



Report of the Subcommittee on
Economic Development and
Natural Resources

(Senate Bills 29 and 30,
as Introduced)

Senate Finance Committee
Virginia General Assembly

February 22, 2004



SENATE OF VIRGINIA

Senate Finance Committee

REPORT OF THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT AND NATURAL RESOURCES

Mr. Chairman and Members of the Committee:

I am pleased to report the recommendations of the Economic Development and Natural Resources Subcommittee. In the face of an economy just gaining momentum, there are some who advise a retrenchment of the Commonwealth's responsibilities to be stewards of Virginia's natural resources and partners in economic development. Yet, the recommendations we bring to you today reflect a philosophy that by investing in core services, state government facilitates economic progress and is key player in restoring and preserving the natural bounty of this state. These budget recommendations make dramatic investments in key environmental programs while demanding greater accountability for these funds. They also propose economies to ensure that state resources are focused to bring about the most good.

NATURAL RESOURCES

As a direct benefit of the passage of the Virginia Investment Act, the members of the subcommittee recommend one of the most significant budgets for conserving and protecting Virginia's natural resources in several years. The VIA provides a minimum of \$30.0 million each year for land and water programs. Pursuant to Senate Bill 635, the subcommittee recommends the following appropriations with this funding:

First, we propose spending an additional \$7.5 million annually to upgrade municipal waste-water facilities which will reduce nitrogen pollution and help meet state and federal water quality objectives.

Second, the subcommittee recommends providing an additional \$7.5 million each year to reduce pollution and soil erosion from agricultural and urban runoff sources.

Together, these commitments to the Water Quality Improvement Fund will annually keep over 2,000 tons of nutrient pollution and 457,000 tons of topsoil out of Virginia's rivers, streams, and ultimately the Chesapeake Bay.

The remaining \$15.0 million of VIA funds will, through the Virginia Land Conservation Foundation, preserve 15,000 acres of historic sites, forests, parks and nature areas. With a growing and urbanizing population, these lands will provide recreational opportunities and act as natural filters for polluted runoff.

New funding, however, demands greater accountability and the subcommittee recommends state natural resource agencies reexamine their methods and practices. The proposed Senate budget requires these agencies to develop long-term plans, incorporating the best available science, on how the Commonwealth should allocate these funds to achieve the most benefit.

While these new funds will immediately provide land conservation and water quality results, they are largely pass through funding – grants to localities and other conservation partners. Beyond these new grant and local aid programs, the subcommittee recommends partial restorations to three core programs.

All three of our targeted programs experienced general fund reductions in recent years, yet, are called upon to do more with less. All three have also reached the breaking point, where further reductions or higher caseloads will risk public safety, or federal sanctions.

First, the subcommittee recommends \$400,000 annually so the Department of Environmental Quality can continue to operate the water and waste pollution programs that are the heart of state and

federal environmental policy. With fewer inspections of landfills and with more facilities operating with out-of-compliance permits, Virginia risks losing control of its environmental policy. These general funds, along with nongeneral funds from a new permit fee scheduled approved by the Senate, will ensure that we control policy and implementation rather than Washington.

Second, the subcommittee recommends \$569,476 in the first year and \$521,476 in the second year from general funds to hire fourteen state park rangers. With growing attendance and with hundreds of new campsites and cabins being provided by the 2002 bond package, staff shortages mean a public safety risk and declining customer service and maintenance functions. These rangers will provide law enforcement, interpretive, and maintenance functions in parks throughout the Commonwealth.

The third recommendation is \$637,000 in the first year and \$511,500 in the second year for the Virginia Marine Police to hire ten additional officers. The current force is insufficient to patrol Virginia's 5,000 miles of tidal coastline, and in recent years, officers have been diverted from their law enforcement and safety responsibilities to enforce national fisheries regulations, and to provide anti terrorism security for bridges, power plants and liquefied natural gas tankers during Orange Alerts. These funds will permit the force to address its state fisheries and safety responsibilities and provide the first midnight patrol schedule in five years.

Finally, Mr. Chairman, the subcommittee recognizes that even with new funding available, the General Assembly must constantly review agency operations and ensure that the public's money is put to its most efficient use. To this end, the subcommittee recommends combining the operations of the Chesapeake Bay Local Assistance Department with those of the Department of Conservation and Recreation. With complementary responsibilities the combined resources of DCR and CBLAD will be better suited to continue implementing the Chesapeake Bay Preservation Act.

ECONOMIC DEVELOPMENT

We thank the Governor, in difficult budget times, for amendments of \$6.7 million each year for semiconductor performance grants and \$1.9 million for the solar photovoltaic manufacturing grant. These amendments honor commitments made by his predecessors to businesses that created jobs and capital investment in Virginia.

We also commend the Governor for increasing the Opportunity Fund to \$23.0 million, for providing \$2.0 million to market the Jamestown 2007 Commemoration, and for funding his commission responding to the 2005 federal Base Realignment and Closure Commission. We believe that businesses should always be able to count on us to keep our promises.

The amendments included in this report also reflect the Subcommittee's objective to help those with the least resources to help themselves – Rural Virginia.

