

CHESAPEAKE & ATLANTIC COASTAL BAYS TRUST FUND ANNUAL REPORT & EXPENDITURE PLAN

FY 22 - FY24

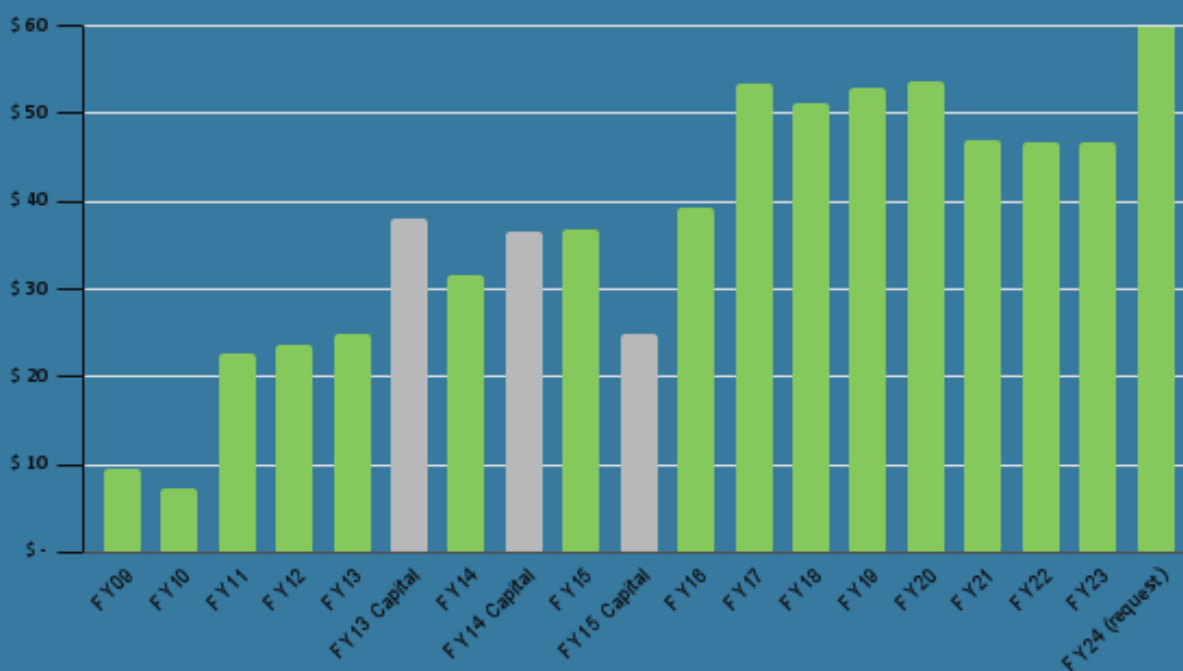


FINANCIAL OVERVIEW

The Chesapeake and Atlantic Coastal Bays Trust Fund (Trust Fund) is administered by the Maryland Department of Natural Resources (DNR). The allocation and implementation of the Trust Fund is a collaborative effort that includes Maryland's Chesapeake Bay Cabinet agencies and a Scientific Advisory Panel. Essential to its success is an annual allocation process that:

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- Targets funds to the most cost effective locations and practices;
- Leverages funds to the greatest extent achievable;
- Engages the community while holding everyone accountable; and
- Provides the flexibility necessary to take advantage of constantly changing conditions, opportunities and scientific developments.



Revenue for the Trust Fund is derived from gasoline and rental car tax. In FY13, FY14, and FY15, the Trust Fund received general obligation bonds (gray bar). The FY24 request includes \$2.5M in General Funds for tree planting efforts. (shown in millions)

CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND

FY24 BUDGET AT A GLANCE



Annual Expenditure Plan (FY22 - FY24)

