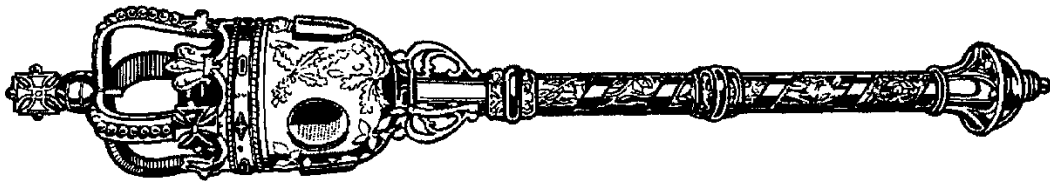


*Report of the
House Appropriations
Subcommittee*

on

Natural Resources



*House Bill 29
&
House Bill 30*

February 17, 2002

February 17, 2002

Respectfully Submitted by the House Appropriations Subcommittee on
Natural Resources:

Riley E. Ingram, Chairman

James H. Dillard, II

Harvey B. Morgan

L. Preston Bryant, Jr.

M. Kirkland Cox

J. Paul Councill, Jr.

Jackie T. Stump

REPORT OF THE SUBCOMMITTEE

on

NATURAL RESOURCES

Mr. Chairman and Members of the Committee:

As we face increased budgetary pressures, it is evermore important that we strive to protect the vital natural resources of our Commonwealth, an area that continues to receive only one percent of our state budget. In fact, if we eliminated funding for the entire secretariat, the amount of general funds saved would represent about 15% of the revenue reduction that was reported by Governor Warner last Monday.

However, we do suggest several strategies to help restore some of the cuts proposed in House Bill 30. First, we recommend rejecting \$7.0 million in discretionary spending for Natural Resources that was proposed in House Bill 30. Second, we recommend authorizing the trading of some of our air quality credits, which is projected to generate \$6.0 million in new revenue. Third, we recommend targeted reductions totaling \$2.3 million.

By reducing the across-the-board reductions to all state agencies to 4 percent, we will restore \$2.8 million in general funds to Natural Resources agencies. In addition, we recommend restoring \$12.3 million in general fund support for state parks and \$1.0 million for marine patrol activities, which was eliminated in House Bill 30, as introduced. Finally we recommend restoring \$13.3 million to the Game Protection Fund, leaving the Department of Game and Inland Fisheries with adequate funding to avoid laying-off game wardens and having to sell the recent "Big Survey" acquisition.

Another area of interest is protection of our valuable water resources. In the good budget times, the Water Quality Improvement

Act, passed by the General Assembly in 1997, has provided substantial new funding for water quality programs. In just five years, this legislation has brought about unprecedented efforts to control point and nonpoint source pollution of the lakes, rivers, streams and bays of our great Commonwealth. Based on the funding formula that relies on surplus revenues and state agency balances, there is no new funding for water quality initiatives. However, we do propose over \$2.1 million in interest earnings be applied toward the very successful agricultural best management practices program.

As part of our strategy to deal with these difficult financial times, we recommend maximizing the use of non-general funds to support environmental protection. Specifically, we recommend amendments that will allow fees for wetland permits and fines for violation of wetlands regulations to support the implementation of non-tidal wetlands legislation you approved during the 2001 Session. We also recommend amendments that allow more of the solid waste and water permit activities at the Department of Environmental Quality be borne by associated fee revenue.

Finally, toward our goal of protecting a million acres of open-space lands by 2007, we recommend to you language that will provide funding to the Virginia Land Conservation Foundation. We also recommend restoring funds to the Virginia Outdoors Foundation to assist in this goal.

Following the staff explanation of our amendments, we hope it will be the pleasure of the Committee to adopt our recommendations.