We recommend new spending of \$200,000 each year to fund the Center for Rural Virginia; \$150,000 each year to establish the Secretary of Agriculture and Forestry; \$300,000 to leverage more loan money for small businesses; \$100,000 to market Virginia agricultural products; and \$1.5 million to market development in economically-stressed localities.

We also recommend a series of amendments to promote greater accountability and performance in the Departments of Housing and Community Development, and Agriculture and Consumer Services; and the Virginia Tourism Authority. There are also amendments to streamline state services by consolidating the Departments of Business Assistance and Minority Business Enterprises.

Mr. Chairman, the Subcommittee is mindful of the needs in economic development and natural resources and of our limited means. These amendments represent our best efforts to balance needs with scarce dollars and accountability.

Proposed Amendments to SB 30 for Natural Resources

	FY05 GF	FY05 NGF	FY06 GF	FY06 NGF	Biennial GF Total	Biennial NGF Total	Total FTE
Secretary of Natural Resources							
Starting Budget	486,801	-	487,423	-	974,224	-	4
No Budget Amendments	-	-	-	-	-	-	-
Recommended Budget	486,801	-	487,423	-	974,224	-	4
Chesapeake Bay Local Assistance Department							
Starting Budget	1,449,221	-	1,451,098	-	2,900,319	-	20
379 #2s Consolidate CBLAD	(1,449,221)	-	(1,451,098)	-	(2,900,319)	-	(20)
Recommended Budget	-	-	-	-	-	-	-
Chippokes Plantation Farm Foundation							
Starting Budget	154,422	67,103	154,455	67,103	308,877	134,206	2
No Budget Amendments	-	-	-	-	-	-	-
Recommended Budget	154,422	67,103	154,455	67,103	308,877	134,206	2
Department of Conservation and Recreation							
Starting Budget	30,271,320	22,392,773	28,525,624	22,392,773	58,796,944	44,785,546	397
381 #1s State Park Pricing Review Language						-	
382 #1s Rappahannock River Basin Comm.	15,000	-	-	-	15,000	-	-
382 #7s SWCD Operations	200,000	-	200,000	-	400,000	-	-
382 #11s SWCD Dams	150,000	-	150,000	-	300,000	-	-
382 #12s VIA Nonpoint WQIF	-	8,508,750	-	7,406,250	-	15,915,000	-
382 #13s Merge CBLAD into DCR	1,400,121	-	1,212,684	-	2,612,805	-	17
382 #14s DCR VNHRF Operations	-	315,000	-	315,000	-	630,000	4
382 #15s SWCD Chesapeake Bay Act	-	500,000	-	500,000	-	1,000,000	-
382 #16s Roanoke River Basin Commission Language						-	
382 #17s WQIF DCR General Funds	1,102,500	-	-	-	1,102,500	-	-
383 #2s Breaks Interstate Park Match Language						-	

Proposed Amendments to SB 30 for Natural Resources

		FY05 GF	FY05 NGF	FY06 GF	FY06 NGF	Biennial GF Total	Biennial NGF Total	Total FTE
383 #10s	Blessed Sacrament Easement	Language					-	
383 #11s	State Park at Beaumont	Language					-	
383 #14s	VIA Land Conservation	-	14,812,500	-	14,812,500	-	29,625,000	-
383 #15s	Park Ranger Positions	569,476	-	521,476	-	1,090,952	-	14
Recommended Amendments		3,437,097	24,136,250	2,084,160	23,033,750	5,521,257	47,170,000	35
Recommended Budget		33,708,417	46,529,023	30,609,784	45,426,523	64,318,201	91,955,546	432
						-	-	
Department of Environmental Quality						-	-	
Starting Budget		42,122,747	133,038,628	36,268,498	132,987,792	78,391,245	266,026,420	908
384 #1s	DEQ Permit Efficiency Study	50,000	-	50,000	-	100,000	-	-
385 #1s	DEQ Pollution Permit Program Fund	400,000	6,030,427	400,000	6,030,427	800,000	12,060,854	-
386 #1s	Water Supply Planning	(150,000)	-	(150,000)	-	(300,000)	-	-
388 #2s	Richmond and Lynchburg CSO	-	1,700,000	-	-	-	1,700,000	-
388 #4s	Elizabeth River Clean-up	197,000	-	265,126	-	462,126	-	-
388 #5s	Southwest VA PDCs Wastewater Fund	-	600,000	-	-	-	600,000	-
388 #6s	VIA WQIF Point Sources	-	5,706,250	-	7,406,250	-	13,112,500	-
388 #7s	DEQ VNHRF Operations	-	60,000	-	60,000	-	120,000	1
388 #8s	WQIF DEQ General Funds	(1,102,500)	-	-	-	(1,102,500)	-	-
388 #9s	VIA WQIF Adjustment	(1,630,000)	-	-	-	(1,630,000)	-	-
Recommended Amendments		(2,235,500)	14,096,677	565,126	13,496,677	(1,670,374)	27,593,354	1
Recommended Budget		39,887,247	147,135,305	36,833,624	146,484,469	76,720,871	293,619,774	909
Department of Game and Inland Fisheries						-	-	
Starting Budget		733,361	44,936,917	733,361	45,406,517	1,466,722	90,343,434	472
393 #1s	State-Owned Fish Hatcheries	-	10,000	-	20,000	-	30,000	-
393 #4s	DGIF General Funds	(733,361)	-	(733,361)	-	(1,466,722)	-	-
Recommended Amendments		(733,361)	10,000	(733,361)	20,000	(1,466,722)	30,000	-
Recommended Budget		-	44,946,917	-	45,426,517	-	90,373,434	472

