



Report of the Subcommittee on
Economic Development and
Natural Resources

Senate Finance Committee
Virginia General Assembly

February 6, 2011



SENATE OF VIRGINIA

Senate Finance Committee

**2011 Report of the Economic Development and
Natural Resources Subcommittee
The Honorable Mary Margaret Whipple, Chairman
February 6, 2011**

Mr. Chairman and Members of the Committee:

Since this time last year, we have seen Virginia's economy turn the corner and slowly but steadily improve. However, as you all know, Virginia still has an unemployment rate of 6.7 percent statewide, with some areas still in the double digits.

We have embraced the recommendations of the Governor's Commission on Economic Development and Job Creation and you will see in the amendments we recommend to you nearly \$36.5 million in new spending for economic development. I would also note that we include in our revenue assumptions \$10.3 million less from the passage of tax credits for research and development, winery and vineyard development, and incentives to encourage imports and exports through the Port of Virginia. We have also reported legislation to encourage commercialization of emerging technologies and grants for producing clean energy.

Small businesses are the key to our economic recovery and job creation. To that end, we endorse the Governor's recommendation to recapitalize the Small Business Financing Authority and have also included language to allow the authority greater capacity to guarantee loans.

Revitalization of historic downtowns, former industrial sites and economically distressed areas is equally important to our efforts. We support all of the Governor's amendments in these efforts and have included additional funding for brownfield redevelopment as

well as fully funding the Enterprise Zone Grant Program. I would add that over half of the recipients of Enterprise Zone grants are small businesses with 50 or fewer employees, and over 70 percent are companies with 100 or fewer employees.

Mr. Chairman, at this time each year I like to take this opportunity to remind the Committee that Article XI of the Constitution of Virginia requires us to ensure that our citizens enjoy clean air and pure water, and compels us to conserve public lands and historic sites. While we put substantial resources into economic development, it is even more important to ensure that we balance growth in the Commonwealth with protection of our vital natural resources.

Our budget includes an additional \$32.8 million for nonpoint source water pollution control. We are pleased to recommend that out of this amount, \$27.8 million be deposited into the Natural Resources Commitment Fund for agricultural best management practices to reduce nutrient and sediment runoff from farms. Also, we are recommending \$107.9 million in VPBA financing to honor the Commonwealth's commitment to public wastewater treatment projects that are already under construction. As the U. S. Environmental Protection Agency has recently accepted our Watershed Implementation Plan, now is the time to demonstrate our continued commitment to restore the Chesapeake Bay and reduce pollution in the Commonwealth's rivers, lakes, and streams.

Over the past three years, as with all of state government, the agencies under the Secretaries of Natural Resources and Agriculture and Forestry have endured significant budget cuts. As our revenue outlook improves, it is critical that we begin to restore funding to these agencies. To that end, we are recommending modest increases in funding for State Parks, Natural Area Preserves, Soil and Water Conservation Districts, Dam Safety, and the Department of Forestry. We also endorse the Governor's efforts on land conservation and have added additional funding for farmland preservation.

In closing, I would like to say that we have a strong faith in Virginia's future, and we believe our recommendations will help make that future brighter for our economy, for our environment, and for our citizens.

Mr. Chairman, this completes the report of your subcommittee.

Respectfully Submitted,

The Honorable Mary Margaret Whipple, Chairman

The Honorable Walter A. Stosch

The Honorable Emmett W. Hanger, Jr.