Targeted Activity	Project Partner	FY22 Actual	FY23 Current	FY24 Request*	+/- FY23 to FY24
Accountability, Verification and Management					
1. Strategic Monitoring & Assessment	Natural Resources	\$400,000	\$400,000	\$400,000	\$0
2. Implementation Tracking	Information Technology	\$200,000	\$200,000	\$200,000	\$0
3. Administration & Management (1.5%)	Natural Resources	\$700,000	\$700,000	\$880,000	\$180,000
Accelerating Restoration through Research & Development					
4. Innovative Technology Fund	Natural Resources/ University of Maryland	\$1,000,000	\$1,000,000	\$1,000,000	\$0
5. Restoration Research Grant Program	Competitive grants	\$300,000	\$300,000	\$300,000	\$0
Implementation Technical Assistance					
6. Agricultural Technical Assistance	Agriculture	\$4,890,000	\$4,890,000	\$5,790,000	\$900,000
7. Water Management Permit Expeditors	Environment	\$750,000	\$750,000	\$850,000	\$100,000
8. Field Restoration Specialists	Natural Resources	\$750,000	\$750,000	\$850,000	\$100,000
9. Tree Solutions Now Coordinator & Regional Foresters	Environment / Natural Resources	\$0	\$1,250,000	\$1,250,000	\$0
Sub TOTAL		\$8,990,000	\$10,240,000	\$11,520,000	\$1,280,000
Non-point Source Pollution Control Projects					
10. Cover Crop Program	Agriculture	\$11,306,363	\$11,250,000	\$11,250,000	\$0
11. Conservation Reserve Enhancement Program Bonus Payments	Agriculture	\$293,637	\$500,000	\$500,000	\$0
12. Grants to Farmers	Agriculture	\$3,160,000	\$3,010,000	\$3,010,000	\$0
13. Manure Management Program	Agriculture	\$1,750,000	\$1,750,000	\$1,750,000	\$0
14. Competitive Grant Program	Competitive grants	\$15,160,000	\$14,910,000	\$22,900,000	\$7,990,000
15. Natural Filters on Public Lands	Competitive grants	\$6,000,000	\$5,000,000	\$6,000,000	\$1,000,000
16. Tree Solutions Now Act	Competitive grants	\$0	\$0	\$2,500,000	\$2,500,000
17. Adaptive Management & maintenance	Competitive grants	\$0	\$0	\$1,170,000	\$1,170,000
Sub TOTAL		\$37,670,000	\$36,420,000	\$49,080,000	\$12,660,000
GRAND TOTAL		\$46,660,000	\$46,660,000	\$60,600,000	\$13,940,000
*The final FY24 expenditure plan will be drafted following budget approval by the General Assembly					

CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND

FY24 BUDGET DETAILS

Accountability, Verification and Management : \$1,480,000

- 1. Strategic Monitoring & Assessment:** \$400,000 to develop and implement monitoring strategies, collect and analyze data for trends, conduct biological monitoring in Trust Fund priority watersheds and comparison watersheds, and communicate the results of the restoration efforts.
- 2. Implementation Tracking:** \$200,000 to provide hosting, application, maintenance, and data support services for the Trust Fund dashboard, mapper and Maryland's integrated map services.
- 3. Administration & Management:** 1.5% of the total operating allowance to provide fiscal oversight; manage grant programs, including solicitation development, project review, contract and project development and management; coordinate with Chesapeake Bay Cabinet agencies, the Scientific Advisory Panel, Maryland Department of Budget and Management, Department of Legislative Services; and report to the Maryland General Assembly.

Accelerating Restoration through Research and Development: \$1,300,000

- 4. Innovative Technology Fund:** \$1 million to the fund with the goal of accelerating Chesapeake Bay restoration through the development of new innovative technologies. The Trust Fund, U.S. Environmental Protection Agency's Chesapeake Bay Implementation Grant, and the University of Maryland's Industrial Partnership and Mtech Ventures Program all contribute to the fund.
- 5. Restoration Research Grant Program:** \$300,000 to competitively fund monitoring projects that will answer regulatory and restorative questions about best management practices for non-point source pollution in a robust, rigorous and representative manner.

Implementation Technical Assistance: \$8,740,000

- 6. Agricultural Technical Assistance:** \$5.79 million to support agricultural technical assistance positions in Soil Conservation Districts (SCDs). In total, the Trust Fund now supports 78 (53 state and 25 local) SCD positions needed to assist farmers in the implementation of agricultural best management practices as identified in the Watershed Implementation Plan (WIP).
- 7. Water Management Permit Expeditors:** \$850,000 to expedite state review of qualifying stormwater and wetland restoration projects, and to protect the quality of the ground and surface waters.
- 8. Field Restoration Specialists:** \$850,000 to increase the level of field specialists to assist state and local partners identify, engineer, design, and provide construction oversight assistance of priority Chesapeake Bay restoration projects.
- 9. Tree Solutions Now Act:** \$1.25 million to support the tracking and implementation of the five million tree goal.

