

K00A02
Department of Natural Resources - PAYGO

Pay-As-You-Go Capital Budget Summary

(\$ in Thousands)

	<i>FY 2002 Approp.</i>	<i>FY 2003 Approp.</i>	<i>FY 2004 Allowance</i>	<i>FY 2004 Revised Allowance*</i>	<i>Percent Change</i>	<i>DLS Recommd.</i>
Program Open Space						
State Land Acquisition & Local Program	\$68,746	\$30,038	\$66,943	\$42,506	41.5%	\$35,506
Capital Improvement Projects	10,863	2,859	4,474	3,524	23.2%	3,524
Ocean City Beach Maintenance Fund	1,000	1,000	1,000	1,000	0%	1,000
Waterway Improvement Program	10,450	11,200	4,100	4,100	-63.4%	3,100
Shore Erosion Control Loan Program**	0	0	500	500	100%	500
Total	\$91,059	\$45,097	\$77,017	\$51,630	14.5%	\$43,630
Fund Source						
Special	\$90,659	\$43,097	\$74,917	\$13,438	-68.8%	\$12,438
Federal	400	2,000	2,100	2,100	5%	2,100
PAYGO Subtotal	91,059	45,097	77,017	15,538	-65.5%	14,538
GO Bonds	0	0	0	36,092	100%	29,092
Total	\$91,059	\$45,097	\$77,017	\$51,630	14.5%	\$43,630

* Reflects the transfer to the general fund of tax revenues proposed in the Budget Reconciliation and Financing Act of 2003.

** Prior to fiscal 2004, the Shore Erosion Control Loan Program was project in the operating budget.

Summary of Issues

A New Transfer Tax Allocation Strategy: To refocus transfer tax revenue on open space land acquisition and development projects and simultaneously help reduce the burden on the general fund, a new transfer tax allocation strategy is needed. **The Department of Natural Resources (DNR) should brief the committees on the impacts of this proposed transfer tax allocation strategy.**

Program Open Space Impacted by Budget Reconciliation and Financing Act (BRFA) of 2003: Under the proposed Budget Reconciliation and Financing Act of 2003, funding for Program Open Space (POS) is reduced by \$3.0 million in fiscal 2003. Furthermore, \$38.7 million in excess transfer tax collections and \$102.8 million in fiscal 2004 transfer tax revenue that would have been distributed via formula to POS and other programs is redirected to the general fund. **DNR should brief the committees on the impact of the Budget Reconciliation Act of 2003 on Program Open Space State program.**

Notification of Large Land Acquisition Proposals: In December 2002, DNR made the second largest land preservation purchase in State history, known as the Glatfelter property acquisition. The process by which the budget committees were made aware of this large purchase was wrought with incomplete and inconsistent information, as well as last minute maneuvers. **To ensure that the budget committees are given adequate notice of DNR's intent to move forward with large land preservation proposals, the Department of Legislative Services (DLS) recommends budget bill language requiring DNR to inform the budget committees of proposed projects greater than or equal to \$2.0 million.**

Waterway Improvement Fund (WWIF) Impacted by BRFA of 2003: Under the proposed BRFA of 2003, the Waterway Improvement Fund will transfer \$18.0 million to the general fund. **DNR should brief the committees on the impact the legislation will have on the Waterway Improvement Fund.**

Waterway Improvement Program Fiscal 2004 Project List Needs Revision: Largely due to last minute BRFA 2003-related developments, DNR's Waterway Improvement project list is not realistic or appropriate. **DLS recommends that DNR revise the fiscal 2004 project list to reflect the anticipated funding level and provide the State's full share of funding for each project.**

Summary of Recommended Actions

	<u>Funds</u>
1. Add budget bill language requiring DNR to notify the budget committees of large land preservation proposals.	
3. Reduce general obligation bond (GO) funding for the Program Open Space Local program by \$7,000,000.	\$7,000,000 GO
2. Add language that requires DNR to revise the fiscal 2004 Waterway Improvement Program project list to reflect the legislative appropriation.	
4. Reduce special funds for the Waterway Improvement Program.	\$1,000,000 SF
Total Special Fund Reductions	\$1,000,000
Total General Obligation Bonds Fund Reductions	\$7,000,000

Overview Issues

1. A New Transfer Tax Allocation Strategy

Background

The State property transfer tax (Title 13, Subtitle 2, Tax – Property Article) is imposed on every real property transfer recorded in the State at the rate of one-half of one percent. The transfer tax was originally established to pay the principal and interest on the certificate of indebtedness issued under the Outdoor Recreation Land Loan of 1969. Once the debt service payment had been made for a particular year, the balance of transfer tax revenues was utilized for the funding of open space land acquisition and development projects. The last debt service payment was made in fiscal 2001.

The transfer tax generates approximately \$120 million in revenue annually. The formula for the distribution of transfer tax receipts has been changed numerous times through legislation. Under current law, the adjusted estimate is derived by taking the total estimate, subtracting 3% for State agency administrative expenses, making adjustments for the actual attainment from two fiscal years prior, and reducing the amount by \$47,268,585 (Budget Reconciliation and Financing Act of 2002). Of this adjusted total, the remainder is allocated as shown in **Exhibit 1**.

Exhibit 1

Transfer Tax Revenue – Current Program Allocation Formula

Department	Program
Department of Natural Resources	75% Program Open Space (POS) <ul style="list-style-type: none"> • \$1,000,000 earmark for the Heritage Areas Authority (located in the Department of Housing and Community Development (DHCD)) • 50% POS Local for local capital development and land acquisition projects • 50% POS State for a variety of purposes, including State land acquisition, capital development, park operations, the Rural Legacy Program, and Ocean City beach maintenance 1% Additional State Land Acquisition Allocation 5% Rural Legacy Program 2% Heritage Conservation Fund
Maryland Department of Agriculture	17% Agricultural Land Preservation

Source: Department of Legislative Services

As Exhibit 1 illustrates, transfer tax revenue is being dedicated to three different departments and numerous projects and operating programs that are not necessarily related to open space preservation. Over time, set-asides for many different programs including the Ocean City Beach Maintenance program and the Heritage Areas Authority have been added on to this revenue source.

A Streamlined Transfer Tax Allocation Strategy

To refocus transfer tax revenue on open space land acquisition and development projects and simultaneously help reduce the burden on the general fund, a new transfer tax allocation strategy is needed. One option is to distribute \$50 million annually in transfer tax receipts to the existing special fund and allocate all receipts above and beyond that amount to the general fund. This approach would secure a predictable, annual amount of

K00A02 - Department of Natural Resources - PAYGO

funding for several key land acquisition and protection programs. This change could be authorized through the Budget Reconciliation and Financing Act of 2003. A summary of this legislative concept follows:

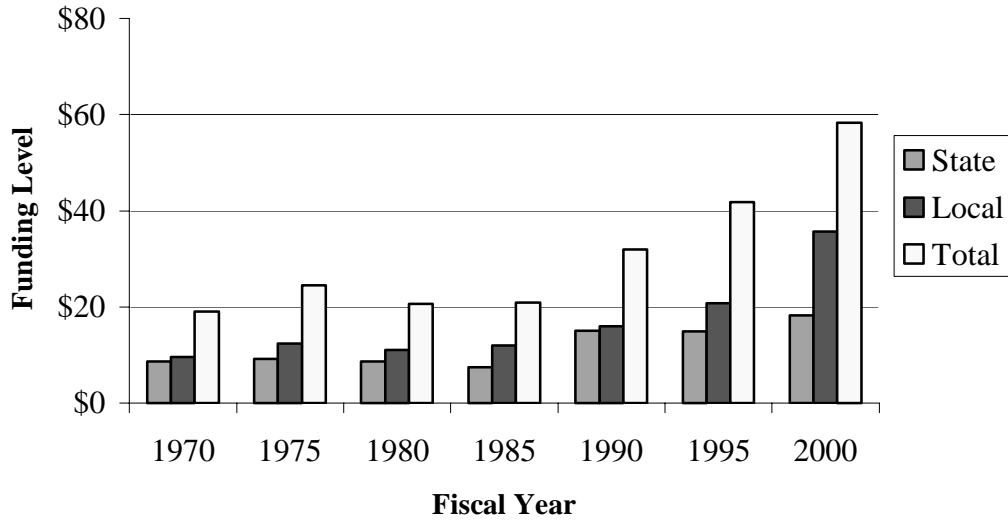
- Take effect July 1, 2004
- \$50 million of transfer tax receipts is payable to the special fund annually and distributed as follows:
 - \$35,000,000 DNR's POS Local program
 - \$12,000,000 Maryland Department of Agriculture's Agricultural Land Preservation Fund
 - \$3,000,000 DNR's Rural Legacy
- Any transfer tax revenue over \$50,000,000 would be deposited in the general fund.
- The following programs would be funded from the general fund, or from State general obligation bonds, to the extent they are funded:
 - Maryland Heritage Areas Authority Financing Fund (DHCD)
 - State POS projects
 - Historic St. Mary's City Commission projects currently included in the POS State share
 - Grants to Baltimore City currently made from the POS State share
- Provisions relating to revenue adjustments caused by estimated budget allocations differing from actual transfer tax revenues would be eliminated.

Since transfer tax revenue has increased substantially in recent years, POS has enjoyed significant budget increases. As **Exhibit 2** illustrates, transfer tax funds for POS nearly doubled between fiscal 1990 and 2000. In recent years the POS transfer tax allocations have increased even more – the legislative appropriation provided \$58.0 million in fiscal 2001 and \$68.3 million in fiscal 2002. However, prior to 1995, the average POS funding level was less than \$40.0 million and radical shifts in transfer tax revenue did not occur. These long-term trends suggest that transfer tax revenues will soon stabilize at a lower level.

The proposed allocation strategy would provide significantly more funding for local POS. Only \$17.3 million was provided for fiscal 2003, approximately half the proposed level of \$35.0 million. Furthermore, having a consistent funding level from year to year could result in a higher rate of expenditure of local POS funds, as local jurisdictions could make commitments and plan according to this fixed funding level.

Exhibit 2

**Program Open Space Transfer Tax Revenue
Historical Amounts and Allocation
(\$ in Millions)**



Source: Department of Legislative Services

DNR should brief the committees on the impacts of this proposed transfer tax allocation strategy.