Report of the Natural Resources Subcommittee

House Bill 29
<u>Amendment</u>

FY 2002 TOTAL		
General	Nongeneral	
<u>Fund</u>	<u>Fund</u>	<u>FTE</u>

Department Of Conservation And Recreation

Chesapeake Bay Restoration Fund		\$444,243
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James River State Park	Language	
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Department Of Environmental Quality

DEQ Emergency Regulations	Language	
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Marine Resources Commission

VMRC Reallotment	Language	
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<u>\$0</u>	<u>\$444,243</u>
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Report of the Natural Resources Subcommittee

House Bill 30	2002-04 BIENNIAL TOTAL		
<u>Amendment</u>	<u>General</u>	<u>Nongeneral</u>	<u>FTE</u>
	<u>Fund</u>	<u>Fund</u>	

Health Department

Move Sludge Regulation to DEQ (\$270,869) (2.00)

Chesapeake Bay Local Asst. Department

Merge CBLAD with DCR (2,000,000)

Chippokes Plantation Farm Foundation

Eliminate Chippokes Plantation General Fund (509,892)

Department Of Conservation And Recreation

SWCD Balances Language

WQIF for Best Mangement Practices 2,179,000

Dam Safety Discretionary Funding (240,363)

CREP Discretionary Funding (6,066,000)

Restore GF for State Park Operations 12,266,632 (12,266,632)

Restore Funds for Virginia Outdoors Foundatior 350,000

James River State Park Language

Park Vehicles Discretionary Funding (360,349)

Conservation Resources Fund Expenditures Language

Land Conservation Foundation Language

Department Of Environmental Quality

Kerr Reservoir Study Language

Wetland Permitting 972,000 8.00

Vehicle Emissions Inspection Fund Language

DEQ Emergency Regulations Language

Move Sludge Regulation to DEQ 270,869 2.00

Matching Funds for Elizabeth River Clean-up Language

Combined Sewer Overflow Matching Funds Language

Chesapeake Bay Foundation Ed. Program 539,900

Department Of Game And Inland Fisheries

Lake Anna Water Quality Testing Program Language

Department Of Historic Resources

Ettrick Cemetery 470

Marine Resources Commission

Move Chesapeake Bay Program to DEQ (539,900)

Restore GF for Marine Patrol 2,000,000 (2,000,000)

VMRC Reallotment Language

Report of the Natural Resources Subcommittee

<p>House Bill 30</p> <p><u>Amendment</u></p>	<p>2002-04 BIENNIAL TOTAL</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">General</td> <td style="width: 33%; text-align: center;">Nongeneral</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;"><u>Fund</u></td> <td style="text-align: center;"><u>Fund</u></td> <td style="text-align: center;"><u>FTE</u></td> </tr> </table>	General	Nongeneral		<u>Fund</u>	<u>Fund</u>	<u>FTE</u>
General	Nongeneral						
<u>Fund</u>	<u>Fund</u>	<u>FTE</u>					

Marine Patrol Vessels Discretionary Funding	(360,349)		
Part 3/Transfers			
Beaumont Property Conveyance	Language		
Eliminate Game Fund Transfer to State Parks	Language		
Eliminate Game Fund Transfer to Marine Patrol	Language		
Eliminate Game Fund Transfer to GF	Language		
Increase Marine Fuel Tax Recovery	Language		
Reduce GF Transfer to Game Fund	Language		
Small Business Environmental Fund Transfer	Language		
	5,080,149	(11,115,632)	8.00

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 345, after line 48, insert:

"Q. The Director of the Department of Conservation and Recreation is authorized to accept on behalf of the Commonwealth a gift from the Nature Conservancy of property adjacent to the James River State Park."

Explanation:

(This amendment is self-explanatory.)

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 347, after line 21, insert:

"C. The State Air Pollution Control Board may promulgate emergency regulations to implement an emissions control program to achieve and maintain the National Ambient Air Quality Standards established by the United States Environmental Protection Agency, under the federal Clean Air Act."

Explanation:

(This amendment provides additional time to review the Commonwealth's plan to achieve and maintain the National Ambient Air Quality Standards established by the United States Environmental Protection Agency. It also allows the Commonwealth to meet the July 1, 2002, deadline set by the United States Environmental Protection Agency with respect to this plan.)