Non-point Source Pollution Control Projects: \$49,080,000

- 10. Cover Crop Program:** \$11.25 million to Maryland's Cover Crop Program to supplement funds provided through Maryland's Chesapeake Bay Restoration Fund. Cover crops are critical to achieving the reduction of nutrients necessary to meeting the the WIP.
- 11. Conservation Reserve Enhancement Incentive:** \$500,000 to support the Conservation Reserve Enhancement Program (CREP). Trust Funds are used to provide the state signing incentive for new and re-enrolled acres on eligible best management practices, including grass and forest stream-side buffers, wetlands and permanent stabilization of highly erodible land.
- 12. Grants to Farmers:** \$3.01 million to help farmers adopt best management practices on their farms: to protect natural resources and comply with federal, state and local environmental requirements; address Maryland's nutrient management requirements (Phosphorus Management Tool); and new projects focused on co-benefit outcomes and small farm operations..
- 13. Manure Management Program:** \$1.75 million to transport manure away from farms with high soil phosphorus levels to other farms or locations that can use the manure agronomically. Funding will be leveraged by poultry integrators and state general funds traditionally used to support manure transport. Funds will also be used to support manure injection and nutrient management planning assistance for enhanced natural resource protection.
- 14. Competitive Grant Program:** \$22.9 million to support targeted, sustainable and cost-effective approaches that dramatically reduce nutrient and sediment pollution to the Chesapeake Bay, coastal bays and local waterways.
- 15. Natural Filters on Public Lands:** \$6 million for the implementation of nutrient and sediment reduction projects on public lands. Projects include forested buffers, reforestation, wetland restoration, stream and floodplain restoration, stormwater retrofits and other bioremediation projects.
- 16. Tree Solutions Now Act:** \$2.5 million in General Funds to plant and maintain 5 million native trees by the end of 2031.
- 17. Adaptive Management & Maintenance:** 2% of the annual fund amount for adaptive management, maintenance and outcome procurement per the Conservation Finance Act of 2022.

