



Wes Moore, Governor  
Aruna Miller, Lt. Governor  
Josh Kurtz, Secretary  
David Goshorn, Deputy Secretary

**Maryland Department of Natural Resources  
Fiscal Year 2027 Operating Budget  
Response to Department of Legislative Services Analysis**

**Senate Budget and Taxation Committee  
Public Safety, Transportation, and the Environment Subcommittee  
Senator Shelly Hettleman  
March 5, 2026**

**House Appropriations Committee  
Transportation and The Environment Subcommittee  
Delegate Courtney Watson  
March 9, 2026**

**Performance Analysis: Managing for Results**

**1. State Park Visitation Decline Levels Off; New Day-use Reservation System Reduces Capacity Closures**

**Pg 7:** The Department of Legislative Services (DLS) recommends that DNR comment on its plans for expanding the day-use reservation system and whether the new system is changing access.

**Agency Response:** The Department launched the State Park Service’s new day-use reservation system in Spring/Summer 2025. The all-new system required visitors to make advance reservations on weekends and holidays for daytime visits at five state parks—Greenbrier, Sandy Point, Point Lookout, Newtowne Neck, and North Point. The results were overwhelmingly positive.

Between Memorial Day Weekend and Labor Day, more than 67,000 reservations came through the new system. The results at the ground level were more dramatic with traffic backups at participating parks nearly eliminated and zero capacity closures at parks where the system was installed. This is a complete turnaround from 2024, when 166 capacity closures happened in the park system.

Nearly 8,000 of the reservations in 2025 were made using Maryland Park Service Annual Park Passes, or the Military and Veteran free pass.

The impetus of this effort was years in the making. In 2019, the Maryland Park Service hit a record number of visitors for the year as 14 million people flowed into our parks. The COVID-19 pandemic saw more than 21.5 million people visiting Maryland state parks, a 45% increase over the previous record-breaking year. And the number of visitors in subsequent years, although slightly lower, was still well above past visitation rates. Visitors often waited in lines for hours at a time before being turned away once they reached the gates of the

park because it was already at capacity. One of the more dramatic examples existed at Greenbrier state park where hundreds of visitors backed up U.S. Route 40 for several miles, causing safety concerns and frustration for adjacent highway travelers, adjoining homeowners and the visitors themselves. A video taken by staff documenting the backup on July 4th, 2024 demonstrates the significant issues borne of these long queues awaiting entrance to the park. [Greenbrier SP - Route 40 Back up](#)

In recent years, park closures due to capacity issues had become so commonplace they were occurring more than 150 times each year. The five parks that received the new system were chosen based on visitation numbers, safety issues caused by vehicle backups, and conflicts with neighboring landowners and travelers attempting to gain access to their homes.

The new system was an unqualified success. As a result the Department is currently planning to expand the system to additional locations across Maryland public lands. The new sites may include shooting ranges on DNR lands and State Park sites that historically have relied on ‘honor boxes’ to collect day-use fees. These boxes are intended for visitors to place a cash payment to cover the daily fees. Recent evaluations of this dated system demonstrate that many guests do not comply with the requirement to pay - largely due to the fact that most people do not carry cash (especially single dollar bills) on their person.

The electronic system will replace the steel boxes and will require an electronic payment to enter through an automated gate. This system should increase compliance with the daily payment requirement. We are also anticipating a slight increase in revenues as compliance increases. Equally important will be the concomitant increase in public safety because the new system allows staff to know when someone remains in a Park after-hours and has not been accounted for or is otherwise reported missing.

Ultimately we expect expansion of this new system will continue to reduce backups and capacity closures while ensuring safe, fair and equitable access to additional public lands across the state.

## 2. Crab Population Declines Slightly; Harvesting Restrictions Continued

**Pg 11:** DNR should comment on the status of the Chesapeake Bay Stock Assessment, any preliminary findings included in drafts of the assessment, and the attendant potential blue crab management considerations.

