

Natural Resources

The amendments approved for the Natural Resources secretariat include an additional \$43.0 million in general funds and \$4.3 million in nongeneral funds for the biennium. When compared to current appropriations, these additional amounts result in an increase of 10.1 percent in general fund support and 1 percent in nongeneral fund support for the secretariat.

Approved general fund spending includes \$21.6 million to address water quality problems caused by the discharges of wastewater treatment plants, \$6.6 million for land conservation, \$6.1 million for correcting the combined sewer overflow projects in the cities of Lynchburg and Richmond, \$3.8 million to address water quality problems caused by agricultural and land development activities, and \$1.2 million to support the state parks system. Of the amounts designated above for addressing water quality impairments, \$5.4 million represents the remaining amounts required for deposit to the Water Quality Improvement Fund due to the FY 2006 year-end revenue surplus and unreserved general fund balances.

- **Department of Conservation and Recreation**

- ***Funding for Land Conservation.*** Includes \$5.1 million and two positions in the first year and \$1.5 million in the second year and one additional position in the second year from the general fund, and \$99,040 from nongeneral funds and one position in the second year for the preservation of open space. For the biennium, the amendment includes \$1.0 million for use by the Virginia Land Conservation Foundation; \$4.3 million for use by the Office of Farmland Preservation to support agricultural purchase of development rights programs; and \$950,000 in operating support for the Virginia Outdoors Foundation. In addition \$151,000 and one position in the second year will be transferred to the Department of Historic Resources to assist that agency with the administration of its easement program.
 - Funding provided to the Virginia Land Conservation Foundation is distributed in the form of matching grants.
 - The nongeneral fund revenue included in this proposed amendment is generated by a 2 percent fee assessed on persons who sell portions of their land conservation tax credits as specified in Chapter 4, Special Session I, 2006 Acts of Assembly.
- ***Funding for Nonpoint Source Pollution Prevention.*** Provides \$3.8 million from the general fund in the first year to address water quality impairments caused by agricultural and land development activities. This sum represents the remaining portion of the deposit required under the Virginia Water Quality Improvement Act.
 - The majority of the FY 2006 revenue surplus (\$12.8 million) was deposited into the Water Quality Improvement Fund to support wastewater

treatment plant improvements outside the Chesapeake Bay watershed in Chapter 3, Special Session I, 2006 Acts of Assembly.

- Of the remaining \$3.8 million provided to satisfy this statutory deposit, \$199,605 has been set aside in the Water Quality Improvement Fund reserve created by the General Assembly in 2004.
- ***Repair of Soil and Water Conservation District Dams.*** Includes \$616,000 from the general fund in the first year to match federal funds appropriated for the renovation of four soil and water conservation district dams located in Augusta County along the South River.
- ***Identifying and Certifying the Safety Status of Dams.*** Provides \$352,377 from the general fund in the second year to hire three engineers for the Division of Dam Safety. The division's engineers are responsible for providing technical assistance and guidance to dam owners in order to ensure compliance with the agency's dam safety regulations. Currently, the division has three engineers who are each responsible for the inspection of 200 dams. The new engineers would be responsible for inspecting the 850 dams brought under regulation by changes in the Dam Safety Act that took effect in 2002. About 124 of these new dams are classified as high hazard dams.
- ***Additional Support for State Parks.*** Provides \$1.0 million from the general fund and \$250,000 from special fees and ten full-time positions in the second year for the operation of Virginia's state park system.
- ***Provide Funding for State Park Equipment Needs.*** Includes \$198,039 from the general fund in the second year for the purchase of maintenance equipment for new park facilities and to replace vehicles and equipment throughout the park system that are in excess of 10 years old or that otherwise incur high maintenance costs.
- ***Supporting Soil and Water Conservation Districts.*** Provides \$300,000 from the general fund in the second year to support the work of the state's soil and water conservation districts.
- ***Breaks Interstate Park.*** Includes \$100,000 from the general fund in the second year to continue the refurbishment of a 50,000 gallon water tank and the construction of a new 100,000 gallon water tank to serve the park.
- ***Increasing Public Access to the Chesapeake Bay.*** Includes \$150,000 from the general fund in the second year for the Middle Peninsula Planning District Commission and the Northern Neck Planning District Commission to increase public access to the Chesapeake Bay as recommended in the Virginia Outdoors Plan.

- *“Friend of the Chesapeake” License Plates.* Provides \$362,102 in the first year from the proceeds of the sale of “Friend of the Chesapeake” license plates to fund the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee. The committee recommended funding for 54 projects ranging in value from \$265 to \$29,000.
- *Improving Water Quality.* Provides \$738,000 from special fees and two full-time positions for a variety of actions to improve water quality throughout the state. These actions include additional emphasis on nutrient management plans for the land application of biosolids, acquisition of water quality monitoring equipment for the Friends of the Shenandoah River, and improvements to the department’s computer system to track the implementation of agricultural cost share practices..