Program Open Space Land Acquisition and Local Program (Statewide)

PAYGO SF	\$4,413,888	Recommendation:	Reduce by \$7,000,000 in GO bond funds
PAYGO FF	\$2,000,000		
GO Bonds	\$36,092,000		

Bill Text: Contingent upon the enactment of legislation reducing the amount of property transfer tax revenues allocated to Program Open Space, provide funds for the purchase of conservation easements, acquisition of land, and to make grants to local jurisdictions for the purchase of conservation easements and acquisition of land and development of recreational facilities. Funds appropriated for local grants shall be administered in accordance with Sections 5-905 and 5-906 of the Natural Resources Article.

Program Description: Title 5, Subtitle 9 of the Natural Resources Article established Program Open Space (POS) for the purpose of expediting the acquisition of outdoor recreation and open space areas and provision of recreation facilities before land is devoted to other purposes. The POS appropriation has historically been split between State and local government. While both State acquisitions and local grants fund projects that protect open space and provide recreation facilities, State acquisitions tend to place a greater emphasis on natural resource management. State POS funds are allocated for State land acquisition, capital improvements, critical maintenance, and operations. Local recreation and parks departments use local POS funds for acquisition, development, and planning projects.

Primary funding for POS is provided by the State transfer tax of 0.5% of the consideration paid for the transfer of real property from one owner to another. The greater the development pressure, the more transfers, and thus the more transfer tax revenue realized for land conservation and recreation facilities. Other funding sources include bond funds as well as the federal Land and Water Conservation Fund. The following components make up the fiscal 2004 POS budget allowance of \$41.5 million:

**Program Open Space
Adjusted Fiscal 2004 Allowance**

	<u>Transfer Tax Special Funds</u>	<u>Federal Funds</u>	<u>GO Bonds</u>
POS - State Share			
Baltimore City Direct Grant	\$1,500,000	\$0	\$0
Land Acquisition	0	1,000,000	12,734,000
Ocean City Beach Maintenance	1,000,000	0	0

K00A02 - Department of Natural Resources - PAYGO

	<u>Transfer Tax Special Funds</u>	<u>Federal Funds</u>	<u>GO Bonds</u>
POS - Local Share			
Baltimore City Allocation	1,913,888	0	0
Land Acquisition	0	1,000,000	22,180,000
Heritage Conservation Fund	0	0	1,178,000
Total	\$4,413,888	\$2,000,000	\$36,092,000

Year Program Began: 1969

Comments: Over time, many special projects that are not necessarily related to land acquisition have been given a piece of the transfer tax revenue. For example, transfer tax special funds have been earmarked for critical maintenance projects, park operations, and the Ocean City beach maintenance efforts. In addition to siphoning transfer tax revenue away from POS to other projects, subtle shifts in the program's focus have occurred. For example, an increasing percentage of POS funding has been dedicated to the purchase of conservation easements instead of the purchase of land in fee simple. While easements may be a less expensive conservation method, they do not provide for public outdoors recreation opportunities. These program earmarks and changes in method have shifted this program away from the land acquisition and development program it was 30 years ago.

Program Open Space Fund Data

(\$ in Millions)

<i>Description</i>	<i>2002 Approp.</i>	<i>2003 Approp.</i>	<i>2004 Request</i>	<i>2005 Estimate</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>
PAYGO SF	\$68.346	\$27.037	\$4.414	\$80.400	\$71.150	\$73.500	\$75.500
PAYGO FF	0.400	2.000	2.000	2.000	2.000	2.000	2.000
GO Bonds	0.000	0.000	36.092	0.000	0.000	0.000	0.000
Total	\$68.746	\$29.037	\$42.506	\$82.400	\$73.150	\$75.500	\$77.500

Issues

1. Program Open Space Impacted by Budget Reconciliation and Financing Act of 2003

Under the proposed Budget Reconciliation and Financing Act of 2003, funding for Program Open Space (POS) is reduced through three provisions:

- \$3.0 million in fiscal 2003 POS State program funds are redirected to the general fund for cost containment.
- \$20.6 million in excess transfer tax collections from fiscal 2002 and \$18.1 million in excess transfer tax collections from fiscal 2003 are redirected to the general fund in fiscal 2004. The excess revenue is the result of the transfer tax revenue estimate being less than the actual revenue for that year. These funds would have been distributed via formula to POS and other transfer tax-funded programs.
- \$102.8 million in transfer tax revenue is redirected to the general fund in fiscal 2004, and \$100.0 million in anticipated transfer tax revenue is redirected to the general fund in fiscal 2005. For fiscal 2004, approximately \$36 million in GO bond funding is provided to help offset this decrease. The fiscal 2004 Capital Improvement Plan does not provide for a similar “replacement” of bond funding for fiscal 2005.

As transfer tax revenues fund POS, the program could be substantially impacted by these reductions. The fiscal 2004 budget allowance seeks to offset the impact of these transfers by providing GO bond funding for POS in fiscal 2004. Under current law, POS would receive \$64.7 million in transfer tax revenue. When funding is adjusted for BFRA of 2003 and inclusive of the GO bond allowance, the POS fiscal 2004 allowance provides \$42.5 million.

DNR should brief the committees on the impact of the Budget Reconciliation Act of 2003 on Program Open Space.

2. Notification of Large Land Acquisition Proposals

In December 2002, DNR made the second largest land preservation purchase in State history, known as the Glatfelter property acquisition. The process by which the budget committees were made aware of this large acquisition was wrought with incomplete and inconsistent information, as well as last minute maneuvers. A timeline of DNR’s problematic approach follows:

- In correspondence dated November 19, 2002, DNR notified the budget committees of its intent to request approval from the Board of Public Works (BPW) for the use of over \$20 million in State funds to acquire fee simple interests and conservation easements on 24,853 acres of commercial forested land. This correspondence included sketchy expenditure plans and incomplete supporting documentation.

K00A02 - Department of Natural Resources - PAYGO

- On December 6, DNR submitted another letter adjusting the estimated cost downward by several million and changing the acreage estimates.
- On December 17, the House Appropriations Committee met with the Secretary of DNR to learn more about this proposed acquisition. At this meeting, a comprehensive analysis of the merits and risks of this transaction was not available, and the State's share of the costs decreased again. Furthermore, the committee expressed its great concern about not being briefed about this significant, pending commitment. In response to this lack of concrete information, as well as the need to maintain flexibility in light of the State's fiscal condition, the committee recommended deferring the acquisition.
- In spite of committee's expressed intent, DNR sought and received BPW approval for this acquisition purchase on December 18. Approximately \$3.4 million in POS State Share land acquisition funds and \$12 million in GreenPrint Program fiscal 2003 general obligation bond funds were used for this acquisition.

To ensure that the budget committees are given adequate notice of DNR's intent to move forward with large land preservation proposals, DLS recommends budget bill language requiring DNR to inform the budget committees of proposed purchases greater than or equal to \$2.0 million.

Recommended Actions

1. Add the following language:

Provided that the Department of Natural Resources shall submit to the budget committees information about land acquisition and conservation easement purchases that exceed \$2.0 million 45 days prior to seeking Board of Public Works approval for these expenditures. The information provided shall include a thorough analysis of the benefits and risks of the proposed action and a complete accounting of the State, federal, local and private funds involved.

Explanation: In December 2002, DNR made the second largest land preservation purchase in State history, known as the Glatfelter property acquisition. The process by which the budget committees were made aware of this large acquisition was wrought with incomplete and inconsistent information, as well as last minute maneuvers. To ensure that the budget committees are given adequate notice of DNR's intent to move forward with large land preservation proposals, this budget bill language would require DNR to inform the budget committees of proposed purchases greater than or equal to \$2.0 million.

K00A02 - Department of Natural Resources - PAYGO

	<u>Amount Reduction</u>
2. Reduce general obligation bond funding for the Program Open Space Local program by \$7,000,000. This reduction will provide a total of \$17.1 million for the program, keeping it level with the fiscal 2003 appropriation of \$17.3 million. As of January 2003, \$54.6 million in POS funding from fiscal 2002 and prior years had yet to be encumbered.	\$7,000,000 GO
Total General Obligation Bond Fund Reductions	\$7,000,000

Fiscal 2004 Proposed Projects

Estimated Local Program Open Space Allocation

<u>County</u>	<u>Apportionment</u>
Allegany	\$268,163
Anne Arundel	2,902,741
Baltimore	3,275,772
Calvert	292,116
Caroline	126,502
Carroll	655,561
Cecil	335,478
Charles	592,367
Dorchester	109,043
Frederick	690,659
Garrett	135,519
Harford	970,236
Howard	1,718,641
Kent	81,755
Montgomery	4,370,077
Prince George's	3,697,340
Queen Anne's	177,327
St. Mary's	326,486
Somerset	77,708
Talbot	187,275
Washington	510,853
Wicomico	341,698
Worcester	334,838
Baltimore City	1,915,877
Total	\$24,094,031
Budget	\$24,093,888
Difference	\$143

Note: Does not include \$1.0 million in federal funds or the Heritage Conservation Fund.

Fiscal 2003 Project Status

Local Program Open Space Allocation

<u>County</u>	<u>Apportionment</u>
Allegany	\$192,115
Anne Arundel	2,079,549
Baltimore	2,346,791
Calvert	209,274
Caroline	90,626
Carroll	469,649
Cecil	240,339
Charles	424,377
Dorchester	78,120
Frederick	494,794
Garrett	97,086
Harford	695,086
Howard	1,231,250
Kent	58,570
Montgomery	3,130,760
Prince George's	2,648,807
Queen Anne's	127,039
St. Mary's	233,898
Somerset	55,670
Talbot	134,165
Washington	365,980
Wicomico	244,796
Worcester	239,881
Baltimore City	1,372,549
Total	\$17,261,171

Program Open Space Critical Maintenance Projects (Statewide)

PAYGO SF **\$3,524,000** **Recommendation: Approve**

Project Description: State law allows up to 25% of the POS funds allocated to the State to be used for development projects and for operating expenses at State forests and parks. In fiscal 2003, \$3.8 million is included for these purposes. DNR maintains over 1,200 buildings, hundreds of miles of roadway, parking lots, and a variety of water associated facilities that serve millions of visitors annually. Critical maintenance projects include structural repairs to buildings, bridge repairs, well and septic system replacement, and road and utility repairs.

