

K00A02
Department of Natural Resources – PAYGO

Pay-As-You-Go Capital Budget Summary

(\$ in Thousands)

	<i>FY 2003 Approp.</i>	<i>FY 2004 Approp.</i>	<i>FY 2005 Allowance</i>	<i>Percent Change</i>	<i>DLS Recommd.</i>
Program Open Space					
Land Acquisition and Local Program	\$30,037	\$37,506	\$18,000	-52.0%	\$18,000
Critical Maintenance/Capital Development	*	*	7,435	n/a	7,435
Ocean City Beach Maintenance Fund	1,000	1,000	1,000	0%	1,000
Waterway Improvement Program	11,200	3,100	12,450	301.6%	12,450
Shore Erosion Control Loan Program	**	500	500	0%	500
Total	\$42,237	\$42,106	\$39,385	-6.5%	\$39,385

Fund Source					
Special	\$40,237	\$8,914	\$18,313	105.4%	\$18,313
Federal	2,000	2,100	2,500	19.0%	2,500
PAYGO Subtotal	\$42,237	\$11,014	\$21,813	93.5%	\$21,813
GO Bonds	0	31,092	18,572	-40.3%	18,512
Total	\$42,237	\$42,106	\$39,385	-6.5%	\$39,385

*PAYGO critical maintenance and capital development projects are reflected in the Land Acquisition and Local Program funding amount.

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

Summary of Issues

Charting a Land Preservation Course: Through June 2003, State land protection programs, in conjunction with the Maryland Environmental Trust, county preservation programs, and other publicly owned land, collectively protected 1.2 million acres, or 19.1%, of the land in Maryland. While several of the State's land preservation programs have stated missions, there does not appear to be a consolidated, long-term goal for land preservation. **The Department of Legislative Services (DLS) recommends budget bill language requiring submittal of a report that proposes an overarching, long-term goal for land preservation in the State.**

Program Open Space (POS) Affected by Cost Containment Again: Under proposed fund transfer legislation (Senate Bill 509), \$70.3 million in transfer tax special fund revenue that would support POS and other land preservation programs under current law is redirected to the general fund for cost containment purposes. **The Department of Natural Resources (DNR) should brief the committees on the impact this proposed fund transfer legislation would have on POS.**

Ensuring POS Funds Are Used: Legislation was enacted in 2003 (Chapter 153, Acts of 2003) that could terminate millions in old capital appropriations as of June 1, 2004. **DLS recommends that DNR describe the fiscal impact Chapter 153, Acts of 2003 may have on POS and the Rural Legacy Program. Also, DNR should provide Local POS fund balance data and state its position on Senate Bill 713.**

Recommendations for Changing the Waterway Improvement Fund (WWIF): In response to concerns about the inappropriate use of WWIF revenue and the limited availability of funds for waterway improvement projects, the DNR Special Funds Work Group made several recommendations concerning WWIF. **DLS recommends budget reconciliation bill language directing DNR to reduce the percentage of available WWIF revenue used for administrative purposes.**

Summary of Recommended Actions

1. Add budget bill language requiring a report on a consolidated, State land preservation goal.
2. Adjust allocation of State and Local Program Open Space general obligation bond funds.

Overview Issues

1. Charting a Land Preservation Course

The State's primary land preservation programs – Program Open Space, the Maryland Agricultural Land Preservation Program, Rural Legacy, and GreenPrint – enjoyed years of healthy funding during the previous Administration. Through June 2003, these programs, in conjunction with the Maryland Environmental Trust, county preservation programs, and other publicly owned land, collectively protected approximately 1.2 million acres, or 19.1%, of land in the State (**Exhibit 1**). Of the remaining land in the State, just over 1.2 million acres, or 19.8% have been developed. Approximately 3.8 million acres, or 61%, remain unprotected and undeveloped.

Exhibit 1
Total Acres Preserved and Percentage of State Land Protected
Through June 2003

	<u>Acres</u>	<u>% of State (dry land)</u>
Publicly-owned Land (Federal/State/Local)	662,516	10.68
Federal	86,797	1.40
State (DNR-owned)	438,776	7.07
Local	136,943	2.21
Private Conservation Organizations	33,226	0.54
Maryland Agricultural Land Preservation		
Program Easements	228,854	3.69
Program Open Space Easements	17,186	0.28
Rural Legacy	40,129	0.65
Maryland Environmental Trust Easements	75,543	1.22
GreenPrint Easements	17,389	0.28
Maryland Historical Trust Easements	9,583	0.15
County Easements	103,423	1.67
Total	1,187,849	19.16

Source: Department of Legislative Services and Department of Natural Resources

As illustrated in **Exhibit 2**, State funding for land preservation totaled just under \$1 billion between fiscal 1995 and 2004. Due to budget constraints, however, funding for the State's land preservation programs has decreased in recent years; for fiscal 2003 and 2004, a significant portion of the transfer tax revenues that fund the State's largest effort (Program Open Space) was diverted to the general fund.

Exhibit 2
Land Preservation Funding by Fund Source
(\$ in Millions)

<u>Fiscal Year</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>GO Bonds</u>	<u>Federal Funds</u>	<u>All Funds</u>
1995	\$0.0	\$48.1	\$0.0	\$0.0	\$48.1
1996	0.0	57.8	0.0	0.0	57.8
1997	0.0	58.1	0.0	0.0	58.1
1998	0.0	75.3	3.0	1.0	79.3
1999	11.0	82.5	5.0	1.0	99.5
2000	9.8	98.4	13.8	0.0	122.0
2001	0.7	91.8	16.0	0.0	108.5
2002	6.1	125.1	42.2	0.6	174.0
2003	0.4	68.0	32.5	1.9	102.8
2004	0.3	15.6	64.4	3.5	83.8
Total	\$28.3	\$720.7	\$176.9	\$8.0	\$933.9

Note: 2004 data represents the legislative appropriation. All other years are actuals. Data includes funding provided to local governments.

Source: Department of Legislative Services; based on data from the Department of Natural Resources and the Maryland Department of Agriculture.

While several of the State's land preservation programs have stated missions, there does not appear to be a consolidated, long-term goal for land preservation in the State. The Administration recently announced new guidelines for land preservation; while those guidelines state that a more coordinated and targeted approach to land preservation will be used, they do not appear to question the current goals of the various programs or identify the need for a consolidated, long-term goal for land preservation in the State. Specifically, the Governor announced that DNR, the Maryland Department of Agriculture (MDA), and the Maryland Department of Planning (MDP) were to:

- focus State land conservation programs on the most strategic lands to protect the Chesapeake Bay and its tributaries;
- apply the best scientific information and technology to identify lands that are most important, the potential threats to these lands, and areas in which preservation goals receive the best return from the dollars spent; and
- establish a process for collaboration and coordination among State and local land conservation programs.

Strategic Land Preservation Funding Decisions

It will be difficult to make strategic decisions about appropriate funding levels for the State's land preservation programs until the following questions are answered:

- How much of the remaining 3.8 million acres of land does the State want to protect and over how many years?
- What portion of this land will be protected by local and federal efforts versus State programs?
- What specific acreage identified for protection is of the greatest priority?
- What types of preservation tools (e.g. fee simple, conservation easement, zoning) should be prioritized and how should they be utilized?

Answers to some of these questions may be generated via the State's current land preservation and recreation plan (LPRP) development process. The State and each local jurisdiction must prepare an LPRP every five years. The State LPRP identifies the acquisition and development needs for parks and open space and provides guidance in this area to local jurisdictions. MDP, in cooperation with DNR, must prepare and revise the State LPRP by July 1, 2006.

To encourage the development of an overarching, long-term goal for land preservation in the State, the DLS recommends budget bill language requiring DNR, MDA, MDP, and the Department of Budget and Management to submit a report by November 1, 2004, providing the following information:

- **A proposed overarching, long-term land preservation goal, recognizing that it may be revised when the current LPRP process is complete.**
- **Recommendations for how the State can ensure that consistent and consolidated State and local level data on acreage preserved and land preservation funding provided is readily available.**
- **Recommendations for how the State intends to strengthen local jurisdiction's efforts to use tools that involve little or no public expenditure to preserve land. These recommendations should address the following tools: zoning, subdivision, and development procedures, and land preservation techniques such as the transfer of development rights, the purchase of development rights, and installment purchase agreements.**
- **A description of the new sources and tools (e.g. zero coupon bonds and tax incentives) the Administration plans to utilize in fiscal 2006 to enhance funding for land preservation.**

Recommended Actions

1. Add the following language:

Provided that, the Department of Natural Resources (DNR), Maryland Department of Agriculture (MDA), Maryland Department of Planning (MDP), and Department of Budget and Management (DBM) shall submit a report to the budget committees by November 1, 2004, describing a proposed, overarching State land preservation goal. This report should provide recommendations for how the State can ensure that consistent and consolidated State and local data on acreage preserved and associated funding levels is readily available. Furthermore, the report should address how the State intends to strengthen local jurisdiction's land preservation efforts and utilize new land preservation funding tools in fiscal 2006. The committees shall have 45 days to review and comment upon this report.

Explanation: This language would require DNR, MDA, MDP, and DBM to submit a report by November 1, 2004, describing a proposed overarching State land preservation goal, recognizing that this goal may be revised when the ongoing land preservation and recreation planning process is completed. This report would provide recommendations for how the State can ensure that consistent and consolidated State and local data on acreage preserved and associated funding levels is readily available. Currently, different State agencies maintain different land preservation data, making it difficult to evaluate progress. Furthermore, the report would address how the Administration intends to strengthen local jurisdiction's land preservation efforts and utilize new land preservation funding tools in fiscal 2006. The committees shall have 45 days to review and comment upon this report.

Information Request	Authors	Due Date
Land preservation goal report	DNR MDA MDP DBM	November 1, 2004

Program Open Space – Acquisition & Local Program (Statewide)

PAYGO SF	1,000,000	Recommendation:	Adjust allocation of GO bond funds
PAYGO FF	2,000,000		
GO Bonds	15,000,000		

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, acquisition of land, design, and construction 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 has historically been 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. In recent years other funding sources such as bond funds and the federal Land and Water Conservation Fund have played an important role in funding this program, as transfer tax revenue has been diverted to the general fund for cost containment.

Over time, many special projects that are not necessarily related to land acquisition have been given a share 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 pure State land acquisition and local park development program it was 30 years ago.

