



# Maryland Department of Agriculture

*Office of the Secretary*

**Wes Moore**, Governor

**Aruna Miller**, Lt. Governor

**Kevin Atticks**, Secretary

**Steven A. Connelly**, Deputy Secretary

Agriculture | *Maryland's Leading  
Industry*

The Wayne A. Cawley, Jr. Building  
50 Harry S Truman Parkway  
Annapolis, Maryland 21401  
mda.maryland.gov

**410.841.5886** Baltimore/Washington  
**410.841.5846** Fax

## Maryland Department of Agriculture

### **Fiscal Year 2026 Operating Budget Response to Department of Legislative Services Budget Analysis**

**Senate Budget and Taxation Committee  
Public Safety, Transportation, and Environment Subcommittee  
Senator Michael Jackson, Chair  
February 13, 2024**

**House Appropriations Committee  
Transportation and the Environment Subcommittee  
Delegate Courtney Watson, Chair  
February 17, 2024**

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### Operating Budget Summary

#### **Fiscal 2025**

#### **Implementation of Legislative Priorities**

Section 21 of the fiscal 2025 Budget Bill added funding for legislative priorities totaling \$1,137,500 as follows.

- Soil Conservation District Technical Assistance: \$500,000 in general funds was added to the Resource Conservation Operations program for the purpose of supporting soil conservation district technical assistance. As noted above, BPW actions reduced the funding to \$250,000.
- Nuisance Insects – Midge Spraying: \$300,000 in general funds was added to the Nuisance Insects program for the purpose of spraying midges in Back River.
- Baltimore Animal Rescue and Care Shelter: \$200,000 in general funds was added to the Marketing and Agriculture Development program for the purpose of providing a grant to the Baltimore Animal Rescue and Care Shelter.
- Nuisance Insects – Black Flies Spraying: \$112,500 in general funds was added to the Nuisance Insects program for the purpose of spraying black flies.

- Montgomery County Office of Agriculture: \$25,000 in general funds was added to the Marketing and Agriculture Development program for the purpose of providing a grant to the Montgomery County Office of Agriculture for tourist wayfinding signs.

**MDA should comment on the status of the fiscal 2025 legislative priorities, including whether grant agreements have been executed and the amount of funding for State projects that has been encumbered and expended.**

**Agency Response:**

- Soil Conservation District Technical Assistance (\$250,000): The funding is being used to secure new rental space leases, pay for the buildout and furnishings, cover increased rent costs associated with lease renewals, and pay for one time equipment purchases. Lease agreements are in the review and signature process and purchase orders are being prepared for buildout costs. The full \$250,000 will be expended by the end of the fiscal year.
- Nuisance Insects – Midge Spraying (\$250,000): No money has been spent yet on midge spraying. Baltimore County had Federal ARPA money that needed to be expended. The Department will begin spraying around March at a cost of about \$126,000 per treatment. The full \$300,000 will be expended by the end of the fiscal year.
- Baltimore Animal Rescue and Care Shelter (\$200,000): The funding is being used to pay for the salaries and benefits of animal care attendants, veterinary technicians, and animal food. The full \$200,000 was provided to BARCS and they are submitting monthly reports accounting for how the money is being spent.
- Nuisance Insects – Black Flies Spraying (\$112,500): To date the Department has spent \$17,859.38 on Black Fly spraying. Additional treatments will occur before July 1, at about the same cost. This is a 50/50 match program with Washington County, who has currently contributed \$37,500 for the fiscal year. The Department will conduct as many spray applications as Washington County is able to match.
- Montgomery County Office of Agriculture (\$25,000): The money has not been transferred to Montgomery County yet. MDA is in discussion with the County.