**Agency Response:** The blue crab benchmark stock assessment aims to improve our understanding of the status and trends of the Chesapeake Bay population and fishery. This effort is the first full benchmark to be conducted since 2011 and incorporates new data and quantitative methods for a more accurate representation of blue crab population dynamics. The assessment is being conducted by scientists and fisheries managers from management jurisdictions and academic institutions across the Bay, including the Maryland Department of Natural Resources, the Virginia Marine Resources Commission, the Potomac River Fisheries Commission, the University of Maryland Center for Environmental Sciences, and the Virginia Institute of Marine Science. The stock assessment is in the final stages, with the independent peer review, led and hosted by the National Oceanic and Atmospheric Administration, scheduled for April 13-16, 2026. Preliminary results have identified new sex-specific management reference points based on spawning potential ratio. Final results of the assessment may be available for dissemination as soon as May and will inform the future of blue crab fishery management. Maryland DNR will continue to work with the industry via the Blue Crab Industry Advisory

Department of Natural Resources

Committee to identify fishery goals and develop management options that will encourage a sustainable population and fishery based on the results of the benchmark stock assessment.

## **Fiscal 2026**

### **Status of Legislative Additions**

**Pg 14:** DLS recommends that DNR comment on the status of the draft report on the Deep Creek Lake Pilot Program.

**Agency Response:** The Department developed a first-ever study on the potential use of aquatic harvesters to manage overabundant submerged aquatic vegetation (SAV) on Deep Creek Lake in Garrett County. Aquatic harvesters are essentially a boat with a mechanical rake or ‘mower’ that removes vegetation at and below the surface of a water body.

For the Deep Creek Lake study, a test harvester was deployed twice, once in August and again at the end of September, at three sites of varying depths. The majority of the SAV in the lake is native and provides important ecological functions, such as maintaining water quality and providing habitat for aquatic species. However, some areas are overgrown and negatively impact recreational uses, including swimming, fishing, boating and paddling.

During the study, DNR divers completed surveys prior to the initial harvesting, and another survey thereafter. Data from the dive operations allowed for complete assessment of the species present and impacts to native, non-native and invasive species that may have been present on-site. Fisheries data were also collected to evaluate the potential impact on fish habitat and natural communities. Material collected from the harvester was also examined to detail the results of the actual harvesting activity.

Lake Management, Fisheries, and Resource Assessment Services are currently analyzing the data from the field research and preparing a final report with recommendations for the future potential use of this technology on Deep Creek Lake. We expect to finalize the report this spring.

## **Issues**

1. Additional MPS Parks to Open in 2026, While Overall MPS Funding Uncertain and Likely Increased Costs

**Pg 25:** DLS recommends that DNR comment on what the long-term plan is for funding the six new or expanding parks and the estimated operating and capital costs for the Gwynns Falls/Leakin Park State Partnership Park given the heavy reliance on the POS State land acquisition balance. DLS also recommends that DNR comment on the status of setting up affiliated foundations and the potential revenue or in-kind cost offsets they represent.

**Agency Response:** As set out on pages 23-24 of the analysis, the Maryland Park Service is planning to open four new properties and expand two new properties in 2026. To do that, the proposed FY27 operating budget for Parks includes an additional \$3.2 million. In the long term, the Park Service intends to use existing vacant, funded PINs to fill needed positions at each of the six locations. For each of the parks being opened or expanded this year, DNR has developed a long term operational funding plan. For example, for Wills Mountain, DNR expects this property to be heavily used by rock climbers as it is one of only three major climbing walls in

western Maryland, and historically revenue has not been captured through an entrance fee. By establishing a nominal entrance fee for users, we expect this property to become self-sustaining on its own revenue generation. Once these six properties are accessible and operational, we will have a better understanding of the long-term needs.