Proposed Amendments to SB 30 for Natural Resources

	FY05 GF	FY05 NGF	FY06 GF	FY06 NGF	Biennial GF Total	Biennial NGF Total	Total FTE
Department of Historic Resources							
Starting Budget	2,492,929	1,182,965	2,492,151	1,182,965	4,985,080	2,365,930	43
No Budget Amendments	-	-	-	-	-	-	-
Recommended Budget	2,492,929	1,182,965	2,492,151	1,182,965	4,985,080	2,365,930	43
Virginia Marine Resources Commission							
Starting Budget	8,750,741	5,838,796	8,506,264	5,838,796	17,257,005	11,677,592	149
399 #1s Marine Police Officers	637,000	-	511,500	-	1,148,500	-	10
400 #1s VMRC Encroachment Royalties	Language						
Recommended Amendments	637,000	-	511,500	-	1,148,500	-	10
Recommended Budget	9,387,741	5,838,796	9,017,764	5,838,796	18,405,505	11,677,592	159
Virginia Museum of Natural History							
Starting Budget	1,699,459	449,874	1,699,419	449,874	3,398,878	899,748	31
402 #1s Museum Matching Funds	-	-	(56,829)	-	(56,829)	-	-
Recommended Amendments	-	-	(56,829)	-	(56,829)	-	-
Recommended Budget	1,699,459	449,874	1,642,590	449,874	3,342,049	899,748	31
Total Starting Budget	88,161,001	207,907,056	80,318,293	208,325,820	168,479,294	416,232,876	2,026
Total Recommended Amendments	(343,985)	38,242,927	919,498	36,550,427	575,513	74,793,354	26
Total Recommended Budget	87,817,016	246,149,983	81,237,791	244,876,247	169,054,807	491,026,230	2,052
Part 3 and 4 Amendments							
3-6.01 #3s Recordation Fee Transfer	Language						
3-1.01 #6s Transfer VIA to VNHRF	Language						
4-4.01 #2s DCR Nongeneral Fund Acquisitions	Language						
4-6.01 #2s Natural History Museum Foundation	Language						
4-6.01 #4s CBLAD Director	Language						

Proposed Amendments to SB 29 for Natural Resources

Number	Name	2004 GF	2004 NGF	2004 Total
380 #1s	DCR: Chesapeake Bay Restoration Grants	-	467,907	467,907
512 #6s	DCR: Breaks Park 50th Anniversary	50,000	-	50,000
512 #7s	VMRC Encroachment Royalties	Language		
3-1.01 #1s	DEQ: Litter Grants	1,272,750	-	1,272,750
Total Changes to SB 29		1,322,750	467,907	1,790,657

Economic Development Amendments to SB 30

AGENCIES	General Fund Recommendations			NGF	FTEs
	FY 2005	FY 2006	Biennium	Biennium	FY 06
Secretary of Commerce & Trade					
SB 30, as introduced	547,753	548,709	1,096,462	0	5
Economic development priorities	Language	0	0	0	0
<i>Total</i>	547,753	548,709	1,096,462	0	5
Board of Accountancy					
SB 30, as introduced	0	0	0	1,172,000	4
No amendments	0	0	0	0	0
<i>Total</i>	0	0	0	1,172,000	4
Agriculture & Consumer Services					
SB 30, as introduced	23,196,283	23,196,559	46,392,842	47,821,662	505
Weights & Measures - fee reduction	0	0	0	(500,000)	0
Weights & Measures - duplication of effort	Language	0	0	0	0
Performance & accountability	Language	0	0	0	0
Hydrilla control	100,000	0	0	0	0
Wine Board (SB 310 changes)	Language	0	0	0	0
Stewardship/Farm Link Programs	110,000	110,000	220,000	0	2
Promoting Farm Products	100,000	0	100,000	0	0
<i>Total</i>	23,506,283	23,306,559	46,712,842	47,321,662	507
Business Assistance					
SB 30, as introduced	10,701,134	10,701,134	21,402,268	2,530,242	46
Business research restoration	150,000	150,000	300,000	0	2
VA-Israel Advisory Board	0	(148,700)	(148,700)	0	0
Capital Access Program	300,000	0	300,000	0	0
Consolidate DMBE & DBA	534,605	563,571	1,098,176	2,131,848	24
<i>Total</i>	11,685,739	11,266,005	22,951,744	4,662,090	72
Forestry					