The Honorable John C. Watkins

The Honorable L. Louise Lucas

The Honorable William Roscoe Reynolds

The Honorable Charles J. Colgan, Ex Officio

Report of the Subcommittee on Economic Development and Natural Resources

	<u>Amendment</u>	<u>FY 2011 GF</u>	<u>FY 2012 GF</u>	<u>Biennial GF</u>	<u>FY 2011 NGF</u>	<u>FY 2012 NGF</u>	<u>Biennial NGF</u>
1	AGRICULTURE AND FORESTRY						
2	Department Of Agriculture And Consumer Services						
3	Restore State Fair Funding		\$32,900	\$32,900			
4	Purchase of Development Rights Programs		\$1,000,000	\$1,000,000			
5	Weights and Measures Fee (SB 973)		(\$1,631,682)	(\$1,631,682)		\$3,800,000	\$3,800,000
6	Food Inspection Fee Exemption	Language					
7							
8	Department Of Forestry						
9	Restore Four Firefighting and Forester Positions		\$300,000	\$300,000			
10							
11	COMMERCE AND TRADE						
12	Secretary Of Commerce And Trade						
13	Economic Development Incentive Payments						
14							
15	Eliminate Oceana BRAC Payments		(\$7,500,000)	(\$7,500,000)			
16	Reduce Research & Technology Fund from \$25M		(\$15,000,000)	(\$15,000,000)			
17							
18	Department Of Business Assistance						
19	Loan Guarantee with Sum-Sufficient	Language					
20	Restore Mandatory Carry-forward Language	Language					
21							
22	Department Of Housing And Community Development						
23	Housing Rapid Response		\$250,000	\$250,000			
24	Enterprise Zone Grants		\$6,500,000	\$6,500,000			
25	Rural Community Assistance Project		\$300,000	\$300,000			
26	Restore 15 Percent for Planning District Commissions		\$232,869	\$232,869			
27							
28	Department Of Labor And Industry						
29	Eliminate Fee for Apprentice Program		\$253,220	\$253,220		(\$253,220)	(\$253,220)
30							
31	Department Of Mines, Minerals And Energy						
32	Offshore Wind Development Fund		\$500,000	\$500,000			
33	Solar Photovoltaic Grant Excess Funding		(\$263,500)	(\$263,500)			
34							
35	Virginia Economic Development Partnership						
36	Commercial Space Flight Authority to DOAV		(\$1,379,095)	(\$1,379,095)			
37	Biotechnology Wet-Labs		(\$900,000)	(\$900,000)			
38	Brownfields Redevelopment Fund		\$2,000,000	\$2,000,000			
39	Data Center MOU's	Language					
40							

Report of the Subcommittee on Economic Development and Natural Resources

	<u>Amendment</u>	<u>FY 2011 GF</u>	<u>FY 2012 GF</u>	<u>Biennial GF</u>	<u>FY 2011 NGF</u>	<u>FY 2012 NGF</u>	<u>Biennial NGF</u>
41	Virginia Employment Commission						
42	Interest Payment with Contingent Language		(\$8,900,000)	(\$8,900,000)			
43							
44	Virginia Tourism Authority						
45	City of Portsmouth for Hall of Fame		\$1,000,000	\$1,000,000			
46	Coalfield Regional Tourism Authority		\$100,000	\$100,000			
47	Restore Outdoor Advertising	Language					
48							
49	NATURAL RESOURCES						
50	Department Of Conservation And Recreation						
51	Partially Restore State Park Cuts		\$1,200,000	\$1,200,000			
52	Chesapeake Bay Restoration Fund				\$311,777		\$311,777
53	Adjust WQIF Allocation	Language					
54	Cover Crops for Biofuel Production	Language					
55	Partially Restore Natural Heritage Program Cuts		\$906,000	\$906,000			
56	Partially Restore SWCD Cuts		\$1,000,000	\$1,000,000			
57	Dam Safety Fund to Match Federal Funds	\$1,000,000		\$1,000,000			
58	Southwest Regional Recreation Authority		\$250,000	\$250,000			
59	Rivanna River Basin Commission		\$20,000	\$20,000			
60	Explore Park Status Report	Language					
61							
62	Chippokes Plantation Farm Foundation						
63	Partially Restore Operating Cuts		\$45,089	\$45,089			
64							
65	Department Of Environmental Quality						
66	Point Source WQIF Shortfall with VPBA					\$107,875,737	\$107,875,737
67	Correct Error in Introduced Budget		\$827,815	\$827,815			
68	WQIF for Chlorophyll Study	Language					
69							
70	Department of Historic Resources						
71	Care of Confederate Graves (SB 950 & SB 1410)		\$3,585	\$3,585			
72	Clarify Montpelier Language	Language					
73	Match Federal T-21 Grant for Southampton Co.		\$105,000	\$105,000			
74							
75	Marine Resources Commission						
76	Restore Mandatory Carry-forward Language	Language					
77							
78							
79	Part 3 Transfers						
80	Correct Error in DEQ Budget		(\$827,815)	(\$827,815)			
81							
82	Total for Economic Development & Natural Resources	\$1,000,000	(\$19,575,614)	(\$18,575,614)	\$311,777	\$111,422,517	\$111,734,294

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	\$0	\$32,900	GF

Language:

Page 68, line 27, strike "\$16,482,280" and insert "\$16,515,180".