DNR is committed to partnering with Baltimore City Recreation and Parks to establishing a partnership park at the Gwynns Falls/Leakin Park property. DNR is participating in meetings and discussions with Baltimore City and stakeholders to finalize a plan for the Gwynns Falls/Leakin Park State Partnership Park. In December 2025, DNR published a report on the status of the establishment of the park, and estimated startup costs around \$4M for capital projects, and \$2.8M for operating costs. Exact operating and capital costs are to be determined through the master plan process laid out in the legislation, pending the outcome of those discussions and of certain related legislation introduced this year.

The department is working with the Office of the Attorney General to establish an affiliated foundation pursuant to Chapter 443 (2025) to support DNR land management units and the Natural Resources Police. The affiliated foundation will ensure that the organizations we partner with are aligned in our goals for public lands and associated law enforcement. The processes associated with the new foundation will require partner entities to be good-standing with the State. Once the foundation is established, the department is optimistic that it will provide a new, significant revenue stream to support land management and NRP operating expenses.

## 2. Power Plant Assessment Program Funding Needs Addressed Temporarily

**Pg 26:** DLS recommends that DNR comment on the long-term funding plan for the Power Plant Assessment Program and what roles the following should play in the program's funding structure: an allocation of certificate of public convenience and necessity application fees, perhaps after a fee increase; and an increase in the environmental surcharge per kilowatt hour of electricity distributed to retail electric customers supporting the Environmental Trust Fund.

**Agency Response:** The Powerplant Research program (PPRP) is designed to operate with staff and engineering consultants to research and complete Certificates of Public Convenience and Necessity (CPCN) along with research to guide Maryland's energy policy. Attorney services are currently met with an MOU between Maryland Energy Administration and PPRP. The historical caseload has been 6 cases per year. With the proliferation of renewable energy projects, additional transmission line upgrades, additional social and legal scrutiny of cases, and new transmission construction, the current active caseload is 81 cases, (77 solar and 4 transmission lines), and 110 projects are in the queue. By July 1, 2027, the Public Service Commission must issue regulations affecting DG-CPCN, which will allow for a more efficient review of Community Solar Projects and should reduce licensing review workload some, but these savings will be offset by increased review time and costs associated with battery storage projects and transmission and gas cases.

The current ETF reserve fund balance within DNR is approximately \$8.7M, which is expected to be depleted by the end of FY27. The long-term solution presented in this budget is to use a combination of ETF and SEIF funding to support the work of the PPRP. The addition of SEIF will relieve pressure on the ETF. Furthermore, as PPRP's review of solar cases is necessary to increase solar energy in the State, there is a clear nexus justifying the use of SEIF to support the PPRP. As for the options mentioned in this analysis, raising the ETF surcharge, which is currently \$0.135 cents, would increase the amount of funding available to support PPRP. The ETF fee has been collected for over 50 years and since its inception it has decreased, twice. However, an ETF surcharge increase is not currently being considered, and would not be necessary with ongoing support

from SEIF. In terms of application fees, the PSC collects \$10,000 per CPCN application and does not provide any of that fee to PPRP, at their discretion. PPRP's average cost to review a solar project is approximately \$30,000.

### 3. Somers Cove Marina Management Transferred to DNR with Bad Debt

**Pg 29:** DLS recommends that DNR comment on why Somers Cove Marina was operating at a loss and what the implications are for DNR's management. DLS also recommends that DNR comment on whether it has decided whether the marina will be managed internally or contracted out.

**Agency Response:** DNR officially began managing the marina on or about October 1, 2025. Prior to the enactment of Chapter 444 (2025), the independently established Somers Cove Marina Commission made all operational and financial decisions related to the marina. Now, the Secretary has the authority to generate revenue through slip fees and other charges at Somers Cove marina as necessary to support the operations, management, and maintenance of the marina. All charges and fees are deposited into the Natural Resource's Property Maintenance Fund within the Department. Our goal this year is to fully understand the budget and operating needs of the facility, including staffing resources. Concurrently, DNR is making needed capital improvements to the marina to ensure it's safe and accessible for the public. After this first year, we will evaluate whether we can continue to manage the marina internally, or seek an appropriate external management partner.

