

# Chesapeake Bay and Water Resources Policy Committee

January 17, 2025

## MD/VA 2025 General Assembly Legislative Update

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AQUALAW

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# **MD 2025 General Assembly Session**

Source: flickr: mikeporterinmd

# Dates of Interest



## 💧 **2025 Session Dates**

- ~Jan. 8, General Assembly convenes
- ~Jan. 15, Deadline for Budget Introduction
- ~Feb. 3, Senate Bill Introduction Date
- ~Feb. 7, House Bill Introduction Date
- ~March 17, Crossover
- ~March 31, Budget to Be Passed By Both Chambers
- ~April 7, Adjournment Sine Die
- ~May 27, Governor to Sign Bills by This Date

## 💧 **Dems in Control of Both Houses**

- ~31-13 in Senate, 101-39 in House
- ~With a Democratic Governor

# State Budget

## 💧 **From the Baltimore Sun (1/12/25)**

~“Maryland Gov. Wes Moore is about to face his most formidable challenge yet, one that has deep implications for the rest of his term and beyond.”

## 💧 **Governor Trying to Find \$2 B in Cuts**

~“The spending we have in the state has just absolutely exploded, and we have no data to show measurements of efficacy as to how that capital was used. We’ve got to be serious about this.”

~Press suggested he was considering reducing spending on climate change programs/goals (will MD have a federal partner on this spending?)



# Environmentalists' Response



## 💧 **Concerned About Potential Cuts to Climate Change Programs**

- ~State currently has a very aggressive climate change policy
- ~Climate Solutions Now Act of 2022 set into motion work on Climate Pollution Reduction Plan (Dec. 2023)
- ~Calls for Net-Zero Greenhouse Gas (GHG) emissions by 2045

## 💧 **Governor Should Support “Number One Climate Bill”**

- ~HB 128 (Fraser-Hidalgo)/SB 149 (Hester)
- ~Responding to Emergency Need from Extreme Weather (RENEW) Act of 2025
  - ~HB 128 is with Econ. Matters and E&T (Hrg. 1/23 at 1 PM with Econ. Matters)
  - ~SB 149 is with EEE (No Hrg. Scheduled Yet)



# (RENEW) Act of 2025 (cont.)

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## 💧 **Climate Change Adaptation and Mitigation Program**

- ~MDE to secure payments from fossil fuel businesses
- ~Liability would be strict (without regard to fault)
- ~Money would be used for Climate Change Adaptation and Mitigation Fund
- ~Fund could be used for stormwater or sewer system upgrades; relocating, elevating, or retrofitting wastewater treatment plants; responding to toxic algae blooms

## 💧 **State Can Impose Cost Recovery**

- ~On Responsible Party (engaged in trade or business of extracting fossil fuel or refining crude oil) from March 21, 1994-Dec. 31, 2023
- ~Entity must be responsible for more than 1 Billion tons of covered GHG

