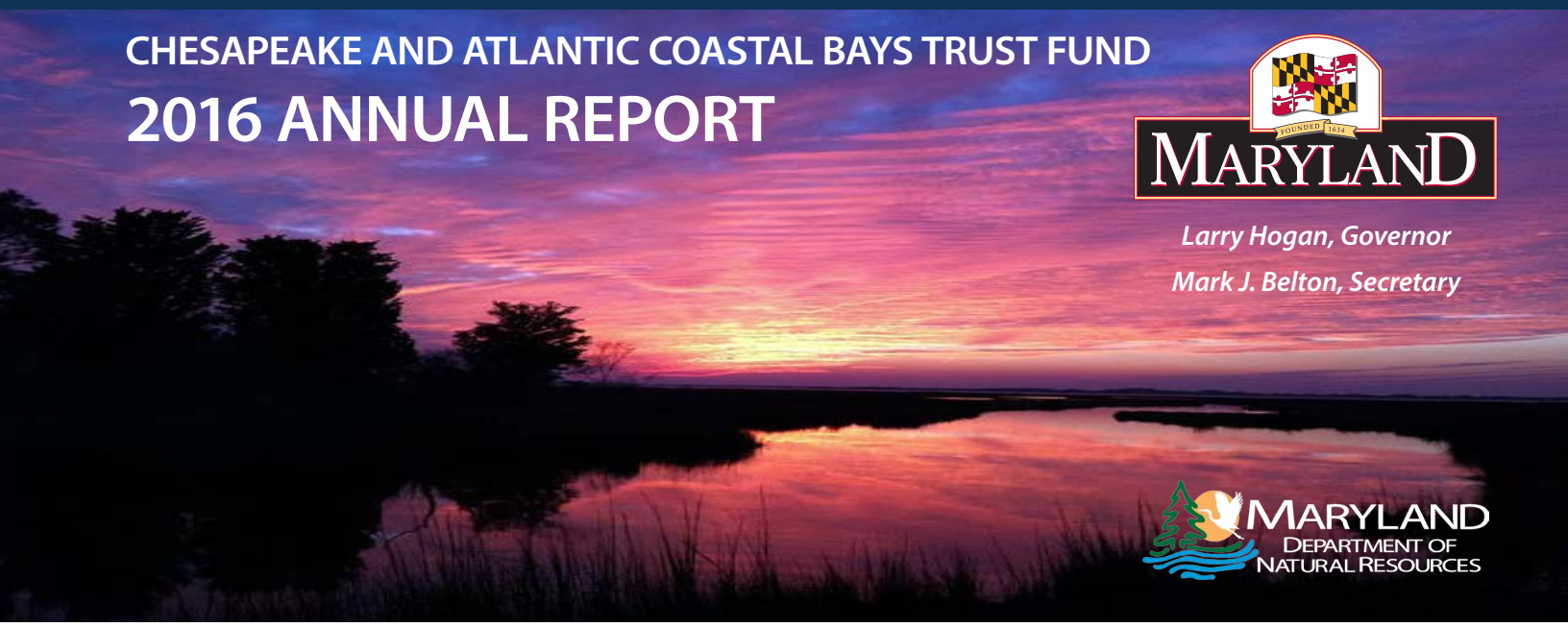


CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND

2016 ANNUAL REPORT

MARYLAND

Larry Hogan, Governor

Mark J. Belton, Secretary

MARYLAND DEPARTMENT OF NATURAL RESOURCES

"The Trust Fund has quickly become one of the most innovative and important water quality financing programs in the region. Its singular focus on reducing non point sources of nutrient and sediment pollution makes it one of the only programs of its kind."

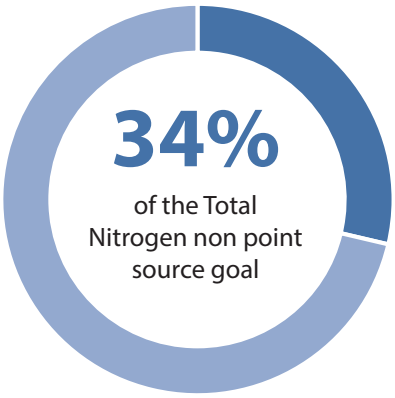
- Dan Nees, Director
Environmental Finance Center,
University of Maryland