BY THE NUMBERS



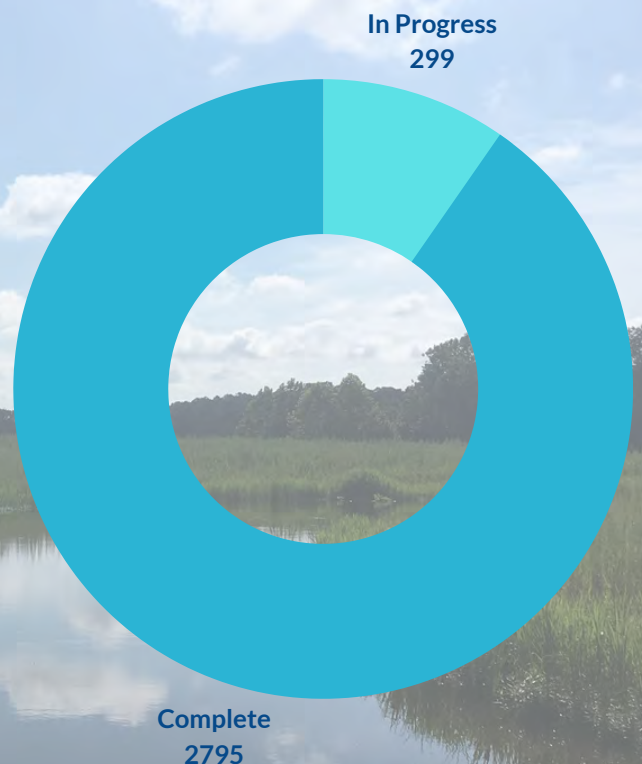
BUDGETED
FY09 - FY23

\$646,850,000
state funds
+
\$263,848,060
leveraged funds

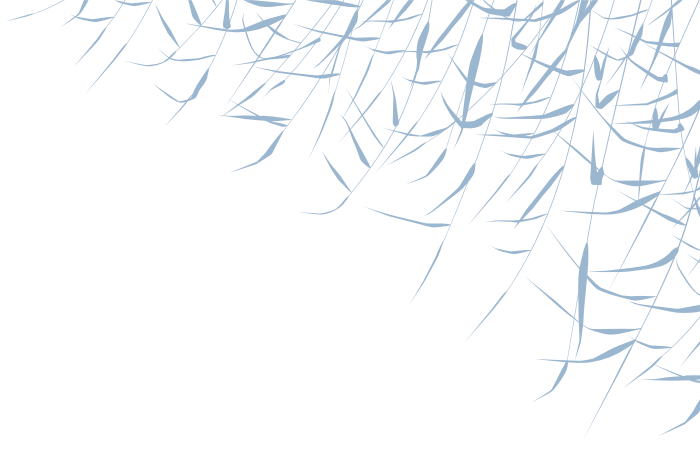
\$910,698,060
total investment

3,063

Total Project Sites

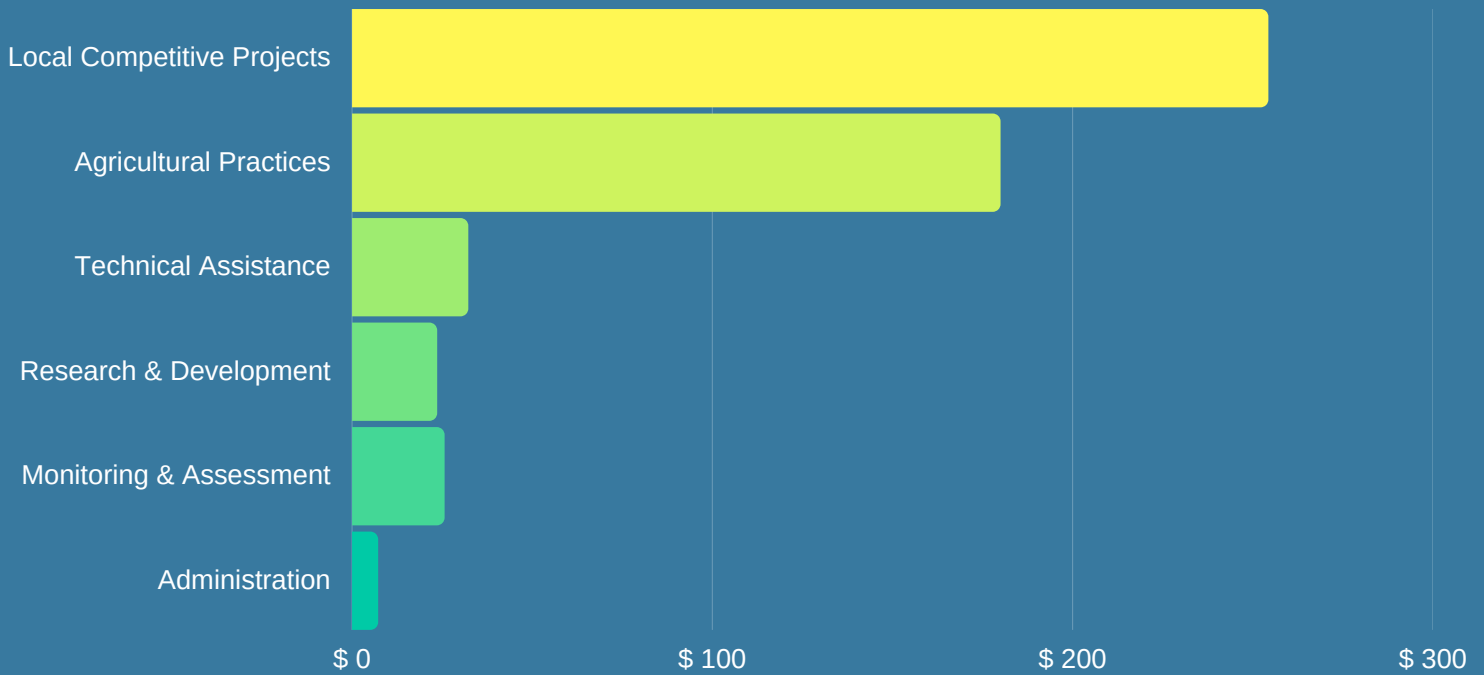


BY THE NUMBERS



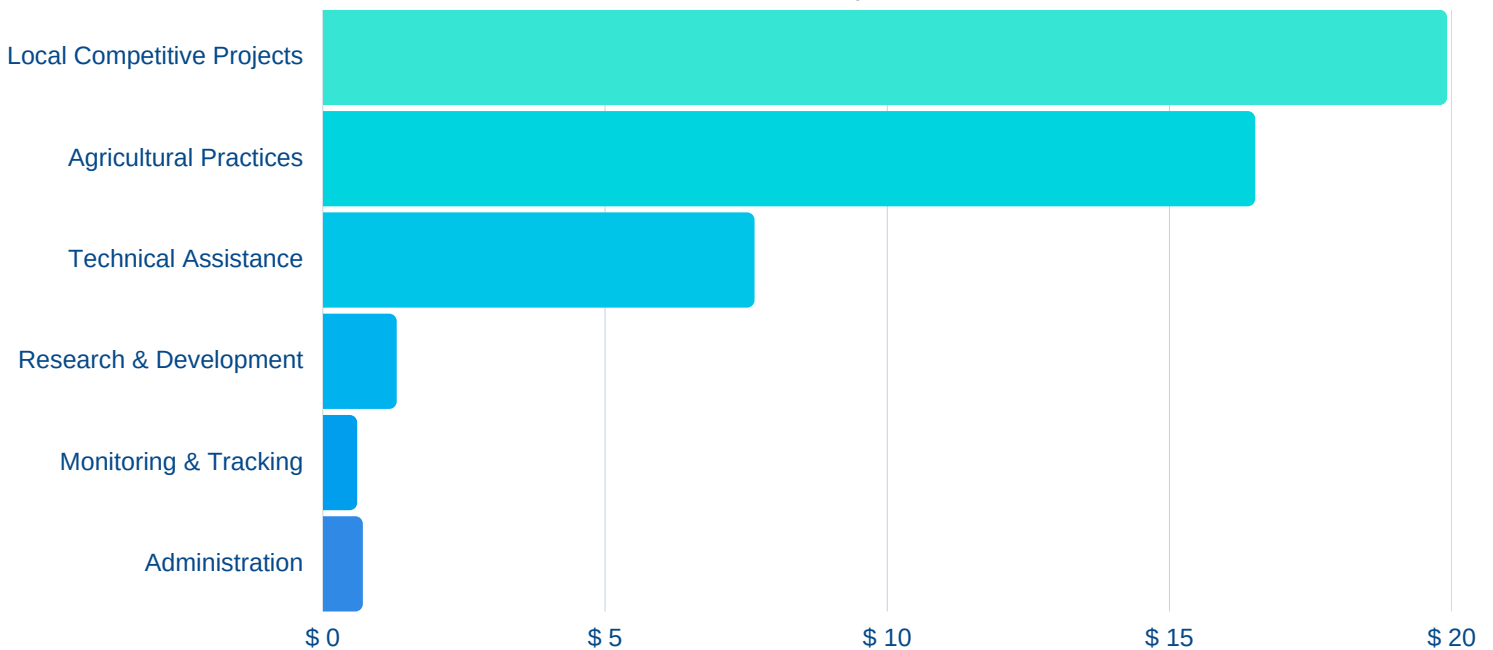
Funding Portfolio FY09 - FY22

