

Natural Resources

The proposed FY 2010 amendments for the Natural Resources secretariat include a general fund decrease of \$9.3 million from the Governor's September 2009 budget reductions, which represents a 9.5 percent decrease. These reductions are offset by the addition of \$17.2 million in general funds to replace federal fiscal stabilization funds, for a net general fund increase of \$7.9 million over Chapter 781 of the 2009 Acts of Assembly. A corresponding amendment in the Compensation Board uses the Federal Fiscal Stabilization Funds to backfill reductions to Sheriff's Officers.

The Governor's proposed appropriation for Natural Resources in the 2010-12 biennium totals \$189.0 million GF and \$540.7 million NGF. This is a decrease of \$7.6 million GF and \$92.3 million NGF compared to the appropriation for current operations, after the September 2009 reductions are taken into consideration. This total includes reductions of \$21.2 million GF offset by new spending of \$13.6 million GF. This represents a 3.9 percent decrease in general fund spending compared to the adjusted appropriation for the previous biennium.

The only significant new spending item proposed for Natural Resources is \$10.0 million GF and \$18.2 million NGF for implementation of agricultural best management practices. The source of this nongeneral fund is from a proposed increase of \$10.00 in the Recordation Fee.

The significant change in the nongeneral fund appropriation is mostly due to removing the appropriation of \$55.7 million NGF each year which had been included in the base budget to authorize cash expenditures of previous deposits to the Water Quality Improvement Fund. The cash balance has been exhausted and expenditures for FY 2011 and FY 2012 will be from \$250.0 million in bonds that were previously authorized by the General Assembly.

HB/SB 29

- **Chippokes Plantation Farm Foundation**
 - *Governor's September 2009 Budget Reductions.* Includes savings of \$53,661 GF for FY 2010 to implement the September 2009 budget reductions.

- **Department of Conservation and Recreation**
 - *Governor's September 2009 Budget Reductions.* Includes savings of \$4.3 million GF for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include a \$900,000 GF reduction to state parks by eliminating 19 positions; reducing state park visitor services, programs and operational hours for an additional \$825,000 GF savings; implementing a state park reservation fee to cover an additional \$350,000 GF reduction with nongeneral funds, and; reducing funds for state park maintenance by \$100,000. Reductions to state parks total \$2.3 million GF, which represents a current reduction of 13 percent, and a cumulative reduction of 29 percent as compared to FY 2008 funding levels. Other strategies include a reduction in support for Soil and Water Conservation Districts of

\$587,455 GF, and a savings of \$203,147 GF from elimination of the Virginia Karst Groundwater Protection Program (a karst is limestone terrain characterized by sinkholes and sinking streams and caves, which are prominent in Virginia).

- *Revise Items Funded with ARRA.* Provides \$15.2 million GF for FY 2010 to substitute for federal fiscal stabilization funds for agricultural best management practices. A corresponding amendment in the Compensation Board uses the stabilization funds to support sheriffs' offices and this amendment restores general funds for agricultural best management practices.
- *Revise Items Funded with ARRA.* Provides \$2.0 million GF for FY 2010 to substitute for federal fiscal stabilization funds to support the Virginia Land Conservation Foundation (VLCF). A corresponding amendment in the Compensation Board uses the stabilization funds to support sheriffs' offices and this amendment restores general funds for the VLCF.

- **Department of Environmental Quality**

- *Governor's September 2009 Budget Reductions.* Includes savings of \$2.7 million GF for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include a reduction of \$500,000 GF from FY 2009 agency balances; savings of \$364,830 GF from eliminating a contract for fish tissue analysis; reducing funding for the Water Facilities Revolving loan program by \$200,000 GF; saving \$255,000 GF by reducing litter control grants to localities, and reducing funding for Chesapeake Bay water quality monitoring by \$149,276 GF. In addition to these savings, DEQ will reduce funding for the waste tire pile clean-up program and transfer \$1.5 million NGF from the Waste Tire Fund to the general fund.
- *Change Fund Source for September 2009 Reduction Strategy.* Restores \$1.5 million GF for FY 2010 that was eliminated as part of the September 2009 reduction plan. These funds were proposed to come from indirect cost recoveries that are not available. A corresponding amendment will instead transfer the same amount from the Water Quality Improvement Fund Reserve.

- **Department of Game and Inland Fisheries**

- *Reduction in General Fund Transfer.* Language is included reducing the total transfer from watercraft sales and use tax provided to the agency by \$2.0 million in FY 2010 due to reduced watercraft sales activity.

- **Department of Historic Resources**

- *Governor's September 2009 Budget Reductions.* Includes savings of \$535,506 GF and 3 positions for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include eliminating \$190,000 GF for Civil War Battlefield Preservation; reducing funding for the statewide historic resources

survey by \$85,500 GF, and saving \$67,100 GF by reducing the grant payment to Montpelier.

- *Revert Balance from Nonstate Grant.* Proposes a reduction of \$22,434 GF in FY 2010 representing the balance from a nonstate grant for which the grantee did not qualify.

