

Natural Resources

The Governor's recommended amendments for the Natural Resources Secretariat result in a net increase of \$38.6 million, or 18.9 percent, for general fund activities and of \$556,446, or less than 1.0 percent, for nongeneral fund spending, as compared to the 2004 Appropriation Act. The overall position level for the secretariat is increased by 31.50 positions, representing an increase of 1.5 percent.

The majority of the general fund dollars (\$32.4 million) is concentrated in two agencies, the Department of Conservation and Recreation (DCR) and the Department of Environmental Quality (DEQ). This funding reflects the statutorily required deposit to the Water Quality Improvement Fund, which finances programs in both agencies. This deposit represents 10 percent of the excess general fund revenues and unexpended balances that accrued on June 30, 2004.

The Water Quality Improvement Fund will provide DCR and DEQ each with \$16.2 million to fund programs to reduce point and nonpoint source pollution in Virginia's waters. Funding to DCR will target farmers and landowners to voluntarily reduce the amount of nutrients, such as nitrogen and phosphorus, from entering streams, rivers and the Chesapeake Bay. Funding received by DEQ will provide for grants of up to 50 percent of the capital cost of installing biological nutrient reduction facilities at publicly owned treatment works as part of the state's Chesapeake Bay Tributary Strategy.

The Governor also recommends an additional \$2.2 million and 27 positions to improve security and increase maintenance and programming in the state park system and the state's natural area preserves.

The remaining general fund amendments address a variety of items, including: \$1.3 million to DEQ to repay a treasury loan related to the Litter Control and Recycling Fund; \$701,510 and three positions for water supply planning; \$300,000 and five law enforcement positions for the Marine Resources Commission; \$259,487 for the Department of Historic Resources to review capital projects at military installations, conduct surveys of historic resources, and protect threatened archaeological sites; and \$489,938 and 9.5 positions to support the operations of the Virginia Museum of Natural History.

- **Secretary of Natural Resources**
 - *Fully Budget Operating Expenses.* Provides \$28,962 GF the first year and \$50,683 GF and one position the second year to accurately

reflect the operating budget of the Office of the Secretary of Natural Resources. This is a technical amendment to reflect recent findings by the Auditor of Public Accounts and is one of several affecting the Office of the Governor and the Governor's Secretaries.

- *Administrator for Council on Indians.* Proposes to increase general fund support by \$50,000 and one full-time position the second year.
- *Transfer of Funds for Council on Indians.* The General Assembly transferred responsibility for the Council to the secretary's office in the 2004 Session. The technical amendment transfers general fund appropriations of \$16,689 each year from the Jamestown-Yorktown Foundation to cover the Council's operations.
- **Department of Conservation and Recreation**
 - *Water Quality Improvement Fund - Nonpoint Program.* Proposes \$16.2 million from the general fund in FY 2006 to provide matching grants for controlling nonpoint source pollution resulting from agricultural activities and land development. Funded activities include Virginia's Tributary Strategies, the Conservation Reserve Enhancement Program, and local governments' efforts to protect drinking water supply watersheds.
 - *State Parks Operations.* The budget proposes an increase of \$2.0 million GF and \$250,000 NGF and 27 positions in FY 2006 to provide operational support and protect public safety in those parks where major general obligation bond (GOB) projects will be completed in FY 2006. Ten of the ranger positions to be created will be allocated to other parks with critical public safety needs.
 - *Repair Dams in State Parks.* Includes \$650,000 from the general fund in the second year to initiate a four-year program to repair the park system's major dams. The agency estimates a total repair cost of \$2.6 million for dams at nine state parks. The appropriation is to first address those dams representing the greatest threat to public safety and private property.
 - *Division of Natural Heritage.* Recommends an increase of \$200,000 the second year from the general fund to manage the State Natural Area Preserve System, provide safe public access, and expand wildlife management in the Preserve System. The current Preserve System of 43 properties comprising almost 38,000 acres will expand

over the next two-years because of the \$20.0 million GOB package approved in 2002.

