

Natural Resources

The Governor's proposed amendments for the 2008-2010 biennium for the Natural Resources secretariat include increases of \$18.1 million GF and \$19.0 million NGF. Despite these increases, however, total general fund spending for the biennium for the Natural Resources agencies is \$241.8 million, or 11.7 percent less than the initial base budget for these agencies. This reduction primarily represents two actions. First, the base budget for the Department of Environmental Quality (DEQ) was reduced to eliminate a one-time general fund deposit of \$20 million into the Water Quality Improvement Fund (WQIF) during FY 2008 for the payment of grants to upgrade sewage treatment plants. This reduction was a technical adjustment. Second, the Natural Resources agencies' general fund base budgets were reduced by \$9.2 million for the biennium to reflect the continuation of the Governor's October 2007 reductions. For nongeneral funds, the base budget adjustments provide an additional \$159.0 million in appropriations, largely to permit DEQ to continue issuing grants to localities and public service authorities for upgrading wastewater treatment plants during the biennium. These grant payments are projected to total \$100.0 million during the biennium.

Significant general fund spending items included in the \$19.7 million in proposed additional spending for Natural Resources include: \$6.0 million for implementation of agricultural best management practices; \$6.0 million for combined sewer overflow projects; \$2.0 million for improving the safety of dams; \$1.9 million in additional operating support for the Virginia Outdoors Foundation; \$1.5 million to address state park operating needs; and, \$1.2 million to match federal funds for the Water Facilities Revolving Fund.

- **Secretary of Natural Resources**

- *Water Quality Improvement Fund Reserve Fund Language Changes.* Language governing the use of this reserve added by the General Assembly in 2004 stated that the reserve could only be used when general fund revenue collections did not exceed the official revenue estimates, or when the General Assembly did not provide additional annual appropriations to the Water Quality Improvement Fund (WQIF). The Governor proposes eliminating the language regarding additional annual appropriations to the WQIF by the General Assembly. Elimination of that language would allow the Governor to access the balances in this reserve fund, which now totals about \$15.0 million.
- *Governor's October 2007 Budget Reductions.* Continues the strategies announced in October 2007 for a savings of \$46,455 GF each year.

- **Chippokes Plantation Farm Foundation**

- *Transfer Agency to Department of Conservation and Recreation.* Proposes to transfer \$162,167 GF and \$67,103 NGF each year and two FTE positions to the Department of Conservation and Recreation and consolidating the Foundations

functions within DCR. There are no budget reductions associated with this merger.

- **Department of Conservation and Recreation**

- ***Nonpoint Source Pollution Funding.*** Proposes \$6.0 million GF and \$14.0 million NGF for agricultural best management practices to control nitrogen, phosphorus, and sediment runoff from farming. The nongeneral funds are derived from two sources: \$9.0 million is interest from the DEQ WQIF Point Source program and \$5.0 million is from the Water Quality Improvement Fund Reserve Fund.
- ***Additional Support for Dam Safety.*** Proposes \$1.0 million GF each year to augment the grants or loans made to localities and loans made to private dam owners for the renovation or repair of dams necessary to protect public safety, improve their useful lifespan, or meet state requirements. Currently, \$350,000 each year from the general fund is provided for this purpose.
- ***Add Positions for Dam Safety Program.*** Proposes the addition of two FTE positions to oversee the condition of the state's dams. Funding already exists to support the two positions.
- ***Additional State Park Operating Support.*** Proposes an additional \$1.5 million GF and 15 FTE positions in FY 2010 to increase the operational support for Virginia's 34 state parks.
- ***Stormwater Management Program.*** Proposes \$697,230 NGF each year and 10 FTE positions for the stormwater management program. These positions would be located in the agency's regional offices, and would be responsible for responding to complaints, providing technical assistance to locally-administered stormwater management programs, or for those localities that have not established local stormwater management programs, conducting site inspections. The source of the nongeneral funds for this amendment is current program fees.
- ***Additional Operating Support for the Virginia Outdoors Foundation.*** Proposes \$950,000 GF each year to support the operations of the Virginia Outdoors Foundation (VOF). The additional funding would permit the VOF to upgrade technology and assist with monitoring and enforcement requirements. One time funding in this same amount was provided to the VOF in FY 2007 for similar purposes.
- ***Eliminate Funding for Maintenance of State Parks-owned Dams.*** Proposes the elimination of \$650,000 GF for maintenance and repair of dams in Virginia's state parks. The agency will use other nongeneral fund resources to complete dam repairs in FY 2009. The reduction in FY 2010 is a technical amendment.