### 4. Audit Identifies Incomplete Revenue Transfers to Mel Noland Woodland Incentive Fund

**Pg 29:** DLS recommends that DNR comment on the status of recovering the \$430,225 that should have been transferred to the Mel Noland Woodland Incentive Fund.

**Agency Response:** Over the past several months, the Department of Natural Resources (DNR), the Comptroller's office, and the Maryland Department of Assessments and Taxation (SDAT) have worked together to address a finding related to the Mel Noland Woodland Incentives and Fellowship Fund within the April 2025 audit report from the Office of Legislative Audits (OLA).

Since the audit report, numerous meetings have been held between DNR, SDAT, and the Comptroller's Office to clarify the roles and responsibilities of each agency in the process, understand the reason for the adverse audit finding, and ensure all required revenue is deposited into the Fund. Through these discussions, the Comptroller's Office has indicated that they have transferred all woodlands tax collections to DNR as required under § 13-306 of the Tax Property Article. The Comptroller's Office and SDAT have provided potential reasons for the discrepancies between the SDAT report of woodland property transfers and the amount of woodland transfer tax remitted by the counties to the Comptroller's Office. In July 2025, SDAT updated its assessment forms to more clearly identify agricultural versus woodland parcels and took steps to improve coordination with county treasurers.

This interagency coordination has helped enhance oversight of woodland tax collection, and DNR, SDAT, and the Comptroller's office are committed to working together to further refine and clarify this process to ensure the proper amount of revenue is deposited into the Woodland Incentives and Fellowship Fund. DNR has asked the Audit and Finance Compliance Unit (AFCU) of DBM to facilitate future meetings while we work to resolve this finding.

5. Climate Pollution Reduction Grants Funding Clarity Provided

**Pg 30:** DLS recommends that DNR comment on how it intends to use the \$42.5 million over the five-year period that it is receiving through MDE's subaward as part of the Atlantic Conservation Coalition.

**Agency Response:** DNR is the fortunate sub-recipient of an EPA Climate Pollution Reduction Grant. We have been awarded \$42.5 million to implement natural climate solutions on Maryland's mid and lower eastern shore. DNR's portion of this award is called Roots for Resilience and we have committed to:

- 500 acres of afforestation
- 1000 acres of improved forestry management
- 600 acres of wetland restoration
- 400 acres of marsh protected by living shorelines
- Development of 100 Coastal Resilience Management Plans in partnership with private landowners

These deliverables will be achieved via subaward agreements with Audubon Mid-Atlantic, Lower Shore Land Trust, and Eastern Shore Land Conservancy, grants awarded to construct living shorelines that protect significant marsh acreage, and competitively awarded contracts. Grant deliverables must be complete by August 2029.

## Operating Budget Recommended Actions

1. Adopt the following narrative:

**Pg 33: Summary of Chesapeake Bay Restoration Spending:** The committees request that the Department of Budget and Management (DBM), the Department of Natural Resources (DNR), and the Maryland Department of the Environment (MDE) provide a report on Chesapeake Bay restoration spending. The report shall be drafted subject to the concurrence of the Department of Legislative Services (DLS) in terms of both electronic format to be used and data to be included. The scope of the report is as follows: Chesapeake Bay restoration operating and capital expenditures by agency, fund type, and particular fund source based on programs that have over 50% of their activities directly related to Chesapeake Bay restoration for the fiscal 2026 actual, fiscal 2027 working appropriation, and fiscal 2028 allowance to be included as an appendix in the fiscal 2027 budget volumes and submitted electronically in disaggregated form to DLS.

**Agency Response:** Concur. The Department notes that this content would be included in the next recommended action, we propose consolidating these reports.