Economic Development Amendments to SB 30

AGENCIES	General Fund Recommendations			NGF	FTEs
	FY 2005	FY 2006	Biennium	Biennium	FY 06
SB 30, as introduced	14,055,700	14,052,579	28,108,279	19,428,184	326
Match reforestation tax program	125,000	250,000	375,000	0	0
Restore equipment budget	159,000	159,000	318,000	0	0
<i>Total</i>	14,339,700	14,461,579	28,801,279	19,428,184	326
Housing & Community Dev.					
SB 30, as introduced	23,668,516	23,662,680	47,331,196	142,642,082	127
Center on Rural Virginia (SB 407)	200,000	200,000	400,000	0	0
Performance & accountability	Language	0	0	0	0
Homeless Programs: TANF-HHR Sub.	0	0	0	0	0
<i>Total</i>	23,868,516	23,862,680	47,731,196	142,642,082	127
Labor and Industry					
SB 30, as introduced	6,745,668	6,737,469	13,483,137	10,492,040	181
No amendments	0	0	0	0	0
<i>Total</i>	6,745,668	6,737,469	13,483,137	10,492,040	181
Mines, Minerals & Energy					
SB 30, as introduced	11,422,940	9,545,201	20,968,141	35,690,674	237
Governor's technical amendment	0	0	0	0	0
<i>Total</i>	11,422,940	9,545,201	20,968,141	35,690,674	237
Minority Business Enterprise					
SB 30, as introduced	634,605	663,571	1,298,176	2,131,848	24
Consolidate with DBA	(634,605)	(663,571)	(1,298,176)	(2,131,848)	(24)
<i>Total</i>	0	0	0	0	0
Professional & Occupational Reg.					
SB 30, as introduced	0	0	0	22,944,970	137
No amendments	0	0	0	0	0

Economic Development Amendments to SB 30

AGENCIES	General Fund Recommendations			NGF	FTEs
	FY 2005	FY 2006	Biennium	Biennium	FY 06
<i>Total</i>	0	0	0	22,944,970	137
VA Agricultural Council					
SB 30, as introduced	0	0	0	980,668	0
No amendments	0	0	0	0	0
<i>Total</i>	0	0	0	980,668	0
VA Economic Dev. Partnership					
SB 30, as introduced	16,683,880	16,151,939	32,835,819	0	0
Motor sports recruitment	(250,000)	(250,000)	(500,000)	0	0
Marketing distressed areas	(500,000)	0	(500,000)	0	0
<i>Total</i>	15,933,880	15,901,939	31,835,819	0	0
VA Employment Commission					
SB 30, as introduced	80,637	80,637	161,274	1,168,841,502	1,069
No amendments	0	0	0	0	0
<i>Total</i>	80,637	80,637	161,274	1,168,841,502	1,069
VA Racing Commission					
SB 30, as introduced	0	0	0	8,004,260	10
VA Horse Industry Board	Language	0	0	0	0
<i>Total</i>	0	0	0	8,004,260	10
VA Tourism Authority					
SB 30, as introduced	11,369,914	11,370,098	22,740,012	0	0
"See Virginia First" Campaign	200,000	0	200,000	0	0
Performance and accountability	Language	0	0	0	0
Jamestown 2007 marketing	Language	0	0	0	0
Outdoor resources tourism	0	(150,000)	(150,000)	0	0
<i>Total</i>	11,569,914	11,220,098	22,790,012	0	0

Economic Development Amendments to SB 30

AGENCIES	General Fund Recommendations			NGF	FTEs
	FY 2005	FY 2006	Biennium	Biennium	FY 06
Secretary of Agric. & Forestry					
Establish new secretariat (SB 543)	150,000	150,000	300,000	0	1
Central Appropriations					
Forestry 2-way radio system	language	0	0		
APM terminal project	language	0	0		
MSA & Nonparticipating Manufacturers	language	0	0		
Tobacco securitization	language	0	0		
<i>Total</i>	0	0	0	0	0
CIT					
SB 30, as introduced	5,835,414	3,926,017	9,761,431	0	0
No amendments	0	0	0		
<i>Total</i>	5,835,414	3,926,017	9,761,431	0	0
Miscellaneous Provisions					
VA Wine Board (SB 310 changes)	language				
State Racing Operations Fund	90,000	240,000			
General Provisions					
DMBE Director's Salary	language				
Economic Development SB 30	119,107,030	116,710,576	235,817,606	1,462,680,132	2,670.88
Economic Development - Amends	744,000	370,300	1,114,300	(500,000)	5.00
Economic Development - Grand Total	119,851,030	117,080,876	236,931,906	1,462,180,132	2,676

Commerce And Trade

Secretary Of Commerce And Trade

Language

Language:

Page 68, after line 55, insert:

"C. Notwithstanding other provisions of this Act or the Code of Virginia, when assessing qualified applications for assistance, the highest priority for awards made under the Governor's Development Opportunity Fund, the various workforce services programs administered by the Department of Business Assistance, the small business incubator program, and the financial assistance programs administered by the Virginia Small Business Financing Authority shall be to applicants from economically distressed areas of the Commonwealth. Economic distressed areas are localities that (1) have average unemployment rates using the most recent 6-month average that are 200 percent higher than the most recent 6-month statewide average unemployment rate or (2) are within planning districts that have average unemployment rates for the most recent 6-month average that are at least one and one-half percent greater than the most recent 6-month statewide average."