Year Program Began: 1969

Comments: As illustrated in **Exhibit 3**, the fiscal 2005 allowance provides a total of \$18.0 million for POS State and local land acquisition efforts: \$1.0 million in special funds, \$2.0 million in federal funds, and \$15.0 million in general obligation (GO) bond funds. Of this total amount, \$16.0 million or 89% would be allocated to local governments for the acquisition and or development of local parks. It is important to note that no funding is provided for the Heritage Conservation Fund or Baltimore City’s park operations and maintenance; historically a \$1.5 million annual allocation has been provided to Baltimore City. The \$2.0 million in federal funds would be split between the State and local governments for land acquisition. Using an average price of \$2,500 per acre, the Department of Natural Resources (DNR) estimates that the State could acquire 400 acres with the fiscal 2005 allowance.

Exhibit 3
Program Open Space Fiscal 2005 Allowance
(\$ in Millions)

	<u>Transfer Tax Special Funds</u>	<u>Federal Funds</u>	<u>GO Bonds</u>
POS – State Share			
Land Acquisition	\$0	\$1.0	\$0
Baltimore City Direct Grant	0	0	0
Ocean City Beach Maintenance	1.0	0	0
POS – Local Share			
Land Acquisition	0	1.0	15.0
Heritage Conservation Fund	0	0	0
Total	\$1.0	\$2.0	\$15.0

Note: This chart excludes critical maintenance funds.
Source: Fiscal 2005 budget book

The fiscal 2005 allowance provides only \$1.0 million for State land acquisition – a dramatic decrease from previous years, as shown in **Exhibit 4**.

Exhibit 4
POS State Land Acquisition
(\$ in Millions)

	<u>Special Funds</u>	<u>Federal Funds</u>	<u>GO Bonds</u>	<u>Total</u>
Fiscal 2003	\$7.4	\$1.0	\$0	\$8.4
Fiscal 2004	0	1.0	12.7	13.7
Fiscal 2005	0	1.0	0	1.0

Source: Department of Natural Resources

Program Open Space Fund Data

(\$ in Millions)

<i>Description</i>	<i>2003 Approp.</i>	<i>2004 Approp.</i>	<i>2005 Request</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>	<i>2009 Estimate</i>
PAYGO SF	\$28.037	\$4.414	\$1.000	\$81.850	\$84.200	\$86.300	\$88.500
PAYGO FF	2.000	2.000	2.000	2.000	2.000	2.000	2.000
GO Bonds	0.000	31.092	15.000	0.000	0.000	0.000	0.000
Total	\$30.037	\$37.506	\$18.000	\$83.850	\$86.200	\$88.300	\$90.500

Issues

1. Program Open Space Affected by Cost Containment Again

As illustrated in **Exhibit 5**, under proposed fund transfer legislation (Senate Bill 509), \$70.3 million in transfer tax special fund revenue that would support programs under current law and \$41.9 million in estimated fiscal 2004 transfer tax funds attained over the estimate that would support programs in fiscal 2006 under current law is redirected to the general fund. Only \$4.9 million in transfer tax revenue is provided for the State's share of the Ocean City beach maintenance effort (\$1.0 million) and for critical maintenance and capital development projects (\$3.9 million) at State forests and parks. This proposed reduction in available transfer tax revenue is in addition to \$95.2 million in available fiscal 2005 transfer tax revenue being redirected to the general fund in accordance with 2003 budget reconciliation language.

Exhibit 5
Transfer Tax Revenues and Proposed Uses
Fiscal 2005

<u>Available Revenue</u>	
Transfer Tax Revenue Estimate	\$132,797,000
Administrative expenses	-3,983,910
Fiscal 2003 attainment adjustments	
Transfer to general fund per 2003 BFRA	-18,073,000
Additional attainment over estimate	25,374,354
50% transfer to general fund per 2003 BFRA	-77,093,722
Total	\$77,093,722
 <u>Proposed Revenue Uses</u>	
POS/Ocean City beach maintenance	1,000,000
Critical maintenance/capital development	3,863,000
Heritage Areas Authority	1,000,000
State park operating expenses	950,000
Subtotal	6,813,000
 <u>Transfers to General Fund</u>	
POS	57,136,242
MALPP*	13,144,480
Subtotal	70,280,722
 Total	 \$77,093,722
 Transfer to general fund – estimated fiscal 2004 attainment over original estimate	 \$41,886,000

BRFA = Budget Reconciliation and Financing Act
MALPP = Maryland Agricultural Land Preservation Program

*An anticipated fiscal 2005 supplemental budget may provide all the transfer tax revenue that would fund MALPP under current law in fiscal 2005 but redirect these funds to the general fund contingent on legislation.

Sources: Department of Budget and Management and fiscal 2005 budget books

Since the transfer tax has been the primarily source of revenue for POS, the existing and proposed transfers to the general fund substantially impact the program. The fiscal 2005 budget allowance seeks to partially offset the impact of these transfers on POS by providing \$15.0 million in GO bond funding for the POS local program.

DNR should brief the committees on the impact this proposed fund transfer legislation would have on POS.

Analysis of the FY 2005 Maryland Executive Budget, 2004

2. Ensuring POS Funds Are Used

Last year, the Treasurer's Office reported that there were open bond authorizations extending back more than 30 years to 1968. At the end of fiscal 2002, approximately \$28 million in authorized, but unissued debt existed for projects that were authorized prior to fiscal 1996.

Legislation enacted in 2003 (Chapter 153, Acts of 2003) would have the effect of terminating capital appropriations if:

1. no part of the project is under contract, and the Board of Public Works has not encumbered funds for any part of the project; and
2. the appropriation is encumbered, but was appropriated 7 years ago or longer.

This termination provision becomes effective June 1, 2004, and could result in millions in authorized capital appropriations being reverted later this year.

Legislation (Senate Bill 713) has been introduced that proposes to exempt POS, the Rural Legacy Program, the Agricultural Land Preservation Fund, and the Heritage Conservation Fund from the provisions of Chapter 153, Acts of 2003.

DLS recommends that DNR describe the fiscal impact Chapter 153, Acts of 2003 may have on POS and the Rural Legacy Program. Also, DNR should provide data showing each local jurisdiction's unencumbered and encumbered POS fund balance by the year it was appropriated since fiscal 1995, and the State POS unencumbered and encumbered fund balance by the year it was appropriated since fiscal 1995. Furthermore, DNR should state its position on Senate Bill 713, and discuss why DNR programs should or should not be exempt from the provisions of Chapter 153, Acts of 2003.

Recommended Actions

1. Amend the following language:

(1) State Land Acquisition..... 5,000,000

a. Eastern Region..... 1,250,000
b. Central Region..... 1,250,000
c. Southern Region..... 1,250,000
d. Western Region..... 1,250,000

(+) (2) Local Capital Development and Land
Acquisition Grants..... 15,000,000
10,000,000

(a)	Allegany County	166,741	111,161
(b)	Anne Arundel County	1,806,906	1,204,604
(c)	Baltimore City	1,193,601	795,734
(d)	Baltimore County	2,036,702	1,357,800
(e)	Calvert County	182,018	121,345
(f)	Caroline County	78,911	52,607
(g)	Carroll County	408,646	272,431
(h)	Cecil County	210,293	140,195
(i)	Charles County	370,795	247,197
(j)	Dorchester County	67,678	45,119
(k)	Frederick County	429,992	286,661
(l)	Garrett County	85,118	56,745
(m)	Harford County	603,604	402,403
(n)	Howard County	1,068,228	712,152
(o)	Kent County	50,855	33,903
(p)	Montgomery County	2,717,623	1,811,749
(q)	Prince George's County	2,298,116	1,532,077
(r)	Queen Anne's County	110,872	73,915
(s)	St Mary's County	204,622	136,415
(t)	Somerset County	48,571	32,381
(u)	Talbot County	116,554	77,703
(v)	Washington County	319,767	213,178
(w)	Wicomico County	213,136	142,091
(x)	Worcester County	210,651	140,434

Explanation: This language would change the allocation of State and Local Program Open Space (POS) general obligation (GO) bond funding, so that two-thirds, or \$10.0 million is directed to POS – Local Program and one-third or \$5.0 million is directed to POS – State Program. This reallocation of funds will ensure that both the State and local governments have funding available for land acquisition and park development activities. This allocation will also ensure that funds are available

Analysis of the FY 2005 Maryland Executive Budget, 2004

K00A02 – Department of Natural Resources – PAYGO

for the State to implement strategic, large-scale acquisitions consistent with the Administration's new land preservation strategy. The GO bond allowance includes an additional \$5.0 million for the Community Parks and Playgrounds Program, which is allocated directly to local jurisdictions to restore or create parks.

Fiscal 2005 Proposed Local Program Open Space Allocation

<u>County</u>	<u>Allocation</u>
Allegany	\$166,741
Anne Arundel	1,806,906
Baltimore	2,036,702
Calvert	182,018
Caroline	78,911
Carroll	408,646
Cecil	210,293
Charles	370,795
Dorchester	67,678
Frederick	429,992
Garrett	85,118
Harford	603,604
Howard	1,068,228
Kent	50,855
Montgomery	2,717,623
Prince George's	2,298,116
Queen Anne's	110,872
St Mary's	204,622
Somerset	48,571
Talbot	116,554
Washington	319,767
Wicomico	213,136
Worcester	210,651
Baltimore City	1,193,601
Total	\$15,000,000

Fiscal 2004 Local Program Open Space Allocation

<u>County</u>	<u>Allocation</u>
Allegany	\$193,000
Anne Arundel	2,259,000
Baltimore	2,555,000
Calvert	224,000
Caroline	99,000
Carroll	508,000
Cecil	262,000
Charles	460,000
Dorchester	85,000
Frederick	525,000
Garrett	105,000
Harford	752,000
Howard	1,333,000
Kent	63,000
Montgomery	3,358,000
Prince George's	2,887,000
Queen Anne's	135,000
St Mary's	254,000
Somerset	61,000
Talbot	142,000
Washington	400,000
Wicomico	267,000
Worcester	253,000
Baltimore City	1,913,888
Total	\$19,093,888

Program Open Space – Critical Maintenance Projects and Capital Development (Statewide)

PAYGO SF	\$3,863,000	Recommendation: Approve
GO Bonds	\$3,572,000	

Program Description: State law allows up to 25% of the Program Open Space (POS) funds allocated to the State to be used for development projects and for operating expenses at State forests and parks. The Department of Natural Resources (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 provided for dam rehabilitation and numerous individual capital development projects on DNR property. The fiscal 2005 general obligation (GO) bond allowance includes funds for dam rehabilitation and capital development projects.

Comments: The fiscal 2005 PAYGO allowance provides \$3.5 million to address approximately 150 maintenance projects and \$363,000 to design a central sewer system at Pocomoke River State Park. The fiscal 2005 GO bond allowance provides \$3.6 million for dam rehabilitation and two additional capital development projects. Since the creation of DNR’s critical maintenance fund in fiscal 1995, \$18.3 million has been appropriated to complete over 669 maintenance projects at DNR facilities. According to DNR, there is a \$14 million backlog in necessary critical maintenance and capital improvement projects at State forests and parks.