**Fiscal 2026 Overview of Agency Spending**

**Other Changes**

### **Agricultural Policy**

There is one large increase under agricultural policy. The WIP subprogram reflects an increase of \$2.0 million in federal funding from the USDA – Natural Resources Conservation Service’s Regional Conservation Partnership Program for Chesapeake Bay Restoration. The funding was based on receiving a grant award, but MDA has been notified that the application was not selected for funding. **The Department of Legislative Services (DLS) recommends that the \$2.0 million in federal funding be deleted.**

#### **Agency Response:**

MDA accepts this recommendation

### **Routine Operations**

Expenditures that may be categorized as supporting routine operations decrease by \$7.4 million in the fiscal 2026 allowance. The largest decrease is the \$6.0 million in reimbursable funds for the MDA Customer Data Modernization Initiative IT project. This is due to the timing of when funding is allocated from DoIT’s budget. The reimbursable funding comes from the Major IT Development Project Fund (\$5.0 million) and DoIT (\$1.1 million). The overall project cost has increased from \$6.5 million in the fiscal 2025 analysis to \$10.9 million in the fiscal 2026 analysis, or approximately \$4.5 million. The funding increase occurs in fiscal 2024, which was already closed at the time of the fiscal 2025 analysis. In addition, the majority of the funding programmed in fiscal 2026 for MDA’s second IT project – MDA Digitization and Modernization Project – has shifted out a year. This increases the amount of funding programmed for fiscal 2027 from \$17.1 million to \$29.4 million, which could be difficult to manage. The two IT projects are L00A – Department of Agriculture Analysis of the FY 2026 Maryland Executive Budget, 2025 10 discussed in Appendix 2 and Appendix 3 of this analysis. **MDA should explain the changed reporting on the total cost for the MDA Customer Data Modernization Initiative IT project from \$6.5 million to \$10.9 million. MDA should also discuss why the fiscal 2026 MDA Digitization and Modernization Project IT project costs have been shifted out to fiscal 2027 and how MDA will manage the expenditure of \$29.4 million in fiscal 2027, which is almost half of the overall project cost.**

#### **Agency Response:**

Regarding the change reported on the total cost for MDA Customer Data Modernization Initiative, MDA does not know why these costs now show as \$8.678M prior to FY24.

MDA is still managing overall project cost with a not to exceed \$6.5M amount, and has \$4.142M as the actual prior year amount (FY24).

Regarding the shift in costs for the MDA Digitization and Modernization Project, DoIT recommended pushing the schedule and funding out to future years. MDA will engage a certified Salesforce Integrator to clarify requirements, establish a more accurate timeline and cost estimates per MDA Program.

To mitigate risks associated with both MITDPs, MDA has hired a Chief Information Officer to provide oversight, manage expectations and monitor project costs, scope and deliverables.

### **Personnel Data**

MDA regular positions increase by 14.3 between the fiscal 2025 working appropriation and the fiscal 2026 allowance, as shown in Exhibit 4. Of these 14.3 regular positions, 6.3 are reflected as new positions and 8 are reflected as contractual conversions, which usually reflects a minimal change between the contractual FTE compensation and that of the new regular position. The 6.3 new positions appear to account for \$467,362, comprised of \$176,492 in general funds and \$290,870 in special funds. The turnover rate for the new positions ranges from 2% to 26%.

**Given the high number of existing vacancies and positions above budgeted turnover, DLS recommends the addition of budget bill language deleting the 6.3 new positions and associated funding in favor of MDA reclassifying existing vacant positions.**

#### **Agency Response:**

MDA disagrees with this recommendation. For years, positions at the Department have been eliminated while the mandated workload has increased. MDA has filled 20 of our 45 vacancies since January 1, with another 6 new employees coming onboard on February 19, as well as an additional employee starting March 5. Seven more positions are currently under active recruitment. **On February 1, 2025 MDA's vacancy rate was 7.03%, and on March 1 it will be 4.68%.** The current vacancies are for specific roles and programs and cannot be transferred and reclassified to fulfill roles elsewhere that the new positions would fill. Eight of the PINs are to convert long term contractual employees, all of whom are performing core mission work for the Department and have worked for the State between 1 - 11 years. A description of the 6.3 additional PINs requested are as follows:

- 30% of a PIN: The Board of Veterinary Medical Examiners (Vet Board) has an existing 70% FTE PIN for their Assistant Attorney General (AAG). This AAG is

working full time at 40 or more hours per week but is receiving compensatory time for hours worked beyond 28 hours per week, instead of monetary compensation.

