

Natural Resources

The Governor's proposed budget for natural resources provides \$584.7 million in total appropriations for the biennium. This represents a net increase of \$64.4 million in appropriations over the adjusted appropriation for current operations. The introduced budget provides an additional \$15.4 million GF for the biennium, including \$7.7 million GF in FY 2005 for the Water Quality Improvement Fund (WQIF). The introduced bill allocates 75 percent of the WQIF appropriation to address point sources of water pollution and allocates the remaining 25 percent to address nonpoint sources.

The largest increase for the secretarial area – a \$15.1 million annual NGF appropriation – falls under the Department of Environmental Quality. These funds result from a new Virginia Natural and Historic Resources Fund. The fund will be capitalized through a \$10 recordation fee originally approved by the General Assembly during the 2002 Session, which currently flows to the general fund. The introduced budget also restores \$1.4 million GF annually for in-house technology initiatives at the agency, and allocates the agency's share of the WQIF deposit, which totals \$5.8 million GF for the biennium. Finally, the introduced budget increases the nongeneral fund appropriation for the petroleum storage tank fund by \$3.9 million each year.

The Department of Conservation and Recreation receives an additional \$1.9 million GF for non-point source water quality improvements through the Water Quality Improvement Fund. In addition, the introduced budget provides for up to \$2.0 million in VPBA bonds for a lodging and dining facility at Occoneechee State Park to be developed through a Public-Private Education Facilities Infrastructure Act project.

Under the Department of Game and Inland Fisheries, the introduced budget authorizes \$1.5 million NGF for the agency to develop an automated license system. The bill also provides \$1.5 million GF for the biennium for game protection enforcement activities which is contingent on passage of the Governor's tax proposal.

For the Marine Resources Commission, the introduced budget provides \$200,000 GF for the biennium to study the potential risks of introducing a non-native oyster species into the Chesapeake Bay and provides \$258,000 GF biennially for a seawall at Tangier Island. The seawall will be built by the U.S. Corps of Engineers; this appropriation represents Virginia's match for the project.

- **Department of Conservation and Recreation**
 - ***Water Quality Improvement Fund Deposit.*** Appropriates \$1.9 million to the Water Quality Improvement fund (WQIF) in FY 2005 for nonpoint source pollution reduction strategies. This amount represents 25 percent of the total deposits to the WQIF for the biennium. Deposits to the WQIF come from 10 percent of the year-end revenue surplus and unappropriated balance for FY 2003.
 - ***Transfer Technology Reform Funding.*** Restores \$157,405 GF each year for information technology functions associated with in-house programs. These funds were originally to be removed from the agency for IT consolidations under the Virginia Information Technologies Agency.
 - ***Increase Dam Safety Program.*** Increases funding to the dam safety program by \$179,663 GF in FY 2005 and \$335,996 GF in FY 2006. Funds provide for an additional safety inspector position and begin addressing repairs to the 10 highest risk Soil and Water Conservation District-owned dams.
 - ***Occoneechee Park PPEA.*** Language in Part 2 provides for up to \$2.0 million in Virginia Public Building Authority bonds as the Commonwealth's share of a public-private partnership under the Public-Private Educational Facilities and Infrastructure Act of 2002. The proposed project would include a dining and lodging facility and related amenities such as a boat rental facility and a nature center. Budget language indicates that the facility will not include a golf course.
- **Department of Environmental Quality**
 - ***Natural and Historic Resources Fund.*** Appropriates \$15.1 million NGF each year from a new fund which will support water quality and land and historic conservation programs. Language in Part 3 of the budget bill earmarks a \$10 recordation fee originally approved in the 2002 Session and creates the fund. Separate legislation will establish the mechanism for allocating these revenues among various natural resource programs. Transfer of the funds from the general fund is contingent upon passage of the Governor's tax proposal.
 - ***Environmental Permit Programs.*** Increases nongeneral fund appropriations by \$2.6 million each year and provides 25 positions

from increased pollution permit fees. The funds will result from increases in permit fees for water and waste programs mandated by federal and state law. Availability of these funds is contingent on separate legislation, which will set the new permit fee schedule. Language in the budget bill would authorize the Director of the Department of Environmental Quality to return administration of the affected programs to the federal government if a new fee schedule is not implemented or a combination of fund sources is not provided.