Recommended Actions

Concur with Governor’s allowance.

Fiscal 2005 Proposed Critical Maintenance Projects

<u>Location</u>	<u>Project Name</u>	<u>Cost</u>
Assateague	Dune Maintenance	\$150,000
Seneca Creek S.P.	Remove Used Oil Pit – Maintenance Shop	5,000
Choptank River Bridge	Replace Faulty Railing – Pier	80,000
Parkers Creek	Resurface Access Road	20,000
Herrington Manor S.P.	Replace Roof – Bathhouse	12,000
Martinak S.P.	Replace Skylights and Roof Vents – Day Use Restroom	3,500
Martinak S.P.	Replace Skylights – Bathhouse	4,000
Patapsco Valley S.P.	Reroof Two Restrooms – McKeldin	10,000
Swallow Falls S.P.	Replace Roof – Shower Building 1 and 2	10,000
Greenwell S.P.	Install Roof Overhangs – Lodge	15,000
Patapsco Valley S.P.	Reroof Buildings – Hollofield	35,000
Green Ridge S.F.	Replace Roof – Cooler	5,000
Cedarville S.F.	Renovate Exterior – Seedling Cooler building.	5,000
Fair Hill N.R.M.A.	Replace Metal Roof and Siding – Maint. Storage building	44,000
Greenwell S.P.	Restore Exterior – Bond Log Barn	30,000
Fair Hill N.R.M.A.	Replace Roof – CCF Barns 2, 3, 4, 5, and 6	120,000
Herrington Manor S.P.	Replace Roof – Barn	6,500
Gunpowder Falls S.P.	Replace Roof and Siding – Pole Shed/Hammerman	19,000
Potomac/Garrett S.F.	Structural Analysis of Two Bridges	16,000
Gunpowder Falls S.P.	Replace Roofs – Graham Barn, Office and Restroom	36,000
New Germany S.P.	Reroof Four Cabins	20,500
Tuckahoe S.P.	Replace Siding, Windows and Trim – Bathhouse	17,000
New Germany S.P.	Stabilize Cabins 1 – 11	86,000
Matapeake Terminal – NRP	Install Water Hookup	530,000
Rocks S.P.	Replace Water Line – Hills Grove Area	4,000
Deep Creek Lake S.P.	Replace Water Lines – Camp Loops 1 and 2	30,000
Janes Island	Drainage Ditch Maintenance	15,000
Assateague	Relocate Drainfield – Camp Loop G	10,000
Potomac/Garrett S.F.	Replace Phone Lines	35,000
Seneca Creek S.P.	Replace Concrete Sidewalks	25,000
Somers Cove Marina	Replace HVAC Units – Marina Office	14,000
Hollofield Complex	Replace Heating Units	30,000
Patuxent Field Office	Repair Pond Embankment and Outfall	50,000
Tuckahoe S.P.	Replace Furnace – Park Office	5,000
Martinak S.P.	Repair Water Tower Footings	30,000
Herrington Manor S.P.	Replace Communications Tower	40,000
Matapeake Terminal – NRP	Replace Timber Pier Support Beams	8,000
Assateague S.P.	Paint Water Tanks	40,000
Green Ridge S.F.	Replace Roofs on Five Buildings	55,000
Statewide	Contingency	85,000
Cedarville S.F.	Replace Fuel Tank – Maintenance Shop	10,000
Manning/Cedarville Hatcheries	Replace Overhead Doors	10,000
Manning/Cedarville Hatcheries	Replace Pond Drainlines and Repair Catch Basins	40,000
Patuxent Field Office	Upgrade Electrical Wiring	8,500

K00A02 – Department of Natural Resources – PAYGO

<u>Location</u>	<u>Project Name</u>	<u>Cost</u>
Gunpowder Falls S.P.	Renovate Exterior of Headquarters – Jerusalem Mill	\$25,000
Gunpowder Falls S.P.	Replace Windows – Sparks Bank	8,000
Wye Mills Office	Install Vinyl Siding – Office and Annex	20,000
Martinak S.P.	Repaint Buildings/Wrap Soffit and Fascia	4,500
Herrington Manor S.P.	Replace Windows – Maintenance Shop	3,000
Martinak S.P.	Replace Windows – Maintenance Shop	7,000
Tuckahoe S.P.	Replace Windows – Maintenance Shop	4,000
Herrington Manor S.P.	Replace Windows – Block Garage	4,000
Gunpowder Falls S.P.	Replace Windows – Graham Barn	8,400
Cedarville Visitor Center	Resurface Driveway	6,000
Unicorn Hatchery	Repave Parking Lots and Roads	20,000
Patapsco Valley S.P.	Resurface Sidewalks and Access Roads – Pickall	75,000
Smallwood S.P.	Replace Electric System on T-Piers	20,000
Martinak S.P.	Repave Day Use Parking Areas	18,000
North Point S.P.	Upgrade Electric Service, Lighting – Trolley Station and Pier	20,000
	Upgrade Electric Service – Barn/Corn Crib and Tractor Shed	10,000
Greenwell S.P.		10,000
Tuckahoe S.P.	Re-side Park Office	14,000
Powellville F.W.C.	New Overhead Doors/Shop	25,000
Greenbrier S.P.	Hydrant Installation	72,000
Gunpowder Falls S.P.	Replace toilet partitions in Hammerman – 9 Buildings	7,500
McKee-Besher W.M.A.	Maintain Parking Lots and Roads	26,000
Rocky Gap S.P.	Replace Boiler – Maintenance Shop	10,000
Point Lookout S.P.	Electric Repair for Cruise and Patrol Boat Piers	12,000
Rocks S.P.	Install HVAC – Park Office	4,000
Pocomoke River S.P.	Upgrade Electric Service – Toll Building – Shad Landing	
	Install New U.G. Electric Service and Wiring in CCC Building	10,000
Fort Frederick S.P.		157,000
Cunningham Falls S.P.	Renovation of Bathhouse – Houck Area	5,000
Assateague S.P.	Replace Heat Pump Unit – Day Use Concession	108,000
Gunpowder Falls S.P.	Water Line and Hydrant Replacement – Hammerman	80,000
Point Lookout S.P.	Replace 2 Miles of Water Line – South Park	7,000
Martinak S.P.	Replace Windows and Entrance Door – Cabin	10,000
Deep Creek Lake S.P.	Renovate RV Dump Station	10,000
Greenwell S.P.	Resurface Road and Parking Lot – Bond Area	5,000
Powellville F.W.C.	Seal Parking Lot – Maintenance Shop	7,500
Tuckahoe S.P.	Reroof Park Office	65,000
Rocky Gap S.P.	Surfacing Parking Lots	16,000
Pocomoke River S.P.	Upgrade Electric Service in Nature Center – Shad Landing	5,000
Church Creek F.W.C.	Install Heating Unit – Maintenance Shop	3,000
Black Hill FWC	Renovate Bathroom – Maintenance Shop/Office Building	6,000
Rocky Gap S.P.	Replace Air Compressor – Maintenance Shop	16,000
Tuckahoe S.P.	Replace Boiler – Shop	100,000
New Germany S.P.	Renovate Recreation Hall	8,000
Pocomoke River S.P.	Install Underdrain – M.L. Campground	6,000
Martinak S.P.	Replace Entrance Doors – “A” Camp Building	15,880
Rocky Gap S.P.	Replace Lighting – Maintenance Shop	6,000
Martinak S.P.	Replace Entrance Doors – “B” Camp building.	

K00A02 – Department of Natural Resources – PAYGO

<u>Location</u>	<u>Project Name</u>	<u>Cost</u>
Rocky Gap S.P.	Reroof Campground Buildings	\$48,200
New Germany S.P.	Renovate Cabin 11	70,000
Fort Frederick S.P.	Renovate Electric – E and W Barracks	3,000
Wye Oak S.P.	Electric Service – Museum/Office	6,000
Gunpowder Falls S.P.	Upgrade Electric Service – Graham Barn	20,000
Sandy Point S.P.	Renovate Ejector Pit – Marina Comfort Sta.	18,000
Sandy Point S.P.	Renovate Ejector Pit – East Beach	20,000
Assateague S.P.	Replace Septic System – Day Use Area	25,000
Wye Oak S.P.	Replace Septic System – Museum/Office	7,000
Gunpowder Falls S.P.	Replace Back Up Generator Unit – Hammerman Pump Station	20,000
Gwynnbrook W.M.A.	Renovate Office/Shop Roof, Plumbing, Electric, and HVAC	60,000
Point Lookout S.P.	Replace Water Valves	30,000
Herrington Manor S.P.	Install Footer/Cement Block Wall – Cabins	56,000
Deep Creek Lake S.P.	Replace Toilet Partitions – Comfort Station 5 and 6	20,000
Fair Hill N.R.M.A.	Replace Electric Service - Kennel Road and Tawes Drive	108,000
Church Creek F.W.C.	Replace Water System – Pump House	20,000
Lambs Knoll Tower	VHF Antenna System Replacement	50,000
Backbone Mtn.	Razing Roth Rock Fire Tower	15,000
Total		\$3,499,980

Fiscal 2004 Critical Maintenance Projects Status

<u>Location</u>	<u>Project Description</u>	<u>Status</u>	<u>Cost</u>
Assateague SP	Replace Roof, Siding and Windows, Building 3	out for bid	\$20,000
Assateague SP	Replace Roofs, Camper Reg. building/Marina Comf.	under contract	8,942
Assateague SP	Replace LP Gas Tanks	canceled	0
Assateague SP	Replace Heat Pump at Park Office	canceled	0
Assateague SP	Replace LP Gas Tanks and Heat Pump at Park Office	under contract	19,000
Assateague SP	Renovate Exterior of Wood Shop	deferred	0
Assateague SP	Reroof Storage Building	out for bid	27,000
Cedarville 3F	Replace Overhead Doors	put for bid	10,000
Cedarville FWC	Reroof Long Shop	out for bid	20,000
Cedarville SF	Reconstruct Dam/Repair Pond	not started	50,000
Cedarville SF	Renovate Exterior/Restore Electric	deferred	0
Cedarville SF	Install Water System at Maintenance Shop	not started	22,000
Cedarville SF	Clean and Repaint Guard Rails	not started	2,500
Cheltenham WMA	Replace Soffi/Fascia, Paint, Replace Guttering	not started	3,300
Church Creek FWC	Remove UST Fuel Oil Tank	not started	3,000
Crisfield Marine Terminal	Resurface Roads and Lots	designed	20,000
Cunningham Falls	Replace Roofs on 4 Buildings	deferred	0
Cunningham Falls	Renovate Shop/Storage Building at Houck	deferred	0
Cunningham Falls	Renovate Shower Building at Manor Area	under contract	90,340