- 1 PIN for Animal Health - This position is for an Ag Inspector III to support the pathologists at the Salisbury Animal Health Lab. The position supports the pathologists with necropsies and analyzing diagnostic samples. A dedicated lab scientist will improve the lab's capacity to handle emerging and high-risk diseases, such as the highly pathogenic avian influenza (HPAI), foot and mouth disease (FMD), African Swine Fever (ASF), and Classical Swine Fever (CSF). The lab's work plays an important role in safeguarding public and animal health.
- 4 new PINs for Food Processing Residuals (FPR) Utilization Permit Program - During the 2024 legislative session HB991/SB1074 passed by both the Senate and the House, became effective July 1. The bill was passed in direct response to citizen complaints of odor, truck traffic, and potential health and environmental concerns regarding the land application of FPRs. Storage of FPRs is also a concern and two counties either temporarily or permanently banned storage of FPRs but agreed that MDA should control and regulate land application. The positions will be responsible for all aspects of the permitting process from reviewing the permit applications, creating the permits, and inspecting sites during land-applications.
- 1 PIN for Leadership in Environmentally Engaged Farming (LEEF) - This position would implement the new proposed program pending before the current 2025 Legislative Session. The new program would provide financial incentives to farmers to stack multiple best practices, such as cover crops and buffers. MDA already incentivizes best management practices (BMPs) through programs such as CREP, the Maryland Agricultural Water Quality Cost-Share Program, the Cover Crop Program, and the Manure Transport Program. MDA aims for LEEF being attractive for all producers, both early adopters of conservation and new cooperators. The LEEF tiers will prioritize innovation, and not replace available cost-share. The tiers will reward stacking of practices and those being maintained outside of a contractual obligation. For new cooperators, LEEF could alleviate economic hardships of small businesses like maintenance of licenses, priority infrastructure funding, or other options beyond cost-share. MDA will leverage partners and the private sector to reward higher LEEF tiers through incentives that will be diverse and compelling for all participants.

MDA's vacancy rate has increased from 6.72% to 11.03% between December 31, 2023, and December 31, 2024. In last year's analysis, it was noted that MDA had one of the lowest vacancy rates among State agencies. **MDA should comment on the reason for the substantial**

increase in the vacancy rate.

**Agency Response:**

MDA's vacancy rate increased in July when the Department received 17 new PINs. There were also employees who retired at the end of June. MDA has filled 20 of our 45 vacancies since January 1, with another 6 new employees coming onboard on February 19, as well as an additional employee starting March 5. Seven more positions are currently under active recruitment. **On February 1, 2025 MDA's vacancy rate was 7.03%, and on March 1 it will be 4.68%.** Of the 26 PINs filled since January 1, 2025, 19 belong to District Operations. This is 73% of the new hires. There is a lot of turnover in District Operations. Despite successful ASRs in recent years, we continue to lose employees to the federal and local governments. It is most efficient for MDA to conduct large-scale, statewide recruitments for these vacancies. We typically conduct these recruitments every 12-18 months. The ebb and flow of these large scale recruitments have a big impact on our vacancy rate.

**Key Observations**

**1. Lack of Highly Pathogenic Avian Influenza Reimbursement Reflects Federal Funding Uncertainty**

MDA receives federal funding for managing highly pathogenic avian influenza, a highly contagious airborne respiratory virus that affects poultry and wild bird species. As of February 2, 2025, there have been six cases of highly pathogenic avian influenza in Maryland, including a case in a Montgomery County backyard flock announced on January 30, 2025, and a commercial broiler farm in Worcester County announced on February 2, 2025. Three additional cases – two in Kent County, Delaware and one in Accomack County, Virginia – bring the total number of cases to eight in the Delmarva region. MDA has requested reimbursement from USDA for work done to mitigate highly pathogenic avian influenza but as of this writing has not received a response. **MDA should discuss the status of the reimbursement and if not yet received, any communication that it has had with its federal funding agencies concerning the receipt, and use of federal funds for managing highly pathogenic avian influenza.**

**Agency Response:**

MDA's pre-award was approved by USDA on February 6, 2025. The full Emergency Cooperative Agreement has been submitted to USDA and is under review. MDA is

working with DBM to incorporate the pre-award amount into MDA's budget through the supplemental budget.

