

Natural Resources

When compared to existing appropriations, the amendments approved by the General Assembly provide additional general fund support of \$107.2 million and nongeneral fund support of \$995,899 for the agencies assigned to the Natural Resources secretariat. The additional general fund support represents an increase of 52.4 percent in these agencies' funding, while the additional nongeneral fund dollars represent an increase of less than 1.0 percent. Overall, the adopted amendments increase the secretariat's position level by 89 positions, or 4.4 percent.

The largest portion of the new general fund dollars is concentrated in two agencies - the Department of Conservation and Recreation (DCR), which received an additional \$38.7 million, and the Department of Environmental Quality (DEQ), which received an additional \$65.8 million. Most of these agencies' additional general fund dollars are appropriated through the Water Quality Improvement Fund. These general fund dollars include \$32.4 million reflecting a statutorily required deposit to the Water Quality Improvement Fund. This sum represents 10 percent of the surplus general fund revenues and unexpended general fund balances existing on June 30, 2004. In addition, \$50.0 million is appropriated to the Water Quality Improvement Fund to improve publicly owned wastewater treatment plants. Another \$4.0 million is appropriated to the Combined Sewer Overflow Fund to assist the cities of Richmond and Lynchburg with their combined sewer overflow mitigation projects.

The general funds appropriated to the Water Quality Improvement Fund will support programs reducing the levels of point and nonpoint source nutrient pollution entering Virginia's waters. The funding provided for use by DCR will support programs encouraging farmers and landowners to voluntarily reduce the levels of nutrients, including nitrogen and phosphorus, entering the Commonwealth's streams and rivers and the Chesapeake Bay. The funding received by DEQ will provide grants to assist publicly owned treatment works with the capital costs of installing biological nutrient reduction facilities. The programs operated by DCR and DEQ are components of Virginia's Chesapeake Bay Tributary Strategies.

Other major initiatives include \$10.0 million for land conservation, \$4.8 million and 57 positions to improve security, increase maintenance and develop programming in the state park system and natural area preserves, and \$1.0 million for oyster replenishment efforts.

The remaining general fund amendments address a variety of items, including \$1.3 million for DEQ to repay a treasury loan related to the Litter Control and Recycling Fund; \$651,510 and three positions for water supply planning; \$475,000 and 7.5 law enforcement positions for the Marine Resources Commission; \$469,472 for the Department of Historic Resources to survey historic resources, protect threatened archaeological sites, maintain the graves of Revolutionary War soldiers, and staff critical agency operations; 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.* Increases 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 during 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.
- *Transfer of Nonstate Agency Funding for Council on Indians.* Language is included to permit the transfer of funds provided for the development of an American Indian Heritage Trail to the Secretary of Natural Resources. During the 2005 Session, the General Assembly approved a \$25,000 grant for the development of this trail as a component of a larger package of grants awarded to non-profit historic preservation, cultural, and service organizations. However, the Virginia Council on Indians is a sub-agency assigned to the Secretary of Natural Resources. This amendment ensures all funds appropriated for use by the Council on Indians are co-located.

- **Department of Conservation and Recreation**

- *Water Quality Improvement Fund - Nonpoint Program.* Provides \$22.7 million from the general fund in FY 2006 to provide matching

grants for controlling nonpoint source nutrient pollution from agricultural activities and land development. The majority of these general fund dollars (\$15.0 million) are targeted to agricultural best management practices, as required by the provisions of House Bill 2777, Senate Bill 810, and Senate Bill 1235, which were adopted by the 2005 Session of the General Assembly.

- ***Land Conservation.*** Appropriates \$10.0 million GF the first year to the Virginia Land Conservation Foundation to support the preservation of open-space, farmland, forests, and the development of parks.
- ***Additional State Park Operating Support.*** Adds \$4.5 million GF, \$250,000 NGF, and 57 positions in FY 2006 to increase the level of operating support provided to 29 of the park system's existing 34 state parks. Accompanying language directs that one of these new positions be used to provide an executive director for the Cove Ridge Center, which is located in Natural Tunnel State Park and is the park system's premier environmental education facility. Additional language also provides for the use of \$35,000 to prevent the migration of wild horses into False Cape State Park from North Carolina.
- ***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 total repair costs of \$2.6 million for dams located within nine state parks. This appropriation is to address those dams representing the greatest threat to public safety and private property.
- ***Division of Natural Heritage.*** Provides \$300,000 GF the second year to improve management of Virginia's natural area preserves, improve public access to them, and expand wildlife management. The current natural area preserve system consists of 43 properties totaling nearly 38,000 acres. The system is expected to expand during the next two years due to the general obligation bond package approved by voters in 2002.
- ***Maintenance of Soil and Water Conservation District-owned Dams.*** Provides \$358,000 from the general fund in FY 2006 operate and maintain 104 flood control dams owned by soil and water conservation districts.