in millions \$



Funding Portfolio FY23

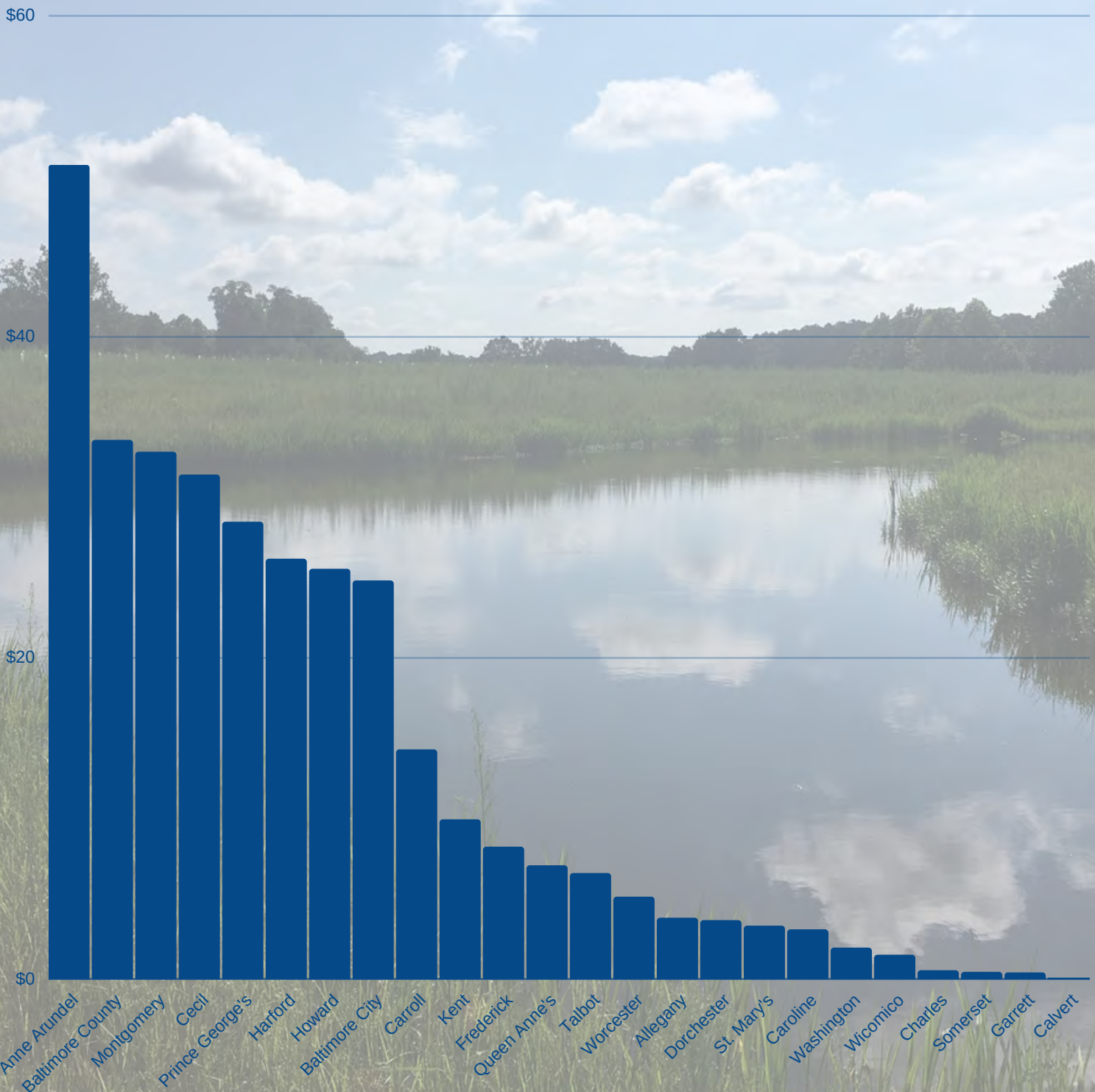
in millions \$



BY THE NUMBERS

Funding by County (FY09 - FY22)

in millions \$



BY THE NUMBERS

Completed as of fall 2023



319,256
total trees planted

1,629
riparian acres planted



341,404 linear feet of
stream restored

1,603



stormwater management
facilities installed
(includes residential)