## 2. Electric Vehicle Charging Station Inspection Program Funding Needs

On December 17, 2024, MDA announced that, starting January 1, 2025, it would begin registering service agencies and technicians involved in the installation, repair, and calibration of L00A – Department of Agriculture Analysis of the FY 2026 Maryland Executive Budget, 2025 22 electric vehicle fueling equipment. To fund this work, MDA is charging \$200 per agency, \$50 per technician, and \$25 for the required test. As noted above, the BRFA of 2025 removes the weights and measures fee structure and instead authorizes the Secretary of Agriculture to set reasonable fees for registering each weight and measure used for commercial purposes. Presumably this authority would be used to set fees for inspections for accuracy as well. **MDA should discuss whether there has been any further discussion about which State agency will be responsible for reliability as it relates to electric vehicle supply equipment and the funding in the fiscal 2026 budget for inspections for accuracy.**

### Agency Response:

#### *The Registration of service agencies and technicians:*

MDA Weights and Measures has the authority to register service agencies and technicians as outlined in MD Agriculture Code § 11-203. The fee structure being referred to is found in COMAR 15.03.11. The registration of service agencies and technicians is separate from device registration. The revenue generated from this program is minimal with the fees covering the expense to administer the classes, reproduce learning and testing materials, registration costs, and licensing.

#### *Authority to register, test, and inspect devices:*

MDA Weights and Measures currently has the authority to register, test and inspect these devices as outlined in NIST Handbook 44, code 3.40. Electrical Vehicle Fueling System is adopted by reference, MD Agriculture Code § 11-204. EVSE devices measure electricity by kWh and are utilized as a “fuel” in consumer transactions.

The fee structure to register weighing and measuring devices is outlined in MD Agriculture Code § 11-204.7. The BRFA of 2025 removes the weights and measures fee structure and authorizes the Secretary of Agriculture to set reasonable fees for registering each weight and measure used for commercial purposes.

The fees collected from annual device registration are placed into the Special Fund of Weights and Measures and fund the field inspection and metrology program. The fee

structure will be adjusted as needed to fund the necessary operations of the program to prevent a program deficit.

### 3. Maryland Leaders in Environmentally Engaged Farm Program

SB 428/HB 506 specifies that the program, for fiscal 2026 through 2031, may receive up to \$2.0 million of the \$2.5 million, mandated by the Tree Solutions Now Act, that is not used for tree planting on agricultural land. At the same time, the BRFA of 2025 proposes reducing the \$2.5 million mandate for tree planting funding to \$0.5 million. **MDA should comment on the intent of how this program will be funded long term, since one source of funding proposed in the legislation would not be viable based on the BRFA of 2025.**

#### Agency Response:

The FY26 budget as proposed includes \$900k as initial funding for the LEEF program. This funding is separate from any additional funding that MDA may transfer from the Tree Solutions Now Act funding under the provisions of SB428/HB506. Future funding for the LEEF program could come from unused Tree Solutions Now Act funding as authorized by SB428/HB506 or any other funding that is appropriated in the budget. SB428/HB506 allows for up to \$2 million of the Tree Solutions Now Act funding to be transferred to LEEF. The BRFA reduces the mandated appropriation for the Tree Solutions Now Act to \$500,000, so, assuming that passes and continues to be budgeted at \$500,000, that would be the maximum amount LEEF could receive from *that fund source*.

The lack of clarity about the funding intent, the fiscal condition of the State, the fact that the program is new, and the lack of concrete program details suggest that the program's funding should be conditioned. **DLS recommends reducing the appropriation for the program from \$900,000 to \$500,000. In addition, DLS recommends adding budget bill language making a portion of the funding contingent on the legislation establishing the program and restricting \$100,000 pending the submission of a report on the program's parameters.**

#### Agency Response:

The Department disagrees with this recommendation to reduce funding for the LEEF program and restrict additional funding pending the submission of a report. A detailed breakdown of the budget for the program has been provided in response to the



Department of Legislative Services for the fiscal note for SB428/HB506. This includes detailed costs related to employee salaries, contractual services, and grants and subsidies for farmers as incentives to participate in the program. Reducing funding by \$400,000 will limit funds available as incentives to farmers to participate in the program, thereby limiting the effectiveness of the program. This is a critical new program that the Department is developing in response to the Chesapeake Bay Program report “A Comprehensive Evaluation of System Response” and the funding requested is the minimum funding level needed in the first year to develop the program.