- **Department of Environmental Quality**

- *Funding for Point Source Pollution Prevention.* Provides \$1.6 million from the general fund in the first year and \$20.0 million from the general fund in the second year to address water quality impairments caused by the nutrients discharged from wastewater treatment plants. The \$1.6 million represents the remaining portion of the statutory deposit required because of unreserved general fund balances from FY 2006. Of the amount, \$85,545 has been set aside in the Water Quality Improvement Fund Reserve created by the 2004 Session of the General Assembly. The \$20 million deposit to the Water Quality Improvement Fund builds upon \$250 million in previous appropriations made for improving wastewater treatment since 2005.
 - Additionally, the General Assembly approved legislation (House Bill 1710 and Senate Bill 771) authorizing the Virginia Public Building Authority to issue tax-supported debt not to exceed \$250.0 million, to improve the nutrient reduction capabilities of 89 publicly owned wastewater treatment plants. The issuance of this debt is subject to the General Assembly’s approval and is to be issued only to the extent additional appropriations are not provided for upgrading these wastewater treatment plants or insufficient resources in the Water Quality Improvement Fund exist to provide the grants for this purpose. The legislation also reforms the department’s review process of grant applications to emphasize cost cutting designs and local government participation in the Chesapeake Bay Watershed Nutrient Credit Exchange Program.
- *Funding for Combined Sewer Overflow Projects.* Includes \$6.1 million in the second year from the general fund to support the City of Lynchburg and the City of Richmond’s combined sewer overflow projects. The appropriation is to be divided equally between the two cities.
- *Provide Additional Funding for Wetlands and Water Protection Program.* Includes \$574,566 and six positions from the general fund in the second year for

the Wetlands and Water Protection Program. The amendment provides a full-time wetlands enforcement position and an additional permit writer for the agency's Northern Virginia office, which has experienced a large volume of permit applications due to development and roadway projects. In addition, the amendment creates four positions to develop and maintain a geographic information system for tracking wetlands impacts and mitigation, to provide training to agency staff and the regulated community, and to coordinate the review of impacts to historic resources and threatened and endangered species.

- The amendment also assists the agency in potentially pursuing the U.S. Army Corps of Engineers' approval of a more comprehensive State Programmatic General Permit. A more comprehensive permit would allow the Commonwealth to assume greater control over the issuance of wetlands and water protection permits. Currently, any project affecting wetlands must obtain both state and federal approval.
 - If a decision is made to assume full state control of the wetlands and water protection permits, the agency has projected that an additional 24 positions would be needed.
- ***Provide Additional Funding for Solid Waste Management Program.*** Provides \$511,218 and five positions from the general fund in the second year to continue funding for an initiative approved by the General Assembly only for the first year. The initiative provided five positions to develop guidance for inspectors, permit staff, and the regulated community, to improve landfill inspections, and to ensure the proper closure of old permitted and un-permitted landfills.
 - ***Increase Funding for Biosolids Program.*** Provides \$730,000 from special fees in the second year and 20 full-time positions to site, permit, enforce, and monitor the application of biosolids on farm and pasture lands. The General Assembly passed legislation (House Bill 2802 and Senate Bill 1339) in the 2007 Session to transfer the biosolids program from the Department of Health to the Department of Environmental Quality. A companion amendment in the Department of Conservation and Recreation provides \$173,000 in nongeneral funds and two positions to review those nutrient management plans that include application of biosolids.
 - The General Assembly also approved a language amendment directing the department to convene a panel of experts to evaluate the impact of land application of biosolids on human health and the environment.
 - ***Funding Shenandoah River Task Force.*** Includes \$100,000 in the second year from nongeneral funds derived from the Virginia Environmental Emergency Response Fund to continue the work of the multi-agency task force investigating extensive fish kills in the Shenandoah River.

- *Improving Water Quality Outside the Chesapeake Bay.* Includes language removing the department’s authorization for the management of a \$17.0 million water quality grant program for localities located outside the Chesapeake Bay watershed. The funding is transferred to the Department of Housing and Community Development, where language prioritizes the use of these grants for correcting “straight pipes” discharging to streams and rivers in the Southern Rivers drainage areas.