- **Marine Resources Commission**

- *Governor's September 2009 Budget Reductions.* Includes savings of \$1.4 million GF for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include supplanting \$421,000 GF for habitat management with waterway improvement funds; supplanting \$400,000 GF in law enforcement with \$300,000 NGF from saltwater recreational fishing funds and \$100,000 NGF from federal joint forces agreement funds; a reduction of \$237,844 GF in law enforcement from reducing purchase of gasoline, supplies and equipment, and a savings of \$297,000 GF by eliminating general fund support for oyster replenishment and restoration projects.

- **Museum of Natural History**

- *Governor's September 2009 Budget Reductions.* Includes savings of \$261,257 GF for FY 2010 to implement the September 2009 budget reductions. Strategies to meet these savings include closing the museum on Sundays and holidays and keeping vacant positions open.

HB/SB 30

- **Secretary of Natural Resources**

- *Consolidate Support Staff.* Reduces funding by \$67,814 GF each year by eliminating funding for a support staff position.

- **Chippokes Plantation Farm Foundation**

- *Governor's September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a savings of \$20,764 GF each year.

- **Department of Conservation and Recreation**

- *Restore Funding for Conservation Reserve Enhancement Program.* Provides \$435,473 GF each year to restore funding for the Conservation Reserve Enhancement Program, which had been eliminated as part of the Governor's September 2009 reductions.
- *Nonpoint Source Pollution Funding.* Proposes \$5.0 million GF and \$9.1 million NGF each year for agricultural best management practices to control nitrogen,

phosphorus, and sediment runoff from farming. The source of the nongeneral funds is a proposed increase to the Recordation Fee from the current \$10.00 for each deed recorded to \$20.00.

- *Governor's September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a reduction of \$3.8 million GF each year and a net reduction of 26 positions. The one major difference from the September plan is that the strategy of reducing state park visitor services, programs and operational hours, which produced savings of \$825,000 GF in FY 2010, will only produce savings of \$600,000 GF in FY 2011 and \$600,000 GF in FY 2012. The net reduction to state parks is just over \$2.0 million GF for each year.
- *Virginia Land Conservation Foundation.* Provides \$1.0 million GF each year to restore half of the funding for the Virginia Land Conservation Foundation. The Foundation was previously funded at \$2.0 million GF per year, but this funding was eliminated from the base when federal ARRA funding was substituted for the general funds in Chapter 781.

- **Department of Environmental Quality**

- *Remove Appropriation for Water Quality Improvement Fund Balance.* Removes an appropriation of \$55.7 million NGF each year which had been included in the base to authorize cash expenditures of previous deposits to the Water Quality Improvement Fund. The cash balance has been exhausted and expenditures for FY 2011 and FY 2012 will be from \$250 million in bonds that were previously authorized by the General Assembly.
- *Governor's September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a reduction of \$3.2 million each year. This includes \$2.5 million GF and \$1.4 in NGF transfers from the waste tire and litter prevention funds each year. The only difference from the previously announced plan was to increase the reduction from the Water Facilities Revolving loan program to \$847,720 each year in FY 2011 and 2012. The plan also annualizes the reduction for local water supply grants at \$20,000 GF, the Chesapeake Bay Foundation at \$20,000 GF and citizen water quality monitoring grants at \$20,000 for each year.

- **Department of Game and Inland Fisheries**

- *Reduction in Watercraft Sales and Use Tax Transfer.* Language is included reducing the transfer of watercraft sales and use tax by \$2.0 million each year. The forecast for these revenues has been reduced from \$5.0 million per year to \$3.0 million per year based on reduced projections of boat sales.
- *Increase in Federal Fund Appropriation.* Increases the nongeneral fund appropriation for the State Recreational Boating Program by \$1.3 million each year based on anticipated increases in federal funds.

- **Department of Historic Resources**
 - *Governor's September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a net savings of \$570,980 GF each year.

- **Marine Resources Commission**
 - *Governor's September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a net savings of \$1.4 million GF in FY 2011 and \$1.4 million GF in FY 2012.
 - *Oyster Replenishment Grant.* Provides an appropriation of \$2.0 million NGF each year for anticipated federal funds for oyster replenishment efforts.
 - *Tangier Seawall Project.* Provides \$360,000 GF in FY 2011 and \$12,000 GF in FY 2012 for a joint project with the U. S. Army Corps of Engineers to construct a seawall to protect the Tangier Island harbor. The budget document indicates that this is the first funding for what is anticipated to be a 30-year project.
 - *Joint Enforcement Action.* Provides an appropriation of \$200,000 NGF each year from anticipated federal funds to support joint marine law enforcement activities.
 - *Federal Law Enforcement Grants.* Provides an additional increase of \$200,000 NGF each year based on a projected increase in other federal law enforcement grants.

- **Virginia Museum of Natural History**
 - *Governor's September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a net savings of \$261,257 GF each year.