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Boyd K. Rutherford, Lt. Governor
Mark J. Belton, Secretary
Mark L. Hoffman, Acting Deputy Secretary

MDOT / DNR Oyster Recovery Agreement

FY 2016 Work Plan

July 28, 2015

Budget Amount - \$2.0 million

Work Plan

1) Public Fishery Program – Total \$1.2 million

- A. \$800,000 – County Oyster Committees. Funds allocated evenly among the tidal counties for implementing in-water oyster projects. DNR will consult with each County Oyster Committee to obtain recommendations for their annual work plan and administer the implementation of final approved projects that are biologically, ecologically and economically sustainable.
- B. \$400,000 – Oyster Fishery Management¹. Support public oyster fishery management and monitoring. This funding is DNR's primary source of funding supporting the public oyster fishery. Specifically, two staff are 100% dedicated and funded through this category, as are ten staff that devote up to 35% of their time on public oyster fishery management. Major staff duties include processing, conducting quality assurance – quality control procedures, and analysis on harvest data, administering the county oyster committees, managing and monitoring planting activities, responding to public requests about oyster harvest, harvest regulations, harvest analysis, and open harvest area boundaries, and monitoring public oyster bars for population and disease assessment. Beyond industry dedicated staff, other significant costs within this category include industry program printing costs of annual oyster closure booklets that each oyster surcharge holder signs receipt of to ensure knowledge of oyster closure areas, buoy marking services to establish oyster areas according to regulations, survey boat fuel and maintenance, and field equipment.

2) Sanctuary Program – Total \$600,000

- A. \$200,000 – In-water restoration. Support the production and planting of hatchery seed in sanctuaries.
- B. \$400,000 – Sanctuary Program Administration. These funds support the management, monitoring, and citizen/stakeholder outreach activities essential to Maryland's oyster sanctuary program and fulfillment of the Chesapeake Bay Program 2014 Agreement. Specifically, ten staff that devote up to 55% of their time on sanctuary management. Staff duties include assessment of oyster populations within sanctuaries, development and implementation of restoration plans (including determining locations for reef construction and oyster seeding), coordination with federal,

¹ The cost recovery analysis incorporated the MDOT funding as a revenue source thus it was included in the analysis showing the shortfall of the commercial industry. Cost recovery was calculated for the commercial fishery as a whole; not for specific species or fisheries. Even with the MDOT revenue and the 2013 license fee increase, the commercial industry has not achieved cost recovery. General funds (tax dollars) are still needed to pay commercial industry costs. Because MDOT revenue was included in the cost recovery analysis which was calculated for the entire commercial industry, MDOT funds and license increases do not result in double funding for DNR.

academic, and non-profit partners, and responding to public requests concerning sanctuaries. Funds will also be used to conduct surveys that monitor oyster bars in sanctuaries to assess oyster population size, growth, disease, mortality, shell volume, and other environmental parameters. These surveys include the some sites within the Annual Fall Oyster Survey and the independent patent tong surveys. Funds will be used for boat fuel and maintenance, and field equipment associated with these surveys.

3) Aquaculture Program – Total \$50,000

Continue to build on efforts to develop private oyster culture as a part of a comprehensive oyster fishery through a competitive industry loan program administered by the Maryland Agriculture Resource Based Industry Development Organization (MARBIDCO). Oystermen and/or industry cooperatives will be allowed to apply and compete for funding within the Shellfish Aquaculture Loan Program and the Remote Setting Loan Program. MARBIDCO will administer these loan programs that will include a partial subsidy, low interest rate and payment schedule that is aligned with production schedule, and revolving program based on the repayment of loans. Preference for loans will be given to commercial oystermen and to those who possess a valid Maryland commercial fishing authorization.

4) Demonstration Projects and Monitoring – Total \$150,000

A key component of all these efforts is to demonstrate progress and ensure that Maryland's efforts at restoring the State's oyster population and industries are guided by sound science. Two projects in FY16 will meet that need. Exact amount devoted to each is still being determined, but will not exceed \$150,000 in total. Ten staff devote up to 10% of their time on demonstration projects and monitoring. If funds remain after fulfilling these two efforts, consideration will be given to re-allocate remaining funds to the County Oyster Committees for in-water projects (Project 1A above).