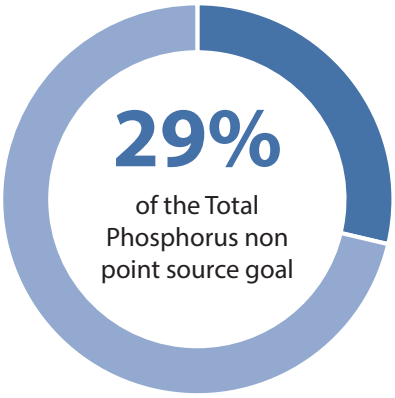
The Chesapeake and Atlantic Coastal Bays Trust Fund (Trust Fund) was created to provide the financial assistance necessary to advance Chesapeake Bay restoration by focusing limited financial resources on the most effective pollution control projects. Essential to its success is an annual allocation process that:

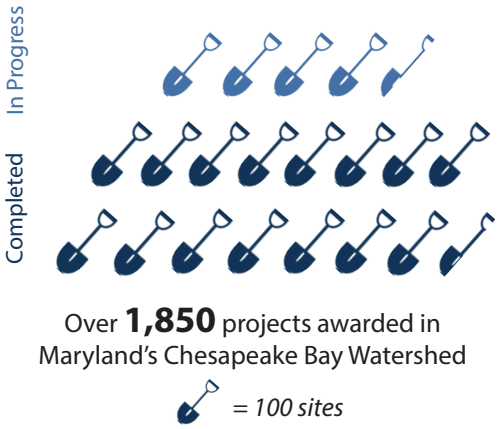
- Targets funds to the most cost effective locations and practices;
- Leverages funds to the greatest extent practicable;
- Engages the community and holds everyone accountable, and;
- Provides the flexibility necessary to take advantage of the constantly changing conditions, opportunities and scientific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

STATE FUNDS:	$295,190,000
LEVERAGED FUNDS	$135,180,000
TOTAL:	$430,370,000

Progress Made Towards Meeting Our 2025 Goals:







Over **1,850** projects awarded in Maryland's Chesapeake Bay Watershed

CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND

2017 BUDGET AT A GLANCE

Annual Appropriation (Fiscal Year 2015 - Fiscal Year 2017)

	2015 (previous Fiscal Year)	2016 (current Fiscal Year)	2017 (request)
Annual Appropriation			
Opening Balance	$0	$2,103,510	$827,850
Revenue	$52,852,917	$51,417,000	$53,001,000
Transfers to the General Fund			
Chapter 397 of 2011	($8,049,199)	($4,624,687)	$0
2014 Bay Reconciliation Financing Act Reductions	($6,200,000)	$0	$0
2015 Bay Reconciliation Financing Act Reductions	$0	($8,639,632)	$0
Subtotal General Fund Transfers	($14,249,199)	($13,264,319)	$0
Available Revenue Revised	$ 38,603,718	$ 40,256,190	$ 53,828,850
Agency Spending	$36,500,208	$39,428,340	$53,001,000

Annual Expenditure Plan (Fiscal Year 2015 - Fiscal Year 2017)

Targeted Activity	State Project Partner	2015 Actual	2016 Current	2017 Request	+/- 2016 to 2017
Accountability, Verification and Management					
1. Strategic Monitoring and Assessment	Natural Resources	$200,000	$400,000	$400,000	$0
2. Targeted Monitoring Grant Program	Competitive grants	$500,000	$300,000	$300,000	$0
3. Implementation Tracking	Information Technology	$200,000	$200,000	$200,000	$0
4. Administration and Management (1.5%)	Natural Resources	$552,000	$591,000	$750,000	$159,000
Accelerating Restoration through Research and Development					
5. Innovative Technology Fund	University of Maryland	$1,000,000	$1,000,000	$1,000,000	$0
6. Manure to Energy through Proven Tech	Agriculture	$2,500,000	$1,510,000	$1,510,000	$0
Implementation Technical Assistance					
7. Agricultural Technical Assistance	Agriculture	$2,600,000	$3,290,000	$3,290,000	$0
8. Water Management Permit Expediters	Environment	$750,000	$750,000	$750,000	$0
9. Field Restoration Specialists	Natural Resources	$540,431	$750,000	$750,000	$0
	Sub TOTAL	$8,842,431	$8,791,000	$8,950,000	$159,000
Integrated Targeted Projects to Meet Maryland's Milestones					
Implementation of Agricultural Practices					
10. Cover Crop Program	Agriculture	$12,445,223	$11,250,000	$11,250,000	$0
11. CREP Bonus Payments	Agriculture	$304,777	$500,000	$500,000	$0
12. Grants to Farmers	Agriculture	$1,000,000	$2,000,000	$2,000,000	$0
13. Manure Transport Program	Agriculture	$750,000	$750,000	$750,000	$0
14. Phosphorus Management Tool Initiative	Agriculture	$0	$300,000	$300,000	$0
Implementation of Local Watershed Implementation Plans (WIPS)					
15. Cost-Effective Non point Source Projects	Competitive grants	$7,157,777	$9,809,000	$23,251,000	$13,442,000
16. Natural Filters on Public Lands	Competitive grants	$6,000,000	$6,028,340	$6,000,000	($28,340)
	Sub TOTAL	$27,657,777	$30,637,340	$44,051,000	$13,601,000
	GRAND TOTAL	**$36,500,208**	**$39,428,340**	**$53,001,000**	**$13,572,660**

CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND

2017 BUDGET DETAILS

Accountability, Verification and Management : $1,650,000

1. Strategic Monitoring and Assessment: $400,000 to develop and implement monitoring strategies, collect and analyze data for trends, provide biological monitoring in Trust Fund watersheds and comparison watersheds, and communicate the results of the Trust Fund restoration efforts.

2. Targeted Monitoring Grant Program: $300,000 to competitively fund monitoring projects that will answer regulatory and restorative questions about best management practices for non-point source pollution in a robust, rigorous, and representative manner.

3. Implementation Tracking: $200,000 to provide hosting, application, maintenance, and data support services for Maryland iMAP (Maryland's Mapping & GIS Data Portal) including the Trust Fund mapper.

4. Administration & Management: 1.5 percent of the total operating allowance to provide fiscal oversight; manage grant programs including solicitation development, project review, contract and project development and management; coordinate with BayStat agencies, the BayStat Scientific Advisory Panel, the Department of Budget and Management, and the Department of Legislative Services, and report to the General Assembly.

Accelerating Restoration through Research and Development: $2,510,000

5. Innovative Technology Fund: $1,000,000 to the Innovative Technology Fund, established with the goal of accelerating Chesapeake Bay restoration through the development of new technologies. The Innovative Technology Fund is made possible through funding from the Trust Fund, the Environmental Protection Agency's Chesapeake Bay Implementation Grant (CBIG) and in partnership with the University of Maryland's Industrial Partnership (MIPS) and the Mtech Ventures Program.

6. Manure to Energy Projects with Proven Technology: $1,510,000 to support the Animal Waste Technology Fund. These funds will be used to support technologies that provide promising alternatives for utilization of excess animal wastes such as energy production.

Implementation Technical Assistance: $4,790,000

7. Agricultural Technical Assistance: $3,290,000 to support agricultural technical assistance positions in the Soil Conservation Districts. In total, the Trust Fund now supports 50 positions needed to assist farmers in the implementation of agricultural best management practices as identified in the state's Watershed Implementation Plan.

8. Water Management Permit Expediters: $750,000 to expedite state review of qualifying stormwater and wetland restoration projects and to protect the quality of the state's ground and surface waters.

9. Field Restoration Specialists: $750,000 to increase the level of field specialists to assist state and local partners identify, engineer, design and provide construction and construction oversight assistance of priority Chesapeake Bay restoration projects.

Implementation of Agricultural Practices: $14,800,000

10. Cover Crop Program: $11,250,000 to Maryland's Cover Crop Program to supplement funds provided through Maryland's Chesapeake Bay Restoration Fund. Cover crops are critical to achieving the reduction of nutrients necessary to meeting the state's Watershed Impementation Plan.

11. **Conservation Reserve Enhancement Incentive:** $500,000 to support the Conservation Reserve Enhancement Program. Trust Funds are used to provide the state $100 per acre signing incentive for new and re-enrolled acres on eligible best management practices including grass and forest streamside buffers, wetlands and permanent stabilization of highly erodible land.

12. Grants to Farmers (Nutrient Management Regulations): $2,000,000 to assist farmers with implementing the new nutrient management regulations. This funding will help offset the infrastructure costs to implement or enhance manure storage and provide incentives for improved management of manure and other sources of crop nutrients.

13. Manure Transport Program: $750,000 to transport excess manure away from farms with high soil phosphorus levels to other farms or locations that can use the manure agronomically to minimize phosphorus runoff. Trust Fund dollars will leverage funds already provided by the poultry companies and state general funds traditionally used to support manure transport.

