

Natural Resources

The 2004-06 biennial budget for natural resources includes \$591.9 million in total appropriations. This represents a net increase of \$71.6 million in appropriations over the base budget for current operations. The approved budget provides an additional \$51.4 million GF for the biennium and an additional \$20.2 million in nongeneral funds.

The largest increase for the secretarial area – a \$35.0 million GF biennial appropriation – is distributed between the water quality and land conservation programs of the Department of Environmental Quality and the Department of Conservation and Recreation. These funds include \$15.0 million annually for the Water Quality Improvement Fund (WQIF) and \$2.5 million annually for the Virginia Land Conservation Fund (VLCF). The WQIF funding will be divided evenly between the point source water pollution control programs of the Department of Environmental Quality (DEQ) and the nonpoint source programs under the Department of Conservation and Recreation (DCR). Funding the VLCF will secure ownership and additional easements on farms, forests, parks and other open space areas. In addition budget language creates a reserve fund which will consist of 15 percent of any WQIF funding that results from the general fund revenue surplus. This reserve will be available for WQIF purposes in years when there are no revenue surpluses.

Under the Department of Environmental Quality the budget also reprograms \$500,000 annually from the water supply planning program to support the waste water pretreatment permit program and fund a \$100,000 contribution to the Elizabeth River cleanup project.

The approved budget consolidates the programs and resources of the Chesapeake Bay Local Assistance Department into the Department of Conservation and Recreation to centralize the Commonwealth's nonpoint water quality and land conservation programs. The approved budget also restores slightly more than \$1.0 million GF over the biennium for state park rangers and equipment. The budget appropriates an additional \$800,000 annually for the Virginia Outdoors Foundation resulting from a \$1 deed recordation fee authorized by Chapter 990, 2004 Acts of Assembly.

For the Marine Resources Commission the 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.

Under the Department of Game and Inland Fisheries, the authorized budget maintains the nongeneral fund status of the agency by removing a proposed \$1.5 million GF appropriation for game law enforcement. The budget provides for a 5.9 percent increase in nongeneral funds for the department. The bill also provides \$1.5 million NGF for the agency to develop an automated license system.

- **Department of Conservation and Recreation**

- *Water Quality Improvement Fund Deposits.* Appropriates \$9.4 million GF in FY 2005 and \$7.5 million GF in FY 2006 to the Water Quality Improvement Fund (WQIF), including \$1.9 million in the first year from the FY 2003 revenue surplus. These WQIF funds will be used for agricultural and urban best management pollution reduction strategies.
- *Virginia Land Conservation Fund Deposits.* Appropriates \$2.5 million in each year for land conservation programs. Twenty-five percent will support the Virginia Outdoors Foundation and the remaining 75 percent will be used to award grants to local governments and other organizations to acquire open space land including battlefields, parks, farms, and forests.
- *Virginia Outdoors Foundation (VOF).* Appropriates \$800,000 annually from a new \$1 deed recordation fee authorized by Chapter 990, 2004 Acts of Assembly. These funds will be used to enforce easements and to acquire new easements contributing to open space preservation. The \$1 fee applies to deeds recorded in localities with a VOF easement.
- *Soil and Water Conservation Districts.* Restores \$125,000 GF each year for district operations and provides \$150,000 GF in FY 2005 for dam maintenance.
- *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**
 - ***Water Quality Improvement Fund Deposits.*** Provides \$13.3 million GF in FY 2005 and \$7.5 million GF in FY 2006 to upgrade municipal water treatment facilities. These funds include \$5.8 million in the first year from the FY 2003 revenue surplus.
 - ***Environmental Permit Programs.*** Includes \$2.6 million NGF each year and 25 positions from increased pollution permit fees. The nongeneral funds will be produced by increases in the permit fees for the water and waste programs mandated by federal and state law, as provided in Chapters 249 and 324, 2004 Acts of Assembly. The budget also includes \$400,000 GF each year to maintain the Commonwealth’s control over the wastewater pretreatment program. This additional funding ensures the state continues to control its environmental permit programs.
 - ***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.*** Redirects a proposed \$500,000 GF each year for water supply planning to the environmental permit program and other natural resource priorities.
 - ***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. Legislation approved during the 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.
- *Litter Control and Recycling Grants.* Provides for a one-time treasury loan to pay formula grants during FY 2005. The Department must repay the loan from its total litter control and recycling tax receipts, which will preclude awarding competitive grants until the loan has been repaid.
- **Department of Game and Inland Fisheries**
 - *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**
 - *Saltwater Fishing License Fees.* Provides \$600,000 NGF each year and 10.00 positions for additional marine police officers. The nongeneral fund dollars to support these positions will come from

either federal funds or from increases in commercial and saltwater fishing licenses, if approved by the citizen advisory boards responsible for the oversight of license revenue.

- *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 fund dollars in lieu of higher saltwater fishing license fees. The 29 affected FTE have been reclassified as general fund positions 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.
 - *Increase Private Funding.* Requires the museum to study the potential for increased private and other grant funding sources in light of the new museum building under construction in Martinsville.