- Provide funding to assist monitoring of power dredging and fresh shell demonstration projects that resulted from discussions in the 2014 Maryland General Assembly, monitor public oyster fishery areas to assess cost / benefit of MPA investment, and monitor sanctuaries to develop targeted restoration plans and assess performance towards achievement of the Chesapeake Bay Program's 2014 Agreement.
- Funds will also support the production of the Five Year Review of Sanctuary/Restoration, Public Fishery, Aquaculture programs. The Department is committed to submitting a scientifically robust five year review of each of these components by July 2016. Doing so will require contracting with an independent review committee to provide guidance, review progress, and make recommendations for future actions. This is not intended to be an annual funding need, but rather one that will need to be met only once every five years.

Benefit to the Public Oyster Fishery

A total of \$1.2 million will directly benefit the oyster industry Public Fishery Program. The industry will also benefit from the \$150,000 for demonstration projects and monitoring as this will help assess performance of management strategies and facilitate adaptive management, and from the \$600,000 for the Sanctuary Program recognizing these restoration efforts are designed to increase oyster abundance in both sanctuaries and harvest areas. Increased abundance of brood stock within sanctuary areas may enhance populations in nearby public oyster fishery areas through spat sets.

FY 2016 Proposed Modifications from FY 2015

DNR proposes re-aligning \$50,000 from the Demonstration projects back to support of the MARBIDCO remote setting program loan program under Aquaculture. This was removed from the FY15 plan because sufficient balance remained in the MARBIDCO budget and no applications were in process. DNR proposes returning \$50,000 to this program for FY16 because the Remote Setting Training Program run by the Oyster Recovery Partnership / University of Maryland is scheduled to end in 2016. Once the training programs are complete, DNR anticipates significant increase in demand for funding to establish private remote setting systems using the MARBIDCO loan funds. Additionally, DNR has implemented a program where private producers of spat on shell can produce for public fishery areas requested by the county oyster committees, which increases business opportunities for private producers. Finally, DNR is currently working on final monitoring and analyses for the Five Year Review of oyster Sanctuary / Restoration, Public Fishery and Aquaculture Programs. Funds from Project 4 will be used to support this work, including engaging independent experts to provide guidance and review of the report.

Estimated FY 2016 Budget

Estimated FY2016 Budget using Maryland Department of Transportation (MDOT) funding by Maryland Department of Natural Resources, Shellfish Program.			
Section	Section Title	Tasks	Estimated Amount
1A	Fishery Program - County Committees	Planting on public harvest areas	\$800,000
1B	Fishery Program - Oyster Management	DNR Staff	\$330,000
		Harvest Data Entry (Buy Tickets and Monthly Harvester reports)	\$14,000
		Monitoring Public Bars - Fall Survey	\$24,000
		Annual Oyster Closure Books	\$12,000
		Operational Costs	\$20,000
2A	Sanctuary - In Water Restoration	Planting on sanctuaries	\$200,000
2B	Sanctuary Program Administration	DNR Staff	\$335,000
		Monitoring Sanctuary Bars - Fall Survey and Patent Tong Surveys	\$40,000
		Operational Costs	\$25,000
3	Aquaculture Program	MARBIDCO - Aquaculture Loans and Remote Setting	\$50,000
4	Demonstration Projects & Monitoring	DNR Staff	\$58,000
		Operational Costs	\$5,000
		Swan Point Demo Project - Monitoring	\$3,000
		Goose Creek Demo Project - Monitoring	\$2,000
		5yr Dredge Demo Project - Monitoring	\$2,000
		Independent Peer Review Group Consultants 5Yr Oyster Review Report	\$80,000
Total			\$2,000,000

* Monitoring costs include boat fuel, boat maintenance, equipment, travel, and other expenditures that are not staff time

*Operational Costs include computers, software, phones, electric, propane, printing and publication, buoy marking services, and other similar types of expenditures