

MEMORANDUM FOR: STATE REPRESENTATIVES TO THE PRINCIPALS' STAFF COMMITTEE

THROUGH: Shawn M. Garvin, Regional Administrator
U.S. EPA Region 3,

ON BEHALF OF: THE OFFICE OF MANAGEMENT AND BUDGET

SUBJECT: 2016 Chesapeake Bay Restoration Spending Crosscut

Due Date: July 26, 2016

Contacts:

- General questions: Andrea Grossman (AGrossman@omb.eop.gov 202-395-4756)

Purpose: To fulfill the requirements of Section 3 of the Chesapeake Bay Accountability and Recovery Act of 2014.

Background: This provision requires the Director of OMB to submit an annual, interagency and interstate Chesapeake Bay Restoration Budget Crosscut Report to Congress. This is a new request for 2016, but OMB intends to use this request and report as a template for future years and appreciates your thoughtful consideration of which programs and projects are most appropriate for inclusion. This request will also fulfill the Chesapeake Bay Program's commitment to provide financial information to the public related to the activities in the Chesapeake Bay Watershed Agreement 2-year workplans.

For States, including the District of Columbia, to the extent that information is available, the crosscut budget report is to provide:

1. Estimated funding for any State restoration activity to be carried out in the succeeding fiscal year (**Estimated Federal Fiscal Year FY 2017**, which runs from October 1, 2016 to September 30, 2017).
2. Expenditures of State funding during current fiscal year and preceding two fiscal years (**FY 2014-2016 Expenditures**)
3. An accounting of funds received from a Federal agency during the current and preceding fiscal years (**FY 2014-2016 Operating Levels**)

As defined by the Act, Restoration activities include programs and projects with the express intent to protect, conserve, or restore living resources, habitat, water resources, or water quality in the Chesapeake Bay watershed. These include programs or projects to provide financial and technical assistance for responsible land use, stewardship, and community engagement in the Chesapeake Bay. Categories for consideration include physical restoration, planning, feasibility studies, scientific research, monitoring, education, and infrastructure development. Not all

categories are relevant to all States or activities. We suggest using the Chesapeake Bay Watershed Agreement goals and outcomes as a guide for the types of activities to report.

For this report, restoration activities that have funding amounts greater than or equal to \$300,000 in the Chesapeake Bay watershed are required. This includes geographic estimations described below, and OMB encourages States to roll-up funding in their definitions of a program to meet these thresholds.

OMB recognizes States face a number of challenges in fulfilling this request, including that many use different fiscal year cycles than the Federal government. For this reason, OMB will accept the best data States can provide, including reporting using different fiscal year cycles like the state fiscal year cycle if information is most effectively reported that way, and encourages States to consider any previous accounting of Chesapeake Bay funding as a model for this request. If you are unable to fulfil the request, please contact OMB using the information above.

Actions Requested:

1. States should complete the attached tables for “State Programs” and “Federal Funds Received.” The tables are in two tabs of the same Excel file.
2. Please include your state name in the title of the spreadsheet, but please do not adjust any other formatting.

Please note the crosscut is limited to programs or activities that affect the Chesapeake Bay watershed. For most programs, this means Chesapeake Bay watershed funds will need to be culled from non-Chesapeake Bay watershed funds.

- For example, Virginia receives EPA funds for State-wide water quality programs that benefit the Chesapeake Bay, Mississippi River, and North Carolina Sounds watersheds. This crosscut should exclude funding provided for activities in the non-Bay areas.
 - In cases such as this, you may need to extrapolate Chesapeake Bay watershed funding. For example, if a State-wide water quality program is funded at \$1 million annually, and the Chesapeake Bay watershed comprises 30 percent of the State’s total land area, it may be acceptable to assume that the Chesapeake Bay watershed receives \$300,000 annually from this program. Please note that this would meet the minimum threshold reporting requirements for this request, but a lower geographic percentage of the same total would not.
3. Update and return all tables by **Tuesday, July 26, 2016.**

OMB realizes this exercise may be difficult and require estimates, particularly given the short timeframe. However, your input is valuable and will help us in meeting the requirements put forth by Congress. We appreciate your attention to this request.