



Report of the Subcommittee on  
Economic Development and  
Natural Resources

(Senate Bill 800, As Introduced)

Senate Finance Committee  
Virginia General Assembly

February 4, 2001

## **REPORT OF THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT AND NATURAL RESOURCES**

Mr. Chairmen and Members of the Committee:

I am pleased to report the recommendations of the Economic Development and Natural Resources Subcommittee. Our deliberations in putting together these recommendations were marked by serious concerns for our environment and in ensuring that Virginia maintains its well-deserved record of achievement in economic development. The issues confronting us are complex.

The introduced budget bill cuts services by almost \$40.0 million in economic development and natural resources, including:

- \$20.2 million targeted to specific activities;
- \$11.0 million spread across-the-board and unspecified; and
- \$8.6 million in productivity savings.

This subcommittee, like all the others in Finance, recognizes the necessity of controlling both spending and taxes. We know that this is the challenge of governing. But, how do we craft a budget that responds to high levels of expectation to continue tax relief and to provide essential services?

Our solution was to go back to the basics. Government must honor its legal commitments. Period. And so, we reordered the priorities of this budget. Our recommendations are not a call for new spending nor for mortgaging our children's future. Our recommendations contain over \$14.0 million of budget cuts and savings. Our recommendations are a call to focus limited resources on legal and constitutional commitments Virginia has made to and on behalf of her citizens.

**Commerce and Trade  
Amendments to SB 800**

AGENCIES	General Fund Recommendations			NGF	Positions
	FY 2001	FY 2002	Biennium	Biennium	FY 2002
<b>Secretary of Commerce &amp; Trade</b>					
SB 800, as introduced	617,795	618,385	1,236,180	0	7.00
Language Amendment	0	0	0		
Total	617,795	618,385	1,236,180	0	7.00
<b>Housing &amp; Community Dev.</b>					
SB 800, as introduced	43,687,519	39,924,309	83,611,828	132,460,673	126.00
Rental Assistance	0	500,000	500,000		
Resource & Conservation Dev.	0	15,000	15,000		
Housing Revitalization Program	0	1,000,000	1,000,000		
Rainwater Harvesting	0	25,000	25,000		
Industrial Site Development Fund	0	1,000,000	1,000,000		
Industrial Site Language	0	0	0		
Planning District Commissions	0	210,000	210,000		
Total	43,687,519	42,674,309	86,361,828	132,460,673	126.00
<b>VA Economic Dev. Partnership</b>					
SB 800, as introduced	20,916,148	30,096,085	51,012,233	0	0.00
VA Biotechnology Park	0	200,000	200,000		
Semiconductor Endowment Fund	0	(2,000,000)	(2,000,000)		
Heavy Equipment Operator Trng.	0	250,000	250,000		
Shell Building Language	0	0	0		
Total	20,916,148	28,546,085	49,462,233	0	0.00
<b>VA Tourism Authority</b>					
SB 800, as introduced	19,513,623	18,483,207	37,996,830	0	0.00
Advertising	0	(200,000)	(200,000)		
"See Virginia First"	0	310,000	310,000		
Cooperative Travel Advertising			Language		
Cooperative Travel Advertising			Language		
Total	19,513,623	18,593,207	38,106,830	0	0.00
<b>Business Assistance</b>					
SB 800, as introduced	23,512,105	18,436,687	41,948,792	5,935,374	49.00
Workforce Services Training	(4,500,000)	0	(4,500,000)		
VA-Israel Advisory Board	0	(130,000)	(130,000)		
Total	19,012,105	18,306,687	37,318,792	5,935,374	49.00