Natural Resources

Language:

Page 356, line 25, after "reappropriated", insert:

"and reallocated to the Marine Resources Commission for expenditure".

Explanation:

(This amendment clarifies that funds in the Marine Life Management Program at the Commission are available after the close of the fiscal year due to the fact that expenditures are seasonal and activities will not be concluded prior to June 30 each year.)

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 292, line 20, after "Board." insert:

"The June 30, 2002, June 30, 2003, and June 30, 2004 unexpended general fund balances in Assistance to Soil and Water Conservation Districts are hereby reappropriated."

Explanation:

(This amendment adds language that allows SWCD balances to carry forward each year recognizing that district activities are seasonal and not consistent with the fiscal year. This policy has been in place for several years but House Bill 30, as introduced, eliminated the language.)

Natural Resources

Department Of Conservation And
Recreation

FY 02-03

\$2,179,000

FY 03-04

\$0 NGF

Language:

Page 291, line 29, strike "\$24,649,032" and insert "\$26,828,032".

Page 292, after line 29, insert:

"E. Included in this appropriation is \$2,179,000 the first year from interest earnings of the Water Quality Improvement Fund, pursuant to § 10.1-2128, Code of Virginia. Of this amount, \$2,000,000 is from interest earned on point source funds and \$179,000 is from interest earned on nonpoint source funds. These funds shall be used for the Best Management Practices cost-share program.

F. It is the intent of the General Assembly that all interest earnings of the Water Quality Improvement Fund shall only be spent upon appropriation by the General Assembly, after the recommendation of the Secretary of Natural Resources pursuant to § 10.1-2129, Code of Virginia."

Explanation:

(This amendment appropriates interest earned by the Water Quality

Improvement Fund, which is to be used for the agricultural Best Management Practices program. The amendment also requires that interest earnings not be spent until appropriated by the General Assembly.)

Natural Resources Subcommittee

Item 381 #12h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 294, after line 8, insert:

"K. The Director of the Department of Conservation and Recreation is authorized to accept on behalf of the Commonwealth a gift from the Nature Conservancy of property adjacent to the James River State Park."

Explanation:

(This amendment is self-explanatory.)

Natural Resources Subcommittee

Item 381 #19h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 294, after line 8, insert:

"K. Notwithstanding the provisions of § 10.1-202, Code of Virginia, the Department is authorized to utilize more than twenty five percent of revenues deposited into the Conservation Resources Fund for the operation of state parks. The amount utilized shall be approved by the Secretary of Natural Resources and shall be reported on a quarterly basis to the Chairmen of the House Appropriations and Senate Finance Committees."

Explanation:

(This amendment is self-explanatory.)

Natural Resources Subcommittee

Item 381 #20h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 294, after line 8, insert:

"K. Out of the amounts collected pursuant to Item 257.G. of this Act, on or before June 30, 2003 and June 30, 2004 the Comptroller shall transfer all funds in excess of \$5,000,000 collected in each fiscal year to the Virginia Land Conservation Fund to be distributed pursuant to § 10.1-1020 for the preservation of open-space lands. There is hereby established a sum sufficient appropriation in the Department of Conservation and Recreation, not to exceed the amount of funds in excess of \$5,000,000 per year collected pursuant to Item 257.G."

Explanation:

(This amendment allows that funds collected by DMV for planning, promotion and commemoration of the 400th anniversary of Jamestown in 2007, in excess of the projected need of \$5.0 million per year, shall be transferred to the Virginia Land Conservation Fund to be used for preservation of open-space lands, in support of the goal of protecting one million acres of open-space lands by 2007.)

Natural Resources Subcommittee

Item 383 #1h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 295, after line 9, insert:

"The Department of Environmental Quality is authorized to commit resources necessary to qualify for in-kind match for the U.S. Army Corps of Engineers for the John H. Kerr Dam and Reservoir, Virginia and North Carolina Feasibility Study, to be conducted in accordance with § 216 of the River and Harbors Flood Control Act of 1970."