- **Water Quality Improvement Fund Deposit.** Appropriates \$5.8 million to the Water Quality Improvement fund (WQIF) in FY 2005 for point source pollution reduction strategies. This amount represents 75 percent of the total deposits to the WQIF for the biennium. Deposits to the WQIF represent 10 percent of the year-end revenue surplus and the unappropriated balance.
- **Transfer Technology Reform Funding.** Restores \$1.4 million GF each year for information technology functions associated with in-house programs. These funds were originally to be removed from the agency for IT consolidations under the Virginia Information Technologies Agency.
- **Water Supply Planning.** Provides \$500,000 GF each year to establish a statewide water supply planning program. The program includes funding for technical assistance to localities to develop local water supply plans. The introduced budget also provides for seven positions to be located at the regional offices.
- **Evaluate Brownfields.** Provides \$347,698 NGF the first year and \$379,306 NGF the second year from a federal grant to evaluate hazardous waste and brownfield sites for potential hazards to human health.
- **Elizabeth River Clean-up.** Provides \$100,000 GF in the first year to continue the Commonwealth's participation in a federal, state and local effort to clean up the Elizabeth River. These funds will support development of the project design phase and the cooperation agreement.
- **Sewage Treatment Oversight.** Transfers \$552,006 GF and seven positions each year from the Department of Health for regulation of sewage treatment plants. House Bill 2602 (2003 Session) gave the

State Water Control Board sole authority for oversight of sewage treatment plant construction and operations.

- ***Petroleum Storage Tank Fund.*** Increases nongeneral funds by \$3.9 million each year for the Petroleum Storage Tank Fund based on an updated forecast of motor fuel sales. The fund is maintained by a 1/5th of a cent tax on motor fuels.
- **Department of Game and Inland Fisheries**
 - ***Increase for Game Protection.*** Increases agency appropriations by \$733,361 GF each year for enforcement of game protection laws. This funding is contingent on passage of the Governor's tax proposal.
 - ***Automated License System.*** Provides \$515,200 NGF in FY 2005 and \$984,800 NGF in FY 2006 to develop an automated point of sale system for hunting and fishing licenses to replace the current paper-based system.
 - ***Increase Game Protection Fund Transfer.*** Language in Part 3 provides an additional \$881,753 NGF annually for the Game Protection Fund from the general fund. These funds are derived from the sales and use taxes levied on watercraft.
 - ***Federal Wildlife Grants.*** Provides for an additional \$1.8 million NGF each year from a federal grant for wildlife conservation programs.
- **Marine Resources Commission**
 - ***Tangier Island Seawall.*** Provides \$250,000 GF in FY 2005 and \$8,000 GF in FY 2006 as state match for a U.S. Corps of Engineers project to build a seawall protecting the harbor on Tangier Island.
 - ***Non-native Oyster Research.*** Provides \$100,000 GF each year as Virginia's share of a federal and state program to study the effects of introducing non-native oysters into the Chesapeake Bay. Non-native species may prove resistant to parasites that have decimated native species.
 - ***Eliminate Master Equipment Lease Funds.*** Reduces the appropriation by \$166,610 GF each year. Funds were provided for participation in a master lease for marine patrol boats.

- ***Reclassify Nongeneral Fund Positions.*** During the 2003 Session, the General Assembly provided general funds in lieu of higher saltwater fishing license fees. The 29 affected FTE have been reclassified as general funded to reflect the actual funding source.
- **Virginia Museum of Natural History**
 - ***Executive Director's Salary.*** Provides \$113,658 GF each year to hire an executive director. Following budget cuts announced prior to the 2003 session, the executive director resigned and the agency diverted funds for that position to other areas. These actions have hampered the Museum's efforts to raise private funds for its approved new facility.