K00A02 – Department of Natural Resources – PAYGO

<u>Location</u>	<u>Project Description</u>	<u>Status</u>	<u>Cost</u>
Deep Creek Lake	Replace/Repair Sidewalks at Bath House	comb.w/int	\$0
Deep Creek Lake	Replace Doors on Storage Building	deferred	0
Deep Creek Lake	Interior Renovations to Shower buildings 3 and 4	under contract	177,020
Deep Creek Lake	Renovate Fountains	canceled	0
Elk Neck SP	Replace Exterior Doors at Camp Store	not started	21,000
Elk Neck SP	Upgrade Exterior Lighting at 4 Buildings	not started	40,000
Elk Neck SP	Replace Concrete Sidewalk and Curbs	not started	20,000
Elk Neck SP	Renovate Nature Center	not started	48,000
Fair Hill NRMA	Remove 4 Transformers	under contract	9,775
Fair Hill NRMA	Replace Roof on Paramutual Building	under contract	15,600
Fair Hill NRMA	Repoint Stone Walls at TRA Admin. Building	deferred	0
Fair Hill NRMA	Repoint Stone Walls at Finley Complex	not started	10,000
Fair Hill NRMA	Replace Siding on Dormers at TRA Admin.	deferred	0
Fair Hill NRMA	Raze Shop Barn	canceled	0
Fair Hill NRMA	Repave Tawes Drive	under contract	142,840
Fort Frederick SP	Replace Windows/Doors at CCC Museum	not started	10,000
Fort Frederick SP	Exterior Renovation to 5 CCC Buildings	not started	37,000
Fort Frederick SP	Vehicle Lift Renovations	under contract	24,451
Gunpowder Falls SP	Renovate Exterior of Dalton-Bevard Barn	under design	14,000
Gunpowder Falls SP	Renovate Freeland Comfort Station	not started	7,500
Gunpowder Falls SP	Renovate Exterior of Monkton Train Station	not started	20,000
Gunpowder Falls SP	Replace Door at Park Office	not started	3,300
Gunpowder Falls SP	Overhaul 2 Sewage Pumping Stations	under design	34,000
Gunpowder Falls SP	Resurface Parking Lots	not started	22,500
Gunpowder Falls SP	Replace Roofs on NCRT Shelters	done in house	0
Gunpowder Falls SP	Replace Roofs on Whitehall Shop	under design	15,000
Hart-Miller Is. SP	Replace Siding on Comfort Station	not started	6,000
Herrington Manor	Replace Logs at Cabins 4, 5, 11, 14, 15, 16, 20	not started	20,000
Herrington Manor	Replace 3 Metal Doors at New Shop	under contract	6,992
Herrington Manor	Resurface HM Lake Road-Entry to Dam	under contract	75,240
Janes Island SP	Replace Overhead Doors/Entrance Doors	out for bid	22,000
Janes Island SP	Replace Heating System-Conference Center	completed	6,993
Lewistown Fish Hatchery	Replace Roof on 5 Buildings	out for bid	40,000
Lewistown Fish Hatchery	Replace Floor in Office	under contract	56,300
Martinak SP	Install Soffit/Replace Fascia at Knowell House	not started	2,500
Martinak SP	Replace Roof on Maintenance Storage Building	not started	10,000
Martinak SP	Replace Cabin Siding	not started	15,000
Martinak SP	Replace Cabin Roof	not started	4,000
Martinak SP	Replace Septic System at Maintenance Shop	not started	7,000
Martinak SP	Install HVAC at Park Office	under design	5,000
Martinak SP	Renovate Interior of Park Office	under design	15,000
Martinak SP	Replace Septic System at Shelter B Area	not started	5,000
Martinak SP	Pave Entrance Road	designed	40,000
Martinak SP	Resurface Driveway and Parking Areas	designed	15,000

Analysis of the FY 2005 Maryland Executive Budget, 2004

K00A02 – Department of Natural Resources – PAYGO

<u>Location</u>	<u>Project Description</u>	<u>Status</u>	<u>Cost</u>
Martinak SP	Repave Parking Lot and Circle – Boating Area	designed	\$25,000
Matapeake Terminal	Inst. Water Hookup/Sprinkler/Fire Escapes/Alarm Sys.	deferred	0
Matapeake-NRP	Exterior Door and Window Replacement	holdpendingHVAC	55,000
Matapeake-NRP	HVAC Replacement	designed	250,000
Merkle WS	Repair Gravel Road	under design	41,000
Merkle WS	Repair Roof on Silo Barn	under contract	4,200
Merkle WS	Replace Door on Storage Building 17	under contract	3,325
Millington WMA	Replace Doors on Office	under construction	5,588
Mt. Nebo WMA	Renovate Exterior Shop and Office	not started	60,000
Mt. Nebo WMA	Replace Furnace in Office	not started	5,000
Mt. Nebo WMA	Replace Fuel Pumps	under contract	16,995
New Germany	Repave Roads and Parking Lots	not started	100,000
North Point SP	Replace Roof on Maintenance Shop	canceled	0
North Point SP	Repaint Trolley Station	under design	18,500
Patapsco Valley SP	Replace Roofs on 2 Comfort Stas.-Pickall	done in house	0
Patapsco Valley SP	Replace Roof on Pole Sam at Hilton	completed	16,730
Patapsco Valley SP	Replace Roof on Shelter 301	under contract	5,450
patapsco Valley SP	Replace Concrete Walkways	not started	9,000
Patapsco Valley SP	Replace Heating System in Shelter 300	completed	6,755
Patapsco Valley SP	Repave Avalon Entrance Road	under design	100,000
Patuxent River SP	Renovate Exterior-Entzian House	under design	50,000
Pocomoke River SP	Renovate Exterior of Administration Building	not started	20,000
Pocomoke River SP	Replace Roof on Nature Center	under contract	5,600
Pocomoke River SP	Replace Well 8 Treatment System at Milbum	not started	44,000
Pocomoke River SP	Renovate Water System in Area B at Milbum	not started	46,000
Pocomoke River SP	Replace Roof on Shower building. at Milbum	out for bid	5,000
Pocomoke River SP	Resurface A, B, D and E Loop Roads	comb.w/Resurf	79,106
Pocomoke River SP	Road Repairs in State Forest	comb.w/Resurf	45,000
Pocomoke River SP	Resurface Shop Parking Lot	designed	31,000
Pocomoke River SP	Replace Doors on Shad Landing Shop	out for bid	42,000
Pocomoke River SP	Replace Heating System in Nature CV Restroom	not started	4,000
Point Lookout SP	Replace Roof on North Comfort Station	under contract	26,500
Point Lookout SP	Replace Walkway Lights at Greens Point	not started	3,000
Point Lookout SP	ResUipe Roadway-Rt. 5 N and S	not started	4,000
Potomac/Garrett	Replace Comfort Station	not started	23,000
Rosaryville SP	Repair Interior Walls and Fireplaces at Mt. Airy	not started	22,000
Sandy Point SP	Replace Doors/Jambs in S. Beach Comfort Sta.	not started	13,000
Savage River SF	Renovate Exterior/Inst. Well at Hard Struggle Cabin	not started	25,000
Savage River SF	Reroof/Repair Cabins	under contract	11,700
Savage River SF	Reroof School House, Garage, Snack Bar	not started	12,000
Savage River SF	Renovate Shop Complex	not started	65,000
Savage River SF	Pave Parking Lot, Driveways and Road	not started	95,000
Seneca Creek SP	Repair/Replace Roof on Maintenance Shop	not started	102,000
Seneca Creek SP	Replace Entrance Doors-3 buildings.	not started	23,000
Seneca Creek SP	Replace Overhead Lights at Maintenance Shop	not started	20,000
Smallwood SP	Patch Roadways	not started	80,000

K00A02 – Department of Natural Resources – PAYGO

<u>Location</u>	<u>Project Description</u>	<u>Status</u>	<u>Cost</u>
Smallwood SP	Repair 8 Repoint Brickwork on Museum	not started	\$5,000
Smallwood SP	Replace 3 Doors on Park Office	canceled	0
Smallwood SP	Replace Electric Heaters	under design	2,500
Smallwood SP	Install Gutters, Fascia and Soffit on Park Office	deferred	0
Smallwood SP	Seal and Stripe Boaters Parking Lot	not started	30,000
Smallwood SP	Structural Repairs to Tobacco Barn	not started	20,000
Somers Cove Marina	Resurface Parking Lot	designed	75,000
St. Marys River	Replace Roof and Siding on Comfort Station	under construction	6,127
St. Mary's River	Resurface Hunter Parking Lot	under contract	8,100
Statewide	Demolish 10 Rental Houses at Various Parks	not started	100,000
Susquehanna SP	Replace Overhead Door on Storage building.	not started	20,000
Susquehanna SP	Repair/Stabilize Flint Furnace	not started	200,000
Swallow Falls SP	Replace Water Heaters/Furnaces	under contract	18,236
Tuckahoe SP	Replace HVAC in Shower Building A	not started	8,000
Tuckahoe SP	Pave Roadways	designed	60,000
Washington Mon. SP	Replace Doors on Comfort Stations	under contract	19,038
Washington Mon. SP	Exterior Renovations to Maintenance Shop	comb. w/Doors	0
Western Reg. NRP	Exterior Renovation to Headquarters Building	not started	20,000
Wye Island NRMA	Renovate Bathrooms	not started	10,000
Wye Oak SP	Clean and Repoint Brickwork on School House	not started	3,500
			\$3,488,743

Capital Project Cost Estimate Worksheet

Department: Department of Natural Resources
Project Number: P-018-030-010
Project Title: Pocomoke River State Park - Septic System Replacement
Analyst: Amanda M. Mock

Structure

New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Built-in Equipment			0
Demolition			0
Information Technology	0 GSF X	\$0.00 GSF =	0
Telecommunications			0
Miscellaneous-Other			0
Miscellaneous-Other			0
Miscellaneous-Other			0
SUBTOTAL			0
Regional Factor:	125.0%		0
SUBTOTAL			0
Escalation to midpoint:	2.25 Yrs. X	4.2% =	9.50%
TOTAL COST OF STRUCTURE (Bid Cost)			0

Site Work and Utilities

Site Improvements:	0 + regional factor + mid-point escalation	0
Utilities:	1,785,000 + regional factor + mid-point escalation	2,443,219
PROJECT SUBTOTAL (Bid Cost)		2,443,219

Fees and Miscellaneous Costs

Green Building Premium	0.0%	0
Total Construction Contingency	10.4%	254,090
Inspection Cost:	4.8%	116,881
Miscellaneous: Disposal Study		75,000
Miscellaneous: CPM/Schedule		22,000
Miscellaneous:		0
A/E Fee through construction phase @	12.9%	363,349
TOTAL COST OF PROJECT		3,274,539

Base cost per new square foot	\$0
Adjusted cost per new square foot (incl. escalation, contingencies & Green Bldg.)	\$0
Base cost per renovated square foot	\$0
Adjusted cost per renovated square foot (incl. escalation, conting. & Green Bldg.)	\$0

Ocean City Beach Maintenance Local Share (Worcester County)

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. Transfer tax revenue within Program Open Space (POS) is used to fund the State's contributions to this program.