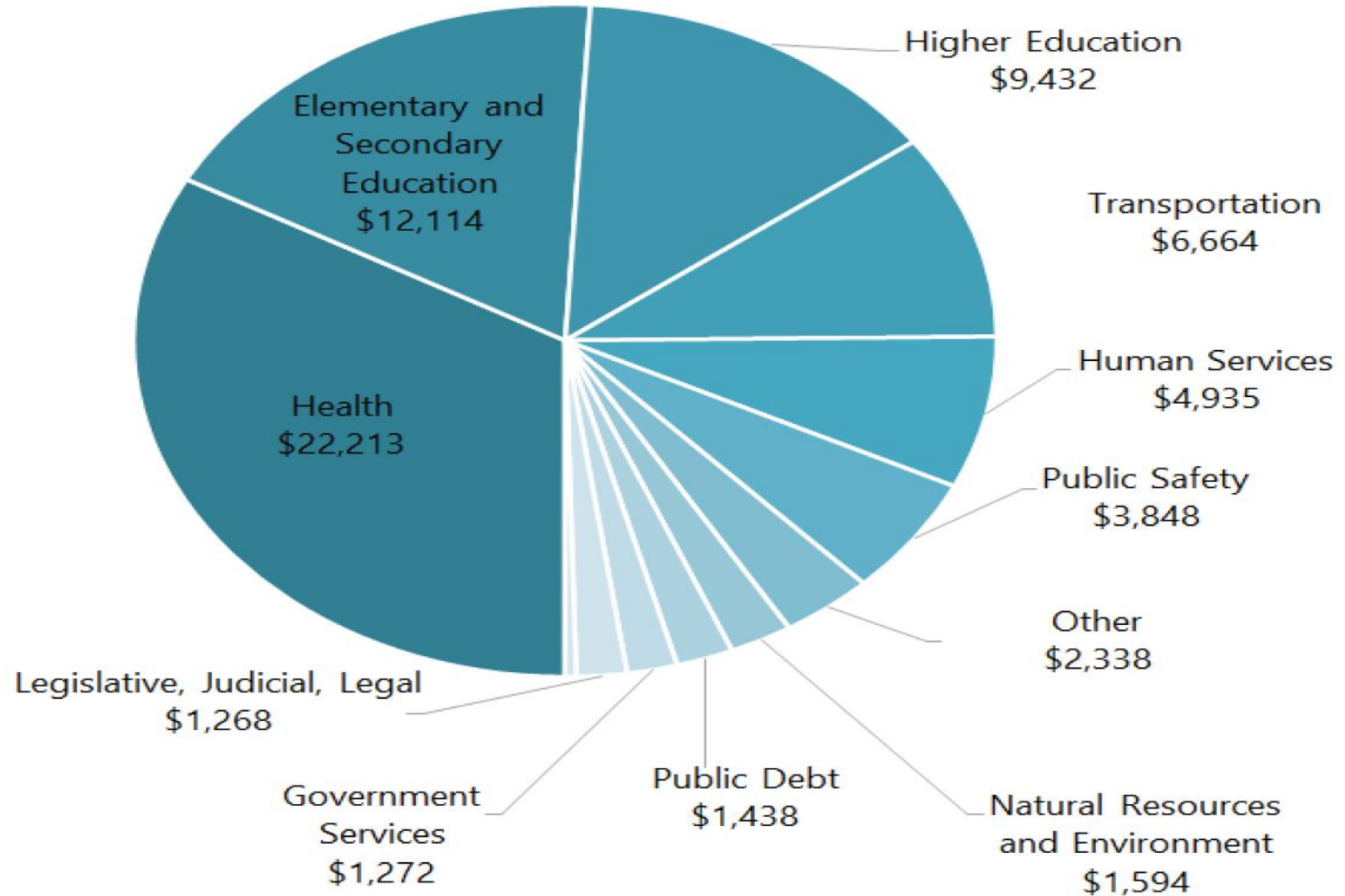
# Governor's Proposed Budget\*



- ♦ **Some Environmental Programs Local Utilities Rely On Are Stable**
    - ~Very little change from SFY25 for Clean Water Revolving Loan Fund ( $\approx$  \$203.3 M)
    - ~Same in Drinking Water Revolving Loan Fund ( $\approx$  \$129 M)
  - ♦ **However, Others See Cuts**
    - ~Bay Restoration Fund (BRF) for wastewater plant upgrades
    - ~From \$66.2 M in SFY24 to \$60 M in SFY 25 to \$50 M in SFY26
  - ♦ **Governor Touts New Investments**
    - ~For the Strategic Energy Investment Fund to implement Climate Pollution Reduction Plan
    - ~\$180 M as compared to \$90 M in SFY25 budget
- ~\* Caveat: Budget released 1/15/25; still under review



