

Natural Resources

The adopted 2002-04 budget for Natural Resources agencies results in a net decrease of \$10.2 million GF for the biennium when compared to the adjusted appropriation for current operations. This total represents new funding of \$9.2 million, offset by \$19.5 million in reductions.

Two-thirds of the increase is accounted for by \$6.1 million GF provided to the Department of Conservation and Recreation for continued participation in the Conservation Reserve Enhancement Program. The program encourages farmers and landowners to remove environmentally sensitive lands from agricultural and timber production for a period of 10 to 15 years in exchange for federal and state payments. Other increases include \$850,000 for statewide water supply planning and \$500,000 for the Total Maximum Daily Load program in the Department of Environmental Quality.

Targeted reductions include \$6.2 million GF for the environmental permitting activities of the Department of Environmental Quality. These funds are replaced with nongeneral funds produced as a result of increased fees for permits associated with hazardous waste management, solid waste management, and the department's water program. Other targeted reductions include \$2.0 million for the Chesapeake Bay Local Assistance Department, to be achieved through efficiencies by merging this agency with the Department of Conservation and Recreation.

In addition to the targeted reductions mentioned above, executive management savings of \$10.7 million GF will be achieved in Natural Resources agencies through application of an average reduction of 7 percent the first year and 8 percent the second year.

HB 30, as introduced, proposed transferring to the General Fund \$8.7 million each year from the Game Protection Fund, which is a major funding source for the Department of Game and Inland Fisheries. The approved budget rejects transferring any funds out of the Game Protection Fund. In order to offset related actions in the introduced budget, amendments were approved that restore \$6.1 million GF each year for state park operations and \$1.0 million GF to the Marine Resources Commission for law enforcement activities. However, the typical 7 and 8 percent reductions for management efficiencies were applied to the Department of Game and Inland Fisheries by reducing transfers to the agency from the general fund by \$2.8 million the first year and \$3.0 million the second year.

Natural Resources Executive Management Savings		
Agency	FY 2003	FY 2004
Secretary of Natural Resources	\$ 38,687	\$ 44,213
Conservation & Recreation	1,828,681	2,089,921
Chippokes Plantation	25,000	25,000
Marine Resources	331,447	378,796
Chesapeake Bay Local Assist.	105,278	120,318
Historic Resources	221,514	251,399
Environmental Quality	2,322,097	2,559,425
Natural History Museum	159,588	182,386
Total	\$ 5,032,292	\$ 5,651,458

- **Secretary of Natural Resources**
 - ***Long-term Plan for Funding Regulatory Programs.*** Language requires the Secretary of Natural Resources, in cooperation with the General Assembly, to develop a long-range plan to adequately fund the water, waste and hazardous waste regulatory programs in the Department of Environmental Quality.
- **Chesapeake Bay Local Assistance Department**
 - ***Merge Operations with Department of Conservation and Recreation.*** Reduces funding by \$1.0 million GF each year and requires the Secretary of Natural Resources to develop a plan to merge the operations of the Department with the Department of Conservation and Recreation.
- **Department of Conservation and Recreation**
 - ***State Park Operations.*** Restores \$6.1 million GF each year for state park operations which had been eliminated in the introduced budget bill. Language overrides the general statute to allow that more than 25 percent of revenues deposited in the Conservation Resources Fund may be used for state park operations, subject to approval by the Secretary of Natural Resources.

- ***Conservation Reserve Enhancement Program.*** Adds \$3.9 million GF the first year and \$2.2 million GF the second year to pay farmers and landowners for taking certain lands out of production, reward farmers for cost-share installation of best management practices, and purchase conservation easements of established or restored riparian buffer areas and wetlands.
- ***Water Quality Improvement Fund.*** Provides \$2.2 million the first year from interest earned by the Water Quality Improvement Fund for the agricultural Best Management Practices cost-share program. This program provides matching funds for farmers to implement strategies that reduce nutrient and sediment runoff from agricultural operations.
- ***Land Conservation Foundation.*** Language allows any funds in excess of \$5.0 million per year collected pursuant to an optional \$2 increase in motor vehicle registration fees be provided to the Virginia Land Conservation Foundation for preservation of open space lands. The first \$5.0 million collected through this increase is applied to the Jamestown 2007 project.
- ***Virginia Dam Safety Program.*** Increases funding for the program by \$154,551 GF the first year and \$85,812 GF the second year. Recent statutory changes require the state to regulate almost 800 dams across Virginia, 335 of which are considered a significant to high hazard.
- ***Dredging Pretty Lake.*** Provides \$100,000 GF the first year for continuing the dredging project on Pretty Lake in Norfolk. The funds must be matched by the City of Norfolk.
- **Department of Environmental Quality**
 - ***Environmental Permitting Fees.*** Reduces general fund support for permitting activities by \$2.5 million the first year and \$3.7 million the second year. To replace the loss of general fund support, the General Assembly approved legislation to increase fees associated with hazardous waste management, solid waste management, and the department’s water program. Nongeneral fund appropriations for DEQ are increased accordingly.
 - ***Total Maximum Daily Load (TMDL) Program.*** Provides \$1.3 million in federal funds the first year and \$500,000 GF the second year for the TMDL program which is required by the federal Clean