Innovative Technology Fund has added **113 new jobs** to Maryland, while retaining many more, invested \$9.2 million with \$11.2 million in private matches, supported **56 new technologies** and 46 Maryland businesses

INVESTMENT IN AGRICULTURE FY22

Cover Crop Program

Total acres: 435,628
 Nitrogen reduced: 3,005,835 lbs
 Phosphorus reduced: 3,485 lbs

\$11,306,363

CREP Incentive

New Enrollment

Total acres: 434
 Nitrogen reduced: 16,320 lbs
 Phosphorus reduced: 319 lbs

\$293,637

264 acres re-enrolled

Agricultural Technical Assistance: \$4,890,000

Category	Total Accomplished	Est. Nitrogen Reduction (lbs)	Est. Phosphorus Reduction (lbs)	Est. Sediment Reduction (lbs)
Acres of conservation planning	36,690	51,336	3,669	5,569,542
Best management practices applied or installed	404	25,662	1,899	926,501
Verified best management practices meeting standards	1,281	81,369	6,021	2,937,743
TOTAL		158,397	11,589	9,433,786

MEASURING FOR RESULTS



State Fiscal Year	SFY 2022 actual	SFY 2023 working	SFY 2024 estimate
Funding Level	\$46,660,000	\$46,660,000	\$60,600,000
Nitrogen (lbs) Annual practices	3,110,153	3,228,551	3,228,551
Nitrogen (lbs) Landuse practices	101,882	101,882	125,901
Phosphorus (lbs) Annual practices	19,699	19,699	19,699
Phosphorus (lbs) Landuse practices	5,313	5,313	7,336
Sediment (tons) Annual practices	407	407	407
Sediment (tons) Landuse practices	730	730	1,059

Cumulative totals

Landuse Practices
FY13 - FY22

1,354,401

lbs nitrogen

200,851

lbs phosphorus

185,790

tons sediment

IN FOCUS:

2022 CONSERVATION FINANCE ACT

The Maryland legislature passed the Conservation Finance Act (CFA) of 2022 with vast bipartisan support. The CFA makes changes to the authorities and programs of many state agencies as well Maryland's finance and procurement code with a goal of attracting at least \$100 million per year in private investment for restoration and conservation. The bill is highly focused on improving water quality outcomes but also incorporates changes to advance environmental justice and public health, expand initiatives around forest and agricultural soil carbon sequestration, and reward projects that deliver co-benefits like local jobs, flood risk reduction, and/or climate resilience.

TRUST FUND IMPLICATIONS

The CFA expands the Chesapeake & Atlantic Coastal bays Trust Fund authority by allowing the use of Pay for Success contracts with non-profit or for-profit organizations to achieve goals. Language has been added requiring the Bay Cabinet to look beyond water quality benefits and also prioritize other co-benefits, including but not limited to, restoration of marine or aquatic resources such as oyster restoration, climate resilience, carbon sequestration, wildlife habitat, local employment, recreation and environmental justice.

PARTNER HIGHLIGHT

Trust Fund Investment:

\$800,000

Local Leverage:

\$2,000,000

Project Partners:

- Montgomery County
- Rock Creek Conservancy
- Glenmont Forest Neighborhood

Restoration Components:

- Fifty-eight (58) stormwater best management practices including tree boxes, bioretention & rain gardens

Estimated Annual Reductions:

- 366 pounds of Nitrogen
- 35 pounds of Phosphorus
- 49.9 tons of Sediment

Montgomery County Glenmont Forest Green Street

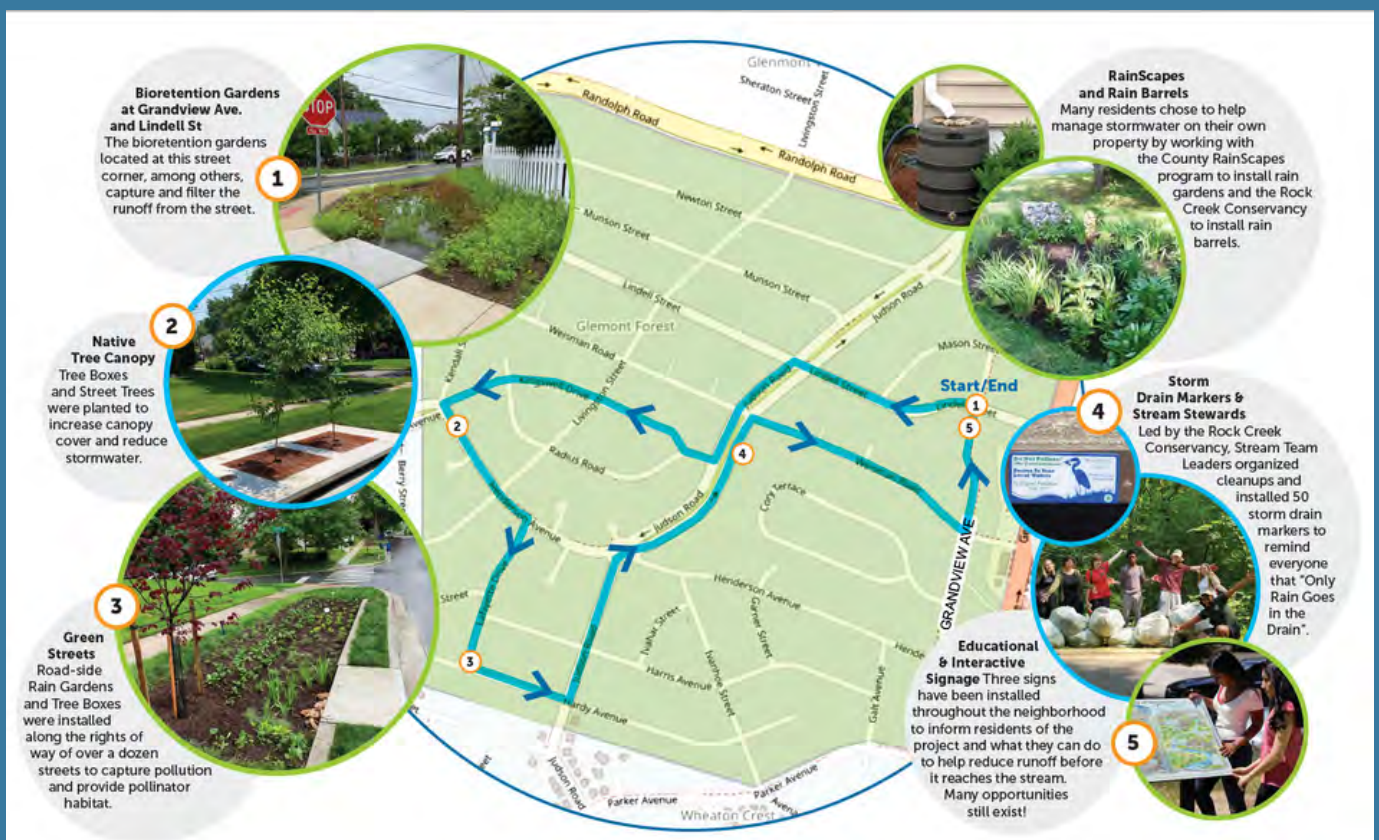
The Glenmont Forest Green Streets project includes multiple small-scale projects including tree boxes, bioretention gardens and rain gardens installed in the county rights-of-way to capture water from roadways, driveways and sidewalks during storms.

By capturing stormwater at its source, water is slowed and filtered before reaching the stream, reducing pollution and erosion. The project drains 47 acres of a highly developed residential area. At completion, over one-third of the stormwater will be treated before reaching the stream.

Development in Glenmont Forest and Wheaton Hills dates to the 1940's and did not include stormwater management practices commonly used today. Over the years, the uncontrolled storm flows resulted in erosion, pollution, poor water quality and wildlife habitat.

By combining county and grant funding, Montgomery County, joined by community partners, completed this multi-year planning, educational and restoration collaboration to mitigate the damage to Joseph's Branch, a tributary to Rock Creek.

**text and photo sourced from Montgomery County Department of Environmental Protection*



FY 2022 Awards

Anne Arundel County

Anne Arundel County: \$909,700 to retrofit a stormwater outfall and approximately 1,600 linear feet of the perennial channel in Ferndale Branch within the Patapsco Tidal Watershed. (District 32)

Anne Arundel Soil Conservation District: \$1,027,143 for a sediment pond dam and spillway retrofit to a nature-based system to reduce flow velocity and enhance habitat value. (District 30B)

Arundel Rivers Federation: \$878,782 for restoration of 1,686 linear feet of stream in Broad Creek within the South River. (District 30A)

Arundel Rivers Federation: \$430,000 to restore 1,000 linear feet of stream in Caffrey Run within the south River. (District 30A)

Maryland Forestry Foundation: \$359,886 to plant 21 acres of upland forest and 2.3 acres of riparian buffer. (Districts 21, 27B, 30B & 33B)

Severn Riverkeeper: \$134,000 to complete design and permitting for Jabez III stream and wetland complex in the Severn watershed. (District 11)

Baltimore County

Baltimore County: \$2,500,000 for two stream restoration projects in Gwynns Falls and the Lower Gunpowder watersheds. (Districts 10 & 8)