<b>Natural Resources Amendments to SB 800</b>					
<b>AGENCIES</b>	<b>General Fund Recommendations</b>			<b>NGF</b>	<b>Positions</b>
	<b>FY 2001</b>	<b>FY 2002</b>	<b>Biennium</b>	<b>Biennium</b>	<b>FY 2002</b>
<b>Secretary of Natural Resources</b>					
SB 800, as introduced	544,593	545,061	1,089,654	0	6.00
No amendments	0	0	0	0	
<b>Total</b>	<b>544,593</b>	<b>545,061</b>	<b>1,089,654</b>	<b>0</b>	<b>6.00</b>
<b>Environmental Quality</b>					
SB 800, as introduced	59,648,123	43,181,612	102,829,735	167,499,547	854.00
Cleanup Funds for Environment			Language		
WQIF Interest	0	0	0	2,000,000	
WQIF Deposit	0	1,000,000	1,000,000		
Kerr Dam & Reservoir	0	50,000	50,000		
Recalculate CSO Interest	0	(1,000,000)	(1,000,000)	1,000,000	
<b>Total</b>	<b>59,648,123</b>	<b>43,231,612</b>	<b>102,879,735</b>	<b>170,499,547</b>	<b>854.00</b>
<b>Chippokes Plantation</b>					
SB 800, as introduced	74,973	0	74,973	158,000	0.00
Restoration of Services	100,006	299,994	400,000		
<b>Total</b>	<b>174,979</b>	<b>299,994</b>	<b>474,973</b>	<b>158,000</b>	<b>0.00</b>
<b>Historic Resources</b>					
SB 800, as introduced	3,104,363	2,948,888	6,053,251	1,917,848	48.00
Our Soldiers' Cemetery	0	1,000	1,000	0	0.00
<b>Total</b>	<b>3,104,363</b>	<b>2,949,888</b>	<b>6,054,251</b>	<b>1,917,848</b>	<b>48.00</b>
<b>Conservation and Recreation</b>					
SB 800, as introduced	54,722,427	29,843,390	84,565,817	34,794,228	415.00
VA Land Conservation Fund	0	6,200,000	6,200,000		
Soil & Water Conservation Districts	875,000	875,000	1,750,000		
VA Outdoors Foundation	0	200,000	200,000		
Best Management Practices	0	4,000,000	4,000,000	1,200,000	
Natural Heritage Program	250,000	250,000	500,000		
State Parks	0	1,500,000	1,500,000		
Rivanna Conservation Society	0	20,000	20,000		
Agricultural Engineering Services	0	200,000	200,000		
Soil survey	0	260,000	260,000		
Chesapeake Bay Restoration Fund	0	0	0	440,850	
Pretty Lake Dredging	0	200,000	200,000		4.00
<b>Total</b>	<b>55,847,427</b>	<b>43,548,390</b>	<b>99,395,817</b>	<b>36,435,078</b>	<b>419.00</b>
<b>Game and Inland Fisheries</b>					
SB 800, as introduced	141,250	20,000	161,250	82,913,360	472.00
Embrey Dam	0	0	0	121,250	
<b>Total</b>	<b>141,250</b>	<b>20,000</b>	<b>161,250</b>	<b>83,034,610</b>	<b>472.00</b>
<b>Marine Resources Commission</b>					

<b>Natural Resources Amendments to SB 800</b>					
<b>AGENCIES</b>	<b>General Fund Recommendations</b>			<b>NGF</b>	<b>Positions</b>
	<b>FY 2001</b>	<b>FY 2002</b>	<b>Biennium</b>	<b>Biennium</b>	<b>FY 2002</b>
SB 800, as introduced	9,440,434	8,985,516	18,425,950	9,397,141	154.00
Salary regrade for eng. Technicians	0	(11,232)	(11,232)		
Restoration of Priority Services	250,000	700,000	950,000		
Marine Patrol vessel replacement	0	160,000	160,000		
Marine Products Board	0	0	0	20,000	
Oyster Replenishment	0	200,000	200,000		
<b>Total</b>	<b>9,690,434</b>	<b>10,034,284</b>	<b>19,724,718</b>	<b>9,417,141</b>	<b>154.00</b>
<b>CBLAD</b>					
SB 800, as introduced	2,618,276	2,613,983	5,232,259	0	21.00
No amendments	0	0	0		
<b>Total</b>	<b>2,618,276</b>	<b>2,613,983</b>	<b>5,232,259</b>	<b>0</b>	<b>21.00</b>
<b>Natural History Museum</b>					
SB 800, as introduced	2,190,134	2,091,869	4,282,003	761,053	38.00
Preserve research & collections	75,000	150,000	225,000	0	
<b>Total</b>	<b>2,265,134</b>	<b>2,241,869</b>	<b>4,507,003</b>	<b>761,053</b>	<b>38.00</b>
<b>Capital Outlay</b>					
DCR - Nature Conservancy Donation			Language		
VMNH - Bond Project				(15,200,000)	
<b>Part 3 Transfers</b>					
Flood Prevention & Protection Fund				(200,000)	
VA Emergency Env. Response Fund				(200,000)	
Small Business Env. Assistance				(3,245,000)	
<b>NR - Operating Amends</b>	<b>1,550,006</b>	<b>15,254,762</b>	<b>16,804,768</b>	<b>4,782,100</b>	