# EXPENDITURES





Expenditures (\$ in millions)	FY 2024	FY 2025	FY 2026	Percent change '26 over '25	Percent of Total Expenditures in '26
Health	21,084	22,519	22,213	-1%	33%
Elementary and Secondary Education	11,444	11,469	12,114	6%	18%
Higher Education	8,978	9,208	9,432	2%	14%
Transportation	5,765	6,482	6,664	3%	10%
Human Services	4,545	5,044	4,935	-2%	7%
Public Safety	3,642	3,790	3,848	2%	6%
Other	2,232	2,296	2,338	2%	3%
Natural Resources and Environment	1,774	1,604	1,594	-1%	2%
Public Debt	1,433	1,527	1,438	-6%	2%
Government Services	1,184	1,467	1,272	-13%	2%
Legislative, Judicial, Legal	1,167	1,212	1,268	5%	2%
Reserve Fund	1,394	241	276	15%	0%
Estimated Reversions		(261)	(81)		
<b>Total Expenditures</b>	<b>64,641</b>	<b>66,599</b>	<b>67,313</b>	<b>1%</b>	

## Appendix L

### Chesapeake Bay Restoration Activities Funded in the Budget

#### Total Funds

	FY 2024 Actual	FY 2025 Appropriation	FY 2026 Allowance	Percent Change From 2025-2026
Department of Natural Resources	113,395,843	139,231,275	146,354,713	5.1%
Program Open Space	106,233,129	17,638,450	15,000,000	-15.0%
Rural Legacy	33,424,164	15,329,028	14,383,552	-6.2%
Department of Planning	6,729,792	8,873,985	7,162,303	-19.3%
Department of Agriculture	65,775,334	63,738,116	71,667,934	12.4%
Maryland Agricultural Land Preservation Foundation	97,505,036	39,514,639	36,751,696	-7.0%
Maryland Department of the Environment	409,806,530	368,288,636	353,149,877	-4.1%
Maryland State Dept of Education	743,515	743,515	743,515	0.0%
Maryland Higher Education	30,824,498	36,233,006	67,732,538	86.9%
Maryland Department of Transportation	255,201,300	336,027,706	237,642,800	-29.3%
<b>Total</b>	<b>1,119,639,141</b>	<b>1,025,618,356</b>	<b>950,588,929</b>	<b>-7.3%</b>

	FY 2024 Actual	FY 2025 Appropriation	FY 2026 Allowance	Percent Change From 2025-2026
General Fund	74,614,316	60,761,306	55,072,212	-9.4%
Special Fund	615,412,783	445,729,283	431,351,676	-3.2%
Federal Fund	97,613,410	110,505,879	120,188,383	8.8%
Reimbursable Funds	32,070,834	31,361,176	30,601,319	-2.4%
Current Unrestricted	8,230,689	10,840,105	42,665,435	293.6%
Current Restricted	22,593,808	25,392,901	25,067,103	-1.3%
GO Bonds	13,902,000	5,000,000	8,000,000	60.0%
MDOT	255,201,300	336,027,706	237,642,800	-29.3%
<b>Total</b>	<b>1,119,639,141</b>	<b>1,025,618,356</b>	<b>950,588,929</b>	<b>-7.3%</b>

#### Spending Category

	FY 2024 Actual	FY 2025 Appropriation	FY 2026 Allowance	Percent Change From 2025-2026
Land Preservation	238,618,786	76,400,386	67,662,306	-11.4%
Septic Systems	23,169,792	25,373,985	23,662,303	-6.7%
Wastewater Treatment	325,598,140	282,217,978	267,255,184	-5.3%
Urban Stormwater	46,089,717	60,618,069	56,268,119	-7.2%
Agricultural BMPs	92,588,049	84,788,116	92,417,934	9.0%
Oyster Restoration	7,863,037	4,768,025	5,578,467	17.0%
Transit & Sustainable Transportation Alternatives	220,560,090	280,579,852	191,117,807	-31.9%
Living Resources	64,049,063	97,493,016	101,782,660	4.4%
Education and Research	31,773,597	37,257,940	68,761,753	84.6%
Other	69,328,871	76,120,988	76,082,396	-0.1%
<b>Total</b>	<b>1,119,639,141</b>	<b>1,025,618,356</b>	<b>950,588,929</b>	<b>-7.3%</b>

Note: This presentation only includes state agency programs that have more than 50% of their activities directly related to Chesapeake Bay Restoration.