#### **4. More Work to Be Done on Value-added Agriculture in Maryland**

**MDA should comment on:**

- **why MFR measures for value-added agriculture are not included with the fiscal 2026 budget submission;**
- **the outcomes of the 2025 Buyer Grower Expo, an annual opportunity to expand marketing and sales for local products;**
- **the relationship between value-added licenses issued at the State, federal, and local levels and the growth and health of value-added agriculture in Maryland;**
- **how increasing the number of agricultural-development-specific positions in the local jurisdictions from 14 to 24 could be implemented;**
- **the work MDA and the Maryland Department of Health are doing to reduce the regulatory burden faced by value-added licensees;**
- **MDA’s fiscal 2026 funding to promote the expansion of value-added agriculture;**  
**and**
- **the overall goals for value-added agriculture in Maryland.**

#### **MDA Response:**

##### ***Overall Goals of Value-Added Agriculture in Maryland***

MDA’s Value-Added Agricultural Specialist was established in 2023 for the purpose of assisting Maryland farmers and agricultural stakeholders starting or expanding Value-Added enterprises that may include, but are not limited to, agricultural processing, agritourism, market expansion, and equine activities. The goal of MDA’s Value added initiatives is to expand Maryland Agriculture’s economic impact by expanding capacity and agricultural opportunities in the State. This goal includes improving the regulatory framework to be conducive to both new and existing agricultural enterprises.

***Fiscal 2026 Funding to Promote Expansion of Value-Added Agriculture***

The FY 2026 budget includes funding for the Value-Added Specialist. The full amount of funding for value-added agriculture is difficult to quantify, as several programs and initiatives, especially in MDA's marketing program, support value-added agriculture in the State. For example, Maryland's Best, Maryland's state-wide marketing program connecting consumers to farmers and watermen, is implemented by the marketing team at the Maryland Department of Agriculture (MDA). Adding 66 producers in 2024, Maryland's Best includes more than 1,000 agricultural and seafood businesses, including restaurants. Maryland's Best also promotes value-added products, such as local ice cream, to build consumer awareness and drive purchases of Maryland agriculture and seafood products.

***Outcomes of the 2025 Buyer Grower Expo***

Each year, MDA connects farmers, niche food producers and seafood companies with buyers from grocery stores, restaurants, food distributors and institutions. The Maryland's Best Expo, now being held more than two decades, is the agency's premier event for developing these connections. Started as a small gathering of produce growers meeting with buyers in the basement of MDA in 2002, the event has grown to annually attracting more than 400 attendees with an increasing range of local food products. In January 2025, 479 registered for the Expo held at the Naval Academy's football stadium. The Expo included marketing educational sessions for producers and even a Shark Tank type of event showcasing small value-added food businesses. MarylandsBest.net serves as the consumer facing website, with placing marketing campaigns that promote agriculture, value-added and seafood products. Campaigns have included Shuck & Stout, True Blue, and Eat Like a Marylander.

***Increasing the Number of Agricultural-Development Positions in Local Jurisdictions***

Along with supporting businesses directly, the Value Added Agricultural Specialist also supports agricultural business development efforts at the County Level. Of the 24 local jurisdictions across Maryland, including Baltimore City, 13 have an Agricultural Specialist. In most cases, this position exists within an Economic Development Department. Some local jurisdictions have an office specific to Agriculture. Jurisdictions without a role specific to Agriculture include Baltimore City, Allegany County, Prince George's County, and the majority of the Eastern Shore. MDA's Value-Added program collaborates with County agricultural and economic development specialists. MDA does not have any influence on the hiring or role creation within a County Government, but supports the creation of these roles and some counties may add an Ag Specialist in the future.

