

Natural Resources

The 2002-04 budget for natural resources results in a net decrease of \$22.1 million GF for the biennium when compared to the Chapter 899 appropriation. This total represents new funding of \$5.7 million, offset by \$27.8 million in reductions.

The Department of Conservation and Recreation's budget is reduced by \$10.2 million GF for the biennium. This equals a 15 percent biennial reduction from Chapter 899 levels. After partial restoration by the General Assembly, state parks experience \$2.9 million of this reduction. A \$1.8 million GF decrease for the Conservation Reserve Enhancement Program (CREP) reduces funds available to compensate farmers and other land owners for implementing best management practices. The proposed budget provides \$1.2 million NGF for CREP with funds previously provided for the Water Quality Improvement Act. The General Assembly also restored \$1.4 million GF for local Soil and Water Conservation Districts eliminated in the introduced budget.

The General Assembly provided \$1.2 million GF to offset a \$2.4 million reduction for the Marine Resources Commission, leaving a net biennial reduction of \$1.2 million GF. General Fund transfers to the Department of Game and Inland Fisheries' Game Protection Fund are also reduced by \$2.0 million each year.

While the introduced budget proposed to reduce the number of agencies in the Natural Resources secretariat by three, the merger proposals failed to achieve legislative approval. The General Assembly reversed the transfer of positions and funds from the Science Museum of Virginia and made small, partial restorations to the Chesapeake Bay Local Assistance Department and the Chippokes Plantation Farm Foundation.

- **Secretary of Natural Resources**
 - The Secretary's office experiences a \$30,000 GF first year reduction and a \$42,000 GF second year reduction to be achieved through operational efficiencies.
- **Chesapeake Bay Local Assistance Department**
 - Proposed reductions of \$159,386 GF the first year and \$260,468 GF the second year through elimination of three positions and other operational efficiencies are partially reversed by the General Assembly. In the second year, \$130,000 GF and two positions are

restored resulting in a net reduction of \$130,468 GF and one position.

- Language in the budget calls for the Director of DCR to draft a plan for merging CBLAD into DCR despite the failure of Senate Bill 1116 which would have merged the two agencies.
- **Chippokes Plantation Farm Foundation**
 - The General Assembly restores \$30,000 of the Governor’s proposed second year GF reductions. Net reductions are \$26,779 GF and \$11,841 NGF in the first year and \$4,491 GF and \$11,841 NGF in the second year from operational efficiencies.
 - The General Assembly removed proposed language that merged Chippokes into the Department of Conservation and Recreation. The budget returns funds and positions transferred from Chippokes to DCR under anticipation of the merger being approved.
 - Language requires the Director of Conservation and Recreation to prepare a merger plan for Chippokes that preserves the functions of the agency in anticipation of 2004 session legislation that would place Chippokes as a subordinate agency under DCR.
- **Department of Conservation and Recreation**
 - **Consolidations and Vacancies.** Budget reductions of \$807,800 GF first year and \$832,271 GF the second year with first and second year NGF increases of \$118,000 and \$123,000 respectively are achieved through consolidating the Tappahannock regional office into the Fredericksburg office, eliminating the shoreline erosion advisory program, reducing expenses, eliminating vacancies and delaying technology programs.
 - **State Parks.** The budget partially restores park appropriations resulting in smaller net reductions than proposed in the budget as introduced. The General Assembly restored \$333,000 GF the first year and \$1.0 million GF the second year resulting in a net reduction for parks of \$1.4 million GF the first year and \$1.4 million GF the second year. General Assembly actions will restore normal operating hours at False Cape, Sky Meadows, and Southwest Virginia Museum State parks and at Caledon Natural Area and will

reopen the campground at Clinch Mountain Wildlife Management Area. Park fees increase ten percent effective July 2003.

- ***Division of Natural Heritage.*** Reduces funding for natural heritage programs by \$147,562 GF in FY 2003 and \$222,660 GF in FY 2004, resulting in two layoffs.
- ***Total Maximum Daily Load (TMDL) Planning.*** Eliminates general fund support for TMDL planning. Total reductions are \$490,900 GF first year and \$490,965 GF the second year. Virginia is required to complete over 400 TMDL plans by 2010 under a federal court consent decree.
- ***Conservation Reserve Enhancement Program.*** The budget reduces CREP program funding by \$303,481 GF the first year and \$1.5 million GF the second year and increases nongeneral funds by \$1.2 million in the second year only. The source of the NGF is from funds previously provided through the Water Quality Improvement Act. The CREP program compensates farmers for taking certain lands out of production, rewards farmers for installation of best management practices, and provides for purchase of conservation easements on riparian buffers and wetlands.
- ***Virginia Outdoors Foundations (VOF).*** The General Assembly partially restored operational funding cuts for VOF by \$50,000 GF the first year and \$100,000 GF the second year resulting in a net reduction of \$150,000 GF the first year and \$100,000 GF the second year.
- ***Soil and Water Conservation Districts.*** The General Assembly restored a large portion of the proposed reductions for local Soil and Water Conservation Districts. First year restoration was \$200,000 GF and second year restoration was \$1.2 million GF. The resulting net biennial reduction is \$25,503 GF.
- ***Breaks Interstate Park.*** The General Assembly restored a portion of the proposed reduction to the park. Net reduction is \$25,000 each year.
- ***Balance Reductions.*** The budget transfers of \$531,359 NGF the first year and \$122,594 NGF the second year to the general fund from various DCR balances.