Page 69, after line 37, insert:

"G. Included in these amounts is \$32,900 in the second year for the State Fair of Virginia. The funds shall only be used to support 4-H and Future Farmers of America youth participation costs and shall not be used for administrative costs by the State Fair."

Explanation:

(This amendment restores funding that was erroneously eliminated in the introduced budget, which provides support for 4-H and FFA youth participation in State Fair agricultural competitions.)

Economic Development - Natural Resources
Subcommittee

Item 84 #2s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	\$0	\$56,843	GF

Language:

Page 68, line 27, strike "\$16,482,280" and insert "\$16,539,123".

Page 68, line 29, strike "\$5,590,016" and insert "\$5,646,859".

Explanation:

(This amendment corrects an error in the introduced budget to reflect a savings strategy that was placed in the incorrect item in the second year. Specifically, this amendment restores \$56,843 in general fund appropriation to Item 84, Grading and Certification of Virginia Products service area (53201), where the savings strategy to support agency administrative expenses by supplanting general fund support with nongeneral fund support from the Milk Commission is accounted for in Senate Bill 800. A companion amendment reduces the general fund appropriation in Item 92, General Management and Direction service area (59901), by \$56,843 to properly reflect the savings strategy. The two amendments net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 84 #3s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	\$0	(\$9,883)	GF

Language:

Page 68, line 27, strike "\$16,482,280" and insert "\$16,472,397".

Page 68, line 31, strike the second "\$260,450" and insert "250,567".

Explanation:

(This amendment corrects an error in the introduced budget to reflect a savings strategy that was placed in the incorrect item in the second year. Specifically, this amendment reduces the general fund appropriation in Item 84, Marketing Research service area (53205), by \$9,883 to properly reflect the savings strategy affecting the Agricultural Statistics Service program. A companion amendment restores general fund appropriation to Item 87, Consumer Affairs-Regulation and Consumer Education service area (55001), from which this savings strategy is accounted for in Senate Bill 800. The two amendments net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 84 #4s

Agriculture And Forestry

FY 10-11

FY 11-12

Department Of Agriculture And
Consumer Services

\$0

\$1,000,000 GF

Language:

Page 68, line 27, strike "\$16,482,280" and insert "\$17,482,280".

Explanation:

(This amendment restores \$1.0 million in the second year for the Purchase of Development Rights Program in the Office of Farmland Preservation that had been cut in prior budgets.)

Economic Development - Natural Resources
Subcommittee

Item 87 #1s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	\$0	\$9,883	GF

Language:

Page 70, line 13, strike "\$2,166,240" and insert "\$2,176,123".

Explanation:

(This amendment corrects an error in the introduced budget to reflect a savings strategy that was placed in the incorrect item in the second year. Specifically, this amendment restores \$9,883 in general fund appropriation to Item 87, Consumer Affairs-Regulation and Consumer Education service area (55001), where the savings strategy affecting the Agricultural Statistics Service program is accounted for in Senate Bill 800. A companion amendment reduces the general fund appropriation in Item 84, Marketing Research service area (53205), by \$9,883 to properly reflect the savings strategy. The two amendments net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 88 #1s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And	\$0	(\$1,631,682)	GF
Consumer Services	\$0	\$3,800,000	NGF

Language:

Page 70, line 23, strike "\$2,294,663" and insert "\$4,462,981".

Explanation:

(This amendment provides an increase of \$3.8 million nongeneral fund in the second year in revenue from the weights and measures fee imposed by Senate Bill 973. The bill provides for a requirement that each weights and measure device in the Commonwealth be inspected at least annually. This amendment also recognizes general fund savings of \$1.6 million in the second year as the fee provides sufficient revenue for the inspection of gasoline pumps.)

Economic Development - Natural Resources
Subcommittee

Item 89 #1s

Agriculture And Forestry

Department Of Agriculture And
Consumer Services

Language

Language:

Page 71, line 19, after "fee." insert:

"Also, a producer of fruits and herbs that are dried, without the addition of any other ingredients, and sold only at a local farmers' market shall be exempt from the fee."

Explanation:

(This amendment exempts producers of dried fruits and herbs sold at farmers' markets from paying the food inspection fee.)