14. Governor's Phosphorus Management Tool Initiative: $300,000 to provide incentives to support economic study of utilization of the Phosphorus Management Tool in multiple farm settings and to provide technical assistance through nutrient management advisors to assist farmers in planning for Phosphorous Management Tool transition and implementation of management changes.

Implementation of Local Watershed Implementation Plans (WIPs): $29,251,000

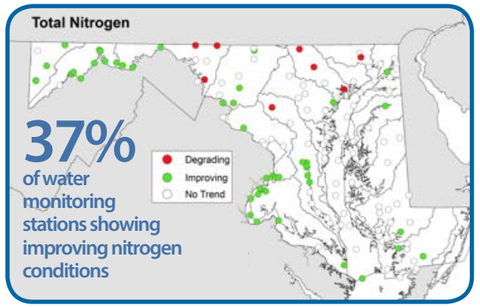
15. Cost-Effective NonPoint Source Projects: $23,251,000 to projects that both geographically and by practice will deliver the greatest, most cost-effective and measurable non point source pollution reduction per Trust Fund dollar. Grants are awarded on a competitive basis to projects that target and reflect the state's diverse landscapes, challenges and sources of pollution.

16. Natural Filters on Public Lands: $6,000,000 for the implementation of nutrient and sediment reduction projects on state and public lands. Projects include forested buffers, reforestation, wetland restoration, stream and floodplain restoration, stormwater retrofits, and other bioremediation projects.

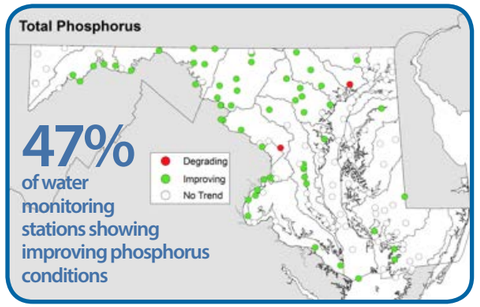
CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND 2016 ANNUAL REPORT

Measuring Success

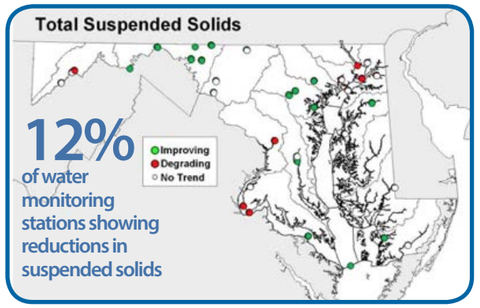
With achievements made through programs such as the Chesapeake and Atlantic Coastal Bays Trust Fund, Maryland is on schedule to meet Chesapeake Bay restoration goals. While more actions still need to be done, Maryland's long-term efforts to reduce polluted runoff have led to local improvements in our land, air and water quality. Based on state-wide water monitoring results from 1999 through 2014, 37 percent (46 of 125) stations are showing improving nitrogen conditions, 47 percent (59 of 125) are showing improving phosphorus conditions and 12 percent (15 of 125) are showing reductions in suspended solids.



37% of water monitoring stations showing improving nitrogen conditions

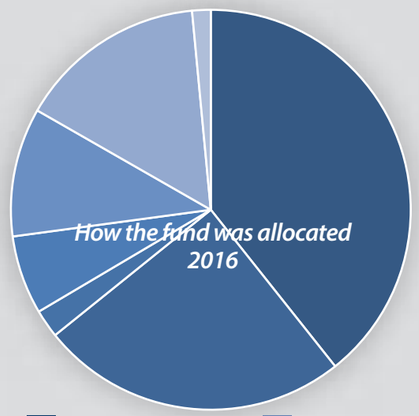


47% of water monitoring stations showing improving phosphorus conditions



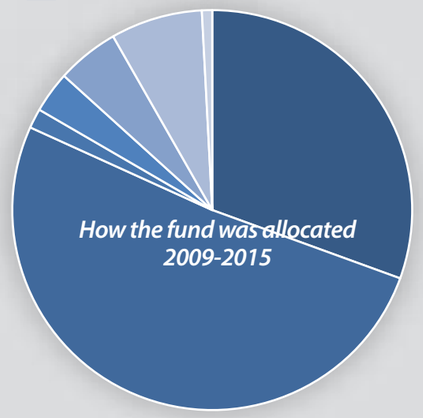
12% of water monitoring stations showing reductions in suspended solids