Explanation:

(This amendment 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 Kerr Reservoir and the Roanoke

River. This management plan will also be used in the re-licensing of Dominion Power's hydroelectric facilities.)

Natural Resources Subcommittee

Item 383 #2h

Natural Resources

FY 02-03

FY 03-04

Department Of Environmental
Quality

\$486,000
8.00

\$486,000
8.00 NGF
FTE

Language:

Page 294, line 38, strike "\$31,170,363" and insert "\$31,656,363".

Page 294, line 38, strike "\$31,170,363" and insert "\$31,656,363".

Page 295, after line 9, insert:

"Included in this appropriation is \$486,000 each year in nongeneral funds for the State Programmatic General Permit (SPGP) 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.

Explanation:

(This amendment provides funding to allow DEQ to meet a statutory mandate to seek a State Programmatic General Permit (SPGP) from the U.S. Army Corps of Engineers. 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. DEQ has estimated that approximately 310 additional VWPP permit applications per year will be requested under the SPGP program. The source of the nongeneral funds is from fees paid for the permits. The amendment also requires that DEQ apply for federal funding to provide additional resources to implement the SPGP. In order to implement the SPGP, DEQ will need eight additional FTE's.)

Natural Resources Subcommittee

Item 383 #4h

Natural Resources

Department Of Environmental

Language

Quality

Language:

Page 295, after line 9, insert:

"The Department of Environmental Quality is authorized 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."

Explanation:

(This amendment authorizes DEQ to expend funds from the Vehicle Emissions Inspection Fund to implement House Bill 570, 2002 Session of the General Assembly.)

Natural Resources Subcommittee

Item 383 #5g

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 295, after line 9, insert:

"The State Air Pollution Control Board may promulgate emergency regulations to implement an emissions trading program to achieve and maintain the National Ambient Air Quality Standards established by the United States Environmental Protection Agency, under the federal Clean Air Act."

Explanation:

(This amendment provides additional time to review the Commonwealth's plan to achieve and maintain the National Ambient Air Quality Standards established by the United States Environmental Protection Agency. It also allows the Commonwealth to meet the July 1, 2002 deadline set by the United States Environmental Protection Agency with respect to this plan. An amendment to the revenues on page one of this Act includes revenues estimated at \$6.0 million in the second year based on trading of emissions.)

Natural Resources Subcommittee

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 295, line 41, after "practices." insert:

"Out of this appropriation, \$30,126 the first year shall be used to match U.S. Army Corps of Engineers funding for cleanup projects and wetlands restoration on the Elizabeth River."

Explanation:

(This amendment provides matching funds for a federal-state-local partnership to clean the bottom of the Elizabeth River.)

Natural Resources Subcommittee

Item 386 #1h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 296, after line 20, insert:

"D. The Department of Environmental Quality shall work with the U.S. Environmental Protection Agency, the City of Lynchburg and the City of Richmond to identify any expenditures, loans, or in-kind services that can be used to match federal grants available to these cities for the Combined Sewer Overflow projects."

Explanation:

(This amendment provides that DEQ work with the U.S. EPA to identify funding provided by localities be recognized to match federal funds for Combined Sewer Overflow projects.)

Natural Resources Subcommittee

Item 386 #7h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 296, after line 20, insert:

"D. Out of the amounts provided for the Wastewater Treatment Revolving Loan Fund, the Department of Environmental Quality shall transfer \$25,000 the first year and \$20,000 the second year to the Town of Tangier for a comprehensive plan to clean up waste and ash piles found on the island and implement systems to assure compliance with state environmental protection requirements."

Explanation:

(This amendment is self-explanatory.)

Natural Resources Subcommittee

Item 390 #1h

Natural Resources

Department Of Game And Inland
Fisheries

Language

Language:

Page 297, after line 48, insert:

"C. It is the intent of the General Assembly that funds which were provided by the Department of Game and Inland Fisheries to the Lake Anna Advisory Committee for hydrilla eradication pursuant to Item 514.A. of Chapter 853 of the 1995 Acts of Assembly may be used to establish the Lake Anna Volunteer Water Quality Monitoring Project".