**Commerce and Trade  
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AGENCIES	General Fund Recommendations			NGF	Positions
	FY 2001	FY 2002	Biennium	Biennium	FY 2002
<b>Minority Business Enterprise</b>					
SB 800, as introduced	437,874	387,897	825,771	2,052,753	22.00
No Amendments	0	0	0		
Total	437,874	387,897	825,771	2,052,753	22.00
<b>Labor and Industry</b>					
SB 800, as introduced	7,341,780	7,115,905	14,457,685	10,268,587	195.00
No Amendments	0	0	0	0	
Total	7,341,780	7,115,905	14,457,685	10,268,587	195.00
<b>Professional &amp; Occupational Reg.</b>					
SB 800, as introduced	0	0	0	20,965,238	133.50
No amendments	0	0	0	0	
Total	0	0	0	20,965,238	133.50
<b>Agriculture &amp; Consumer Services</b>					
SB 800, as introduced	25,625,032	24,317,946	49,942,978	39,859,585	529.00
Restoration of Priority Services	600,000	1,100,000	1,700,000		
Marine Products Board	0	0	0	(20,000)	
Hydrilla Control and Removal	0	25,000	25,000		
Total	26,225,032	25,442,946	51,667,978	39,839,585	529.00
<b>VA Agricultural Council</b>					
SB 800, as introduced	0	0	0	680,668	0.00
No amendments	0	0	0	0	
Total	0	0	0	680,668	0.00
<b>Milk Commission</b>					
SB 800, as introduced	0	0	0	1,479,925	10.00
No amendments	0	0	0	0	
Total	0	0	0	1,479,925	10.00
<b>Mines, Minerals &amp; Energy</b>					
SB 800, as introduced	12,406,876	12,549,623	24,956,499	30,457,022	250.00
No amendments	0	0	0	0	
Total	12,406,876	12,549,623	24,956,499	30,457,022	250.00
<b>VA Employment Commission</b>					
SB 800, as introduced	169,965	169,930	339,895	821,721,362	971.00
Educ. For Independence/Skills Cntr			Language	0	
Total	169,965	169,930	339,895	821,721,362	971.00

**Commerce and Trade  
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AGENCIES	General Fund Recommendations			NGF	Positions
	FY 2001	FY 2002	Biennium	Biennium	FY 2002
<b>Forestry</b>					
SB 800, as introduced	15,349,591	14,293,517	29,643,108	18,665,577	340.00
Restoration of Priority Services	300,000	700,000	1,000,000	0	
Total	15,649,591	14,993,517	30,643,108	18,665,577	340.00
<b>VA Racing Commission</b>					
SB 800, as introduced	0	0	0	6,689,254	10.00
No amendments	0	0	0	0	
Total	0	0	0	6,689,254	10.00
<b>Central Appropriations</b>					
Southside Economic Dev. Comm.	(218,000)	0	(218,000)	0	
Visitors Technology Program	0	(1,077,000)	(1,077,000)	0	
Econ. Dev. Grant Payment Program		500,000	500,000		
Semiconductor Endowment Fund			Language		
New River Valley Center of Excellence			Language		
Motion Picture Opportunity Fund			Language	0	
Total	(218,000)	(577,000)	(795,000)	0	
<b>VA Community Colleges</b>					
Philpott Manufacturing Prtnrship	0	350,000	350,000	0	
<b>Part 3 Transfers</b>					
VA Economic Dev. Revolving Fund				200,000	
VEC Special Funds				50,000	
<b>ED - Operating Amends</b>	(3,600,000)	3,005,000	(595,000)	(20,000)	

## SELECTED SERVICES REDUCED IN THE PROPOSED BUDGET

1. Virginia Land Conservation Foundation is an essential program to help meet the state's commitment to the Chesapeake Bay Agreements and to preserve open space. The Foundation protects environmentally sensitive lands from development.

*Subcommittee : Restore full amount of \$6.2 million.*

2. Water Quality Improvement Act restores and improves water quality. As a result, we have prevented 665,378 tons of soil, 3.6 million pounds of nitrogen, and 700,000 pounds of phosphorus from running off from farmlands into state waters. We have partnered with 15 local wastewater treatment plants to install state-of-the-art biological nutrient removal technologies.

*Subcommittee Action: Add \$8.2 million to work with the agriculture industry and local governments.*

3. Virginia's State Parks hosted a record 6 million visitors last year at its 34 statewide facilities.

*Subcommittee: Add \$1.5 million deemed essential to keep parks open, safe, and accessible to the public.*

4. Soil and Water Conservation Districts were created by the state to conserve and protect soil and water resources. The districts are made up of locally elected people who volunteer their time and energy to work with farmers and landowners. They are the state's frontline team for improving water quality.

*Subcommittee: Restore full amount of \$1.75 million.*

5. Agriculture and Consumer Services markets and promotes Virginia-grown products; inspects food processors; diagnoses animal diseases and tests for food safety; regulates weights and measures, motor fuels, and fertilizers; and protects consumers. The proposed budget cuts almost 10 percent of the agency's second year funding, which, in our view places these essential services in jeopardy.

*Subcommittee: Restore \$1.7 million for priority services.*



## **Conclusion**

Our recommendations do not restore all of the Governor's proposed reductions. The productivity savings will remain. Indeed, we could have justified investing more in economic development and to have cut less, if the economic future was more certain. However, with future revenues likely to tumble, state agencies will have to learn to do even more with fewer resources. But we are of the opinion that the Governor still has flexibility in the budget to respond to new economic opportunities. Our priorities are to restore essential services, and these recommendations before you will best serve the Commonwealth and her citizens.

Respectfully submitted,

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Walter A. Stosch, Chairman

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Madison E. Marye

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Charles R. Hawkins

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Richard L. Saslaw

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