2. Adopt the following narrative:

**Pg 33-34: Historical and Projected Chesapeake Bay Restoration Spending:** The committees are interested in the status of Chesapeake Bay restoration. Therefore, the committees request that the Maryland Department of Planning (MDP), the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), the Maryland Department of the Environment (MDE), and the Department of Budget and Management (DBM) provide a report by December 1, 2026, on recent and projected Chesapeake Bay restoration spending and associated impacts and the overall framework to meet the calendar 2025 requirement of having all best management practices (BMP) in place to meet water quality standards for restoring the Chesapeake Bay. The report is requested to include the following:

- fiscal 2026 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries to be submitted electronically in disaggregated form to the Department of Legislative Services (DLS);
- projected fiscal 2027 to 2028 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries to be submitted electronically in disaggregated form to DLS;
- an overall framework discussing the needed regulations, revenues, laws, and administrative actions and their impacts on individuals, organizations, governments, and businesses by year from fiscal 2026 to 2027 on the way to reaching the calendar 2040 requirement of having all BMPs in place to meet water quality standards for restoring the Chesapeake Bay, to be both written in narrative form and tabulated in spreadsheet form that is submitted electronically in disaggregated form to DLS;
- an analysis of the various options for financing Chesapeake Bay restoration, including public-private partnerships, a regional financing authority, nutrient trading, technological developments, and any other policy innovations that would improve the effectiveness of Maryland and other states’ efforts toward Chesapeake Bay restoration;
- an analysis on how cost effective the existing State funding sources, such as the Bay Restoration Fund, the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund, the Water Quality Revolving Loan Fund, the Clean Water Commerce Account, and the Whole Watershed Fund among others are for Chesapeake Bay restoration purposes; and
- updated information on the Phase III Watershed Implementation Plan implementation and how the loads associated with the Conowingo Dam infill, growth of people and animals, and climate change will be addressed.

**Agency Response:** Concur with DLS recommendation. DNR agrees that it is appropriate and is very willing to submit a report to DLS summarizing Maryland’s Chesapeake Bay funding and restoration progress to date, current status and future plans. However, the current format of this report has been in place for well over a decade, requires a tremendous amount of staff resources, and appears to be a limited application. The Administration respectfully requests a scaled back report consisting of the following 4 components which we feel will be both a more useful report for the committees and DLS, and will represent a better use of limited staff resources:

1. Fiscal 2026 annual spending and projected fiscal 2027 and 2028 annual spending by fund source.
2. Status of Maryland’s progress on each of the Outcomes committed to in the Chesapeake Bay and Watershed Agreement, with explanation of challenges and proposed next steps on those for which Maryland is behind schedule.
3. Whole Watershed Act Funding Report - incorporate requested report identified on page 36 of the analysis.
4. Other bay related issues of interest / concern which the administration would like to bring to the committees’ attention.

The Administration is willing to work with DLS on specific language.

3. Adopt the following narrative:

**Pg 35: Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Annual Work and Expenditure Plans:**

The committees are concerned that Section 8-2A-03(d) of the Natural Resources Article requires the Governor to submit the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans to the General Assembly as part of the annual budget submission, but the Governor has not done so on a regular basis. Therefore, the committees request that the Department of Natural Resources (DNR) submit the Chesapeake and

Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans with the fiscal 2028 budget submission.

**Agency Response:** DNR will continue to submit this report as required.

4. Adopt the following narrative:

**Pg 36: Whole Watershed Act Funding Report:** The committees recognize the importance of the communication process for successful implementation of the Whole Watershed Act. Therefore, the committees request that the Department of Natural Resources (DNR), in cooperation with its partner BayStat agencies, submit a report with the fiscal 2028 allowance describing the Whole Watershed Act funding by amount and source; the status of each project; the use of the fiscal 2027 and 2028 funding since the request for proposals is every five years; how projects will be funded over multiple years assuming uncertain appropriations to the Whole Watershed Fund each fiscal year; and preliminary outcomes of the projects selected, including State support provided to project sponsors, nutrient and sediment reductions, and any other relevant co-benefits. The report is requested to be submitted with the Governor’s fiscal 2028 budget submission.

**Agency Response:** Concur. DNR will incorporate this information into the “Historical and Projected Chesapeake Bay Spending Report” described above.