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.

Comments: The fiscal 2005 POS allowance includes \$1.0 million in transfer tax special fund revenue for the State's share of costs for Ocean City beach maintenance. The \$1.0 million provided for in this section of the analysis represents Worcester County's and Ocean City's funding for their share of the maintenance costs.

DNR advises that Hurricane Isabel had no fiscal impact on the Ocean City Beach Replenishment Project. The annual maintenance contract was bid and approved by the Board of Public Works in January; and this contract for repair of fencing, plants, and handrails is at the same level as previous years.

Ocean City Beach Maintenance Fund Data

Fund History

	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Estimated</i>
Beginning Balance	\$7,897,477	\$10,086,962	\$11,234,497
REVENUE			
Worcester County	417,674	457,771	420,000
State Share (Program Open Space)	1,000,000	1,000,000	1,000,000
Town of Ocean City	418,284	458,107	425,000
Interest	164,042	84,122	155,000
TOTAL REVENUE	2,000,000	2,000,000	2,000,000
Unused Project Funds*	1,300,292	0	0
TOTAL AVAILABLE	11,197,769	12,086,962	13,234,497
ENCUMBRANCES			
Encumbrances	0	773,974	0
Expenditures	1,110,807	78,491	450,000
TOTAL ENCUMBRANCES	1,110,807	852,465	450,000
Ending Balance	\$10,086,962	\$11,234,497	\$12,784,497

* Balance of funds returned following the 2002 replenishment effort; the total cost was under the estimate.

(\$ in Millions)

<i>Description</i>	<i>2003 Approp.</i>	<i>2004 Approp.</i>	<i>2005 Request</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>	<i>2009 Estimate</i>
PAYGO SF	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000

Recommended Actions

Concur with Governor's allowance.

Waterway Improvement Program (Statewide)

PAYGO SF	\$11,950,000	Recommendation: Approve
PAYGO FF	\$500,000	

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 2005 budget allowance 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.

In 2003, budget reconciliation legislation diverted \$19.0 million in WWIF funds to the general fund for cost containment purposes: \$8.0 million in unexpended fiscal 2003 funds, and \$11.0 million in fiscal 2004 special fund revenues. In 2002, budget reconciliation legislation redirected \$8.0 million in unexpended WWIF to the general fund.

Year Program Began: 1966

Comments: The fiscal 2005 allowance provides \$12.5 million for waterway projects around the State. These funds would be allocated to the following categories of projects:

<u>Category</u>	<u>Amount</u>
Matching Funds	\$3,350,000
Local grants	3,399,000
Dredging Grants	2,440,000
Shore Erosion Control	500,000
State Projects	2,761,000
Total	\$12,450,000

Waterway Improvement Program Fund Data

Prior Program Activity – All Fund Sources

	<i>FY 2000</i>	<i>FY 2001</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004*</i>
Encumbrances	\$4,383,838	\$9,277,218	\$10,078,264	\$11,200,000	\$3,000,000
Expenditures	\$482,315	\$3,708,215	\$5,582,569	\$9,935,561	\$2,983,139

*As of 12/2003

Authorization Summary (\$ in Millions)

Fiscal Year	Funds			Balances	
	<i>Authorization</i>	<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$12.438	\$12.438	\$12.251	0.000	\$0.188
2000	4.500	4.500	3.165	0.000	1.335
2001	5.250	5.250	5.146	0.000	0.104
2002	10.450	10.450	4.235	0.000	6.215
2003	11.200	11.200	4.389	0.000	6.811
2004	3.100	3.000	0.247	0.100	2.853
Total	\$46.938	\$46.838	\$29.433	\$0.100	\$17.506

Authorization Request (\$ in Millions)

<i>Description</i>	<i>2003 Approp.</i>	<i>2004 Approp.</i>	<i>2005 Request</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>	<i>2009 Estimate</i>
PAYGO SF	\$11.200	\$3.000	\$11.950	\$11.950	\$11.950	\$12.000	\$12.000
PAYGO FF	0.000	0.100	0.500	0.500	0.500	0.500	0.500
Total	\$11.200	\$3.100	\$12.450	\$12.450	\$12.450	\$12.500	\$12.500

Issues

1. Recommendations for Changing the Waterway Improvement Fund

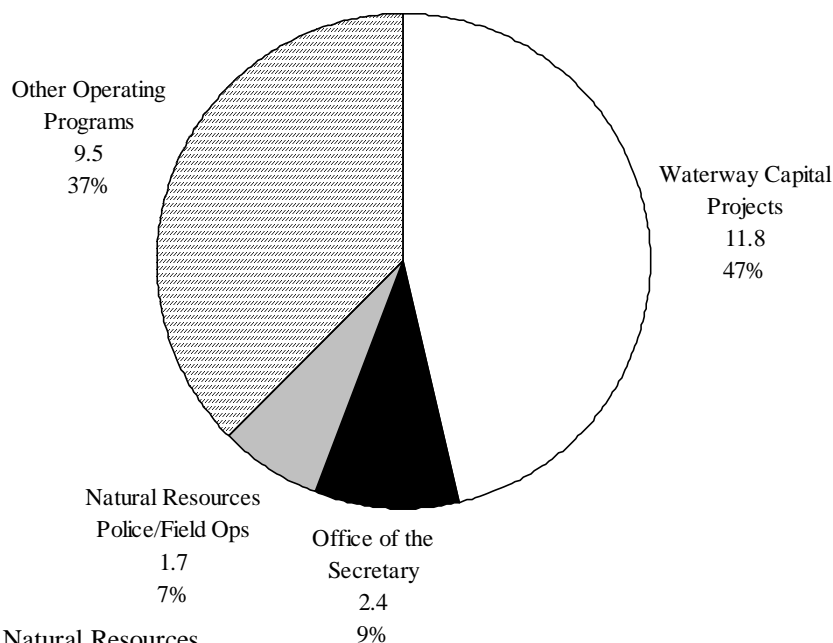
The DNR Special Funds Work Group was specifically charged with studying the statutory requirements for each DNR special fund and determining, among other things, the appropriate level of administrative expenses to be deducted from each special fund and whether DNR is using its special funds appropriately.

As part of this effort, the work group gave particular attention to the Waterway Improvement Fund (WWIF). Specifically, the work group found that DNR has not complied with statutory language specifying the usage of WWIF. DNR has used WWIF revenue for certain administrative expenses and other expenses of the Natural Resources Police (NRP) contrary to the law. Examples of this inappropriate use include:

- More than \$1.0 million in WWIF revenue being dedicated to NRP operations, though the law only allows up to \$1.0 million to be used for this purpose; and
- Several million dollars in WWIF revenue being dedicated to the Office of the Secretary and vessel titling/licensing annually.

As shown in **Exhibit 6**, the \$25.4 million in available fiscal 2003 WWIF revenue was directed to overhead costs in the Office of the Secretary (9%), NRP field operations (7%), waterway projects (47%), and other operating programs (37%). The other operating programs include vessel titling and registration, program management, waterway projects on State lands, and NRP hydrographic operations. The work group was primarily concerned about the use of WWIF revenue for overhead costs in the Office of the Secretary and NRP field operations, and how the use of these funds for these purposes reduced the availability of funds for waterway projects.

**Exhibit 6
Waterway Improvement Fund
Fiscal 2003 Actual
(\$ in Millions)**



Source: Department of Natural Resources

Overall, DNR has taken a liberal reading of the WWIF statute’s permitted uses, and it funds many operating programs with WWIF revenue. In response to concerns about this inappropriate use and the limited availability of funds for waterway projects, the work group made the two recommendations described below.

Recommendation 1: Adopt annual budget language directing DNR to reduce the percentage of available WWIF revenue used for administrative purposes over the next five years. While not consistent with statute, DNR currently applies an administrative cost rate of approximately 10% to WWIF. The work group recommended authorizing the use of WWIF for administrative purposes, but establishing a schedule for reducing the administrative cost rate as follows: 8 percent in fiscal 2006, 6 percent in fiscal 2007, 4 percent in fiscal 2008, 2 percent in fiscal 2009, and zero percent in fiscal 2010. Furthermore, the work group stated that general funds should be identified to help replace WWIF that can no longer be used for administrative expenses and DNR should expedite the implementation schedule if the State’s fiscal climate improves.

Recommendation 2: Repeal obsolete provisions of the State Boat Act and increase the amount of WWIF monies that may be used for marine operations by the Natural Resources Police (NRP). Statute currently dictates that \$225,000 be paid from the WWIF to the Comptroller for the collection of the vessel excise tax. However, since the vessel excise tax is now collected by DNR, this allocation may no longer be justified. Secondly, the work group recommended increasing the

K00A02 – Department of Natural Resources – PAYGO

\$1,000,000 limit on the use of WWIF monies for NRP marine operations to \$1,500,000 in fiscal 2006 and to \$2,000,000 in fiscal 2007 and for every fiscal year thereafter, to address inflationary pressures. Finally, since additional NRP funds and a revised administrative cost strategy were proposed, the work group recommended repealing a provision that allows DNR to use up to \$350,000 of WWIF for the enforcement of the State Boat Act.

Legislation (House Bill 538/Senate Bill 452) to effect the work group's second WWIF recommendation has been introduced. This legislation increases the amount of WWIF funds that may be used by NRP for marine operations, and repeals provisions allocating WWIF funds to the Comptroller and to DNR for enforcement.

DLS recommends budget reconciliation bill language directing DNR to reduce the percentage of available WWIF revenue used for administrative purposes. Second, budget bill language is recommended in the DNR operating budget analysis requiring DNR and the Department of Budget and Management to submit a report detailing a multiyear plan for reducing the percentage of WWIF revenue allocated to DNR's administrative purposes.

Recommended Actions

Concur with Governor's allowance.