Explanation:

(This amendment allows that \$50,000 which was provided in the 1995 Appropriation Act for hydrilla control on Lake Anna, but which has not been expended due to the natural decline of hydrilla, may be used to establish a water quality monitoring program.)

Natural Resources Subcommittee

Item 397 #2h

Natural Resources

Marine Resources Commission

Language

Language:

Page 301, line 23, after "reappropriated" insert:

"and reallocated to the Marine Resources Commission for expenditure".

Explanation:

(This amendment clarifies that funds in the Marine Life Management program at the Commission are available after the close of the fiscal year due to the fact that expenditures are seasonal and activities will not be concluded prior to June 30 each year.)

Natural Resources Subcommittee

Item 440 #3h

Public Safety

Department Of Juvenile Justice

Language

Language:

Page 323, after line 42, insert:

"The Department of Juvenile Justice shall convey to the Department of Conservation and Recreation title to a minimum of 1,500 acres, to include river frontage, of property adjacent to the Beaumont Juvenile Correctional Center in Powhatan County for the development of a state park. The Department of Juvenile Justice and the Department of Conservation and Recreation shall develop a plan to divide the property in such a manner as to maximize recreational opportunities and public access to the park, while ensuring the security of the Correctional Center and an adequate buffer to limit access to the areas immediately adjacent to the Correctional Center. The plan shall address the ability for the Department of Corrections to continue agribusiness operations on the property and also shall seek to maximize use of adult and juvenile inmate labor to develop the property into a park. The plan shall be reported to the Secretaries of Public Safety and Natural Resources and the Chairmen of the House Appropriations and Senate Finance Committees prior to conveyance of the property, but no later than October 1, 2002."

Explanation:

(This amendment provides authority to develop a plan and convey state owned property from the Department of Juvenile Justice to the Department of Conservation and Recreation for use as a state park.)

Natural Resources Subcommittee

Item 3-1.01 #1h

Transfers

Interfund Transfers

Language

Language:

Page 418, strike lines 1 through 5.

Explanation:

(This amendment eliminates transfer of Game Protection Funds to cover state park operations as was proposed in House Bill 30, as introduced.)

Natural Resources Subcommittee

Item 3-1.01 #2h

Transfers

Interfund Transfers

Language

Language:

Page 417, strike lines 14 through 17.

Explanation:

(This amendment eliminates transfer of Game Protection Funds to cover marine patrol activities as was proposed in House Bill 30, as introduced.)

Natural Resources Subcommittee

Item 3-1.01 #3h

Transfers

Interfund Transfers

Language

Language:

Page 418, strike lines 34 through 36.

Explanation:

(This amendment eliminates transfer of Game Protection Funds to the general fund as was proposed in House Bill 30, as introduced.)

Natural Resources Subcommittee

Item 3-1.01 #19g

Transfers

Interfund Transfers

Language

Language:

Page 415, line 11, strike "6,416,469" and insert "7,416,469".

Page 415, line 11, strike "6,416,469" and insert " 7,416,469".

Explanation:

(This amendment increases the amount of funds transferred from unrefunded marine motor fuel taxes to the general fund for improvements to the Chesapeake Bay.)

Natural Resources Subcommittee

Item 3-1.01 #29h

Transfers

Interfund Transfers

Language

Language:

Page 417, line 12, strike "\$4,970,325" and insert "\$3,140,650".

Page 417, line 12, strike "\$3,318,247" and insert "\$3,227,190".

Explanation:

(This amendment reduces the transfer from the general fund to the Game Protection Fund by \$1,829,675 the first year and \$2,091,057 the second year representing 7% and 8% budget reductions, respectively, for the Department of Game and Inland Fisheries.)

Natural Resources Subcommittee

Item 3-1.01 #31h

Transfers

Interfund Transfers

Language

Language:

Page 418, line 14, strike "\$2,000,000" and insert "\$2,800,000".

Explanation:

(This amendment increases the proposed transfer to the general fund from the Small Business Environmental Compliance Assistance Fund.)