Economic Development - Natural Resources
Subcommittee

Item 91 #1s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	\$0	(\$62,806)	GF

Language:

Page 71, line 32, strike "\$1,722,316" and insert "\$1,659,510".

Explanation:

(This amendment corrects an error in the introduced budget to reflect a savings strategy that was placed in the incorrect item in the second year. Specifically, this amendment reduces the general fund appropriation in Item 91, Charitable Gaming Regulation and Enforcement service area (55907) by \$62,806 to properly reflect the savings strategy to eliminate the Charitable Gaming bingo manager/caller licensing system contract in Senate Bill 800. A companion amendment restores general fund appropriation to Item 92, General Management and Direction service area (59901) from which this savings strategy accounted for in Senate Bill 800. The two amendments net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 92 #1s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	0.00	6.00	FTE

Language:

Page 72, line 16, strike "185.91" and insert "191.91".

Explanation:

(This amendment is a technical correction of the agency's nongeneral fund position level. Included in Senate Bill 800 is a nongeneral fund position decrease of three positions that should have been an increase of three nongeneral fund positions. Accordingly, this amendment increases the nongeneral fund position level by six to increase the agency's final maximum employment level to 191.91 in the second year.)

Economic Development - Natural Resources
Subcommittee

Item 92 #2s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	\$0	(\$56,843)	GF

Language:

Page 72, line 2, strike "\$8,320,667" and insert "\$8,263,824".

Explanation:

(This amendment makes a technical correction to reflect a savings strategy that was placed in the incorrect item in the second year. Specifically, this amendment reduces the general fund appropriation in Item 92, General Management and Direction service area (59901) by \$56,843 to properly reflect the savings strategy to support agency administrative expenses by supplanting general fund support with nongeneral fund support from the Milk Commission. A companion amendment restores general fund appropriation to Item 84, Grading and Certification of Virginia Products service area (53201) from which this savings strategy accounted for in Senate Bill 800. The two amendments net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 92 #3s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Agriculture And Consumer Services	\$0	\$62,806	GF

Language:

Page 72, line 2, strike "\$8,320,667" and insert "\$8,383,473".

Explanation:

(This amendment makes a technical correction to reflect a savings strategy that was placed in the incorrect item in the second year. Specifically, this amendment restores \$62,806 in general fund appropriation to Item 92, General Management and Direction service area (59901), where the savings strategy to eliminate the Charitable Gaming bingo manager/caller licensing system contract is accounted for in Senate Bill 800. A companion amendment reduces the general fund appropriation in Item 91, Charitable Gaming Regulation and Enforcement service area (55907) by \$62,806 to properly reflect the savings strategy. The two amendments net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 93 #1s

Agriculture And Forestry	FY 10-11	FY 11-12	
Department Of Forestry	\$0	\$300,000	GF
	0.00	4.00	FTE

Language:

Page 72, line 29, strike "\$26,063,702" and insert "\$26,363,702".

Explanation:

(This amendment restores funding and four FTE positions for foresters and firefighters, which had been cut in the introduced budget.)

Economic Development - Natural Resources
Subcommittee

Item 94 #1s

Agriculture And Forestry

Agricultural Council

Language

Language:

Page 73, strike lines 46 and 47.

Page 74, strike line 1 through 12.

Explanation:

(This amendment corrects an error in the introduced budget for totals for the Virginia Agricultural Council and the Department of Agriculture and Consumer Services. The totals from the two agencies were combined by mistake.)

Commerce And Trade

FY 10-11

FY 11-12

Economic Development Incentive
Payments

\$0 (\$15,000,000) GF

Language:

Page 76, line 3, strike "\$76,650,384" and insert "\$61,650,384".

Page 78, line 57, strike "\$25,000,000" and insert "\$10,000,000"

Page 79, line 1, strike "Virginia Research and Technology Investment Fund. This" and insert:

"Commonwealth Research Commercialization Fund established pursuant to § 2.2-2233.1, Code of Virginia. Out of these amounts, a minimum of \$2,000,000 shall be provide to the SBIR matching funds program. The Initial guidelines for grants from the fund shall be developed in consultation with the Chairmen or a member designated by the Chairmen of the Joint Commission on Technology and Science, the Senate General Laws and Technology Committee, and the House Science and Technology Committee. "

Page 79, strike line 2 and line 3.