- **Department of Game and Inland Fisheries**

- *Increase Watercraft Sales and Use Tax Deposit.* Transfers \$400,000 in the first year and \$2.4 million in the second year in additional general fund resources to support the agency’s Game Protection Fund. The additional general fund dollars are derived from a reduction in the amount of watercraft sales and use taxes deposited to the general fund.
 - The amendment increases the amount of general fund support for the department to \$16.9 million, or 34 percent, in the first year and \$19.0 million, or 39 percent, in the second year.
- *Increasing Services Along the Rappahannock and Rapidan Rivers.* Provides \$410,000 in the second year from nongeneral funds to support hiring two game wardens and a biologist to work the Rappahannock River Easement made by the City of Fredericksburg. The source of the nongeneral fund revenue is proceeds from the watercraft sales and use tax.
- *Improving Boating Safety on Smith Mountain Lake.* Includes \$50,000 in the second year from nongeneral funds to assist in conforming the Smith Mountain Lake navigation system to U.S. Coast Guard standards. The source of the nongeneral fund revenue is proceeds from the watercraft sales and use tax.

- **Department of Historic Resources**

- *Fund Virginia Indian Heritage Program.* Provides \$250,000 in the first year from the general fund to develop a database about research on Virginia Indian sites, to sponsor K-12 teacher institutes and similar higher education summits, and to establish a grant program for public sites with interpretative content on Virginia Indians.
- *Provide Funding for Montpelier Restoration Matching Grant.* Includes \$109,518 from the general fund in the second year to provide a grant to the Montpelier Foundation required by § 10.1-2213.1 of the Code of Virginia. This statute requires the Commonwealth to provide the foundation with a payment of \$0.20 for each \$1 in charitable contributions the foundation expends on the restoration of Montpelier, the former home of James Madison.

- Currently, grants are paid to the Montpelier Foundation in six installments based on restoration expenditures certified by the Department of Historic Resources by January 1. Language is included changing the certification date to September 30 to correspond more closely to the development of the Governor's introduced budget.
 - The amount included in the adopted budget reflects certified restoration expenditures between January 1, 2006 and September 30, 2006.
- ***Provide an Additional Position for Mandated Reviews.*** Includes \$75,028 and one position in the second year from the general fund to assist the agency in completing environmental reviews for federal and state actions required to be completed within 30 days. These projects include the review of projects on military installations and state and federal highway projects.
 - ***Annual Rent Increase.*** Provides \$33,000 in the first year and \$37,000 in the second year from the general fund to offset rent increases for the office, library, laboratory, and curation space the department leases from the Virginia Historical Society.
 - ***Offset Nongeneral Fund Position Salary Increases with General Fund Dollars.*** Includes \$23,957 in the first year and \$27,282 in the second year from the general fund to provide the salary increases approved by the General Assembly for two positions supported by the Transportation Trust Fund. These two positions are responsible for reviewing the impact of transportation projects on historic sites and other natural resources.
 - ***Establish Line of Credit for Federal Grant Awards.*** Language is included within § 3-2.03 of the Budget Bill to establish a \$600,000 line of credit to support the department's Historic Preservation Grant expenditures until it receives federal funds for these activities.
 - The Historic Preservation Grant is administered by the National Park Service. Because the federal fiscal year does not begin until October, the department often does not receive its federal funding until March.
 - Currently, the agency uses treasury loans to bridge this federal funds gap. The Department of Accounts has recommended the use of this line of credit to simplify financing agency activities until federal funds are collected.
 - ***Protecting Civil War Historic Sites.*** Provides \$200,000 the second year from the general fund to further capitalize the Civil War Historic Site Preservation Fund. Budget language requires applicants to provide \$2.00 in matching funds for each dollar received from the fund.

- **Marine Resources Commission**

- *Increase Appropriation for Nongeneral Fund Grants.* Provides \$750,000 in nongeneral funds in the second year primarily from federal and private oyster replenishment grants.
- *Provide Additional Oversight for Marine Habitat and Waterways Improvement Fund.* Includes \$500,000 in nongeneral funds and one position in the second year. The majority of the additional nongeneral fund revenue, generated by royalties paid for the use of state-owned bottomlands, will be used to fund various habitat improvement projects. The additional position will be responsible for the coordination and oversight of the agency’s marine habitat and waterways improvement program.
 - Currently, the Marine Habitat and Waterways Improvement Fund supports the costs of two positions. The proposed amendment would add an additional position’s costs to that fund. There is some concern about the ability of the fund’s revenues to sustain the support of these positions in the out-years.
- *Provide Additional Funding for Oyster Replenishment.* Includes \$200,000 in the second year from the general fund for the oyster propagation and habitat improvement program.

- **Virginia Museum of Natural History**

- *Provide Additional Research, Education, and Visitor Services Staff.* Includes \$125,272 from the general fund, \$315,884 from nongeneral funds, and nine positions to provide additional staffing for the museum prior to the opening of its new facility. Of the nine positions created, three would be laboratory technician positions and two positions would support the museum’s educational programs. Fifty percent of the cost of these five positions would be supported by general fund dollars. The other four positions would support visitor services and membership development. These four positions would be entirely supported by nongeneral fund dollars. The nongeneral fund revenue to support all nine positions will come from admissions income and monies raised by the Virginia Museum of Natural History Foundation.