- **Department of Historic Resources**
 - **Agency Reductions.** The General Assembly partially restored proposed reductions with \$100,000 NGF and two positions in the second year. The resulting net reduction for the agency is \$395,619 GF the first year and \$451,193 GF the second year offset by \$100,000 NGF. The agency loses one position and three vacancies.

- **Department of Environmental Quality**
 - **Management Consolidation.** Reduces management positions through two layoffs and one retirement. Seven managers are reassigned to nongeneral funded positions with reductions of \$337,338 GF in FY 2003 and \$589,384 GF in FY 2004.
 - **Reduction in Solid Waste Inspection.** Transfers three solid waste inspectors (from a total of 30) to the petroleum storage tank program with reductions of \$135,085 GF the first year and \$180,113 GF the second year.
 - **Elizabeth River Reductions.** The General Assembly partially restored proposed reductions by providing \$225,000 NGF the second year from anticipated royalties in the Marine Waterways and Habitat Improvement Fund. The net change for Elizabeth River projects are a \$127,563 GF reduction the first year and \$225,000 GF the second year offset by \$225,000 NGF the second year.
 - **Restore Litter /Recycling Grants with VEERF.** The General Assembly restored the local Litter Control and Recycling Grant program from other nongeneral funds within DEQ. As a result, there is no net reduction in local grant awards for the biennium. The source of the nongeneral funds is the Virginia Environmental Emergency Response Fund (VEERF). DEQ is also provided a line of credit, which it may use in case there are insufficient funds in the VRREF to meet needs during the biennium.
 - **Pollution Prevention and Small Business Compliance Programs.** Transfers nine positions to other programs, resulting in a GF reduction of \$222,317 in FY 2003 and \$373,498 in FY 2004.
 - **Indirect Cost Revenues.** Supplants \$645,707 GF in year one and \$241,974 GF in year two from increased indirect cost rates charged to the federal government for grant administration.

- **Virginia Water Facilities Revolving Fund.** Reduces state matching funds by \$493,000 GF the first year. These funds will be replaced by funds from the Virginia Resources Authority’s investment.
- **Water Quality Permits.** Increases by \$1.6 million GF the second year (with an equivalent NGF reduction) to cover a portion of the permit fees DEQ was expecting to collect as a result of fee increases approved by the 2002 General Assembly. Actual revenues have been lower than anticipated due to permit holders renewing prior to the effective date of the increases.
- **Balance Reductions.** Transfers \$2.4 million NGF the first year and \$1.7 NGF the second year into the general fund from agency balances.
- **Department of Game and Inland Fisheries**
 - Eliminates 139 positions and reduces appropriations by \$1.1 million NGF each year. In addition, language in Part 3 reduces the GF transfers to the Game Protection Fund from watercraft sales taxes by \$307,326 each year and sales taxes on hunting and fishing equipment by \$1.7 million each year. Positions eliminated range from clerical to field personnel, many of which are seasonal. The Department will halt development of a computer-based licensing system, creating annual savings of \$650,000 NGF. The budget appropriates \$363,000 from nonresident hunting license fee increases. The Department will close one of nine fish hatcheries, resulting in \$127,500 NGF savings each year. The General Assembly passed language that maintains operation of the Montebello hatchery.
- **Marine Resources Commission**
 - **Reduce Marine Patrol.** The General Assembly restored \$1.2 million GF in the second year to support activities of the marine patrol. These restorations partially offset the Governor’s proposed reductions of \$1.5 GF million resulting in a net reduction for the marine patron in the second year of \$309,470 GF.
 - **Extend Encroachment Royalty Moratorium.** The budget extends the moratorium on collection of encroachment royalties until July 1, 2004 pending study results from HJR 633. The budget also provides \$155,000 GF the second year to offset anticipated royalties

that would have been collected if the moratorium had been lifted as proposed in the introduced budget.

- **Virginia Museum of Natural History**

- ***Targeted Reductions.*** Reduces appropriation by \$287,184 GF the first year and \$448,001 GF the second year by closing the two museum branches, eliminating part-time staff, and other efficiencies.
- ***Maintains Natural History Museum.*** The General Assembly reversed the consolidation of the Natural History Museum into the Science Museum of Virginia and returned funds and positions transferred to the Science Museum for a restoration of \$1.5 million GF and \$444,601 NGF and 31 FTE positions in the second year.