# Other Bills of Interest: SB 35 (Ellis)

- 💧 **Municipal Appointees and Employees- Financial Oversight- Required Education and Experience**
  - ~Would amend Local Government Article
  - ~To impose new requirements on municipal employees (not county employees)
- 💧 **Would Apply To Municipalities**
  - ~When appointing, hiring, or continuing to employ an individual
  - ~As a comptroller, treasurer, or other appointee or employee responsible for
    - ~Financial oversight of the municipality
    - ~Managing the funds of the municipality or
    - ~Maintaining and preparing accounting, budget, and financial reports for the municipality

# SB 35 (Ellis) (cont.)

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## 💧 **Covered Employee Must Have**

- ~27 hours of accounting courses
- ~B.A. or higher in Accounting, Business Administration, Finance, Public Administration, or a Related Field
- ~At least 5 years of full-time employee in Accounting or Finance or related field with 3 years in leadership role

## 💧 **Municipality Responsibilities**

- ~Establish continuing education requirements for covered employees
- ~Keep records of employee qualifications
- ~Report to Legislative Auditor on covered employees

# SB 250 (Chair, for Governor)

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## 💧 **Department of the Environment- Fees, Penalties, Funding, and Regulation**

- ~Would amend multiple parts of the Environment Article
- ~Goal is to increase fees, charge new fees for MDE administration of certain programs

## 💧 **Focus of Attention in Previous GA Sessions**

- ~For FY23, GA added a deficiency appropriation of \$1.5 M
- ~For Maryland Clean Water Fund, Lead Poisoning Prevention Fund, Maryland Clean Air Act Fund
- ~Pressure on MDE to increase fees, fines, and penalties
- ~Details of interest to local wastewater, stormwater managers in slides below



# Fee for E&S Responsible Personnel (RP)

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## 💧 **Current Law**

- ~ Defines RP as “any foreman, superintendent, or project engineer who is in charge of on-site clearing and grading operations or sediment control associated with a construction project.”
- ~ Does not appear to exempt locality employees serving as RP
- ~ Certification is required; good for 3 years and automatically renewed

## 💧 **New Text**

- ~ Authorizes MDE to establish a fee for certification by regulation
- ~ No specific dollar amount mentioned in legislation
- ~ Fees would be deposited into Maryland Clean Water Fund

# Dam Safety Permits Fees



## 💧 **Current Law**

- ~ Requires an MDE permit for anyone who is going to work on a reservoir, dam, or waterway obstruction (e.g., construct, reconstruct, repair)
- ~ Some smaller dams are exempt (must meet list of criteria, for ex., must be low hazard)

## 💧 **New Text**

- ~ Authorizes MDE to establish a fee before issuance of a dam safety permit
- ~ No reference in text to how much the fee might be, but would cover MDE's cost to administer the permit

# Dam Safety Registration Fees



## 💧 **Brand New Proposal**

- ~To require each dam owner to register their dams each year with MDE
- ~To register would have to submit application and pay a registration fee

## 💧 **No Reference in Text to Fee Amount**

- ~MDE would establish by regulation
- ~Would base the fee on the dam hazard classification

## 💧 **Very Few Exemptions**

- ~In current text, only the federal government would be exempt for its dams

# Water Advisory Day

## 💧 **Wastewater, Stormwater, Drinking Water Sectors**

- ~Discussing potential advocacy event in Annapolis
- ~During 2025 GA Session (perhaps in early March?)

## 💧 **Would Raise Significant Topics of Interest**

- ~Affordability
- ~Lack of Funding
- ~Continuing Unfunded Federal Mandates
- ~Develop 1-Pager to leave with GA Members and Staff





# VA 2025 General Assembly Session

A marching band in historical uniforms, including dark jackets with red facings and buff breeches, is marching down a paved street. They are carrying several flags: the United States flag, a large rainbow flag, and a blue flag with yellow and red stripes. The band is surrounded by a large crowd of people, some sitting on the grass and others standing. The background features trees and a brick building.