Fiscal 2005 Proposed Waterway Projects

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type</u>	<u>Amount</u>
Allegany	15 Mile Creek Ramp	Improve parking lot and boat ramp.	LG	\$80,000
Anne Arundel	Severna Park	Dredge main entrance channel at Cypress Creek located off of the Magothy River. Project completed, awaiting reimbursement.	MFDG	515,000
Anne Arundel	Pasadena	Maintenance dredge entrance channel into Bodkin Creek located off of the Patapsco River.	DG	390,000
Anne Arundel	Cape St. Claire	Dredge and stabilize main entrance channel into the Little Magothy River. Project completed, awaiting reimbursement.	MFDG	227,000
Anne Arundel	Pasadena	Dredge main channel in Sloop, Eli's Long Cove located off of Stoney Creek. Project completed, awaiting reimbursement.	MFDG	227,000
Anne Arundel	Glen Burnie	Dredging main channel into Cockey Creek located off of the Magothy River. Project completed, awaiting reimbursement.	MFDG	103,500
Anne Arundel	Annapolis Citywide Improvements	Install and/or replace equipment, piers, docks, decking, and various other facilities that serve the boating public in Annapolis harbor and vicinity.	LG	99,000
Anne Arundel	City of Annapolis	Renovate and upgrade public boating facility at Truxtun Park.	LG	99,000
Anne Arundel	Edgewater	Engineering funds to dredge the main navigation channel at Selby Bay located off of South River.	DG	75,000
Anne Arundel	Annapolis Citywide Improvements	General improvements, renovations, and additions for fee producing boating related facilities in Annapolis harbor and vicinity.	MF	50,000
Anne Arundel	City of Annapolis	Purchase new fire/rescue boat and equipment for Annapolis City Fire Department.	MFFR	50,000
Anne Arundel	Anne Arundel County Fire Dept. (North County)	Fire/Rescue/EMS equipment for Rivera Beach and Lake Shore Fire Departments.	MFFR	50,000.00
Anne Arundel	Anne Arundel County Fire Dept. (South County)	Fire/ Rescue/EMS Equipment for Deale, Galesville, and Woodland Beach Fire Departments.	MFFR	50,000
Anne Arundel	Anne Arundel County Fire Dept. (Central County)	Fire/Rescue/EMS equipment to support Central Bay area including Anne Arundel County.	MFFR	50,000

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type</u>	<u>Amount</u>
Baltimore City	Liberty Reservoir, Oakland Mill Road, Prettyboy Reservoir, Spook Hill Road	Renovate and extend boat ramps, improve access road/parking, and install comfort station.	LG	\$99,000
Baltimore City	Canton Waterfront Park	Upgrade piers at the Multi-Use Center for Police/Fire Departments.	MF	75,000
Baltimore City	Baltimore City Waterways	Purchase new equipment for First Responder Units with Baltimore City Fire Department.	MFFR	45,000
Baltimore City	Baltimore City Waterways	Purchase new equipment for the Dive Team with Baltimore City Police Department (Marine Unit).	MFFR	5,000
Baltimore County	Muddy Gut/ Chesapeake Bay	Maintenance dredge Muddy Gut Creek, tidal tributary of the Back River.	MFDG	100,000
Baltimore County	Chesterwood Park	Provide new concrete boat ramp and pier to remove abandoned boats and debris from local waterways throughout Baltimore County.	LG	75,000
Baltimore County	Countywide	Complete SAV surveys required by State and Federal Permit Agencies to determine best location for proposed recreational navigation channels.	MFDG	75,000
Baltimore County	Pleasure Island DMP Site	Existing dredge material placement site is eroding along the shoreline and impacting an adjacent public navigation channel. Funds will be used to design shore erosion control alternatives.	DG	75,000
Baltimore County	Baltimore County Marine Police	Purchase equipment for Strawberry Point Facility used by Baltimore County Marine Units.	MFFR	45,000
Baltimore County	Browns Cove Dredging	Funds to dredge four navigation channels in Browns Cove.	MFDG	30,000
Baltimore County	Duck and Deep Creek Dredging	Engineering funds to complete preliminary design to dredge navigation channels in Duck and Deep Creeks.	MFDG	20,000
Baltimore County	Baltimore Co, Fire Dept	This grant will provide dive rescue equipment for Arbutus Volunteer Fire Department.	MFFR	10,500
Calvert	Town of North Beach	This will complete the decking of the North Beach pier. This pier supports recreational boating activities.	LG	99,000
Calvert	Countywide	Replace three inflatable boats (with motors). Boats used by the Dunkirk, Solomon's, Prince Frederick VFD and the Calvert Dive/Rescue Teams.	MFFR	22,500
Caroline	Choptank Marina	Maintenance dredging of channel basin serving boat ramp gas pier and pumpout.	DG	70,000

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type</u>	<u>Amount</u>
Caroline	Federalsburg	This project will stabilize shoreline adjacent to the boat ramp and parking lot. Project required to ensure integrity of existing infrastructure.	LG	\$59,000
Caroline	Crouse Park	Funds to be used to complete hydraulic study to determine design alternatives for a bulkhead/jetty to reduce frequency of maintenance dredging.	LG	25,000
Cecil	River Bend Park/River Point Landing	Construction of boat ramp, shoreline protection, and bulkhead.	LG	99,000
Cecil	Port Deposit Marina Park	Construct comfort station/shelter and jetty that will service existing boat ramp and day use park.	LG	99,000
Cecil	Town of Perryville Transient Pier	Phase II walkway and dock to provide transient boaters access to Perryville.	LG	99,000
Cecil	Town of Charlestown Stone Wharf	Maintenance dredge existing Town pier to improve access for the boating public.	MFDG	49,000
Cecil	Town of Charlestown Fire Boat Pier Water Street	Maintenance dredge fire/rescue boat pier.	MFDG	49,000
Cecil	Beck's Landing	Construct ten additional public boat slips for transient use.	MF	40,000
Charles	Mallows Bay Public Launch Ramp	Development of a new boat ramp for boating access at Mallows Bay. Project includes single lane ramp, parking area and road access.	LG	99,000
Charles	Mattingly Park/Slavin's Landing	Replace existing boat ramp with a new double wide ramp. Provide access piers for the boat launch area.	LG	99,000
Charles	Smallwood State Park	Maintenance dredge existing boat ramps at Smallwood State Park.	SP	95,000
Charles	Smallwood State Park	Engineering funds for re-paving parking lot and installing new storm water system.	SP	90,000
Charles	Smallwood State Park	Replace floating piers at concession area, boat rentals, and fuel dock.	SP	50,000
Charles	Cobb Island Vicinity	Construct pier and boat lift for fire/rescue boat and equipment for Cobb Island VFD.	MFFR	50,000
Charles	Smallwood State Park	Cut and cap existing pile tops and replace boat bumpers along bulkhead.	SP	35,000
Charles	Tenth District Volunteer Fire Department	Purchase rescue equipment for the Fireboat and Dive Team to better serve the boating public in Charles County.	MFFR	10,000
Dorchester	City of Cambridge	Upgrade and expand existing municipal boat basin in Cambridge.	MF	250,000

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type</u>	<u>Amount</u>
Dorchester	Bestpitch Ferry	Install a floating dock as well as re-surface the existing entrance road, parking lot, and boat ramp at Bestpitch Boat Ramp at Fishing Bay Wildlife Management Area.	SP	\$140,000
Dorchester	Town of Secretary Temple Street	Expand parking lot and complete boat ramp improvements.	LG	99,000
Dorchester	Chapel Cove	Dredging main navigation channel to Taylors Island boat ramp.	DG	80,000
Dorchester	Tedious Creek	Replace deteriorated bulkhead at Tedious Creek public boating facility.	LG	80,000
Dorchester	Elliot's Island	Provide additional stone protection along existing timber jetty that protects an adjacent public boat ramp.	DG	75,000
Dorchester	Shorter Wharf and Liner Road	Surface existing parking lot and install a replacement concrete ramp located off of Blackwater Creek in Fishing Bay.	SP	60,000
Dorchester	City of Cambridge	Acquire new fire/rescue boat to service Cambridge and local waterways.	MFFR	50,000
Dorchester	Kirwans	Replace/upgrade existing bulkhead, parking lot, and ramp.	LG	40,000
Frederick	Point of Rocks	Install new boat ramp/parking lot to improve access for the boating public.	LG	99,000
Frederick, Washington, Alleganey	Potomac River	Park wide boat ramp paving/maintenance.	LG	99,000
Frederick	Lander	Expand parking facilities and upgrade access road for public boat ramp.	LG	75,000
Garrett	Friendsville	Install small comfort station at boat launch site on the Youghiogheny River	LG	5,000
Harford	Havre de Grace Yacht Basin	Replace existing deteriorated piers/slips at Havre de Grace Municipal Marina.	MF	300,000
Harford	Swan Harbor Farm	Construct new public boating access pier to Swan Harbor Recreation Complex.	MF	250,000
Harford	Tydings Island Dredge Material Placement Site	Construct shoreline protection for existing dredge material placement site located adjacent to Havre de Grace Marina. Eroding shoreline is impacting adjacent marina.	DG	200,000
Harford	Otter Point Creek / Bush River	Engineering funds to design a dredge material placement site for dredging the main navigation channel at Otter Pt. Creek and the Bush River.	DG	75,000
Harford	Otter Point Creek	Engineering funds to design a boat launching facility in the vicinity of Otter Point.	LG	60,000

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type</u>	<u>Amount</u>
Howard	Centennial Lake	Construct a boardwalk from the boat mooring area to the restrooms and concession building.	MF	\$35,000
Kent	Turner's Creek	Replace breakwater in Turners Creek. Breakwater protects public landing from wave action.	DG	100,000
Kent	Bayside Public Landing Temple Street	Replace bulkhead and finger piers used by the general boating public.	MF	100,000
Kent	Wilmer Park Bulkheading	Replacement existing deteriorated bulkhead at Wilmer Park for transient boaters.	LG	50,000
Kent	Cannon St	Replace deteriorated bulkhead. Bulkhead provides access for transient boaters and commercial waterman.	LG	50,000
Prince George's	Fort Washington Marina	Engineering funds to design a replacement pier/wave attenuator at Ft. Washington Marina located on Piscataway Creek on the Potomac River.	SP	50,000
Prince George's	Prince George's County Fire Department - Tuxeto/Cheverly	Purchase Equipment for Underwater Recovery Team that services the Anacostia River vicinity.	MFFR	20,000
Prince George's	Baden Fire Dept. 16608 Brandywine Road, Brandywine, MD	Fire/Rescue equipment for dive team for Prince George's County. Only rescue operation for P.G. County on the Patuxent River.	MFFR	10,000
Queen Anne's	Corsica River	Maintenance dredge existing navigation channel in Corsica River to improve access for the general boating public.	DG	175,000
Queen Anne's	Dominion	Replace deteriorated bulkhead and install eight additional boat slips.	LG	95,000
Queen Anne's	Queenstown	Purchase new fire/rescue boat and equipment for Queenstown.	MFFR	25,000
Queen Anne's	Matapeake Parking	Re-surface existing parking lot adjacent to public boat ramp.	LG	10,000
Somerset	Somers Cove Marina	Reconfigure Pier G to allow larger boats to use the pier at Somers Cove Marina.	SP	175,000
Somerset	Deal Island - Dames Quarters	Replace deteriorated boat ramp/bulkhead.	SP	160,000
Somerset	Janes Island State Park	Install pilings/piers to accomidate an additional 14 boats at Janes Island State Park.	SP	150,000
Somerset	Deal Island	Construct boat slips at County dock.	LG	99,000
Somerset	Dames Quarters	Replace deteriorated County dock.	LG	99,000
Somerset	Tylerton	Replace deteriorated boat ramp.	LG	99,000
Somerset	Deal Island	Replace existing deteriorated boat ramp.	LG	99,000