In previous fiscal years, special funds in this program were also provided for dam rehabilitation and individual capital development projects on DNR property. However, the fiscal 2004 allowance provides general obligation bonds funds for these programs in fiscal 2004. Specifically, \$740,000 in GO bond funding is provided for two development projects on DNR property, and \$300,000 in GO bond funding is provided for two dam rehabilitation projects.

Comments: The fiscal 2004 allowance provides \$3.5 million to address approximately 120 maintenance projects. Since the creation of DNR's critical maintenance fund in fiscal 1995, \$14.8 million has been appropriated to complete over 520 maintenance projects at DNR facilities.

Fund Data

**Authorization Request
(\$ in Millions)**

<i>Description</i>	<i>2004 Request</i>	<i>2005 Estimate</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>
PAYGO SF	\$3.524	\$2.000	\$3.300	\$5.000	\$6.700

Recommended Actions

1. Concur with governor's allowance.

Fiscal 2004 Proposed Critical Maintenance Projects

<u>Location</u>	<u>Project Name</u>	<u>Est. Cost</u>
Cunningham Falls S.P.	Storage building renovation - Houck	\$60,000
Fort Frederick S.P.	Vehicle lift renovation - Shop	30,000
Wye Island N.R.M.A.	Renovate restrooms - Lodge	10,000
Fair Hill N.R.M.A.	Transformer removal - Hay Barns	8,000
Cedarville S.F.	Renovate exterior and restore elec. - Storage Shed	20,000
Pocomoke River S.P.	Renovate exterior - Admin. Building	20,000
Seneca Creek S.P.	Exterior renovations - Shop and Storage Bldgs.	102,000
Lewistown Fish Hatchery	Replace roof – Office	10,000
Patuxent N.R.M.A.	Renovate exteriors - Entzian House	50,000
Savage River S.F.	Renovate exterior and install Well - Cabin	25,000
Fair Hill N.R.M.A.	Replace roof - Para Mutual Bldg.	21,600
Assateague S.P.	Replace LP gas tanks - Wash Houses	15,000
Mt. Nebo FWC	Replace Fuel Pumps - Shop	7,000
Gunpowder Falls S.P.	Replace roof - White Hall Shop	15,000
North Point S.P.	Replace roof - Shop Bldg.	6,000
Lewistown Fish Hatchery	Replace roof - Garage	20,000
Lewistown Fish Hatchery	Replace roof - Storage Bldg.	10,000
Smallwood	Replace support beams and post structures	20,000
Matapeake Terminal-NRP	Install water hookup	215,000
Assateague S.P.	Replace roof – Marina	3,000
Elk Neck S.P.	Renovate Nature Center	48,000
Gunpowder Falls S.P.	Replace shelter roofs - NRC Trail	5,000
Patapsco Valley S.P.	Reroof Shelter #301	5,000
Deep Creek Lake S.P.	Renovate Shower Buildings 3 and 4	140,000
Assateague S.P.	Replace roof - Ranger Station	4,000
Gunpowder Falls S.P.	Renovate two pumping stations - Hammerman	34,000
Cedarville F.W.C.	Install water system - Maint. Shop	22,000
Elk Neck S.P.	Replace sidewalk and curbs - 4 Bldgs.	20,000
Patapsco Valley S.P.	Concrete walk replacement - 3 Areas	9,000
Tuckahoe S.P.	Replace heating system - Bathhouse	8,000
Patapsco Valley S.P.	Replace heating sys. - Shelter 300 Restroom	6,000
Deep Creek Lake S.P.	Replace and repair sidewalks - Beach Bath House	10,000
Lewistown Fish Hatchery	Replace floor – Office	10,000
Pocomoke River S.P.	Replace well and water disinfection system - Milburn	44,000
Martinak S.P.	Replace roof - Rental Cabin	4,000

K00A02 - Department of Natural Resources - PAYGO

<u>Location</u>	<u>Project Name</u>	<u>Est. Cost</u>
Deep Creek Lake S.P.	Renovate fountains - Day Use Area	10,000
Martinak S.P.	Replace roof - Cold Storage Bldg.	10,000
Martinak S.P.	Replace septic system - Shop	7,000
Martinak S.P.	Renovate interior – Park Office	15,000
Fair Hill N.R.M.A.	Razing shop barn	50,000
Pocomoke River S.P.	Renovation of Area B water system - Milburn Landing	46,000
Seneca Creek S.P.	Shop light replacement	20,000
Point Lookout S.P.	Reroof North Comfort Station	25,000
St. Mary's River S.P.	Replace roof and siding - Comfort Station	15,000
Cunningham Falls S.P.	Replace roofs on 4 bldgs.	25,000
Gunpowder Falls S.P.	Renovate exterior – Monkton Train Station	20,000
Fair Hill N.R.M.A.	Replace siding on dormers - Steeplechase Bldg.	15,000
Martinak S.P.	Pave main entrance road	40,000
Tuckahoe S.P.	Pave Cherry Lane roadways	60,000
Washington Monument S.P.	Siding installation - Shop	5,600
Pocomoke River S.P.	Replace roof - Shad Landing Nature Center Comfort Station	4,000
Merkle Wildlife Sanctuary	Repair roof - Silo Barn	2,500
Cheltenham W.M.A.	Trim and gutter replacement - Office Bldg. #30044010-001	3,300
Patapsco Valley S.P.	Replace roof - Pole Barn Complex - Hilton	9,000
Susquehanna S.P.	Repair/stabilize flint furnace	200,000
Savage River S.F.	Reroof Cabins 4, 5 and 6	25,000
Smallwood S.P.	Patch roadways	80,000
Gunpowder Falls S.P.	Renovate exterior - Sweet Air Shop	14,000
Martinak S.P.	Repave parking lot and Circle-Boat Ramp Area	25,000
Pocomoke River S.P.	Reroof Shower Bldg. - Milburn Landing	5,000
Savage River S.F.	Reroof school house, garage and snack bar	12,000
Patapsco Valley S.P.	Reroof Comfort Stations - Pickall Area	12,000
St. Mary's River S.P.	Resurface Hunter parking lot	10,000
Smallwood S.P.	Seal/stripe boaters parking area #1	30,000
Gunpowder Falls S.P.	Renovate Clivus Multrum restroom	7,500
Martinak S.P.	Repave Shop Complex parking and driveway	15,000
Western Region - NRP	Install new vinyl siding – Headquarters Bldg.	20,000
Martinak S.P.	Replace septic system - "B" Camp Bldg.	5,000
Point Lookout S.P.	Replace walkway lights - Green's Pt.	3,000
Assateague S.P.	Replace roof siding and windows	20,000
Deep Creek Lake S.P.	Replace garage doors - Storage Building	35,000
Jane's Island S.P.	Replace overhead doors - Maint. Shop	22,000
Martinak S.P.	Replace siding – Rental Cabin	15,000
Seneca Creek S.P.	Replace entrance doors - 3 Bldgs.	23,000
Susquehanna S.P.	Replace overhead doors - Shop/Storage Bldg.	20,000
Smallwood S.P.	Repair and repoint brickwork - Museum	5,000
Mt. Nebo W.M.A.	Renovate exterior - shop and office	60,000
Hart-Miller Island S.P.	Replace exterior siding - Comfort Station	6,000
North Point S.P.	Repaint Trolley Station	12,500

K00A02 - Department of Natural Resources - PAYGO

<u>Location</u>	<u>Project Name</u>	<u>Est. Cost</u>
Assateague S.P.	Renovate exterior of shop	6,500
Gunpowder Falls S.P.	Replace entrance door - Headquarters	3,300
Fair Hill N.R.M.A.	Repoint stone walls - Finley Complex	10,000
Savage River S.F.	Pave shop parking lot, driveways and road	95,000
New Germany S.P.	Repave roads and parking lots	100,000
Point Lookout S.P.	Restripe roadway - Rt. 5 N and S	4,000
Statewide	Rental house demolitions	100,000
Somers Cove Marina	Resurface parking lots	100,000
Crisfield Marine Terminal-BOA	Resurface roads and lots	20,000
Pocomoke River S.P.	Replace heating system - Nature Center Restroom	4,000
Cedarville S.P.	Recondition dam and pond	50,000
Herrington Manor S.P.	Resurfacing Herrington Manor Lake Road	60,000
Merkle Wildlife Sanctuary	Road repairs	32,000
Rosaryville S.P.	Interior wall and fireplace repair	22,000
Martinak FWC	Soffit and fascia replacement - Office	2,500
Sandy Point S.P.	Replace steel doors and jambs - S. Beach Bath House	13,000
Fort Frederick S.P.	Building stabilization - 5 CCC Buildings	37,000
Washington Monument S.P.	Replace doors, windows and garage doors - Shop	20,000
Smallwood S.P.	Replace doors - Headquarters Building	2,500
Cedarville F.W.C.	Replace garage doors - Maintenance Shop	10,000
Merkle Wildlife Sanctuary	Replace door - Tool Shed	5,000
Millington W.M.A.	Replace 3 doors and frames - Office	6,000
Pocomoke River S.P.	Replace doors - Shop Bldg. - Shad Landing	42,000
Savage River S.F.	Renovation of Shop Complex	65,000
Matapeake Terminal-NRP	Exterior door and window replacement - 303/306/Ofc., Etc.	55,000
Elk Neck S.P.	Upgrade exterior lighting, HQ Bldg, Shop, Campers Reg. Bl	40,000
Patapsco Valley S.P.	Repave Avalon entrance road	100,000
Smallwood S.P.	Install new gutters, soffit and fascia – Headquarters	6,000
Fort Frederick S.P.	Window and door replacement - CCC Museum	10,000
Elk Neck S.P.	Replace doors - Park Store	21,000
Deep Creek Lake S.P.	Renovate Wash-House #4 in Camping Area	75,000
Fair Hill N.R.M.A.	Repoint stone walls - Steeplechase Building	22,000
Gunpowder Falls S.P.	Resurface parking lot - Hammerman	16,500
Pocomoke River S.P.	Resurface A, B, D and E Loop Roads	79,106
Washington Monument S.P.	Replace doors - Comfort Stations	3,000
Herrington Manor S.P.	Replace metal doors - Maintenance Shop	3,000
Herrington Manor S.P.	Replace rotting logs - Cabins	20,000
Gunpowder Falls S.P.	Resurface parking lots - Hereford Area	6,000
Pocomoke River S.P.	Road repairs in State Forest	45,000
Pocomoke River S.P.	Resurface shop parking lot	31,000
Mt. Nebo W.M.A.	Furnace replacement - Office	5,000
Assateague S.P.	Replace heat pump - Ranger Station	7,500
Wye Oak	Repoint Wye Oak School House	3,500
Jane's Island S.P.	Door replacement - Maint. and Storage Bldg.	14,500