Source: Flickr: Mobilus in Mobili



# Governor's Executive Directive Ten



- ♦ **Issued by Governor Youngkin on Dec. 5, 2024**

- ~Available here:

- [~https://www.governor.virginia.gov/media/governorvirginiagov/governor-of-virginia/pdf/ed/ED-10---Positioning-the-Commonwealth-of-Virginia-for-Continued-Success-in-Chesapeake-Bay-Restoration-Efforts---FINAL.pdf](https://www.governor.virginia.gov/media/governorvirginiagov/governor-of-virginia/pdf/ed/ED-10---Positioning-the-Commonwealth-of-Virginia-for-Continued-Success-in-Chesapeake-Bay-Restoration-Efforts---FINAL.pdf)

- ♦ **Secretary of Natural and Historic Resources**

- ~Must take certain steps to address E.D. 10

- ~See slide below

## Directive

Accordingly, pursuant to the authority vested in me as the Chief Executive Officer of the Commonwealth, and pursuant to Article V of the Constitution and the laws of Virginia, I hereby direct the Secretary of Natural and Historic Resources and the relevant agencies he oversees to do the following:

- I. Take a leadership role in amending the Chesapeake Bay Watershed Agreement with a focus on measurable and attainable results. The Secretary shall conduct a review of the Goals and Outcomes under the 2014 Chesapeake Bay Watershed Agreement to inform the Commonwealth's active participation and decisions throughout the Chesapeake Bay Program Partnership Beyond 2025 Phase II process. This review shall include determining to what extent each outcome aligns with the administrative goals and legislative mandates of the Commonwealth and how the Chesapeake Bay Program Partnership provides value in these areas.
- II. Reevaluate and assess all investments in the Bay. This shall include an evaluation of historic and current funding mechanisms, including all water quality improvement funds, to ensure they are the most effective way to drive progress and to prioritize support for programs with proven results. Such a review shall, at a minimum: (i) describe the intended purpose, function, and target recipient of each fund; (ii) provide up to 10 years of revenues and expenditures for each fund; and (iii) identify any overlaps and gaps in existing funding mechanisms. This undertaking should also include partnering with the private sector to ensure grant funds received by entities in the Commonwealth are being directed towards the most needed areas and efforts are not being duplicated.

- III. Develop streamlined guidance for available agriculture and forestry conservation resources, in conjunction with the Secretary of Agriculture and Forestry, to assist farmers and landowners in implementing water quality best management practices. Relevant state agencies shall prioritize and coordinate as needed with the agriculture industry and non-governmental organizations to identify the number of best management practices that are occurring on the ground but not being counted in the Chesapeake Assessment Scenario Tool of the Watershed Model.
- IV. Launch strategic initiatives focused on the holistic, science-based protection of living resources. This shall include the establishment of a **Statewide Wetlands Technical Team**, led by the Department of Wildlife Resources. The Team shall work to improve coordination and communication around wetlands restoration and creation and provide recommendations related to wetland tracking, strategic planning, capacity building, and sustainable funding, including partnerships that leverage private sector investment. This shall also include the establishment of a **Blue Ribbon Oyster Panel**, led by the Virginia Marine Resources Commission, to address present challenges and future hazards inherent in managing this invaluable natural resource, safeguarding long-term sustainability and enhancement. This shall also include ensuring a comprehensive and forward-looking management framework for Virginia's blue crab population.

# VA Legislative Session



## 💧 **2025 Session Dates**

- ~Jan. 8, General Assembly Convenes
- ~Jan. 17, Bill Cut-Off Date
- ~Feb. 4, Crossover
- ~Feb. 22, Session Adjourns Sine Die

## 💧 **Dems in Control of Both Houses**

- ~21-19 in Senate, 51-49 in House
- ~With a Republican Governor

# Grant Funding



## 💧 **Wastewater and Stormwater Programs Need Funding**

- ~To continue the excellent environmental work they do in the State
- ~See slides below for results of 2024 SLAF and WQIF Needs Assessment

## 💧 **Governor's Proposed Budget Amendments**

- ~Includes \$0 for stormwater projects (SLAF)
- ~Includes \$17.39 M for WQIF to implement Enhanced Nutrient Removal Certainty Program
- ~Includes \$50 M for City of Richmond's CSO project
- ~Moves all \$400 M in bond funds for WQIF to FY25 (previously \$200 M for each year)