Explanation:

(This amendment provides \$10.0 million from the general fund in the second year for the Commonwealth Research Commercialization Fund, to be used for purposes as specified in § 2.2-2233.1, Code of Virginia.)

Economic Development - Natural Resources
Subcommittee

Item 96 #2s

Commerce And Trade

FY 10-11

FY 11-12

Economic Development Incentive
Payments

\$0

(\$7,500,000) GF

Language:

Page 76, line 3, strike "\$76,650,384" and insert "\$69,150,384".

Page 78, line 1, strike "and \$7,500,000 in the".

Page 78, line 2, strike "second year".

Explanation:

(This amendment eliminates funding in the second year for payments related to 2005 Base Realignment and Closure Commission to mitigate encroachment around Oceana Naval Air Base. To date the Commonwealth has provided \$37.5 million for this purpose and it was the intent of the 2010 General Assembly to discontinue these payments after FY 2011.)

Economic Development - Natural Resources
Subcommittee

Item 98 #1s

Commerce And Trade

Department Of Business Assistance

Language

Language:

Page 80, unstrike lines 11 through 13.

Explanation:

(This amendment restores mandatory carry-forward language for year-end balances in the Virginia Jobs Investment Program.)

Commerce And Trade

Department Of Business Assistance

Language

Language:

Page 80, line 33, after "Assistance" insert:

"The Virginia Small Business Finance Authority is authorized to insure additional loans for eligible small businesses, pursuant to § 2.2-2290, Code of Virginia, up to an aggregate amount not to exceed four times the principal amount in the Insurance or Guarantee Fund, or up to an aggregate amount of \$10.0 million, whichever is less. In the event that the authority is called upon to pay on guaranties of loans of more than 10 percent of the aggregate amount of all outstanding insured loans, the authority shall not insure any further loans and shall immediately notify the Governor and the Chairmen of the House Appropriation and Senate Finance Committees. Pursuant to § 4-1.03.5 of this Act, the Director of the Department of Planning and Budget is authorized to transfer a sum sufficient to the Insurance or Guarantee Fund in the event the amount in the fund falls below the amount needed to honor any guarantee."

Explanation:

(This amendment authorizes the Virginia Small Business Finance Authority to insure additional loans for small businesses. The current balance in the Insurance or Guarantee Fund is approximately \$2.0 million and the Authority has limited the aggregate amount of guaranteed loans to the balance in the fund. However, the historic default rate on outstanding loans has been less than 2 percent. The amendment would allow the authority to issue additional loans subject to certain conditions.)

Economic Development - Natural Resources
Subcommittee

Item 99 #1s

Commerce And Trade

FY 10-11

FY 11-12

Department Of Housing And
Community Development

\$0

\$250,000 GF

Language:

Page 81, line 3, strike "\$48,533,821" and insert "\$48,783,821".

Explanation:

(This amendment provides funding for a rapid re-housing program to be administered through DHCD.)

Economic Development - Natural Resources
Subcommittee

Item 99 #2s

Commerce And Trade

Department Of Housing And
Community Development

Language

Language:

Page 81, line 23, after "sources.", unstrike the remainder of the line.

Page 81, unstrike line 24 and line 25.

Explanation:

(This amendment restores mandatory carry-forward language for year-end balances for Housing Assistance Services.)

Economic Development - Natural Resources
Subcommittee

Item 100 #1s

Commerce And Trade	FY 10-11	FY 11-12	
Department Of Housing And Community Development	\$0	\$300,000	GF

Language:

Page 81, line 46, strike "\$59,389,810" and insert "\$59,689,810".

Page 83, line 20, strike "\$668,442" and insert "\$968,442."

Explanation:

(This amendment restores \$300,000 in the second year for the Southeast Rural Community Assistance Project (RCAP), which had been reduced in prior budgets. The RCAP program provides funding for drinking water and wastewater services for low-income rural residents across the state.)

Economic Development - Natural Resources
Subcommittee

Item 100 #2s

Commerce And Trade	FY 10-11	FY 11-12	
Department Of Housing And Community Development	\$0	\$232,869	GF

Language:

Page 81, line 46, strike "\$59,389,810" and insert "\$59,622,679".