Explanation:

(This amendment defines economic distressed areas of the state and directs highest priority for funding to these areas from a variety of economic development programs.)

Commerce And Trade

Department Of Agriculture And
Consumer Services

Language

Language:

Page 69, line 22, insert "A." before "All".

Page 69, after line 23, insert:

"B. The department shall work with the Secretary of Commerce and Trade to develop performance goals and strategies to measure the impact of the department's activities in these areas: (1) marketing and promoting of products; (2) food safety

and inspection services; (3) animal industry veterinary services and diagnostic laboratory services; and (4) plant pest and disease control services. The department shall submit these goals and measures by December 1, 2004, to the Chairmen of the Senate Finance and House Appropriations Committees. In addition, it is the intent of the General Assembly that the department incorporate these performance goals and strategies in budget amendments for review and approval by the 2005 Session."

Explanation:

(This amendment directs the Department of Agriculture and Consumer Services and the Secretary of Commerce and Trade to support efforts promoting greater performance and accountability in state government by developing performance goals and strategies for the 2005 Session.)

Economic Development - Natural Resources
Subcommittee

Item 107 #5s

Commerce And Trade

Department Of Business Assistance

	FY 04-05	FY 05-06	
	\$534,605	\$563,571	GF
	\$1,065,924	\$1,065,924	NGF
	24.00	24.00	FTE

Language:

Page 73, line 18, strike "\$11,966,255" and insert "\$13,566,784".

Page 73, line 18, strike "\$11,966,255" and insert "\$13,595,750".

Page 74, after line 37, insert:

"F. To encourage equal opportunity in state procurement, the Department of Business Assistance shall recognize and fully implement the Governor's Executive Order 29 issued on July 2, 2002.

G.1. The Department of Business Assistance shall continue the study authorized under Item 125 of Chapter 1042 of the 2003 Acts of Assembly.

2. However, any monies held in an institutional fund outside of the state treasury for the purpose of carrying out the study shall be transferred to the state treasury. Such monies shall be treated as special funds, and shall not be taken into consideration in, nor be used to reduce, state appropriations or payments, but such funds shall be used in accordance with the wishes of the donors to offset the costs of conducting analyses of the availability and utilization of minority business enterprises or otherwise strengthen the services rendered by the department to minority business

enterprises in the Commonwealth. The Director, Department of Planning and Budget is authorized to establish a nongeneral fund appropriation for the purpose of expending revenues that are received for this study.

H. The Department of Business Assistance is also authorized to relocate from its present location to another less-expensive location more accessible to the public.

I. In developing the operating plan for the consolidated agency, the Department of Business Assistance shall seek input from representatives of affected client and industry groups. Upon completion of the operating plan, the Director, Department of Business Assistance shall submit copies to the Chairmen of the Senate Finance and House Appropriations Committees for their review.

J. It is the intent of the General Assembly that proposed legislation in the 2005 Session to effectuate the merger shall ensure that the core operations of the Department of Minority Business Enterprise shall continue."

Explanation:

(This amendment appropriates dollars and positions transferred in a companion amendment from the Department of Minority Business Enterprise; continues the major study begun by the Department of Minority Business Assistance on procurement opportunities for minority owned businesses; authorizes the Department of Business Assistance to relocate to more publicly accessible and less-expensive office space; continues the powers and responsibilities of the Department of Minority Business Enterprise in the Department of Business Assistance; and expresses legislative intent that proposed measures in the 2005 Session ensure that the core operations of the Department of Minority Business Enterprise continue.)

Economic Development - Natural Resources
Subcommittee

Item 109 #1s

Commerce And Trade

Department Of Housing And
Community Development

Language

Language:

Page 76, after line 3, insert:

"As a condition of appropriation, the Department of Housing and Community Development shall work towards accomplishing these goals and strategies in the

2004-2006 biennium:

In the program area of economic development, the department shall target community economic development activities to distressed areas of the Commonwealth with a goal of creating or retaining jobs and new private investment. The goal is to create or retain 4,500 jobs and to stimulate \$110 million of investment that can be directly tied to the department's efforts in each year of the biennium.

In the program area of infrastructure development, the department shall provide access to new safe drinking water and approved wastewater disposal systems to households. The goal is to provide new water and/or wastewater service to 1,500 households through the department's funded projects in each year of the biennium.

In the program area of fire and building safety, the department shall increase fire safety in buildings subject to inspection by the State Fire Marshal's Office. The goal is to eliminate fire code violations by inspecting 4,000 buildings annually and bringing 95 percent of the buildings into compliance with the Statewide Fire Prevention Code in each year of the biennium.

In the program area of housing assistance, the department shall increase the availability of decent, safe and affordable housing to individuals and families at 60 percent of median income or below. The goal is to produce 100 units of new affordable rental housing, improve 2,950 units of substandard housing and provide homeownership opportunities to 400 households in each year of the biennium.

In the program area addressing homelessness, the department shall reduce the number of families and individuals experiencing homelessness. The goal is to prevent 2,400 households from becoming homeless and to move 5,000 homeless individuals and families into permanent housing in each year of the biennium."