- ***Chippokes Plantation Farm Foundation Merger.*** Proposes the addition of \$162,167 GF each year and \$67,103 NGF each year and two FTE positions to effect the merger of the Chippokes Plantation Farm Foundation into the department. This merger produces no budget savings.
- ***Governor's October 2007 Budget Reductions.*** Continues the strategies announced in October 2007 for savings of \$1.5 million GF each year. These savings are back-filled by \$680,000 NGF each year. The major reduction strategies include supplanting general fund dollars with state park user fees and concession funds, reducing support for Soil and Water Conservation Districts, and supplanting dam safety funding with one-time NGF dollars.

- **Department of Environmental Quality**

- ***James River Combined Sewer Overflow (CSO) Projects.*** Proposes to deposit \$3.0 million GF in each year into the Combined Sewer Overflow Matching Fund to support Lynchburg and Richmond's efforts to separate their sanitary sewage and stormwater systems. The funding in each year will be evenly divided between the two cities.
- ***Provision of State Match for Virginia Water Facilities Revolving Loan Fund.*** Proposes \$1.2 million GF and \$2.2 million NGF in FY 2009 and \$1.4 million NGF in FY 2010 to match available federal funds for the Virginia Water Facilities Revolving Loan Fund, which is a source of low-interest loans for localities seeking to improve or expand their wastewater treatment plants.
- ***Support for Chesapeake Bay Foundation Educational Activities.*** Proposes \$50,000 in additional general fund support for FY 2010 for the education field studies provided by the Chesapeake Bay Foundation to teachers and students.
- ***Interstate Commission Dues.*** Proposes an additional \$10,600 each year from the general fund to fund increases in the dues paid by the agency to the Interstate Commission on the Potomac River Basin and the Ohio River Valley Water Sanitation Commission.
- ***Governor's October 2007 Budget Reductions.*** Continues the strategies announced in October 2007 for savings of \$2.2 million GF each year and five positions. The major reduction strategies include reductions in Chesapeake Bay water quality monitoring, reductions in statewide and citizen water quality monitoring, and scaling back water quality inspection and permitting.

- **Department of Game and Inland Fisheries**

- ***Reduction in General Fund Transfer.*** Language is included reducing the total general fund support provided to the agency by \$74,820 each year from the amounts contained in the Caboose Bill. The reductions in the agency's general

fund support are based on reductions in the estimated sales taxes collected on hunting, fishing, and wildlife-related equipment and reductions in the revenues derived from watercraft sales and use taxes. An accompanying entry in Part 3 of the introduced budget effects the change.

- **Department of Historic Resources**

- *Montpelier Matching Grant Program.* Proposes an additional \$250,639 GF each year as the Commonwealth's required match for the restoration of Montpelier, which was the home of President James Madison. Section 10.1-2213.1 of the Code requires that the Commonwealth provide \$0.20 for each \$1 raised by the Montpelier Foundation that is spent on restoration of Madison's home.
- *Governor's October 2007 Budget Reductions.* Continues the strategies announced in October 2007 for annual savings of \$142,166 GF and one position. These savings are back-filled by \$25,000 NGF each year. The major reduction strategies include the consolidation of staff responsibilities, supplanting general fund dollars with historic preservation tax credit fees, and reducing grant payments.

- **Marine Resources Commission**

- *Increase Funding for Rent of Headquarters.* Proposes \$28,775 GF each year to cover the costs of increased rent for the agency's headquarters in Newport News. The new lease for the agency's headquarters now contains an escalation clause that did not previously exist. The new lease for the agency's headquarters was negotiated by the central Real Estate Services program.
- *Governor's October 2007 Budget Reductions.* Continues the strategies announced in October 2007 for savings of \$753,722 GF each year. The major reduction strategies include supplanting the general fund dollars for the agency's oyster replenishment and law enforcement functions with waterways improvement fund proceeds and fishing license revenue.

- **Virginia Museum of Natural History**

- *Additional Operating Support.* Proposes the addition of \$84,971 GF each year. This funding was previously included within Central Appropriations and should have been transferred to the agency for its use.