- ***Bond Projects Management.*** Proposes to continue authorization for five full-time positions approved administratively in FY 2004 to implement the 2002 GOB package. The temporary positions are employed in the agency’s design and construction unit. The positions will be paid from bond proceeds.
 - ***Virginia Outdoors Survey.*** Provides \$80,000 from the general fund in FY 2006 to contract with Virginia Commonwealth University to develop a federally-required survey.
 - ***Local Flood Plain Mapping.*** Proposes \$100,000 NGF and one position in FY 2006 to manage flood plain mapping projects and study updates for local, regional, state, and federal interests. This program was a responsibility of the Federal Emergency Management Agency (FEMA); however, FEMA has transferred the responsibility, along with the funding, to the Commonwealth.
- **Department of Environmental Quality**
 - ***Water Quality Improvement Fund - Point Source Program.*** The Governor proposes \$16.2 million from the general fund in FY 2006 to provide technical assistance grants. These grants provide up to 50 percent of the cost of design and installation of biological nutrient reduction facilities at publicly owned treatment works as part of the state’s Chesapeake Bay Tributary Strategy.
 - ***Litter Control and Recycling Fund.*** Includes \$1.3 million from the general fund in FY 2005 to repay the agency’s treasury loan. The agency provides formula grants for localities from fees paid by industry. In the 2004 Session, the Governor and General Assembly transferred the annual fees of \$1.3 million to the general fund. This practice required the agency to borrow money from the Treasury with interest to provide the grants.
 - ***Water Supply Planning.*** Proposes \$701,510 GF and three full-time positions in the second year to provide financial assistance for localities to develop water supply plans and to conduct research on ground water resources west of Interstate 95. A number of localities depend on ground water as their primary drinking source, but not enough is known about the flow of this water source.

- *Elizabeth River Study.* Recommends \$25,000 from the general fund in FY 2006 to boost the state’s share of the study from \$100,000 to \$125,000. The purpose of the study is to improve the water and sediment quality of the river. The U.S. Army Corps of Engineers, the Cities of Chesapeake, Norfolk, Portsmouth, and Virginia Beach, and the Elizabeth River Restoration Trust are participating in the project along with the Commonwealth.
- **Department of Game and Inland Fisheries**
 - *Watercraft Sales and Use Tax.* Proposes to increase the amount of general fund dollars transferred to the Game Protection Fund by \$300,000 the first year and by \$600,000 the second year, reflecting improved collections.
- **Department of Historic Resources**
 - *Historic Surveys and Threatened Sites Program.* Proposes for the second year of the biennium \$159,487 GF and \$85,040 NGF (from local government contributions). Of this amount, \$120,000 is for the survey program to identify historic resources for state and local government planning purposes. The remaining funds address archaeological sites in Virginia threatened by development, neglect, or nature.
 - *Rehabilitation Tax Credit Program.* Recommends \$64,201 NGF and one position in FY 2006 to review applications for state and federal rehabilitation tax credits. Since 1997, the number of applications submitted to the agency has increased from 86 projects to 270 projects. The credit programs have resulted in over \$706.0 million of rehabilitation work to more than 700 buildings. The source of funding is application fees.
 - *Environmental Reviews of Military Facilities.* Provides \$100,000 GF the second year to improve coordination between the agency and the Department of Defense on the review of military installation projects. The military owns the largest portion of historic structures located in Virginia.
 - *Clermont Farm.* The proposed amendments include language to permit the agency to accept the donation of the Clermont Farm in Clarke County. The language further authorizes the agency to sell or lease the property and to deposit the proceeds to the Historic

Resources Fund notwithstanding provisions of the *Code* dealing with the sale or lease of surplus property.

- **Marine Resources Commission**
 - *Marine Police Officers.* The introduced amendments increase the number of Marine Patrol Officers by five positions and \$300,000 GF in FY 2006. The agency currently has 65 officers.
 - *Tangier Island Seawall.* Proposes a language amendment authorizing unexpended general fund balances from the project to be carried forward and reappropriated at the end of fiscal years 2005 and 2006. The balances could only be used to support the project undertaken by the Army Corps of Engineers.
- **Virginia Museum of Natural History**
 - *Operating and Staff Support.* Proposes to increase the second year appropriation by \$489,938 GF and 9.50 positions. The new positions address security, equipment, maintenance, exhibition, and retail needs.