Explanation:

(This amendment sets out a series of goals for the department to achieve in the 2004-2006 biennium to promote greater performance and accountability in state government.)

Language:

Page 91, after line 12, insert:

"J. The Authority shall work with the Secretary of Commerce and Trade to develop performance goals and strategies to measure the impact of the Authority's programs and activities. The Authority shall submit these goals and measures by December 1, 2004, to the Chairmen of the Senate Finance and House Appropriations Committees. In addition, it is the intent of the General Assembly that the Authority incorporate these performance goals and strategies in budget amendments for review and approval by the 2005 Session."

Explanation:

(This amendment directs the Virginia Tourism Authority and the Secretary of Commerce and Trade to support efforts promoting greater performance and accountability in state government by developing performance goals and strategies for the 2005 Session.)

Economic Development - Natural Resources
Subcommittee

Item 502 #2s

Central Appropriations

Central Appropriations

Language

Language:

Page 369, after line 57, insert:

"E. There is hereby appropriated to the Tobacco Indemnification and Community Revitalization Endowment all proceeds of any sale of the Commission Allocation pursuant to the provisions of Chapter 482 of the 2002 Acts of Assembly."

Explanation:

(This amendment appropriates to the Tobacco Indemnification and Community Revitalization Endowment the monies realized from any securitization of the entity's portion of the Master Settlement Agreement.)

Economic Development - Natural Resources
Subcommittee

Item 502 #3s

Central Appropriations

Central Appropriations

Language

Language:

Page 369, after line 57, insert:

"E. The Tobacco Indemnification and Community Revitalization Commission shall develop recommendations on how Virginia Non-Participating Manufacturers (NPM) to the Master Settlement Agreement (MSA) may join the MSA in a manner that will not lead to a loss of jobs by the NPMs and will maximize revenue for the Commonwealth. In developing the recommendations the Commission shall examine these measures from the 2004 Session -- Senate Bill 649, Senate Bill 675, House Bill 345, and House Bill 1428 -- as well as manufacturers assessment proposals suggested by the NPMs. Recommendations shall be submitted to the General Assembly, the Governor and the Attorney General by November 1, 2004."

Explanation:

(This amendment directs the Tobacco Indemnification and Community Revitalization Commission to review legislation from the 2004 Session as well as proposals suggested by Non-Participating Manufacturers (NPM) for the NPMs to join the Master Settlement Agreement in such a manner as not to jeopardize jobs and revenue for Virginia.)

Economic Development - Natural Resources
Subcommittee

Item 379 #2s

Natural Resources	FY 04-05	FY 05-06	
Chesapeake Bay Local Assistance	(\$1,449,221)	(\$1,451,098)	GF
Department	-20.00	-20.00	FTE

Language:

Page 297, line 31, strike "\$1,449,221" and insert "\$0".

Page 297, line 31, strike "\$1,451,098" and insert "\$0".

Page 297, strike lines 31 thru 47.

Page 298, strike lines 1 thru 3.

Page 297, after line 30, insert:

"Notwithstanding Title 10.1 Chapter 21, Code of Virginia, the Chesapeake Bay Local Assistance Department will be merged with the Department of Conservation and Recreation effective July 1, 2004. The powers and duties heretofore exercised by such agency shall hereafter be vested in the Department of Conservation and Recreation. The Chesapeake Bay Local Assistance Board shall remain a collegial body pursuant to Title 10.1 Chapter 21."

Explanation:

(This amendment removes funding and positions from the Chesapeake Bay Local Assistance Department (CBLAD) and preserves the Chesapeake Bay Local Assistance Board. An accompanying amendment in Item 382 appropriates the positions and resources of CBLAD to the Department of Conservation and Recreation. Both agencies are responsible for land use, open space and water quality programs and the combined agency will be better positioned to continue the planning support role of CBLAD and enforce the local planning ordinances already in place.)

Economic Development - Natural Resources
Subcommittee

Item 382 #7s

Natural Resources	FY 04-05	FY 05-06
Department Of Conservation And Recreation	\$200,000	\$200,000 GF

Language:

Page 298, line 25, strike "\$22,738,678" and insert "\$22,938,678".

Page 298, line 25, strike "\$20,977,511" and insert "\$21,177,511".

Page 299, after line 57, insert:

I. In conjunction with other reporting requirements included in this Item, the Soil and Water Conservation Board shall prepare annual statistics, by District, that include: the number of farmers, the number of acres in farms and in agricultural production (by product type), the number of farmers participating in District programs by program, the number of acres by product under each type of agricultural best management practice, the budgeted and expended funds for each agricultural best management practice, and other information needed by the Department of Conservation and Recreation to evaluate the quantitative impact of Soil and Water Conservation District practices and funding on Virginia's water quality and land conservation goals. This information shall be provided to the Director of the Department of Conservation and Recreation in a timely manner for the Department to complete its annual reporting requirements under this Item."

Explanation:

(This amendment restores a portion of the FY 2003 budget reductions to Virginia's Soil and Water Conservation Districts to implement nonpoint source water pollution programs. The amendment also requires the Soil and Water Conservation Board to provide statistics that will be needed to evaluate the effectiveness of District operations.)