Gunpowder Valley Conservancy: \$565,229 to

mobilize volunteers to plant 3,300 trees on 37.5 acres, install 28 rain gardens, and implement 15 micro-bioretenion practices in the Gunpowder Watershed. (District 42A & 42B)

Patapsco Heritage Greenway: \$130,700 to conduct an extensive watershed assessment of the Bull Branch in the Patapsco watershed. (District 10)

The Land Preservation Trust: \$1,602,072 phase 1 of the King's Eye Stream and Riparian Corridor Restoration to restore 4,200 linear feet of the mainstem of Piney Run. (District 42A)

Maryland Forestry Foundation: \$58,738 to plant 12.5 acres of upland forest. (Districts 10 & 42A)

Baltimore City

GreenTrust Alliance: \$500,000 for the design and permitting of a 2,625 linear feet of living shoreline and re-establishment of 12.42 acres of aquatic habitat. (District 46)

Caroline County

Caroline County: \$373,885 for stormwater management at the Greensboro Volunteer Fire Company. (District 37B)

Ducks Unlimited: \$257,503 for 12-acres of emergent wetland restoration in Tuckahoe State Park. (District 36)

Town of Federalsburg: \$174,997 for stormwater management at the Marina Park. (District 37B)

Carroll County

Maryland Forestry Foundation: \$283,352 to plant 54.3 acres of riparian buffer. (Districts 5 & 42C)

Cecil County

Maryland Forestry Foundation: \$54,039 to plant 11.5 acres of upland forest. (Districts 35B & 36)

Charles County

Ducks Unlimited: \$148,502 for 10-acres of wetland restoration at Wicomico Valley Foundation in Southern Maryland. (District 28)

Dorchester County

Maryland Forestry Foundation: \$98,680 to plant 21 acres of agricultural reforestation. (District 37B)

Frederick County

Land and Cultural Preservation Fund: \$363,440 for 30 acres of riparian forest buffer along Toms and Fishing Creeks in the Monocacy watershed. (Districts 2A & 4)

Maryland Forestry Foundation: \$186,787 to plant 21.75 acres of upland forest, 17 acres of agricultural reforestation and 1 acre of riparian buffer. (Districts 2A, 3 & 4)

Harford County

City of Havre de Grace: \$2,500,000 for nature-based, regenerative ecosystems along 5,000 linear feet of shoreline on the banks of the Susquehanna River. (District 36)

FY 2022 Awards

Harford County Soil

Conservation District: \$934,871 for 2,788 linear feet of stream restoration in the Broad Creek watershed. (District 35A)

Maryland Forestry Foundation:

\$174,804 to plant 37.2 acres of upland forest. (Districts 7B & 35A)

Howard County

Howard County: \$1,646,159 for 2,205 linear feet of stream restoration and 17.45 acres of riparian buffer along Plumtree Branch. (District 9B)

Maryland Forestry Foundation:

\$13,157 to plant 2.8 acres of upland forest. (District 9A)

Kent County

ShoreRivers: \$970,315 for stormwater management at Town of Galena Community Park and 2,200 linear feet of stream valley restoration at Turner's Creek. (District 36)

ShoreRivers: \$1,509,017 to create a long, shallow wetland/zero-channel stream complex averaging 100 feet wide over approximately 1 mile in the Chester watershed. (District 36)

Montgomery County

Maryland Forestry Foundation:

\$30,544 to plant 6.5 acres of upland forest. (Districts 14 & 21)

Prince George's County

City of Greenbelt: \$480,000 for stormwater management at Buddy Attick Park. (District 22)

Prince George's County:

\$2,000,000 to complete construction of 12,000 linear feet of stream and 46.71 acres of wetland at Tinker's Creek. (District 26)

Maryland Forestry Foundation:

\$250,399 to convert 53.5 acres of cultivated agricultural land into 36.5 acres of new forest and 17 of native meadow at Jug Bay Farm Preserve. (District 30B)

Queen Anne's County

ShoreRivers: \$440,983 for 150 linear feet of outfall restoration and 6.9 acres of wetland conversion on agricultural land. (District 36)

Chesapeake Bay Education

Center: \$500,000 for a dynamic living shoreline implementation. (District 36)

Somerset County

Ducks Unlimited: \$214,388 to restore 40 acres of current agricultural fields to shallow-water emergent wetlands at Wellington WMA. (District 38A)

Maryland Forestry Foundation:

\$7,049 to plant 1.5 acres of upland forest. (District 38A)

Washington County

Maryland Forestry Foundation:

\$57,093 to plant 13.65 acres of upland forest. (District 2A & 21)

To learn more about the Trust Fund and to track projects funded in your region, please visit:

dnr.maryland.gov

Gabe Cohee | Maryland's Chesapeake and Coastal Service Maryland
Department of Natural Resources | Tawes State Office Building, E-2
580 Taylor Avenue | Annapolis, Maryland 21401
410-260-8753 | gabe.cohee@maryland.gov



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