***MDA's Cross Agency Work to Reduce Regulatory Burden***

MDA's collaboration with State Partner agencies varies based on the industries and

businesses in need. The Governor's Intergovernmental Commission on Agriculture (GICA) recently established a Subcommittee specific to Value-Added Agriculture and Agritourism. This subcommittee has presented a consistent forum for Agency collaboration, to address challenges and opportunities related to navigating regulatory framework for value-added agriculture. This forum, and preceding efforts, have led to the identification of numerous regulatory challenges that are being addressed as appropriate. The Maryland Ag Commission (MAC) also established a Value-Added Agriculture subcommittee, which identified a lack of clarity and consistency across State and Local Regulation. This subcommittee inspired a significant project for 2025.

As a follow-up to and in collaboration with the GICA and MAC subcommittees, MDA is working to develop a Statewide Guidance and Analysis Document, intended to educate State and Local agencies on the diversity and evolution of agricultural industries, to include agricultural processing and Agritourism, for the sake of regulatory and policy-based decision making. The development of this initiative, through Spring and Summer 2025, will include public engagement, farm visits, and collaboration with other State agencies.

***MFR Measures for Value-Added Agriculture***

MDA's overall goal is the growth of the industry, both in size and economic impact. MDA's MFR Goal #1 is "to promote profitable production, use, and sale of Maryland agricultural products." One of the measurables that MDA reports on as part of this MFR is Value-Added Licenses. This measurable is a combination of licenses issued by several State Agencies, including MDA, Maryland Department of Health (MDH), and the Alcohol Tobacco and Cannabis Commission (ATCC).

***Relationship between Value-Added Licenses and the Growth and Health of Value-Added Agriculture in Maryland***

The Value-Added Agricultural industry is regulated and licensed by several State Agencies. There is no "value-added agriculture State-issued license." The identified licenses for these measurables are located across three separate State Agencies: MDA, MDH, and ATCC. These licenses were tracked in accordance with the Governor's Performance Cabinet monthly meetings. MDA does not house licensing or economic data, as those are within the purview of MDH and Commerce.

**5. Enforcement and Inspection Position Strength Assessment and Vacant Position Filling**

Committee narrative in the fiscal 2025 budget bill requested the submission of quarterly reports from the Maryland Department of the Environment (MDE) and MDA on compliance and enforcement inspections and positions. The reports were required to include an evaluation of the

adequacy of Maryland's current authorized compliance and enforcement positions; a comparison of the size, roles, responsibilities, and inspection workload of the departments' compliance and enforcement positions to neighboring or similar states; a list of all inspection activities in certain programs; staffing and funding levels for fiscal 2025 and 2026; and a description of the use and outcomes from any next generation compliance techniques to increase compliance with Maryland's environmental regulations. The report was requested to be submitted by January 1, 2025. To date, the report has not been submitted. **MDA should discuss why the report was not submitted as requested and the anticipated timeline for submission. In addition, DLS recommends that committee narrative be adopted requesting the compliance and enforcement inspections and positions information by January 1, 2026. For administrative purposes, this recommendation will appear in the operating budget analysis for U00A – MDE.**

**Agency Response:**

This report is a joint submission from MDA and MDE, with MDE taking the lead on submitting it to DLS and the legislature each year. MDA has submitted our portion of the report to MDE and have continued to coordinate to ensure the final report is submitted in a timely manner. We understand that the report is nearly complete and will be submitted in the near future.

**Operating Budget Recommended Actions**

1. Add the following language:

Provided that \$176,492 in general funds and \$290,870 in special funds are reduced and the following new regular positions are deleted: N2616630; N2617652; N2617155; N2617152; N2617153; and N2617154.

**Explanation:** This action reduces the 6.3 new positions and associated funding in the Maryland Department of Agriculture's (MDA) fiscal 2026 budget. MDA also has 8.0 contractual conversions in the fiscal 2026 budget, which are not affected by this action. Given the high number of vacancies and positions above budgeted turnover, MDA can reclassify existing vacant positions instead.