Water Act. The funds will be used to establish the maximum daily load of pollutants that may be discharged into any impaired segment of Virginia's waterways.

- **Groundwater and Water Supply Studies.** Provides \$850,000 GF in the second year to support development of a statewide water supply planning initiative and to sponsor groundwater research.
- **State Programmatic General Permit Program.** Provides \$486,000 each year in nongeneral funds for the State Programmatic General Permit program. The source of the nongeneral funds is \$236,000 each year from fees associated with the program and \$250,000 each year from the Virginia Emergency Environmental Response Fund, representing fines collected as a result of wetlands regulation violations. In addition, the Department of Environmental Quality shall apply for federal grants, including a Coastal Zone Management Grant, to ensure effective implementation and enforcement of Virginia's nontidal wetlands program. The SPGP will allow DEQ to handle wetland permitting in an expedited manner, through a process that is simpler and quicker than any comparable federal regulatory program.
- **Kerr Reservoir Study.** Language provides authority for Virginia's sponsorship of a study of the Kerr Reservoir. This study, to be performed by the U.S. Army Corps of Engineers, will establish management criteria for the Kerr Reservoir and the Roanoke River. This management plan will also be used in the re-licensing of Dominion Power's hydroelectric facilities.
- **Vehicle Emissions Inspections Fund.** Language authorizes the Department of Environmental Quality to use up to \$300,000 each year from the Vehicle Emissions Inspection Fund to implement the provisions of House Bill 570, 2002 Session of the General Assembly, which authorizes the Department to operate a program to subsidize repairs of vehicles that fail to meet emissions standards established by the Board when the owner of the vehicle is financially unable to have the vehicle repaired.
- **Nitrogen Oxides Emissions.** Authorizes the department to auction the "set aside" of nitrogen oxides emissions estimated at 1,878 tons. The set asides are "units" of pollution that are not under state permit but are legally available to industry for expansion purposes. The budget language permits the department to auction these units and requires the moneys to be deposited to the general fund.

- **Department of Game and Inland Fisheries**
 - ***Game Protection Fund Transfers.*** Eliminates the transfer of half of the sales tax on hunting, fishing, and wildlife equipment sales (\$6.1 million each year) from the Game Protection fund to the Department of Conservation and Recreation for state park operations, and 20 percent of the watercraft sales and use tax funding (\$1.0 million each year) to the Marine Resources Commission for law enforcement activities, as was proposed in the introduced budget bill.
 - ***Big Survey Loan.*** Language requires the Game Department to repay \$1.0 million each year of the treasury loan authorized by the 2000 General Assembly for acquisition of the Big Survey property. By eliminating the transfer of funds out of the Game Protection Fund, as was proposed in the introduced budget bill, the Department will have adequate funds to repay the loan from the state treasury as originally approved.
 - ***Boat Registration Fees.*** Language requires the Board of Game and Inland Fisheries to prepare an analysis of the revenue derived from current boat registration fees and increase those fees up to nine dollars per certificate, if the amount of fees collected is not sufficient to cover the costs of the registration program and related activities. The transfer from the general fund to the Game Protection Fund is reduced by \$900,000 each year which will be replaced by the increased fee revenue.
- **Marine Resources Commission**
 - ***Marine Patrol Equipment.*** Provides \$360,349 GF the second year to replace about one-half of the agency's existing marine patrol vessels, many of which are beyond the average useful life, through the Master Equipment Lease Program.
 - ***Marine Patrol Operations.*** Restores \$1.0 million GF each year for Marine Patrol operations, which had been supplanted in the introduced budget bill with Game Protections Funds.
 - ***Oyster Propagation and Habitat Improvement.*** Includes \$65,000 GF the first year for an environmental mitigation project in Virginia Beach.