# Senate: Proposed Amendments

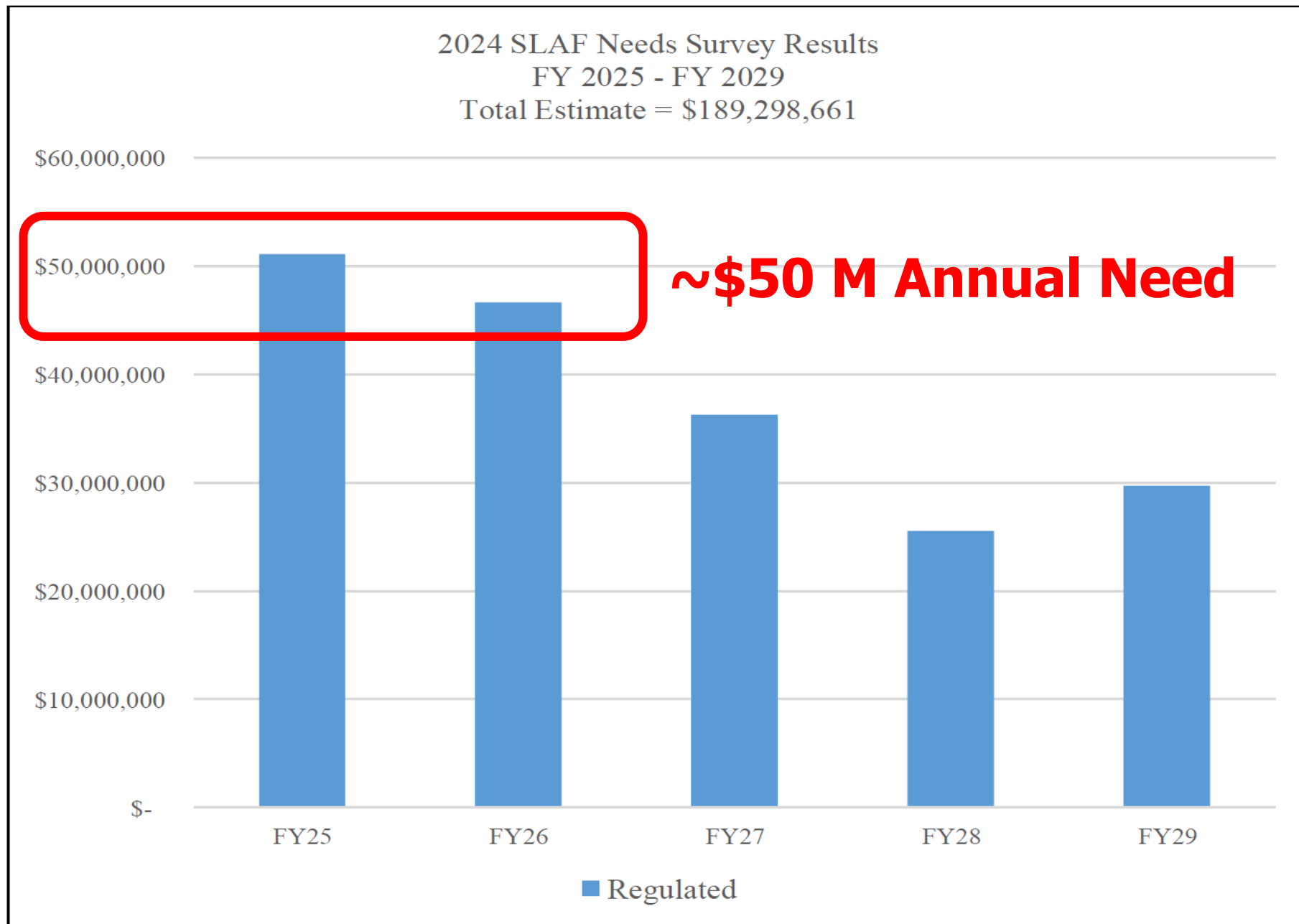


## 💧 Wastewater

- ~Adds \$50 M for City of Alexandria's CSO Program
- ~Adds \$10 M for City of Virginia Beach infrastructure projects
- ~Adds \$50 M in year one and \$150 M in year two for City of Richmond CSO Program