**Agency Response:**

MDA disagrees with this recommendation. For years, positions at the Department have been eliminated while the mandated workload has increased. MDA's vacancy rate

increased in July when the Department received 17 new PINs. There were also employees who retired at the end of June. MDA has filled 20 of our 45 vacancies since January 1, with another 6 new employees coming onboard on February 19, as well as an additional employee starting March 5. Seven more positions are currently under active recruitment. On February 1, 2025 MDA's vacancy rate was 7.03%, and on March 1 it will be 4.68%. The current vacancies are for specific roles and programs and cannot be transferred and reclassified to fulfill roles elsewhere that the new positions would fill.

2. Add the following language to the general fund appropriation:

Further provided that the appropriation made for the purpose of the Maryland Leaders in Environmentally Engaged Farming (LEEF) Program shall be reduced by \$500,000 contingent on failure of SB 428 and HB 506 establishing the LEEF Program.

Further provided that \$100,000 of the appropriation made for the purpose of the LEEF Program that is contingent on the enactment of SB 428 or HB 506 establishing the program may not be expended until the Maryland Department of Agriculture (MDA) submits a report to the budget committees on the implementation of the program. The report shall describe the program's final parameters, a detailed spending plan, the criteria for establishing each of the proposed engagement tiers, the incentives available to program participants under each tier, the relationship with other MDA policy and funding programs, and proposed Managing for Results measures and goals to determine program success, including how the program is anticipated to improve agriculture sector outcomes for Chesapeake Bay restoration and increase farming profitability. The report shall be submitted by September 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

**Explanation:** The fiscal 2026 budget as introduced includes a \$900,000 general fund appropriation for the new Maryland Leaders in Environmentally Engaged Farming Program, established by SB 428/HB 506 of the 2025 legislative session. The program's parameters have not been fully defined. Therefore, this budget bill language makes a portion of the funding contingent on the policy bills establishing the program and restricts a portion of the funding pending the submission of a report on the program's parameters.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
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LEEF Program report

MDA

September 1, 2025

**Agency Response:**

The Department disagrees with this recommendation to reduce funding for the LEEF program contingent on failure of SB 428/HB 506 establishing the LEEF Program and restrict additional funding pending the submission of a report. The FY26 budget as proposed includes \$900,000 as initial funding for the LEEF program. This funding is separate from any additional funding that MDA may transfer from the Tree Solutions Now Act funding under the provisions of SB428/HB506. Additionally, a detailed breakdown of the budget for the program has been provided in response to the Department of Legislative Services for the fiscal note for SB428/HB506. This includes detailed costs related to employee salaries, contractual services, and grants and subsidies for farmers as incentives to participate in the program. Additional details about the program are provided in the legislation and as part of the Administration's ongoing discussions regarding the Chesapeake Bay Legacy Act.

3. Reduce \$400,000 in general fund grant funding for the new Maryland Leaders in Environmentally Engaged Farming program. The fiscal 2026 budget includes a \$900,000 general fund appropriation for the new program, established by SB 428/HB 506 of the 2025 session. Program funding is unclear due to multiple possible interpretations of the funding parameters in the bills and a related provision in the Budget Reconciliation and Financing Act of 2025. In addition, the fiscal condition of the State does not warrant the level of expenditure proposed.

-\$ 400,000 GF

**Agency Response:**

The Department disagrees with this recommendation to reduce funding for the LEEF program. A detailed breakdown of the budget for the program has been provided in response to the Department of Legislative Services for the fiscal note for SB428/HB506. This includes detailed costs related to employee salaries, contractual services, and grants and subsidies for farmers as incentives to participate in the program. Reducing funding by \$400,000 will limit funds available as incentives to farmers to participate in the program, thereby limiting the effectiveness of the program. This is a critical new program that the Department is developing in response to the Chesapeake Bay Program

report “A Comprehensive Evaluation of System Response” and the funding requested is the minimum funding level needed in the first year to develop the program.

4. Delete funding for a U.S. Department of Agriculture federal fund grant that was not awarded. The funding would have been from the Natural Resources Conservation Service’s Regional Conservation Partnership Program.

-\$ 2,000,000 FF

**Agency Response:**

MDA accepts this recommendation

**Total Net Change -\$ 2,400,000**

**Total General Fund Net Change -\$ 400,000**

**Total Federal Fund Net Change -\$ 2,000,000**