Natural Resources	FY 04-05	FY 05-06	
Department Of Conservation And Recreation	\$6,906,250	\$6,906,250	NGF

Language:

Page 298, line 25, strike "\$22,738,678" and insert "\$29,644,928".

Page 298, line 25, strike "\$20,977,511" and insert "\$27,883,761".

Page 299, after line 57, insert:

"1.1. Out of the amounts for Statewide Non-Point Source Pollution Control, \$6,906,250 each year is appropriated from nongeneral funds in the Virginia Natural and Historic Resources Fund to be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997, Title 10.1, Chapter 21.1, Code of Virginia.

"2. The Department shall review Soil and Water Conservation District (SWCD) operations and identify potential improvements in water quality and soil erosion programs. The review shall consider the relative needs of the various Districts, practices that offer the most cost-effective use of nonpoint source funding, and practices that are most appropriate given the characteristics of the various districts. The review shall incorporate the most recent findings on best management practice effectiveness. Based on the findings of the review, the Department shall propose changes in SWCD practices, staffing and funding, including the potential for performance based funding, to improve the Commonwealth's non-point source programs. The Department shall coordinate this review with the requirements of HJR 72 (2004 Session) and any planned reviews of its nutrient management regulations. Copies of an interim report shall be provided to the Chairmen of the House Committees on Appropriations, and Agriculture, Chesapeake and Natural Resources, and the Senate Committees on Finance, and Agriculture, Conservation and Natural Resources by December 31, 2004. The final report including recommendations for SWCD practices and funding shall be provided by December 31, 2005."

Explanation:

(This amendment appropriates the nongeneral funds from the Virginia Natural and Historic Resources Fund pursuant to the Virginia Investment Act (SB 635, 2004 Session). These funds will be used for programs that reduce nonpoint source pollution from urban and agricultural sources. The amendment also mandates a

review of Soil and Water Conservation District and other nonpoint source programs.)

Natural Resources	FY 04-05	FY 05-06	
Department Of Conservation And Recreation	\$1,400,121 17.00	\$1,212,684 17.00	GF FTE

Language:

Page 298, line 25, strike "\$22,738,678" and insert "\$24,138,799".

Page 298, line 25, strike "\$20,977,511" and insert "\$22,190,195".

Page 299, after line 57, insert:

"1.1. The Department of Conservation and Recreation (DCR) shall assume the responsibilities and budget resources of the Chesapeake Bay Local Assistance Department (CBLAD) appropriated herein effective July 1, 2004. The resources of the former Department shall continue within DCR to provide technical and financial assistance to localities pursuant to the Chesapeake Bay Preservation Act (§ 10.1-2100, et. seq.) The Chesapeake Bay Local Assistance Board shall continue as a collegial body.

2. The Secretary of Natural Resources shall prepare an agency reorganization plan to be submitted to the Chairmen of the Senate Finance and House Appropriations Committees by December 20, 2004. In developing the plan the Secretary shall consult with Tidewater localities and Tidewater Soil and Water Conservation Districts.

3. The plan shall include necessary steps to ensure that the purposes of the Chesapeake Bay Preservation Act are implemented by DCR with former CBLAD resources and personnel constituting either a new division within DCR or a component of an existing division. The plan shall also identify any positions that will be eliminated or other actions needed to achieve the policy goals and cost savings. Upon completion of the operating plan, the Director shall submit copies to the Chairmen of the Senate Finance and House Appropriations Committees for their review.

4. It is the intent of the General Assembly that legislation in the 2005 Session effectuating the merger shall ensure that the core operations of the Chesapeake Bay Local Assistance Department and Chesapeake Bay Local Assistance Board shall continue.

J.1. The amounts provided to localities and planning district commissions for financial assistance in implementing the Chesapeake Bay Preservation Act shall be distributed on a competitive basis. Consideration shall be given to the availability of local resources, with more funding provided to localities with the greatest needs and where the greatest water quality benefits can be achieved.

2. Of the amounts in the Land Management program, the Department may expend a portion of its general fund appropriation for a water quality monitoring project in Caroline County."

Explanation:

(This amendment merges the functions and budget resources of the Chesapeake Bay Local Assistance Department into the Department of Conservation and Recreation (DCR). The amendment requires DCR to achieve cost savings through this reorganization.)

Economic Development - Natural Resources
Subcommittee

Item 382 #15s

Natural Resources	FY 04-05	FY 05-06
Department Of Conservation And Recreation	\$500,000	\$500,000 NGF

Language:

Page 298, line 25, strike "\$22,738,678" and insert "\$23,238,678".

Page 298, line 25, strike "\$20,977,511" and insert "\$21,477,511".

Page 299, after line 57, insert:

"I. Notwithstanding the distribution specified in §10.1-2135.C.1, Code of Virginia, from the allocation intended for the Department of Conservation and Recreation for the Water Quality Improvement Fund, the Comptroller shall transfer from the sales and use tax revenue deposited into Virginia Natural and Historic Resources Fund: \$500,000 the first year and \$500,000 the second year for grants to local Soil and Water Conservation Districts to assist in the development of agricultural conservation plans. These amounts shall be counted against the Department's annual transfer from the Virginia Natural and Historic Resources Fund for nonpoint source programs."