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type</u>	<u>Amount</u>
Somerset	Somers Cove Marina	Replace deteriorated decking on Piers D and E at Somers Cove Marina.	SP	\$65,000
Somerset	Somers Cove Marina	Redeck connecting pier to create an additional 25 transient boat slips at Somers Cove Marina.	SP	60,000
Somerset	Champ / St. Peter's Creek	Engineering funds to design replacement boat ramp.	LG	10,000
Somerset	Pocomoke DMP	Phragmites control at existing dredge material placement site.	DG	5,000
St. Mary's	St. Jerome Creek	Funds to secure dredge material placement site to be used for Federal Navigation Channel project at St. Jerome Creek and adjacent Southern Prong Channels.	DG	150,000
St. Mary's	Leonardtown Wharf	Replace deteriorated bulkhead and construct new transient boating dock/slips.	MF	150,000
St. Mary's	Wicomico Shores	Stabilize shoreline/breakwater to protect Waterfront Park boat ramp/parking lot.	LG	99,000
St. Mary's	Fox Harbor Landing	Renovate existing transient pier to be used by the marine police, fire/rescue, commercial waterman, and the boating public.	LG	80,000
St. Mary's	Pt. Lookout State Park	Engineering funds to design parking lot and lighting for Pt. Lookout boat ramp facility.	SP	75,000
St. Mary's	Piney Point	Renovate existing stone revetment to prevent erosion of parking area and boat ramp at Waterfront Park.	LG	65,000
St. Mary's	Greenwell State Park	Modify existing pier to provide ADA access for the boating public.	SP	62,000
Statewide	Statewide	Navigation and storm related waterway improvement projects that arise outside of the budget cycle or exceed estimated costs.	ST	1,185,775
Statewide	Statewide	Funds to design and construct boating related shore erosion control projects	ST	500,000
Statewide	Statewide	Funds to install replacement/additional marine sewage pump out stations.	ST	154,000
Talbot	Knapp's Narrows and Dogwood Harbor	Funds to provide a dredge material placement site for Federal Navigation Channels at Knapps Narrows and Dogwood Harbor.	DG	200,000
Talbot	Claiborne	Replace existing deteriorated timber bulkhead at Claiborne Public Landing.	MF	100,000
Talbot	St. Michaels - Fire/Rescue Boat	Replace existing deteriorated fire/rescue boat.	MFFR	50,000
Talbot	Kingston	Replace existing deteriorated ramp, install finger piers, and improve parking lot.	LG	50,000

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type</u>	<u>Amount</u>
Talbot	Hollis Park 300 Mill Street	Engineering funds to design replacement bulkhead to provide additional public boating access.	LG	\$25,000
Talbot	New Bridge	Repair/improve deteriorated parking lot.	LG	20,000
Talbot	Oxford Ferry Landing	Engineering funds to design transient boating dock.	LG	15,000
Washington	Williamsport, Washington County Dive Rescue/ Co.29	Fund dive rescue equipment to serve boaters on the Potomac River.	MFRR	14,725
Wicomico	Cedar Hill	Maintenance dredge existing entrance channel and harbor to provide access for the boating public.	DG	770,000
Worcester	Pocomoke River State Park Shad Landing	Maintenance dredge existing channel to improve boating access.	SP	100,000
Worcester	Pocomoke River State Park Shad Landing	Resurface two parking lots and repair storm drains at Shad Landing that are used by the boating public.	SP	100,000
Worcester	Public Landing	Complete shoreline stabilization project on shoreline located adjacent to existing navigation channel.	LG	99,000
Worcester	Public Landing	Replace deteriorated bulkhead and boat slips.	LG	99,000
Worcester	Shell Mill	Complete shoreline stabilization project to prevent silting and protect ramp and parking lot at Shell Mill Landing.	LG	25,000
Worcester	West Ocean City	Replace/repair deteriorated sections of existing concrete boat ramp.	LG	25,000
Grand Total				\$11,950,000

Federally Funded Projects

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Type of Funding</u>	<u>Amount</u>
Dorchester	Cambridge	Reconstruct Boat Ramp Facility	Federal Aid to Sport Fish Restoration Program	\$300,000
Cecil	Chesapeake City	Construct Transient Boating Pier	Federal Boating Infrastructure Grant Program	\$100,000
Caroline	Denton	Construct bulkhead to provide additional access for transient boaters at Crouse Park	Federal Boating Infrastructure Grant Program	\$100,000
Total				\$500,000

DG = 100% dredging/navigation
 LG = 100% local grant
 MF = matching funds local governments
 MFFR = matching funds fire/rescue
 MFDG = matching funds dredging grants
 SP = 100% State project
 ST = statewide project

Note: All of these are grant reimbursement projects.

Fiscal 2004 Waterway Projects Status

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Grant Amount</u>	<u>Status</u>
Allegany	Mason Recreational Complex Boat Launching Facility	Construct comfort station for new boat ramp.	LG	\$75,000	Engineering
Anne Arundel	Anne Arundel Fire Department 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.	MFFR	\$50,000	Planning
Anne Arundel	Anne Arundel Fire Department South Division	Provide matching funding for appropriate fire and EMS items used to provide service in the Southern bay area that borders Anne Arundel County.	MFFR	\$50,000	Planning

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Grant Amount</u>	<u>Status</u>
Anne Arundel	Anne Arundel Fire Department North Division	Provide matching funds for fire/rescue boat and EMS items used to provide service in the Northern bay area that borders Anne Arundel County.	MFFR	\$50,000	Planning
Anne Arundel	Grays Creek	Dredge main channel to improve boating access on Grays Creek.	MFDG	\$89,565	Complete, Awaiting Final Reimbursement
Anne Arundel	Annapolis City wide Locations	Repair and install pilings, docks, equipment, access piers, and mooring buoys at Annapolis Harbor and vicinity.	LG	\$99,000	Engineering
Anne Arundel	Boyds Cove	Dredge entrance channel to improve boating access on Boyds Cove.	MFDG	\$40,000	Complete, Awaiting Final Reimbursement
Anne Arundel	Parker Creek	Dredge main channel to improve boating access on Parker Creek.	MFDG	\$24,513	Complete, Awaiting Final Reimbursement
Baltimore City	Baltimore City Police Department (Canton Waterfront Park)	Purchase a fire/rescue vessel.	MFFR	\$50,000	Bid Process
Baltimore City	Baltimore City Fire Department	Purchase of new equipment for service pier and fire/rescue boat.	MFFR	\$50,000	Bid Process
Baltimore County	Middle River Volunteer Fire Company	Purchase exposure suits for water rescues.	MFFR	\$8,000	Bid Process
Baltimore County	Arbutus Fire Department 5200 Southwestern Blvd., Baltimore, Maryland	Purchase fire/rescue boat.	MFFR	\$10,500	Bid Process
Baltimore County	Kingsville Vol. Fire Company	Replace two outboard motors for fire/rescue boat(s).	MFFR	\$4,000	Bid Process
Baltimore County	Strawberry Point Boating Facility	Replace main pier damaged by ice. Pier serves NRP and local marine police boats.	SP	\$44,000	Planning
Baltimore County	Strawberry Point Marine Unit	Equipment for marine police water rescue team.	MFFR	\$50,000	Bid Process
Baltimore County	Pleasure Island Channel Dredging	Dredge Pleasure Island Channel. Channel is a major thoroughfare for the boating public.	DG	\$75,000	Engineering
Baltimore County	Baltimore County Waterways	SAV Mapping for several previous and proposed channel dredging projects. Regulatory permit requirement.	MFDG	\$50,000	Engineering

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Grant Amount</u>	<u>Status</u>
Calvert	North Beach Town Pier located at the end of 5th Street and Bay Avenue.	Replace deteriorated decking and substructure on existing public pier that provides access to transient boat slips.	LG	\$50,000	Contract
Caroline	Joppa Wharf	Additional improvements to transient boating pier including providing ADA access.	LG	\$42,000	Engineering
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.	MF	\$20,000	Contract
Caroline	Greensboro Park	Greensboro Boat Ramp and ADA Access. County is reconstructing the existing boat ramp and associated structures. Project includes improving ADA access.	LG	\$30,000	Complete, Awaiting Reimbursement
Cecil	Fire Boat Pier	To provide electric, lighting, and a dock box at the fire boat pier	MFFR	\$4,000	Engineering
Cecil	Jetty Marina Park Project	Rehabilitate existing jetty to protect the boat ramp and the marina park.	DG	\$75,000	Engineering
Charles	Smallwood State Park Marina	Cut and cap existing rotting pile caps, and replace pile rub bumpers along bulkhead.	SP	\$25,000	Planning
Charles	Port Tobacco River / Countywide	Purchase a new search/rescue vessel.	MFFR	\$50,000	Bid Process
Charles	Cockhold Creek	Construct dredge material placement site to dredge main entrance channel into Cockhold Creek for the benefit of the boating public.	DG	\$100,000	Complete, Awaiting Reimbursement
Dorchester	City of Cambridge Franklin Street Boat Ramp	Complete renovation of public boat launch facility.	LG	\$50,000	Construction
Dorchester	Town of Vienna	To complete current upgrade of the town's public transient boating dock.	LG	\$20,000	Complete, Awaiting Final Reimbursement
Frederick	Brunswick Vol. Ambulance and Rescue Co. 200 West Street, Brunswick ,MD	Fire rescue equipment to serve the boating public.	MFFR	\$6,000	Bid Process
Garrett	Deep Creed Lake Fire/Rescue Vessel	Purchase Fire/Rescue Vessel and Equipment to provide emergency fire and rescue services at Deep Creek Lake	MFFR	\$70,000	Bid Process
Garrett	Broadford Park Restrooms	To construct combination boat storage/comfort station for boating public.	LG	\$30,000	Complete