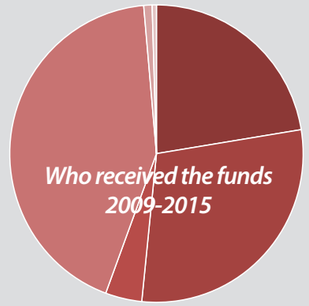
Trust Fund By the Numbers



Agriculture
Stormwater
Monitoring and Tracking
Research and Development
Technical Assistance
Natural Filters
Administration

Non-profit
County
Municipality
State
University
Federal

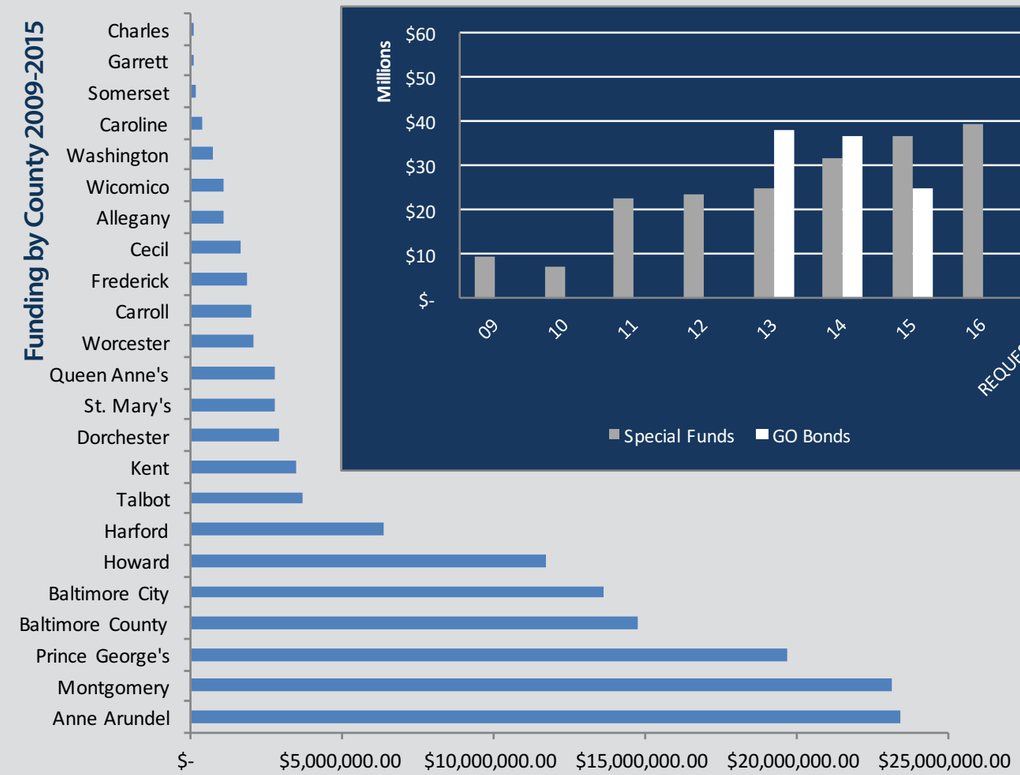




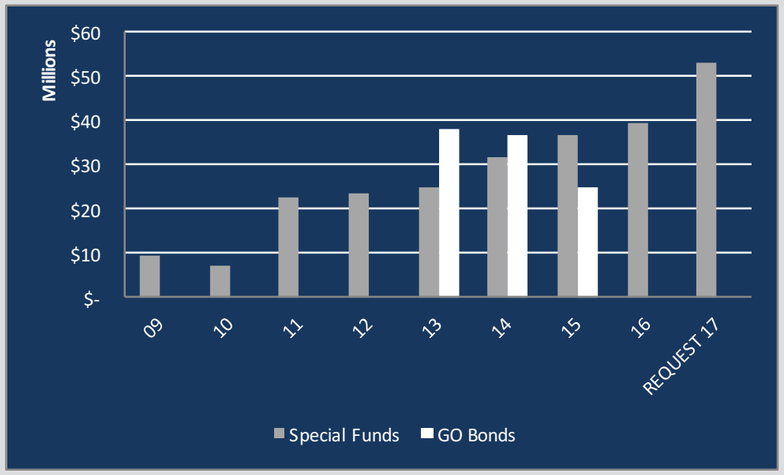
The Trust Fund is funded through gasoline and rental car tax revenues.