- ***Erosion and Sediment Control Program.*** Provides \$125,000 GF in FY 2006 to fill two vacant positions in the program. The Department is responsible for reviewing and evaluating erosion and sediment control programs administered by local governments.
 - ***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.
 - ***“Friend of the Chesapeake” License Tags.*** Provides \$439,433 NGF to carry out the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee. Grants are made to nonprofit organizations, political subdivisions, state agencies, and educational institutions to improve water quality throughout the Bay watershed.
 - ***Local Flood Plain Mapping.*** Includes \$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.
 - ***Planning for Pinnacles Recreational Opportunities.*** Language is included requiring DCR to examine the feasibility of establishing day use recreational access sites, environmental education facilities, and the creation of a regional or state park along the Clinch River within the vicinity of the Pinnacles Natural Area Preserve located in Russell County. This examination is to include any resources that would be necessary to operate any access sites or facilities.
 - ***Bond Projects Management.*** Continues 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.
- **Department of Environmental Quality**
 - ***Water Quality Improvement Fund - Point Source Program.*** Provides \$59.7 million GF in the second year for technical assistance grants to assist publicly-owned wastewater treatment plants with the design and capital costs of installing biological nutrient reduction improvements. This funding is provided

pursuant to the provisions of House Bill 2777, Senate Bill 810, and Senate Bill 1235, which were approved by the 2005 Session of the General Assembly. As a component of this legislation, it should be noted that \$6.5 million was transferred from the Water Quality Improvement Fund's point source allocation to the nonpoint source pollution allocation managed by the Department of Conservation and Recreation. The transferred funds were part of the FY 2004 year-end revenue surplus deposited into the fund.

- ***James River Combined Sewer Overflow (CSO) Projects.*** Provides \$4.0 million GF in the second year for the two James River CSO projects -- \$2.0 million for the City of Richmond and \$2.0 million for the City of Lynchburg.
- ***Litter Control and Recycling Fund.*** Includes \$1.3 million from the general fund in FY 2005 to repay a treasury loan. DEQ provides formula-based litter control and recycling grants to localities from fees paid by industry. During the 2004 Session, the Governor and General Assembly transferred annual fees of \$1.3 million to the general fund. This practice ultimately required the provision of a treasury loan to the agency in order to continue providing these grants.
- ***Water Supply Planning.*** Provides \$651,510 GF and three full-time positions in the second year to provide financial assistance to localities for the development of local and regional water supply plans and to conduct research on ground water resources west of Interstate 95. A number of localities depend upon ground water as their primary drinking source; however, not enough is known about the flow and availability of this water source.
- ***Water Quality Monitoring.*** Provides \$106,000 from the general fund in FY 2006 to support citizen water quality monitoring efforts. Of this amount, \$20,000 is for water quality monitoring on Smith Mountain Lake.
- ***Elizabeth River Study.*** Includes \$25,000 from the general fund in FY 2006 to boost the state's share of this study from \$100,000 to \$125,000. The purpose of the study is to improve the water and sediment quality in 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 with the Commonwealth.

- *Nutrient Credit Exchange.* Includes language authorizing DEQ to provide up to \$300,000 in grants to the Virginia Nutrient Credit Exchange Association pursuant to House Bill 2862 and Senate Bill 1275. The two bills establish a nutrient trading program for achieving reductions in nitrogen and phosphorus discharges from wastewater treatment plants into state waters.
- **Department of Game and Inland Fisheries**
 - *Game Warden Positions.* Provides an additional 20.0 NGF positions in the second year to ensure that sufficient game wardens are deployed throughout the state.
 - *Black Bear Management Program.* Language requires the agency to report on other states' efforts to manage black bear populations and to review the impact of federal land management policies on Virginia's efforts to control the black bear population.
 - *Sales and Use Taxes.* Language is included to recognize the additional general fund dollars transferred to the Game Protection Fund each year. These transfers are increased by \$300,000 the first year and by \$1.5 million the second year, reflecting improved collections. The total amount of general fund dollars transferred from the general fund to the Game Protection Fund in FY 2006 will total \$14.8 million.
- **Department of Historic Resources**
 - *Historic Surveys and Threatened Sites Program.* Provides additional \$159,487 GF and \$85,040 NGF (from local government contributions) in the second year for this program. Of the total, \$120,000 will support a survey program to identify historic resources for state and local government planning purposes. The remainder will address archaeological sites in Virginia that may be threatened by development, neglect, or nature.
 - *Staff Positions.* Provides \$307,140 GF and five positions in the second year for several purposes, including re-establishing a state archaeologist, providing an easement program coordinator, hiring a procurement officer to oversee nonstate agency grants, and two positions to update and manage the agency's records database. This database, containing information on more than 160,000 historic properties located in Virginia, is used by state, federal, and local government agencies and private-sector developers.

- ***Rehabilitation Tax Credit Program.*** Includes \$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 the nongeneral fund dollars is application fees.
 - ***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.
 - ***Historic Review of Military Installation Projects.*** Federal law requires that the U.S. Department of Defense consult with the department when seeking to renovate or modernize historic structures on military installations located in Virginia. This amendment includes language directing the department to collaborate with the U.S. Department of Defense and local military commanders to ensure these historic reviews are promptly and efficiently performed.
- **Marine Resources Commission**
 - ***Oyster Replenishment.*** Provides \$1.0 million GF in the second year to support oyster replenishment efforts.
 - ***Marine Police Officers.*** Includes \$475,000 GF and 7.5 positions in the second year to increase the number of Marine Patrol Officers. The agency currently has 65 officers.
 - ***Tangier Island Seawall.*** Includes language 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 can only be used to support this 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.