Analysis of the FY 2005 Maryland Executive Budget, 2004

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Grant Amount</u>	<u>Status</u>
Harford	Lapidum Boat Ramp Lights	Replace light poles and fixtures at the Lapidum boat ramp.	SP	\$20,000	Permits
Harford	Otter Point Creek Bush River Dredging/Dredge Material Placement (DMP) Site	Complete engineering for dredge material placement site/dredging Otter Pt. Creek/Bush River.	DG	\$25,000	Engineering
Howard	Centennial Lake Boating Access Area	Develop a multi-use boating access area at Centennial Lake. Includes tie-up area for boats, loading/unloading area, cleats, boat launch/storage, and address siltation problems at ramp.	MF	\$35,000	Engineering
Kent	Bayside Public Marina Landing	Reconfigurations of certain pilings to make some slips wider and /or longer at Pelorus Marina	LG	\$50,000	Bid Process
Prince George's	Patuxent River Park (4H), 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 floating dock, and gangway.	LG	\$50,000	Bid Process
Queen Anne's	Matapeake Terminal Harbor-Kent Island	Replace existing north breakwater for harbor basin. Breakwater 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.	SP	\$625,000	Contract
Queen Anne's	Bennett's Point	Construct and backfill 225 feet of replacement bulkhead and 75 feet of pier.	MF	\$40,000	Complete
Queen Anne's	Romancoke Pier Repair	Replacement of approximately 175 feet of deteriorated timber sheeting between pier and parking lot.	MF	\$40,000	Permit
Somerset	Somers Cove Marina – Piers D and E	Remove old decking on piers D and E and replace with new treated timber decking	SP	\$45,000	Contract
Somerset	Webster's Cove	Upgrade/pave current parking area for public boat ramp.	LG	\$25,000	Constuction
Somerset	Somerset County Boating Facilities	Facility repairs and maintenance for the public boating facilities in Somerset County	LG	\$25,000	Constuction
St. Mary's	Greenwell State Park	Greenwell is the only fully designated ADA State Park in Maryland. Pier will provide access for physically challenged boaters. Funds will be used to complete the design phase.	SP	\$18,000	Engineering

K00A02 – Department of Natural Resources – PAYGO

<u>County</u>	<u>Location</u>	<u>Description</u>	<u>Grant Type</u>	<u>Grant Amount</u>	<u>Status</u>
St. Mary's	Ridge VFD, Pt. Lookout Road	Equipment , Electronics, and safety for the new boat	MFFR	\$50,000	Contract
St. Mary's	Wicomico Shores	Project will stabilize the existing shoreline, construct a stone breakwater, renovate public boat ramp, pier, and parking area.	LG	\$50,000	Contract
St. Mary's	Cat Creek	Reimbursement for completed jetty extension/dredging project. Project previously approved by DNR.	DG	\$85,255	Complete
Statewide	Statewide marinas in Maryland	This will be used to match the Federal allotment for funding to install marine sewage pumpout stations.	SP	\$75,000	Planning
Statewide	Statewide maintenance dredging projects	Provide grants to maintenance dredge channels and harbors that occur between budget cycles.	DG	\$30,467	Bid Process
Talbot	Neavitt Landing	Parking lot expansion. New expansion for 20-30 cars with boat trailers.	LG	\$50,000	Permit
Wicomico	Cedar Hill Bulkhead	The scope of the project will replace 200 linear feet of bulkhead serving a public landing.	MF	\$25,000	Bid Process
Wicomico	Schumaker Pond, Salisbury	Proposed project will replace existing pier that serves the boating public.	LG	\$20,000	Bid Process
Worcester	Pocomoke River State Park - Shad Landing	Replace 54 failing mooring pilings at the Shad Landing Marina.	SP	\$20,000	Engineering
Worcester	Public Landing	Dredging basin and channel for the new boat ramp and transient slips.	DG	\$204,700	Complete, Awaiting Reimbursement
Grand Total				\$3,000,000	

DG = 100% dredging/navigation
 LG = 100% local grant
 MF = matching funds local governments
 MFFR = matching funds fire/rescue
 MFDG = matching funds dredging grants
 SP = 100% State project
 ST = statewide project

Shore Erosion Control Loan Program (Statewide)

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

Program Description: Shore Erosion Control Loan Program 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 DNR’s capital program are interest free and for the purpose of providing design and construction of structural shore erosion control projects. The grants made under DNR’s operating program require a 50% match and are for the purpose of providing design and construction of non-structural shore erosion control projects. The program’s 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 over 35 years; however, it has been located within several different programs in DNR’s operating and capital budgets. Prior to fiscal 2004, it was an operating budget project within the Capital Grants and Loans Administration, and prior to that, it was a project within the Forestry program.

Year Program Began: 1968

Comments: The fiscal 2005 allowance provides \$500,000 for loans to complete projects that will protect vulnerable areas of shoreline from erosion due to wind and storms and preserve waterfront communities. Since its inception, this program has assisted numerous property owners and established more than 800 structural projects and 325 non-structural shore erosion projects.

Shore Erosion Control Loan Fund Data

Fund History

	<i>FY 2003 Actual</i>	<i>FY 2004 Estimated</i>	<i>FY 2005 Estimated</i>
Beginning Balance	\$262,762	\$231,461	\$232,982
REVENUE			
Special Funds – Loan Repayments	1,046,572	1,330,000	1,200,000
TOTAL REVENUE	1,046,572	1,330,000	1,200,000
TOTAL AVAILABLE	1,309,334	1,561,461	1,432,982
ENCUMBRANCES			
Loans and Grants	678,733	776,891	793,332
Operating Expenses	399,140	551,588	445,908
TOTAL ENCUMBRANCES	1,077,873	1,328,479	1,239,240
Ending Balance	\$231,461	\$232,982	\$193,742

Note: Includes operating and capital funds.

(\$ in Millions)

<i>Description</i>	<i>2003 Approp.</i>	<i>2004 Approp.</i>	<i>2005 Request</i>	<i>2006 Estimate</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>	<i>2009 Estimate</i>
PAYGO SF	*	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500

* Prior to fiscal 2004, this loan program was a project in DNR's operating budget.

Recommended Actions

Concur with Governor's allowance.

Fiscal 2005 Proposed Shore Erosion Projects

<u>Project Name</u>	<u>County</u>	<u>Project Cost</u>	<u>State Share</u>
Non-Structural Grants (Operating Budget)			
Kirvan, L	Talbot	\$33,166	\$24,874
Cauffman, A.	St. Mary's	55,800	25,000
Dail, L	Dorchester	37,200	25,000
Mitchell, D	Queen Anne's	23,940	17,955
Millener, F/L	Kent	45,953	25,000
Pickett, W/P	Kent	42,889	25,000
Schut, E	Kent	151,093	25,000
Kirsch, K	Worcester	11,085	8,314
Queen's Landing	Queen Anne's	56,000	25,000
Gilley	Kent	33,850	25,000
Oberst	Talbot	48,650	25,000
Barrett Family Kent County Trust	Kent	65,000	25,000
Russel	Kent	22,918	17,189
Subtotal			\$293,332
Structural Loans (PAYGO Budget)			
Annapolis Roads	Anne Arundel	\$200,000	\$100,000
Vienna	Dorchester	140,000	140,000
Dares Beach I	Calvert	360,000	260,000
Subtotal			\$500,000
Total			\$793,332

Fiscal 2004 Shore Erosion Projects Status

<u>Project Name</u>	<u>County</u>	<u>Project Cost</u>	<u>State Share</u>	<u>Status</u>
Non-Structural Grants (Operating Budget)				
Elliotts Island Road	Dorchester	\$446,250	\$25,000	Scope of Work prepared
Rio Vista I	Talbot	150,000	25,000	Tax District Underway
Holly Point	St. Mary's	206,000	50,000	District Resolution by County
Mackown, Alfred	Anne Arundel	30,000	22,500	Agreement Pending
McBride, J.	Anne Arundel	25,332	18,999	Agreement Pending
Clarke, Andrea	Charles	23,790	17,843	Agreement Pending
Rio Vista Comm. II	Talbot	38,845	38,845	Tax District Underway
Pretzler, E.	Talbot	47,560	25,000	Under Design
Marinucci, K.	Queen Annes	60,609	25,000	Agreement Pending
Zeamer, E.	Kent	26,848	16,200	Construction Complete
Vail, J.	Kent	10,005	7,504	Agreement Executed
Subtotal			\$271,891	

K00A02 – Department of Natural Resources – PAYGO

<u>Project Name</u>	<u>County</u>	<u>Project Cost</u>	<u>State Share</u>	<u>Status</u>
Structural Loans (PAYGO Budget)				
Westview Shores	Cecil	\$100,000	\$100,000	BPW Loan Approved
Rio Vista I	Talbot	150,000	125,000	Tax District Underway
Holly Point	St. Mary's	206,000	150,000	District Resolution by County
Snug Harbor	Anne Arundel	75,000	75,000	Loan Agreement Prepared
Elliott Island				
Road II	Dorchester	446,250	50,000	Scope of Work Prepared
Subtotal			\$500,000	
Total			\$771,891	

**Fiscal Summary
Department of Natural Resources – PAYGO**

<u>Unit/Program</u>	<u>FY03 Actual</u>	<u>FY04 Legislative Appropriation</u>	<u>FY04 Working Appropriation</u>	<u>FY03 - FY04 % Change</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 % Change</u>
09 Waterway Improvement	\$ 0	\$ 0	\$ 0	0%	\$ 0	0%
10 Outdoor Recreation Land Loan	38,707,007	9,937,888	9,937,888	-74.3%	63,999,242	544.0%
11 Waterway Service Projects	11,259,383	3,100,000	3,100,000	-72.5%	12,450,000	301.6%
14 Capital Grants and Loans - Shoreline Erosion Control	500,000	500,000	500,000	0%	500,000	0%
06 Ocean City Maintenance	0	1,000,000	1,000,000		1,000,000	0%
09 Fish Passage	1,571,683	0	0	-100.0%	0	0%
Total Expenditures	\$ 52,038,073	\$ 14,537,888	\$ 14,537,888	-72.1%	\$ 77,949,242	436.2%
General Fund	\$ 1,571,683	\$ 0	\$ 0	-100.0%	\$ 0	0.0%
Special Fund	48,918,675	12,437,888	12,437,888	-74.6%	75,449,242	506.6%
Federal Fund	1,547,715	2,100,000	2,100,000	35.7%	2,500,000	19.0%
Total Appropriations	\$ 52,038,073	\$ 14,537,888	\$ 14,537,888	-72.1%	\$ 77,949,242	436.2%

Note: The fiscal 2004 appropriation does not include deficiencies and the fiscal 2005 allowance does not reflect contingent reductions.