$295 million to date

for non point source pollution projects across Maryland



Trust Fund Growth 2009-2017 (in millions)



Between 2009-2015

601 acres of wetland restored

185,422 linear feet of stream restored

400 stormwater retrofits installed

533 rain gardens installed

32 acres of impervious surface removed

258,086 acres of Cover Crops in FY 15

1,081 acres of riparian forest

26 Maryland-based companies to develop

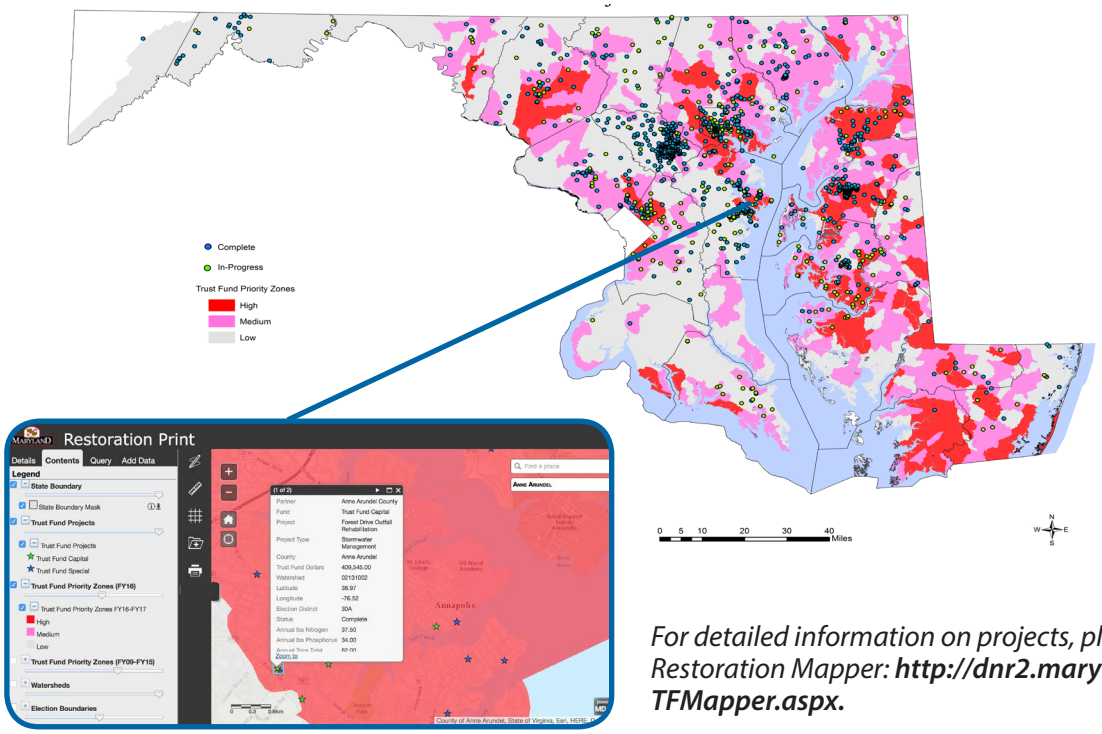
28 new non point source technologies

1,975 direct and indirect jobs supported

CHESAPEAKE AND ATLANTIC COASTAL BAYS TRUST FUND

2016 ANNUAL REPORT

Focused and Accountable



The Trust Fund targets funding to those areas of the state delivering the greatest non point source pollution loads to the mainstem of the Chesapeake Bay.

For detailed information on projects, please visit the Trust Fund Restoration Mapper: ***http://dnr2.maryland.gov/ccs/Pages/funding/TFMapper.aspx.***

Advancing the Science of Restoration

To better gauge how stream restoration projects improve tributary and Chesapeake Bay health, Chesapeake and Atlantic Coastal Bays Trust Fund provided $500,000 in FY16 to help fund the Restoration Research Grant Program. Through the program, DNR and partners selected four research projects to help answer key questions about the benefits of stream restoration techniques. The program aims to increase confidence in proposed project outcomes, clarify site conditions most appropriate for certain techniques, and provide information useful to regulatory agencies.

"The health of Chesapeake Bay starts with the health of tributaries in our backyards. The Restoration Research Grant Program will provide us with more in-depth scientific data and real, measurable results to help confirm that stream restoration efforts are reducing the amount of nitrogen and phosphorus that enter our waters".

- Mark Belton, Secretary of the Department of Natural Resources.

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