Explanation:

(This amendment provides for local assistance grants to 13 Soil and Water Conservation Districts in the coastal plain region of Virginia. The funds will be used to support 12 local district employees who will assist farmers in developing the agricultural conservation plans required under the Chesapeake Bay Preservation Act. The funds come from an earmark of the Department's new nonpoint source water quality funds provided by the "Virginia Investment Act" (SB 635, 2004 Session).)

Natural Resources	FY 04-05	FY 05-06	
Department Of Conservation And Recreation	\$14,812,500	\$14,812,500	NGF

Language:

Page 300, line 1, strike "\$25,666,442" and insert "\$40,478,942".

Page 300, line 1, strike "\$25,666,442" and insert "\$40,478,942".

Page 301, line 15, strike "H.", and insert "H.1.".

Page 301, line 22, after "funding;", insert "descriptions of projects that received funding;"

Page 301, after line 24, insert:

"2. Included in the amount for Preservation for Open Space Lands is \$14,821,500 from nongeneral funds each year to be deposited into the Virginia Land Conservation Fund, §10.1-1012, Code of Virginia. The source of these nongeneral funds is the Virginia Natural and Historic Resources Fund pursuant to the "Virginia Investment Act" (SB 635, 2004 Session).

3. The Chairman of the Virginia Land Conservation Foundation shall review the criteria used to evaluate grant applications. Based on this review, the Foundation shall develop new review criteria that better quantify the relative merits of each prospective grant parcel. The measurable criteria shall include, but are not limited to the following: the status of the parcel under a loyalty's master plan as a Chesapeake Bay Preservation Area, (2) the degree to which securing the parcel will protect local drinking water supplies, (3) the degree to which the parcel satisfies recreational needs of population centers or other recreational needs as identified in the Virginia Outdoors Plan, (4) the extent to which the affected localities have identified the parcel as having important local water quality or recreational benefits, (5) the cost effectiveness of the parcel in satisfying these criteria compared to alternatives (6) criteria that are relevant to the particular classes of open space preservation provided under Virginia law. By November 19, 2004 copies of the proposed revisions to the grant review criteria shall be provided to the Chairmen of the House Committees on Appropriations, and Agriculture, Chesapeake and Natural Resources, and the Senate Committees on Finance and Agriculture, Conservation and Natural Resources House Appropriations and Senate Finance Committees.

3. Beginning November 1, 2005, and annually thereafter, the Chairman of the Virginia Land Conservation Foundation shall submit a report to the Chairmen of the House Committees on Appropriations, and Agriculture, Chesapeake and Natural Resources, and the Senate Committees on Finance and Agriculture, Conservation and Natural Resources House Appropriations and Senate Finance Committees, and the Director of the Department of Planning and Budget on the activities of the Virginia Land Conservation Foundation including, but not limited to: implementation of the Foundation's strategic plan; projects under consideration for funding, with their scores on the new grant review criteria developed under section "I.2" above; projects funded, with their scores on the new grant review criteria developed in section "I.2" above, expenditures from, interest earned by, and financial obligations of the Virginia Land Conservation Fund."

Explanation:

(This amendment appropriates \$14,821,500 each year for the preservation of open spaces, natural areas, agricultural lands, historic sites, and other significant natural and cultural assets of the Commonwealth, and will contribute to improved water quality by preventing pollution from polluted agricultural and urban runoff. The source of funds is the "Virginia Investment Act".)

Natural Resources	FY 04-05	FY 05-06	
Department Of Environmental Quality	\$5,706,250	\$7,406,250	NGF

Language:

Page 304, line 18, strike "\$60,303,091" and insert "\$66,009,341".

Page 304, line 18, strike "\$54,419,021" and insert "\$61,825,271".

Page 305, after line 14, insert:

"F.1. Out of the amounts for Environmental Technical and Financial Assistance, \$5,706,250 from nongeneral funds in the first year and \$7,406,250 from nongeneral funds in the second year shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. The source of funds for these nongeneral fund deposits is the Virginia Natural and Historic Resources Fund pursuant to the "Virginia Investment Act" (SB 635, 2004 Session).

2. Beginning in its January 2005 Annual Report on the Virginia Water Quality Improvement Fund, the Department shall provide the following additional information for approved projects: (1) annual projections of the nutrient reductions from the grant project out to either the year the facility will reach design capacity or ten years, which ever is longer, (2) the impact the project will have on nutrient reduction goals for any associated tributary strategy, (3) the discounted net present value of the costs of the grant in terms of dollars per ton of nutrients removed based on the projections included in "(1)" above."

Explanation:

(This amendment appropriates the nongeneral funds from the Virginia Natural and Historic Resources Fund pursuant to the "Virginia Investment Act" (SB 635, 2004 Session). These funds will be used to provide grants to localities to upgrade their waste water treatment facilities. The amendment also requires the Department of Environmental Quality to report on the cost-effectiveness of projects that have received grants.)