K00A02 - Department of Natural Resources - PAYGO

<u>Location</u>	<u>Project Name</u>	<u>Est. Cost</u>
Martinak S.P.	Replace heating/AC system - Office	5,000
Cedarville S.F.	Repaint steel guardrails - Bridges	2,500
Swallow Falls S.P.	Replace water heaters and furnaces	20,000
Potomac/Garrett S.F.	Replace Comfort Station - Day Use Area	23,000
Total		\$3,704,406
Appropriation		\$3,524,000
Difference		\$180,406

Fiscal 2003 Critical Maintenance Projects Status

<u>Location</u>	<u>Project</u>	<u>Cost</u>	<u>Status</u>
Dan's Mountain	Reroofing pavilion	6,000	Complete
Deep Creek Lake	Renovate shower Bldg. 2	140,000	Design complete 2/21/03
Deep Creek Lake	Reroof Headquarters Bldg.	7,700	Awaiting contract award
Fort Frederick	Chimney cap repairs E and W Barracks	8,000	Design complete 4/7/03
Fort Frederick	Shelter renovations – CCC Picnic Shelter	10,000	Design complete 4/14/03
Gambrill	Repair dump station bridge	15,000	Design complete 4/21/03
Greenbrier	Replace doors and windows	18,000	Design complete 6/30/03
Green Ridge	New HVAC in office	17,000	Design complete 4/1/03
Herrington Manor	Reroof cabins 6-10	13,415	Awaiting contract award
Indian Springs	Replace porch – Shank House	10,000	Bids due 2/19/03
Potomac/Garrett	Repair bridge – Lost Land Bridge	20,000	Under review by DNR
Dan's Mountain	Install new pool lining	85,900	Awaiting contract award
Elk Neck	Repair Roofs – 3 Bldgs.	46,000	Design complete 2/14/03
Fair Hill NRMA	Bridge repairs – flooring – Finely Barn	50,000	Design program to go to DGS
Fair Hill NRMA	Road improvements	100,000	Under design
Fair Hill NRMA	Structural design analysis of Tea Barn	25,000	Design program to go to DGS
Gunpowder Falls	Replace septic system – Monkton	7,400	Design complete 4/11/03
Madonna FWC	Replace windows – Maint. Shop	8,000	Design complete 2/21/03
Patapsco Valley	Exterior repairs to storage bldg. – Avalon	6,000	
Seneca Creek	Replace furnace – Visitor Center	50,000	Design complete 3/31/03
Seneca Creek	Replace heater – Storage Bldg.	8,000	Design complete 2/28/03
Seneca Creek	Replace wooden guard rails	109,000	Design complete 3/14/03
Soldiers Delight	Reroof Visitor Center	44,000	Design complete 3/15/03
Susquehanna	Reroof Grist Mill	20,000	Design complete 2/12/03
Calvert Cliffs	Reroof and column work – Day Use Shelter	10,900	Complete 1/14/03
Calvert Cliffs	Replace roof, windows and door – Cabin	10,000	Deferred
Cedarville FWC	Replace furnace – Maint. Shop	10,000	Design complete 4/1/03
Cedarville FWC	Roof improvements – Long Shop	3,000	Design complete 5/15/03
Cedarville SF	Renovate exterior – Park Hdqts.	18,900	Start Date 2/19/03
Cedarville SF	Replace garage doors – Maint. Shop	10,000	Design complete 4/30/03
Cedarville SF	Replace roof – Pavilion No. 2	8,000	Design complete 4/30/03
Greenwell	Renovate restrooms	85,000	Design complete 6/1/03
Merkle Wildlife	Elevator repairs	988	Complete 1/3/03

K00A02 - Department of Natural Resources - PAYGO

Pasadena FWC	Reroof shop/oil shed	5,000	Design complete 3/15/03
Point Lookout	Replace HVAC – Visitor Center	20,311	Start date 4/1/03
Point Lookout	Replace boiler in shop (combined with above)		
Point Lookout	Renovate exterior – Marina/Camp Store	37,000	Design complete 2/12/03
Smallwood	Renovate out buildings	7,000	Design complete 5/15/03
Smallwood	Reroof pole shed(combined w/below)	15,700	Contract awarded 2/5/03
Smallwood	Replace roof – Headquarters Bldg.		
St. Clements Island	Replace roof shingles on bldgs.	8,000	Start date 3/1/03
Assateague	Plant sand dune w/beach grass	90,000	Out on bid
Assateague	Replace furnace at Wood Shop	17,200	Awaiting contract award
Assateague	Replace 5 water heaters	33,000	To DGS for bid 1/29/03
Black Walnut Pt.	Resurface entrance road	23,000	Design complete 5/1/03
Choptank River Brdg.	Replace faulty railing – Piers	80,000	Design complete 6/30/03
Crisfield Terminal	Replace heating oil tank	10,000	Bids due 2/20/03
Deal Island	Barn roof replacement	9,000	Cancelled
Martinak	Replace roof and skylights – “A” Shower Bldg.	5,000	Design complete 2/15/03
Martinak	Replace siding – Nature Center	15,000	Bids due 2/13/03
Martinak	Replace ampitheater roof	4,000	Design complete 2/18/03
Matapeake Terminal	Exterior door and window replacement	55,000	Design complete 6/1/03
Millington WMA	Paint pole barn/shop roof	12,000	Design complete 3/15/03
Pocomoke River	Replace hot water heaters	10,000	Design complete 4/15/03
Pocomoke River	Remove underground fuel tank	2,685	Awaiting contract award
Pocomoke River	Reroof Shelter B – Milburn Landing	6,825	Start date 3/1/03
Tuckahoe	Replace septic tank – “A” Camp Loop	5,000	Bids due 2/25/03
Tuckahoe	Reside shower Building “A”	12,000	Design complete 2/26/03
Total		\$1,495,924	
FY 2003 Appropriation		\$1,596,000	
Difference		\$ 100,076	

Ocean City Beach Maintenance Local Share (Worcester)

PAYGO SF **\$1,000,000** **Recommendation: Approve**

Program Description: The Ocean City Beach Maintenance Fund was established to provide adequate funding for annual maintenance for the Ocean City Beach Replenishment Projects. When the fund was established, the State entered into an agreement with Worcester County and Ocean City to deposit funds into the Ocean City Beach Maintenance Fund. The amount is based on estimates of maintenance costs but is not to be less than \$1.0 million from the State and \$500,000 each from the county and the city. Periodic nourishment is deemed the most cost-effective method of maintaining the beach over a 50-year period. As noted earlier, transfer tax revenue with Program Open Space is used to fund the State's contributions to this program.

Comments: Replenishment of the Ocean City Beach is usually done on a four-year cycle. The last major replenishment was completed in June 2002 – approximately 744,000 cubic yards of sand was placed on the beach. Major areas of fill were Delaware tie-in south to 134th Street; 120th south to 70th Street; and, 52nd south to 22nd Street. The U.S. Army Corps of Engineers is responsible for developing estimates, plans, and managing construction contracts for the periodic nourishment efforts.

The Corps cost estimate for the 2002 project was \$7,844,000, requiring a local share of \$3,686,680. The actual cost was \$4,998,219, with the local share being \$2,349,163. The local share of periodic nourishment costs were shared by the State (50% - \$1,174,581), Ocean City (25% - \$587,291), and Worcester County (25% - \$587,291). Annual maintenance items, such as grass planting and fence repairs are also the responsibility of the State (50%), Town of Ocean City (25%), and Worcester County (25%). These costs have averaged \$220,000 annually.

Ocean City Beach Maintenance Fund Data

Fund History

	<i>FY 2002 Actual</i>	<i>FY 2003 Estimated</i>	<i>FY 2004 Estimated</i>
Beginning Balance	\$10,053,415	\$7,897,477	\$8,611,977
REVENUE			
Worcester County	350,077	370,000	350,000
State Share (Program Open Space)	1,000,000	1,000,000	1,000,000
Town of Ocean City	351,283	375,000	351,000
Interest*	298,640	255,000	299,000
TOTAL REVENUE	2,000,000	2,000,000	2,000,000
TOTAL AVAILABLE	12,053,415	9,897,477	10,611,977
ENCUMBRANCES			
Encumbrances	144,120		
Expenditures	4,011,818	1,285,500	350,000
TOTAL ENCUMBRANCES	4,155,938	1,285,500	350,000
Ending Balance	\$7,897,477	\$8,611,977	\$10,261,977

*Balance shown does not include interest earned to date. Total interest earned from October through September is shown under the revenue heading.

(\$ in Millions)

<i>Description</i>	<i>2002 Approp.</i>	<i>2003 Approp.</i>	<i>2004 Request</i>	<i>2005 Estimate</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>
PAYGO SF	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000

Recommended Actions

1. Concur with Governor's allowance.

K00A02 - Department of Natural Resources - PAYGO

Waterway Improvement Programs (Statewide)

PAYGO SF	\$4,000,000	Recommendation: Reduce by \$1,000,000
PAYGO FF	\$100,000	

Program Description: The Waterway Improvement Fund (WWIF) finances projects to expand and improve public boating access throughout the State. Financial support to the fund is derived from the 5% excise tax on the sale of motorized vessels within the State and from 0.3% of the eligible proceeds from Maryland's motor fuel tax.

The fiscal 2004 request includes projects in the following categories:

- Matching Funds: 50% grants to local jurisdictions to complete public waterway improvement projects;
- Local Grants: 100% grants to design, construct, and maintain public boating facilities located on land owned by local jurisdictions;
- Dredging Grants: 100% grants to design and construct channel and breakwaters providing public access to Maryland's waterways; and
- Other Grants: 100% grants to design, develop, and maintain public boating facilities on State lands.

Year Program Began: 1966

Comments: The fiscal 2004 allowance provides \$4.1 million for approximately 115 projects around the State. This level of funding is significantly lower than in previous years, due to the redirection of excise tax revenue to the general fund via the Budget Reconciliation and Financing Act (BRFA) of 2003. This legislation proposes to redirect \$8.0 million in fiscal 2003 tax revenue and \$10.0 million in fiscal 2004 tax revenue to the general fund. Since the revenue being targeted for redirection in fiscal 2003 is "over-attainment" revenue, projects funded by the fiscal 2003 appropriation will not be impacted.

