and are deposited in the Forest and Park Reserve Fund (FPRF). During the reporting period, transferring these funds to the Woodland Incentive Fund (WIF) was not necessary.

During the past several years, the majority of expenditures have been directed toward initiatives that strengthen forest health and productivity in partnership with committed private landowners. Investments included cost-share capital grants to expand value-added wood manufacturing, support for a major wood energy project in Western Maryland, and full funding for the Evergreen Heritage Center's applied forestry skills semester for Allegany College of Maryland forestry students, along with separate workforce training opportunities for high school students.

Additional resources supported career awareness and workforce development through the well-established Natural Resources Careers Camp and the launch of the Urban Forestry Camp, both in partnership with the Maryland Forestry Foundation. Funding also enabled the eradication of Spongy Moth across more than 37,000 acres of white oak forest and supported staffing positions dedicated to interfacing with the forest products industry and providing technical assistance to state and private forest managers.

The program also established and expanded partnerships focused on workforce recruitment and training, including collaborations with St. Mary's County Career & Technology Academy and the Junior Achievement Center, as well as the creation of several internship opportunities. Additional investments included continued support for private forest landowners, validation of the performance of thermally modified wood—a newly manufactured building product in Maryland—and the development of a public-facing dashboard to track progress toward statewide forestry goals.

Report corrections from previous years

- FY22 - An expenditure for salary was credited to WIF that should have been credited to Forest Park and Reserve; this was corrected in FY2026 for AY2022, thereby correcting the FY22 expenditure balance.

- FY23 - The $50,000 Mel Noland Fellowship Program, established by House Bill 0488, was appropriated as General Funds. The Fellowship Grant expenditure was charged to General Funds, consistent with the appropriation; however, the report captured only special fund expenditures.

- FY24 - The Great Maryland Outdoors Act established an annual budget bill appropriation of one million dollars in General Funds. General Fund expenditures attributable to WIF from the mandated allocations were not captured in the reporting; only special fund expenditures were included.

- FY25 - Reporting captures expenditures for both General and Special Funds. Moving forward, from FY26 onward, all expenditures will be Special Funds.

The following is a summary of revenue and expenditure for the Woodland Incentive Fund during FY23, FY24 and FY25.

| Revenue Source | FY2022 | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|
| General Fund transfer | | $50,000.00 | $1,000,000.00 | $500,000.00 |
| Woodland Transfer Tax | $41,481.00 | $80,230.78 | $194,205.12 | $18,976.75 |
| Ag Transfer Tax-woodland surcharge | $10,620.25 | $21,008.86 | $48,551.28 | $4,504.19 |
| Forest Cons. & Mgt Agreement | | | $650.00 | |
| Forest Stewardship Plans | $88,714.25 | $100,064.25 | $90,279.25 | $74,119.86 |
| Timber Stand Improvement Services | $486.20 | $408.00 | $510.80 | $138.00 |
| Planting Site Exams | | | | |
| Management Plan Inspections | $70,933.00 | $79,720.00 | $81,886.36 | $70,372.00 |
| Forestry Services Coordination | $1,541.20 | $1,867.04 | $220.00 | |
| Land rent | | | $11,352.50 | |
| Forestry Equipment Rental | $25.00 | $3,957.00 | $ - | |
| Fees- prescribed burns | | | | $390.00 |

| | | | | |
|---|---|---|---|---|
| Misc fees, fines & forfeitures | | | | $387.50 |
| Misc administrative charges | $35.00 | | $119.00 | |
| **Total Revenues** | **$213,835.90** | **$337,255.93** | **$1,427,774.31** | **$668,888.30** |
| | | | | |
| Expenditure Purpose | **FY2022** | **FY2023** | **FY2024** | **FY2025** |
| Cost Share to Landowners | $205,298.79 | $259,720.05 | $185,928.61 | $254,128.50 |
| Grant to state agency | | | $100,600.00 | |
| Grants to Forestry Boards | $ - | $50,000.00 | $50,000.00 | $50,000.00 |
| Office of the Secretary | $ - | $ - | | |
| Regular Payroll | | | $45,161.91 | $107,157.72 |
| Training | | | $2,500.00 | |
| Contractual Wages | $66,464.81 | $57,620.64 | $32,242.97 | $40,251.22 |
| Postage | | | | $1.23 |
| Miscellaneous | $592.60 | $345.45 | $735.04 | $449.72 |
| Contracts & Agreements | | | $239,094.00 | $80,000.00 |
| Supplies | | | $987.84 | |
| **Bad Debt Expense** | $1,525.00 | $11,549.00 | $8,173.35 | $2,450.00 |
| Total Expenditures | **$273,881.20** | **$379,235.14** | **$665,423.72** | **$534,438.39** |
| | | | | |
| **Net Gain/Loss** | -$60,045.30 | -$41,979.21 | $762,350.59 | $134,449.91 |
| | | | | |
| WIF Fund Balance | **FY2022** | **FY2023** | **FY2024** | **FY2025** |
| Beginning FY | $579,505.97 | $519,460.67 | $477,481.46 | $1,239,832.05 |
| Ending FY | $519,460.67 | $477,481.46 | $1,239,832.05 | $1,374,281.96 |

The Honorable Brian Feldman
The Honorable Marc Korman

If you have any questions about this submission, please do not hesitate to contact Lydia McPhearson, Director of Legislative and Constituent Services at (410) 260-8113 or lydia.mcpherson1@maryland.gov.

Sincerely,

Josh Kurtz
Secretary

cc: Sarah Albert, Mandated Reports Specialist, Legislative Library (5 copies)
Lydia McPhearson