## 💧 Stormwater

- ~Adds \$50 M for SLAF
- ~Adds \$50 M for City of Norfolk Coastal Storm Risk Management project



**Figure 4.1: 2024 SLAF Needs Survey Results (FY 2025 – 2029)**

**Table 4.1: 2024 SLAF Needs Survey Results**

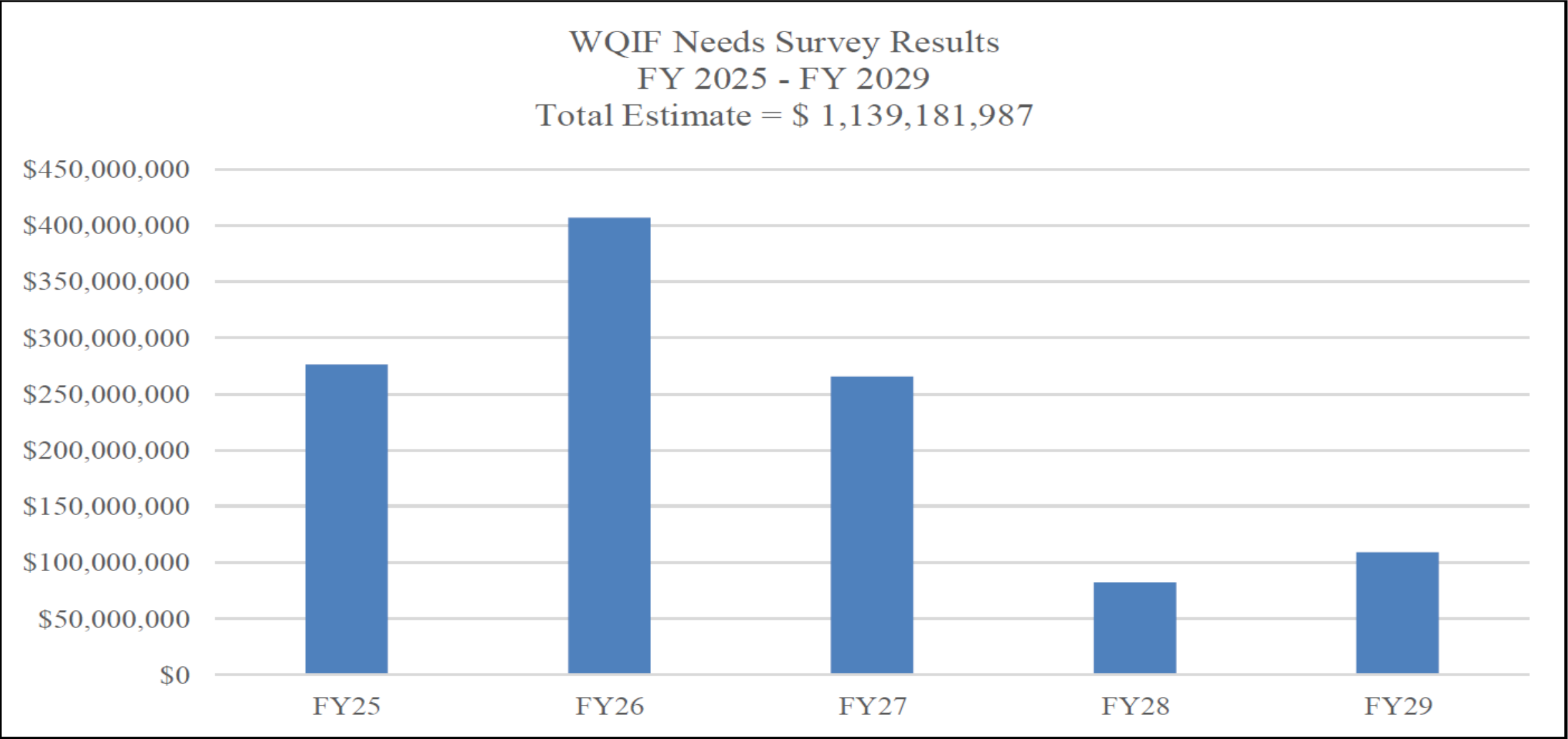
<b>Applicant</b>	<b>2025</b>	<b>2026-2027 Biennium</b>		<b>2028-2029 Biennium</b>		<b>Total Need</b>
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	
Regulated	\$51,140,773	\$46,619,275	\$36,289,260	\$25,545,353	\$29,704,000	\$189,298,661
Unregulated*	\$0	\$0	\$0	\$0	\$0	\$0
FY Totals	\$51,140,773	\$46,619,275	\$36,289,260	\$25,545,353	\$29,704,000	\$189,298,661
<b>TOTALS</b>	<b>\$51,140,773</b>	<b>\$82,908,535</b>		<b>\$55,249,353</b>		<b>\$189,298,661</b>