The BRFA of 2002 stipulated that only 50% of the WWIF could be used for administrative expenses, with the remainder being dedicated to waterway projects. Since the BRFA of 2003 redirects a significant amount of revenue, the legislation would also eliminate the 50% cap on administrative uses. However, the *Capital Improvement Program* summary indicates that funds for this program will bounce back to \$12.0 million annually in fiscal 2005-2008.

Waterway Improvement Program Fund Data

Prior Program Activity – All Fund Sources

	<i>FY 1999</i>	<i>FY 2000</i>	<i>FY 2001</i>	<i>FY 2002</i>	<i>FY 2003*</i>
Encumbrances	\$698,000	\$1,601,000	\$6,089,000	\$7,473,000	\$10,950,000
Expenditures	\$3,021,000	\$2,812,000	\$3,198,000	\$2,601,000	\$350,000

*As of 2/04/03

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorizations</i>	<i>Funds</i>		<i>Reversions*</i>
		<i>Encumbered</i>	<i>Expended</i>	
Prior Years	\$15.887	\$0.106	\$12.993	\$2.786
1998	3.373	0.354	1.961	1.058
1999	3.750	0.698	3.021	0.031
2000	4.500	1.601	2.812	0.087
2001	9.750	6.089	3.198	0.463
2002	10.450	7.473	2.601	0.376
2003	11.200	10.950	.350	0.000
Total	\$58.910	\$27.271	\$26.936	\$4.801

*Reflects projects that were cancelled to achieve the \$8.0 million reduction required in the BRFA of 2002.

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2002 Approp.</i>	<i>2003 Approp.</i>	<i>2004 Request</i>	<i>2005 Estimate</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>
PAYGO SF	\$10.450	\$11.200	\$4.000	\$11.950	\$11.950	\$11.950	\$11.950
Federal Funds	0.000	0.000	0.100	0.100	0.100	0.100	0.100
Total	\$10.450	\$11.200	\$4.100	\$12.050	\$12.050	\$12.050	\$12.050

Issues

1. Waterway Improvement Fund Impacted by Budget Reconciliation and Financing Act of 2003

Under the proposed Budget Reconciliation and Financing Act of 2003, the Waterway Improvement Fund will transfer \$18.0 million to the general fund. DNR indicates that the \$18.0 million will come from fund reserves. Therefore, while existing projects will not be deferred, future projects will be reduced significantly.

Prior to fiscal 2003, most of the uses specified in the WWIF statute (§§ 8-707 and 8-909, Natural Resources Article) were for capital projects related to waterway improvements, with only \$1.45 million allowed for non-capital expenditures. However, DNR took a liberal reading of this statute in the past, and dedicated significantly more revenue to operating programs. Below is a breakdown of DNR's WWIF spending trends:

(\$ in Millions)

<u>Budget Uses</u>	<u>Fiscal 2000</u>	<u>Fiscal 2001</u>	<u>Fiscal 2002</u>	<u>Fiscal 2003</u>	<u>Fiscal 2004</u>
Operating	\$15.4	\$14.7	\$15.0	\$14.2	\$13.6
Capital Projects	4.5	9.7	10.1	11.2	4.1
Total	\$19.9	\$24.4	\$25.1	\$25.4	\$17.7

The statute was amended in the BRFA of 2002 to allow DNR to dedicate up to 50% of WWIF revenues to administrative costs in fiscal 2003 and 2004. This adjustment was made with the understanding that this fund would be evaluated as part of a larger effort to improve DNR's special funds management and collection practices. This broader evaluation effort has been postponed until the 2003 interim.

The BRFA of 2003 changes the 50% cap language. Specifically, the proposed legislation gives DNR the authority to dedicate an unlimited amount of WWIF to operating programs in fiscal 2003 and 2004. This language was necessary because BFRA 2003 redirects a significant amount of fiscal 2003 and 2004 WWIF project funding to the general fund.

DNR should brief the committees on the impact of the BRFA of 2003 on the Waterway Improvement Fund.

2. Waterway Improvement Program Fiscal 2004 Project List Needs Revision

DNR's current Waterway Improvement project list is not realistic or appropriate. To account for significant BFRA 2003-related revenue reductions, a 71.4% reduction was made to each project on the proposed project list that was \$10.0 million higher than the fiscal 2004 allowance. This approach was taken instead of reducing the total number of projects. Therefore, the fiscal 2004 project list provides only 28.6% of the State's share of each project's cost. If the existing list is used, State funding would be required for all of the projects in future fiscal years. This approach of extending small amounts of funding over longer periods of time could result in higher project costs and additional administrative costs.

Therefore, DLS recommends budget bill language requiring DNR to revise the fiscal 2004 project list to reflect the anticipated funding level, and provide the State's full share of funding for each project. DNR should be prepared to respond to this recommendation and describe how it would be implemented.

Recommended Actions

1. Add the following language:

Provided that the Department of Natural Resources shall submit to the budget committees by June 30, 2003, a list of Waterway Improvement Program projects that will be funded in fiscal 2004, as well as a list of those projects cancelled to meet cost containment.

Explanation: DNR's current WWIF project list is not realistic or appropriate. To account for significant BFRA 2003-related revenue reductions, a 71.4% reduction was made to each project on a project list that was \$10.0 million higher than the fiscal 2004 allowance. This approach was taken instead of reducing the total number of projects. Therefore, the fiscal 2004 project list provides only 28.6% of the State's share of each project's cost. If the existing list is used, State funding will be required for all of the projects in future fiscal years. This approach of extending small amounts of funding over longer periods of time could result in higher project costs and additional administrative costs. Therefore, this budget bill language will require DNR to revise the fiscal 2004 project list to reflect the anticipated funding level and provide the State's full share of funding for each project.

Information Request	Author	Due Date
Revised fiscal 2004 Waterway Improvement Program project list	DNR	June 30, 2003

K00A02 - Department of Natural Resources - PAYGO

	<u>Amount Reduction</u>
2. Reduce special funds for the Waterway Improvement Program by \$1,000,000. This program expends funds very slowly – an average of \$3.0 million is expended annually. In spite of this trend, the program received significant funds in fiscal 2002 (\$10.45 million) and fiscal 2003 (\$11.2 million). This reduction will give the program time to expend previous appropriations. In addition, this \$1.0 million will be available for re-direction to the general fund via the BRFA of 2003.	\$1,000,000 SF

Total Special Fund Reduction **\$1,000,000**

Fiscal 2004 Proposed Projects

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Type</u>
Allegany	Mason Recreational Complex Boat Launching Facility Cumberland	Construction of restrooms and landscaping rest area.	\$28,571.43	LG
Allegany	PPG Dam on the Potomac River	Remove a rip-rap dam within the main stem of the Potomac River.	7,143	LG
Anne Arundel	Cypress Creek	Main channel dredging of approximately 10,500 for two forks on Cypress Creek.	189,714	MFDG
Anne Arundel	Grays Creek	Main channel dredging of approximately 6,500 CY for the entrance channel and two forks on Grays Creek.	77,714	MFDG
Anne Arundel	Forked Creek	Main channel dredging of approximately 1,000 CY at the entrance to Forked Creek.	17,714	MFDG
Anne Arundel	Little Magothy River	Replace bulkhead/jetty maintenance dredge the entrance channel, utilize sandy dredged materials for beach nourishment and shoreline protection at local beach.	68,629	MFDG
Anne Arundel	Boys Cove	Entrance channel dredging of approximately 500 CY of sand to maintain waterway. Dredge material will be used for beach nourishment	11,429	MFDG
Anne Arundel	Rockhold Creek Jetty	Construction of a new jetty and an upgrade of the existing jetty at the entrance to Rockhold Creek.	105,143	DG
Anne Arundel	Anne Arundel Fire Central Division	Provide matching-funds for appropriate fire and EMS items used to provide service in the Central Bay area that borders Anne Arundel County.	14,286	MFFR

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount</u>	
			<u>Proposed</u>	<u>Type</u>
Anne Arundel	Anne Arundel Fire South	Provide matching funding for appropriate fire and EMS items used to provide service in the Southern bay area that borders Anne Arundel County.	14,286	MFFR
Anne Arundel	Anne Arundel Fire Department North	Provide matching funds for appropriate fire and EMS items used to provide service in the Northern bay area that borders Anne Arundel County.	14,286	MFFR
Anne Arundel	Truxtun Park	Renovate and upgrade public launch ramp. Project will increase number of launch lanes from 2 to 3 and provide ADA access.	28,571	LG
Anne Arundel	Annapolis City wide Locations	Repair and install pilings, floating docks, mooring buoys.	14,286	MF
Anne Arundel	Sandy Point State Park	Construction of storm drain system, resurfacing and lighting of main boat launch parking lot at State Park.	200,000	SP
Baltimore City	Prettyboy Reservoir	Renovation and extension of one two-lane boat ramp, access road, parking area.	14,286	MF
Baltimore City	Liberty Reservoir	Renovation and extension of 2 two-lane boat ramps, access roads, parking areas.	10,714	MF
Baltimore City	Baltimore City Police Department (Canton Waterfront Park)	Marine Unit to purchase a Sea Ark Police vessel.	14,286	MFFR
Baltimore City	Baltimore City Fire Department	Purchase of new equipment for pier and fireboat	14,286	MFFR
Baltimore County	Middle River Volunteer Fire Company	Purchase exposure suits for water rescues.	2,286	MFFR
Baltimore County	Arbutus Fire Department 5200 Southwestern Blvd., Baltimore, Maryland	Purchase a used/recondition inflatable boat for fire/rescue vessel.	3,000	MFFR
Baltimore County	Brown Cove Dredging	This project is to dredge four channels for a total length of 11,000 feet to a depth of 4 to 6 feet. An estimated 20,000 cubic yards of material will be removed.	8,571	MFDG
Baltimore County	Pleasure Island	Maintenance Dredging Pleasure Island Channel. This project will include a total of 3,000 linear feet of channel to a depth of 6' MLW.	28,571	DG
Baltimore County	Baltimore County waterways	SAV Mapping for several project sites permit requirements.	21,429	MFDG
Baltimore County	Seneca Creek/Goose Harbor	Dredge 5 channels for a total of 10,000' to a depth of 4-6 feet for an estimated 30,000 cubic yards of material.	28,571	MFDG
Baltimore County	Duck and Deep Creek are total tributaries of Back River in Essex.	Dredge two channels for a total length of 4,000 feet to a depth of 4 feet of water. An estimated 10,000 cubic yards of material will be removed.	5,714	MFDG

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount</u>	
			<u>Proposed</u>	<u>Type</u>
Baltimore County	Kingsville Vol. Fire Company	Replace two outboard motors, one a 35 hp and one a 60 hp.	1,143	MFFR
Baltimore County	Strawberry Point Boating Facility	Replacement of the main pier and construction of 20' pier.	14,286	SP
Baltimore County	North Point State Park	Replace Pier pilings and decking on 8' X 100' Pier and dredging for boats	9,429	SP
Baltimore County	Strawberry Point Marine Unit	Equipment for Marine Police water rescue team.	14,286	MFFR
Calvert	Chesapeake Beach	Provide tie-ups for vessels to have access to the town and trail.	28,571	LG
Calvert	North Beach Town Pier located at the end of 5th Street & Bay Avenue.	Replace decking and substructure on the existing pier accessing the recently completed transient boat slips.	28,571	LG
Calvert	Breezy Point	Refurbish existing pier for ADA access with a 100' extension with at T section at the end.	21,429	LG
Calvert	Chesapeake Beach Entrance Jetty	Provide baffles adjacent to the existing jetties to reduce wave height.	7,143	DG
Caroline	Town of Federalsburg Veterans Drive Boat Ramp	Shoreline protection to keep the new boat ramp and parking area from erosion.	16,857	LG
Caroline	Crouse Park	Repair bulkhead and design and construct new parking lot and approach to boat ramp.	28,571	LG
Caroline	Joppa Wharf	Additional improvements to the new transient boating pier at the new facility. The improvements include floating pier for ADA access, boaters' restrooms and showers.	12,000	LG
Caroline	Choptank Marina Water Street Village of Choptank	The center dock has deteriorated and needs replacing. The pier is use for the fuel dock, pump-out area, and slips. Replace or repair beams, stringers, and decking, utilities conduit and pile caps.	5,714	MF
Caroline	Town of Greensboro	Greensboro Boat Ramp & ADA Access. The county is reconstructing the existing boat ramp & walls. Project includes an ADA Floating Piers project cost are exceeding cost estimates.	14,286	LG
Cecil	Elk River Dredging	Hydraulically maintenance dredge a 20,000 linear foot X 50 Foot wide channel to a depth of -5 MLW to be deposited at an approved DMP site.	74,286	DG
Cecil	Fire Boat Pier	Provide electric, lighting, and a dock box at the fire boat pier.	1,143	MFFR
Cecil	Charlestown Boat Ramp	Lengthen wave screen at the boat ramp	14,286	DG
Cecil	Jetty Marina Park Project	Rehabilitate existing jetty to protect the boat ramp and the marina park.	57,143	DG

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Type</u>
Cecil	Elk Neck State Park	Replacement of compound fence paint the exterior wall an trim of the Rogues Harbor Boat Area building.	5,714	SP
Cecil	Elk Neck State Park	Install a "Guardian" automatic gate controller at the entrance of the Rogues Harbor area to accept bills, codes, and credit cards for entry into the area.	6,143	SP
Cecil	Chesapeake City	Shoreline stabilization approx 12' X 180'.	7,143	LG
Cecil	Fredericktown Boat Ramp Sassafras Street, Georgetown, MD 21930	Request for engineering to fix the large hole at the end of the boat ramp.	7,143	LG
Cecil	North Chesapeake City	Provide an access pier for transient vessels to access to North and South Chesapeake City.	7,143	LG
Charles	Smallwood State Park Marina	Phase II of replacement of floating piers at Sweden Point Marina. This phase will consist of replacement of 15,000 sf of floating dock, 7,350 sf of which is a wave attenuator.	114,286	SP
Charles	Smallwood State Park Marina	Cut and cap existing rotting pile caps, and replace pile rub bumpers along bulkhead.	7,143	SP
Charles	Smallwood State Park	Mechanical maintenance dredging of approx. 1,000 cy from boat launch area, with disposal into existing DMP site.	21,429	SP
Charles	Cockhold Creek & Piney Branch	Dredge entrance channel into Cockhold Creek and the channel up to the existing boat ramp and community pier.	156,000	DG
Charles	Nanjemoy Creek	Dredge channel to the existing public boat ramp.	27,143	DG
Charles	Port Tobacco River & Goose Creek	Engineering & Design, Permits	14,286	MFDG
Charles	Port Tobacco River / Countywide	Purchase a new search/rescue vessel for the Sheriff Department.	14,286	MFFR
Dorchester	Town of Vienna	To continue upgrade of the town's waterfront park with a transient boating dock with shoreline protection.	28,571	LG
Dorchester	City of Cambridge Franklin Street Boat Ramp	Complete renovation of two concrete boat ramps.	28,571	LG
Dorchester	Chapel Cove Dredging	Maintenance dredge existing channel to -5 MLW from Slaughter Creek to Public boat ramp on Taylors Island.	22,857	DG
Dorchester	Elliot's Island Jetty	Place rip rap on outside of existing timber jetty protecting channel into public ramp.	21,429	DG
Dorchester	Wallace Creek Dredging	Maintenance dredge existing Wallace Creek Channel to -5 MLW to serve public boat ramp.	24,286	DG

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Type</u>
Dorchester	Secretary Boat Ramp & Parking Area	Replace parking area and complete boat ramp.	28,571	LG
Dorchester	Bestpitch Boat Ramp	The project would include surfacing the existing 34,000 square foot gravel entrance road and the existing 65,000 square foot gravel parking lot, install two security lights, re-surface an existing boat ramp and install a floating dock.	40,000	SP
Frederick	Brunswick Vol. Ambulance & Rescue Co. 200 West Street, Brunswick ,MD	Fire Rescue Equipment	1,714	MFFR
Garrett	Broadford Park Restrooms	To construct boat storage with restrooms for boating public.	8,571	LG
Garrett	Fire/Rescue Vessel	Purchase Fire/Rescue Vessel and Equipment to provide emergency fire and rescue services at Deep Creek Lake.	20,000	SP
Harford	Yacht Basin Pier Replacement	Replacement of existing piers and pilings.	100,000	MF
Harford	Tyding Island, Havre de Grace	Shore line protection for the existing DMP Site.	57,143	DG
Harford	Lapidum Boat Ramp	Replace ten light poles and fixtures at the Lapidum Boat Ramp and Parking Area.	5,714	SP
Harford	Otter Point Creek Bush River Dredging DMP Site	Engineering, permitting and construction of an upland DMP Site.	21,429	DG
Harford	Swan Harbor Farms	This project proposes the engineering and construction of a boat access pier and ADA access to Swan Harbor Farms.	57,143	MF
Harford	Otter Point Creek/ Bush River Boat Ramp	This project proposes the engineering, permitting boat launching facility.	11,429	MF
Howard	Centennial Lake Boating Access Area	Develop a multi-use boating access area at Centennial Lake for the enhancement of boating opportunities at this facility.	10,000	MF
Kent	Wilmer Park	Replace the sinking front and side bulkhead at Wilmer Park	14,286	LG
Kent	Bayside Public Marina Landing	Reconfigurations of certain pilings to make some slips wider and /or longer.	14,286	MF
Montgomery	Seneca Creek State Park	Placement of additional stone on the existing revetment at the Boat Center and installation of new shoreline stabilization approximately 800 LF. The existing boat launch should be extended 2 feet.	45,714	SP

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Type</u>
National Park Service	Point of Rocks	Install new boat ramp, parking area, and access road.	28,571	LG
National Park Service	Lander Boat Ramp Facility	Expand parking facility, pave, stripe parking area and access road.	14,286	LG
National Park Service	National Park Service Boating Facilities	Provide all parks topography, bathymetry and surveys of boat ramp areas, including as-built drawings for five-year plan.	11,429	LG
National Park Service	15 Mile Creek Paving	Provide paved parking area adjacent to the 15-mile creek boat ramp with required striping and ADA spaces.	14,286	LG
Prince George's	Patuxent River Park, 4 H Canoe, Kayak Launch	This project involves the construction of a floating dock facility and includes the installation of a fixed timber platform on the river bank, a 8' X 15' floating dock, and a 6' wide gangway connecting the two.	14,286	LG
Queen Anne's	Little Creek Jetty	This jetty will provide protection for the boat ramp and facility in little creek from the fetch from the Chesapeake Bay.	21,429	DG
Queen Anne's	Bennett's Point Bulkhead	Construct and backfill 225 feet of replacement bulkhead and 75 feet of pier.	28,571	LG
Queen Anne's	Dominion Bulkhead & Slips	Construct and backfill approximately 265 feet of replacement timber bulkhead and construct 10 slips with piers.	10,000	MF
Queen Anne's	Matapeake Terminal Harbor-Kent Island	Replace existing north jetty of harbor basin. Jetty is necessary to ensure the integrity of the harbor basin that serves NRP, an emergency response station, a public boat ramp, and acts as a harbor of refuge (Supplemental Funding).	200,000	SP
Queen Anne's	Conquest, Corsica River	Provide matching funds for the acquisition of the waterfront portion of the 76 acres for a boating facility.	142,857	SP
Somerset	Somers Cove Marina	Design and construct the reconfiguration of the pier and moorings of G Pier at Somers Cove.	50,000	SP
Somerset	Somers Cove Marina - Piers D and E	Remove old decking on piers D and E and replace with new treated timber decking.	18,571	SP
Somerset	Janes Island State Park	Design and construct additional piers and moorings at the marina.	7,143	SP
Somerset	Tylerton Harbor	Replace current boat ramp.	7,143	LG
Somerset	Webster's Cove	Upgrade the current parking area.	7,143	LG
Somerset	Deal Island	Replace boat ramp at Deal Island Harbor.	7,143	LG