\*No responses were received from the unregulated sector.

**Table 3.1: Current WQIF Account Balance and Estimated WQIF Shortfall (FY 2025 – FY 2029)**

Unobligated WQIF balance	\$500 million
WQIF Application Future Obligations (based on estimated grant amounts in applications)	(\$994 million)
WQIF Additional Future Obligations (based on estimated grant amounts in the needs survey)	(\$18 million)
<b>Current Estimated WQIF Shortfall</b>	<b>(\$512 million)</b>

**FY 2024 CHESAPEAKE BAY AND VIRGINIA WATERS CLEAN-UP PLAN**



**Figure 3.1: WQIF Needs Survey Results (FY 2025 - 2029)**



# Chesapeake Bay Related Bills



## 💧 **VIMS/Study of Surface Water Intakes**

- ~HB 1908 (Kent, et al): Directs VIMS to study cumulative impacts of surface water intakes on aquatic fauna and water quality in the Bay and its major tributaries
- ~Impacts shall be determined “by quantifying any acceleration of upriver salinity migration beyond that which is naturally occurring due to sea level rise.”
- ~Same as SB 930 (Stuart)

## 💧 **Requirements Outside of the Bay Watershed**

- ~HB 2212 (O’Quinn): Outside of the Bay Watershed, DEQ will apply stormwater regulations in place before July 1, 2014
- ~Also introduced as SB 1365 (Pillion)

# Chesapeake Bay Related Bills (cont.)



- ♦ **Signed and Sealed Plans in Lieu of Plan Review**

- ~HB 2331 (Hodges): Allows locality subject to Chesapeake Bay Preservation Act to accept plans prepared by a licensed professional for land-disturbing activities between 2,500 square feet and one acre

# Other Bills of Interest



- 💧 **Coastal Storm Study Cost Allocation**

- ~HJ 434 (Feggans): JLARC study of non-federal sponsor contributions by localities to conduct coastal storm risk management studies

- 💧 **Coastal Storm Study Cost Allocation (Part 2)**

- ~SB 1337 (Marsden): Office of Commonwealth Resilience study of non-federal sponsor contributions to conduct coastal storm risk management studies

# Other Bills of Interest (cont.)



## 💧 **Recurrent Flooding**

- ~HJ 437 (Convirs-Fowler): Reestablishes the Joint Subcommittee on Recurrent Flooding Through 2026

## 💧 **Dam Safety Act**

- ~HB 2000 (Laufer): Amends various provisions of the Dam Safety Act
- ~Including concerning language about actions in response to unsafe dams
- ~See slide below

388 found to constitute an imminent danger to life or property shall take immediate corrective  
389 action. If the owner does not take appropriate and timely action to correct the danger found,  
390 the Governor shall have the authority to take immediate appropriate action, without the  
391 necessity for a hearing, to remove the imminent danger. Upon receiving authority from the  
392 Governor to take immediate appropriate action, the Department shall notify the local  
393 government for a dam located within the locality. If the locality is able to take appropriate and  
394 timely action to minimize the danger posed by the imminent failure, the Director shall issue an  
395 administrative order to the locality defining the actions the locality must take. The Attorney  
396 General may bring an action against the owner of the impounding structure for the

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