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Type</u>
St. Mary's	Wicomico Shores	Phase II of a multi-phased project. This phase consists of stabilizing 483 feet of shoreline with a 14 feet wide low profile stone revetment, and construct a 100' X 10 foot stone breakwater.	14,286	LG
St. Mary's	Forest Landing	Replacement of existing boat ramp and pier, minor site and grade improvements and the addition of a ADA floating dock.	4,213	LG
St. Mary's	Fox Harbor Pier	Replacement of existing pier which is badly deteriorated to include an ADA access ramp and landing dock addition.	22,857	LG
St. Mary's	Piney Point Landing	Renovation of existing stone revetment to control erosion.	18,571	LG
St. Mary's	St. Jerome Creek	Property Acquisition, design, DMP site for U.S. Army Corp of Engineers Federal Navigation Channel. Estimated dredge volume is 66,000 CY.	114,286	DG
St. Mary's	Cat Creek	Reimbursement for completed jetty extension and dredging project. Project previously approved by DNR.	24,359	DG
St. Mary's	Point Lookout State Park	Engineering funds for the design of resurfacing and lighting of the boat launch facility parking area.	14,286	SP
St. Mary's	Greenwell State Park	Engineering to retrofit existing pier to provide safer access for boaters, especially for the disabled. Make ADA accessible.	5,143	SP
St. Mary's	Ridge VFD, Pt. Lookout Road	Equipment, Electronics, and safety for the new boat.	14,286	MFFR
Statewide	Statewide Shore Erosion Control Projects	Provide financial assistance as loans or grants to property owners and local governments for design and construction of shore erosion control structural and non-structures projects.	357,143	SEC
Statewide	Statewide maintenance dredging projects	Provide grants for maintenance dredging projects that develop during fiscal 2004.	85,714	DG
Statewide	Statewide marinas in Maryland	This will be used to match the federal allotment for funding pump-out program.	21,429	SP
Statewide	Shore Erosion Assessment	Collect data from counties concerning sea level rise in conjunction with boat wakes and provide data for the statewide waterway plan.	121,429	SP

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Type</u>
Talbot	Kingston Landing	Parking lot & boat ramp upgrade. The existing boat ramp and parking lot are comprised of earthen materials. The intent of the project is to construct a new concrete boat ramp with finger piers and pave the parking lot and striping.	14,286	LG
Talbot	Claiborne Landing	Bulkhead upgrade, the existing bulkhead is deteriorated.	28,571	MF
Wicomico	Cedar Hill Bulkhead	The scope of the project will entail replacement of 200 linear feet of wooden bulkhead serving as a public landing.	28,571	LG
Wicomico	Schumaker Pond, Salisbury	The proposed project will be replacement of the existing pier.	5,714	LG
Wicomico	Cedar Hill Park	Dredge the main channel to -7 MLW so vessel can safely navigate in and out of the harbor.	38,457	DG
Worcester	West Ocean City Jetty Repair	Replace existing jetty bulkhead. Repair jetty accordance with engineering specifications.	28,571	DG
Worcester	Teal Circle Channel Dredging	Dredge existing channel to allow boats to pass through safely.	21,429	DG
Worcester	George Island Landing	Parking lot resurfacing overlay.	14,286	LG
Worcester	Pocomoke State Park - Shad Landing	Resurface tow parking lots at Shad Landing marina, launch area parking lot. Repair storm drain associated with the marina. Strip parking lots upon completion.	21,429	SP
Worcester	Pocomoke River State Park - Shad Landing	Replace 54 mooring pilings at the Shad Landing Marina	11,429	SP
Worcester	Pocomoke River State Park - Shad Landing	Install 2000 gallon above ground storage tank for resale diesel fuel and install system for delivery.	28,571	SP
Worcester	Pocomoke River State Park - Shad Landing State Park	Dredge the Shad Landing channel to 6' MLW.	28,571	SP
Worcester	Public Landing	Shoreline stabilization	28,571	LG
Worcester	Public Landing	Dredging basin & channel for the new boat ramp and transient slips.	58,486	DG
Total			\$4,000,000	

KEY – Type of Funding

DG = 100% Dredging

LG = 100% Local Grant

MF = Matching Funds Local Governments

MFFR = Matching Funds Fire/Rescue

MFDG = Matching Funds Dredging Grants

SP = 100% State Project

SEC = Shore Erosion Control Loans

Fiscal 2003 Project Status

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Current Status</u>
Allegany	Cumberland Riverside Park	Boat ramp, parking access road	\$100,000	Contract
Allegany	Fairgrounds Park	Boat ramp, parking access Rd.	25,000	Engineering
Allegany	Rocky Gap State Park	New lighting at boat ramp	25,000	Permits
Anne Arundel	North County	Fire rescue vessel/equipment	25,000	Construction
Anne Arundel	Central/Magothy	Fire rescue vessel/equipment	50,000	Construction
Anne Arundel	South County	Fire rescue vessel/equipment	25,000	Construction
Anne Arundel	Rockhold Creek Channel	Dredge DMP/Jetty Corp contracted	700,000	Bid
Anne Arundel	Little Magothy River Inlet	Dredging contracted	47,000	Construction
Anne Arundel	Sandy Point State Park	Pave boat ramp parking lot - design	50,000	Permits
Anne				
Arundel/Annapolis	Harbor Master	Patrol Boat Electronics	50,000	Construction
Baltimore City	Inner Harbor Marina	Electrical system, pier cables	150,000	Construction
Baltimore City	Living Classroom Center Dock	ADA access to marina	35,000	Construction
Baltimore City	City Fire Department	Boat equipment	36,000	Construction
Baltimore City	City Police Department	Sea Ark Boat	50,000	Construction
Baltimore County	Bird River Railroad Creek	Main channel dredging	50,000	Construction
Baltimore County	Browns Cove	Main channel dredging	175,000	Engineering
Baltimore County	Gunpowder Falls SP Dundee Cr.	Pave boat storage area and fence	45,000	Engineering
Baltimore County	Bowleys Quarters	Purchase fire/rescue vessel	20,000	Construction
Calvert	Solomon's Boat Ramp	Repair and replace piers	100,000	Engineering
Calvert	North Beach	Redeck town pier	100,000	Construction
Caroline	Greensboro	Boat ramp and supported bulkhead	100,000	Construction
Caroline	Choptank	County-wide DMP site acquisition	50,000	Engineering
Caroline Denton	Crouse Park	Bulkhead and traffic control	60,000	Engineering
Caroline Denton	Joppa Wharf	Access pier	40,000	Construction
Caroline	Federalsburg Boat Ramp Near			
Federalsburg	VFW	Resurface boat ramp parking lot	25,000	Engineering
Caroline	Tuckahoe State Park	Resurface boat ramp parking lot	75,000	Engineering
Cecil	Elk River	Main channel dredging	260,000	Construction
Cecil	Chesapeake City	Boat ramp and parking area	80,000	Permits
Cecil	Charlestown	Boat ramp wave screen	50,000	Permits
Cecil	Perryville	Transient pier	25,000	Permits
Cecil	Port Deposit	Design for jetty/pier	80,000	Construction
Charles	Cuckhold Creek & Piney Branch	Dredging permit design costs	35,000	Engineering
Charles Indian Head	Mattingly Park	Boat launching facility	100,000	Engineering
Charles	Smallwood State Park	Replace floating piers at marina	750,000	Engineering
Dorchester	Shorters Wharf	Boat ramp completion	75,000	Reimbursement
Dorchester	Taylor's Island Dock	Bulkhead replacement/overlay	100,000	Permits
Dorchester	Golden Hill	Boat ramp overlay	32,000	Engineering
Dorchester	Elliotts Island Jetty	Rip-rap protection	75,000	Construction
Dorchester				
Cambridge	City Yacht Basin	Marina upgrade	500,000	Engineering
Dorchester				
Cambridge	Fire Department	Additional equipment for rescue boat	15,000	Construction

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Current Status</u>
Dorchester				
Cambridge	Sailwinds Park	Engineering for boat access pier	40,000	Permits
Dorchester				
Cambridge	Franklin Street Boat Ramp	Complete boat ramp	60,000	Engineering
Dorchester	Vienna	Waterfront park pier	100,000	Engineering
Dorchester	Cambridge Marine Terminal	Railway repairs for DNR vessels	50,000	Engineering
Garrett	Garrett Community College	Small boat put-in take -outs	25,000	Permits
Harford	Flying Point Park	Boat ramp bulkhead	200,000	Construction
Harford	Otter Point Creek	Boat ramp renovation	75,000	Construction
Harford Co. Havre de Grace				
	City Marina	Replace piers	150,000	Construction
Harford	Susquehanna State Park	Expand Lapidum parking lot	15,000	Engineering
Kent	Quaker Neck	Slip dredging	82,000	Engineering
Kent	Shipyard Creek Boat Ramp	Complete sheeting repair	20,000	Complete
Kent	Pelorus Marina	Double-wide boat ramp	100,000	Complete
Montgomery	Seneca Creek (MNPPC)	Boat ramp shore stabilization	70,000	Engineering
Montgomery	Seneca Creek (MNPPC)	Boat access pier	35,000	Engineering
Montgomery	Seneca Creek State Park	Replace roof/siding on boat house	140,000	Construction
NPS	Brunswick	Boat ramp ,access road	100,000	Permits
NPS	Fifteen Mile Creek	Boat ramp	50,000	Permits
NPS	Parkwide ADA Access	Replace ADA toilets	25,000	Engineering
NPS	Nolands Ferry	Expand boat ramp facilities	40,000	Permits
Prince Georges				
	Prince Georges Police Department	Fire/rescue patrol vessel	50,000	Construction
Prince Georges	Bladensburg Waterfront Park	Dredging boat basin	200,000	Construction
Prince Georges	Fort Washington Marina	Replace A pier design	100,000	Permits
Queen Anne's	Corsica River	Dredging reclamation	50,000	Engineering
Queen Anne's	Bryantown Landing	Bulkhead replacement	85,000	Construction
Queen Anne's	Thompson Creek	Parking expansion	20,000	Engineering
Queen Anne's	Little Creek	Parking and lighting	20,000	Construction
Somerset	Webster's Cove Boat ramp	Replace boat ramp	100,000	Bid
Somerset	Small Boat Harbor	Replace boat ramp	100,000	Bid
Somerset	Sheriff's Office	Replacement patrol/rescue vessel	50,000	Construction
Somerset	Smith Island at Rhodes Point	Stone revetment/dredging	270,000	Engineering
Somerset	Somers Cove Marina	Replace Jersey Island bulkhead	300,000	Engineering
St. Mary's	Abell's Wharf Landing	Rehab boat ramp new piers/bulkhead	50,000	Construction
St. Mary's	Wicomico Shores	Rehab boat ramp new piers/bulkhead	100,000	Construction
St. Mary's	Tanner Creek	Engineering dredging	15,000	Permits
St. Mary's	Point Lookout State Park	Shoreline stabilization at causeway	100,000	Permits
St. Mary's	Sotterly	New pier, road, kiosk, shelter	125,000	Construction
Statewide	AnneArundel/Baltimore Metro	Fire/rescue vessel equipment	175,000	Construction
Statewide	SAV Removal	COG & DNR	50,000	Construction
Statewide	Pump Out Program	DNR	85,000	Construction
Statewide	Maintenance Dredging	DNR	100,000	Construction
Statewide	Shore Erosion Control	Shore erosion control loans	1,250,000	Permits
Statewide	Statewide Federal Grants	State match for BIG program	200,000	Construction
Statewide	Statewide Locations	Natural Tourism program	75,000	Construction
Statewide	Statewide Locations	Statewide boating access plan	250,000	Construction

K00A02 - Department of Natural Resources - PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Amount Proposed</u>	<u>Current Status</u>
Statewide	Statewide Locations	Statewide LIDAR plan	425,000	Construction
Talbot	Oak Creek Landing	Boat ramp replacement	80,000	Engineering
Talbot	Claiborne Landing	Boat ramp replacement	80,000	Engineering
Talbot Oxford	Oxford Fire Department	Fire rescue vessel/equipment	50,000	Construction
Talbot St. Michaels	West Harbor Road	Replace bulkhead	100,000	Engineering
Wicomico	Nanticoke Harbor	Complete launching/parking ADA	25,000	Construction
Wicomico Fruitland	VFD	New boat	50,000	Construction
Wicomico	Riverside Boat Ramp	Renovation replace launching facility	75,000	Reimbursement
Wicomico	Nanticoke Harbor	DMP site acquisition	150,000	Permits
Worcester	Public Landing	Bulkhead and parking lot rehabilitation	100,000	Construction
Worcester Snow Hill	Byrd Park North/South Boat Ramp	Repair boat ramp and replace decking	78,000	Construction
Worcester Pocomoke	Service Pier at Pocomoke Learning Center	Service pier (fuel, pump out)	75,000	Engineering
Worcester	George Island Landing	Boat ramp parking lot	50,000	Construction
Worcester	Pocomoke River State Park	Replace Millburn landing pier	75,000	Engineering
Worcester	Pocomoke River State Park	Replace bubbler system Shad Landing	30,000	Construction
Worcester	Assateague State Park	Pave parking lot at boat ramp	75,000	Construction
Total			\$11,200,000	

BIG = Boating Infrastructure Program Grants

Status Key

Permits – required permits are available or have been applied for

Engineering – project is under design

Bid – project is currently advertised for bid proposals

Contract, Construction, Reimbursement – contract to construct the project has been awarded/reimbursement

Complete – the purpose of the grant has been accomplished, all reimbursement have been made, revert balance

Shore Erosion Control Loan Program (Statewide)

PAYGO SF **\$500,000** **Recommendation: Approve**

Program Description: These funds are used to provide loans and grants to groups of property owners, municipalities, and counties to complete shore erosion control projects pursuant to the Natural Resources Article, Section 8-1001 through Section 8-1007. The loans made under this program are interest free and for the purpose of providing design and construction of *structural* shore erosion control projects. The grants made under this program require a 50% match and are for the purpose of providing design and construction of *non-structural* shore erosion control projects. The special funds are derived from loan repayments, administrative charges, and the Waterway Improvement Fund.

The Shore Erosion Control Loan Program has been in existence for approximately 30 years; however, it has been located within several different programs in the operating and capital budgets. Most recently, it was an operating budget project within the Capital Grants and Loans Administration budget, and prior to that, it is was a project within the Forestry program. In the fiscal 2004 allowance, the program is presented as an independent program within DNR's PAYGO capital budget.

Year Program Began: 1968

Comments: The fiscal 2004 allowance provides \$500,000 for loans and grants to complete projects that will protect vulnerable areas of shoreline from erosion due to wind and storms and preserve waterfront communities. Eight projects in five counties are proposed for fiscal 2004.

Shore Erosion Control Loan Fund Data

Fund History

	<i>FY 2002 Actual</i>	<i>FY 2003 Estimated</i>	<i>FY 2004 Estimated</i>
Beginning Balance	\$276,197	\$262,762	\$262,762
REVENUE			
Special Funds - Loan Repayments	1,149,589	1,227,495	1,445,306
TOTAL REVENUE	1,149,589	1,227,495	1,445,306
TOTAL AVAILABLE	1,425,786	1,490,257	1,708,068
ENCUMBRANCES			
Loans	772,978	678,733	771,879
Operating Expenses	390,046	548,762	673,427
TOTAL ENCUMBRANCES	1,163,024	1,227,495	1,445,306
Ending Balance	\$262,762	\$262,762	\$262,762

(\$ in Millions)

<i>Description</i>	<i>2002 Approp.*</i>	<i>2003 Approp.*</i>	<i>2004 Request</i>	<i>2005 Estimate</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>
PAYGO SF	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500

* Prior to fiscal 2004, this program was a project under the Capital Grants and Loans Administration.

Recommended Actions

1. Concur with Governor's allowance.

Fiscal 2004 Proposed Projects

<u>County</u>	<u>Project Description</u>	<u>FY 2004 Amount Proposed</u>	<u>State Share of Total Cost</u>
Anne Arundel	Rivera Beach II Reinforcement	\$100,000	100%
Anne Arundel	Dee, T. Non-structural	24,000	75%
Cecil	Westview Shores Breakwaters	300,000	100%
Kent	Miller, A. Non-structural	15,750	75%
St Mary's	Piney Pt. Lighthouse Breakwater	265,000	100%
St Mary's	Lanatot, C. Non-structural	11,973	75%
Talbot	Pretzler, E. Non-structural	25,000	53%
Talbot	Londonary – Non-structural	25,000	67%
Total		\$766,723	

Fiscal 2003 Project Status

<u>County</u>	<u>Project Description</u>	<u>FY 2003 Amount</u>		<u>Project Status</u>
Anne Arundel	Rivera Beach I Reinforcement	\$100,000	100%	Planning w/U.S. Corps
Dorchester	Punch Island Road Breakwater	350,000	100%	Executed agreement
Dorchester	Elliot Is. Road Revetment	100,000	100%	"
Dorchester	Dail, L. Non-structural	24,000	75%	"
Dorchester	Fulz, G. Non-structural	25,000	52%	"
Kent	Barrett Island Non-structural	25,000	47%	"
Queen Anne's	Mitchell, D. Non-structural	22,500	75%	"
St Mary's	Mill Pt. Assoc. Non-structural	11,175	75%	"
St Mary's	Cauffman, A. Non-structural	25,000	50%	"
Total		\$682,675		

K00A02 - Department of Natural Resources - PAYGO

Object/Fund Difference Report
Department of Natural Resources - PAYGO

Object/Fund	FY02	FY03	FY04	FY03 - FY04	Percent Change
	<u>Actual</u>	<u>Working Appropriation</u>	<u>Allowance</u>	<u>Amount Change</u>	
Objects					
02 Technical & Spec Fees	-\$ 831	\$ 0	\$ 0	\$ 0	0.0%
03 Communication	13	0	0	0	0.0%
07 Motor Vehicles	341	0	0	0	0.0%
08 Contractual Services	16,496,668	15,275,000	5,600,000	-9,675,000	-63.3%
09 Supplies & Materials	76,870	0	0	0	0.0%
10 Equip - Replacement	57	0	0	0	0.0%
11 Equip - Additional	4,461	0	0	0	0.0%
12 Grants,Subsidies,Contr	48,088,027	21,092,147	42,129,915	21,037,768	99.7%
14 Land & Structures	50,469,748	17,167,145	29,287,119	12,119,974	70.6%
Total Objects	\$ 115,135,354	\$ 53,534,292	\$ 77,017,034	\$ 23,482,742	43.9%
Funds					
01 General Fund	\$ 9,244,323	\$ 1,575,000	\$ 0	-\$ 1,575,000	-100.0%
03 Special Fund	105,611,129	49,959,292	74,917,034	24,957,742	50.0%
05 Federal Fund	279,902	2,000,000	2,100,000	100,000	5.0%
Total Funds	\$ 115,135,354	\$ 53,534,292	\$ 77,017,034	\$ 23,482,742	43.9%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

K00A02 - Department of Natural Resources - PAYGO

Fiscal Summary
Department of Natural Resources - PAYGO

<u>Unit/Program</u>	<u>FY02 Actual</u>	<u>FY03 Legislative Appropriation</u>	<u>FY03 Working Appropriation</u>	<u>FY02 - FY03 % Change</u>	<u>FY04 Allowance</u>	<u>FY03 - FY04 % Change</u>
07 Parks Improvement Program	\$ 2,250,000	\$ 0	\$ 0	-100.0%	\$ 0	0%
09 Waterway Improvement	0	1,058,468	0	0%	0	0%
10 Outdoor Recreation Land Loan	98,557,775	39,259,292	39,259,292	-60.2%	71,417,034	81.9%
11 Waterway Service Projects	10,073,936	11,200,000	11,200,000	11.2%	4,100,000	-63.4%
14 Capital Grants & Loans - Shoreline Erosion Control	500,000	0	500,000	0%	500,000	0%
06 Ocean City Maintenance	2,109,307	1,000,000	1,000,000	-52.6%	1,000,000	0%
09 Fish Passage	1,644,336	1,575,000	1,575,000	-4.2%	0	-100.0%
Total Expenditures	\$ 115,135,354	\$ 54,092,760	\$ 53,534,292	-53.5%	\$ 77,017,034	43.9%
General Fund	\$ 9,244,323	\$ 1,575,000	\$ 1,575,000	-83.0%	\$ 0	-100.0%
Special Fund	105,611,129	50,517,760	49,959,292	-52.7%	74,917,034	50.0%
Federal Fund	279,902	2,000,000	2,000,000	614.5%	2,100,000	5.0%
Total Appropriations	\$ 115,135,354	\$ 54,092,760	\$ 53,534,292	-53.5%	\$ 77,017,034	43.9%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.