Explanation:

(This amendment provides funding for an additional 15 percent for each Planning District Commission to restore previous reductions. It is the intent of the General Assembly that the amount for each commission be adjusted accordingly during final enrolling of the Appropriation Act.)

Economic Development - Natural Resources
Subcommittee

Item 101 #1s

Commerce And Trade	FY 10-11	FY 11-12	
Department Of Housing And Community Development	\$0	\$6,500,000	GF

Language:

Page 84, line 48, strike "\$13,423,354" and insert "\$19,923,354".

Page 85, line 2, strike "\$13,150,000" and insert "\$19,650,000".

Explanation:

(This amendment would fully fund the Enterprise Zone Program in the second year. The program provides grants for real property investment and job creation in economically distressed areas. The program has been consistently over-subscribed and during the past year grants have been prorated at 62 cents for each dollar of qualified projects due to a lack of adequate funding.)

Economic Development - Natural Resources
Subcommittee

Item 105 #1s

Commerce And Trade	FY 10-11	FY 11-12	
Department Of Labor And Industry	\$0	\$253,220	GF
	\$0	(\$253,220)	NGF

Language:

Page 86, strike line 2 through line 5.

Explanation:

(This amendment eliminates the authority for the Department of Labor and Industry to charge an annual fee of up to \$55 for participants enrolled in apprenticeship programs. The amendment replaces the nongeneral funds from the fee with a general fund appropriation that was reduced when the fee was imposed. The fee was recommended in the 2010 introduced budget and approved by the 2010 General Assembly.)

Commerce And Trade

FY 10-11

FY 11-12

Department Of Mines, Minerals
And Energy

\$0

\$500,000 GF

Language:

Page 87, line 50, strike "\$2,750,473" and insert "\$3,250,473".

Page 88, after line 20, insert:

"D. Out of this appropriation, \$500,000 the second year from the general fund shall be provided for the Virginia Offshore Wind Development Authority to assist in efforts to secure the location of the proposed National Offshore Wind Technology Center in Virginia."

Explanation:

(This amendment provides a general fund appropriation within the Department of Mines, Minerals and Energy to serve as pass-through funding to the Virginia Offshore Wind Development Authority established by the 2010 General Assembly. This funding will be used to secure professional staff and other contractual resources necessary to assist the authority in competing for the location of the proposed National Offshore Wind Technology Center in Virginia.)

Economic Development - Natural Resources
Subcommittee

Item 111 #2s

Commerce And Trade

FY 10-11

FY 11-12

Department Of Mines, Minerals
And Energy

\$0

(\$263,500) GF

Language:

Page 87, line 50, strike "\$2,750,473" and insert "\$2,486,973".

Page 88, line 15, strike "\$337,500" and insert "\$74,000"

Explanation:

(This amendment removes excess funding for the Solar Photovoltaic Manufacturing Incentive Grant Fund based on a revised production schedule from the eligible manufacturer.)

Economic Development - Natural Resources
Subcommittee

Item 114 #1s

Commerce And Trade

FY 10-11

FY 11-12

Virginia Economic Development
Partnership

\$0

\$2,000,000 GF

Language:

Page 89, line 31, strike "\$20,178,808" and insert "\$22,178,808".

Page 92, after line 3, insert:

"S. Out of the amounts for Economic Development Services shall be provided \$2,000,000 in the second year from the general fund to be deposited in the Brownfields Restoration and Economic Development Fund established pursuant to § 10.1-1237, Code of Virginia."

Explanation:

(This amendment provides \$2.0 million in the second year for the restoration and redevelopment of brownfield sites to address environmental problems or obstacles to reuse brownfield properties so that these sites can be effectively marketed to new economic development prospects.)

Economic Development - Natural Resources
Subcommittee

Item 114 #2s

Commerce And Trade	FY 10-11	FY 11-12	
Virginia Economic Development Partnership	\$0	(\$1,379,095)	GF

Language:

Page 89, line 31, strike "\$20,178,808" and insert "\$18,799,713".

Page 90, line 41, strike "and \$1,379,095 the second year".

Explanation:

(This amendment eliminates the second year general fund appropriation to the Virginia Commercial Spaceflight Authority. A companion amendment in Item 437 transfers funding of the authority to the Department of Aviation and increases its budget to \$2.0 million for fiscal year 2012.)

Economic Development - Natural Resources
Subcommittee

Item 114 #3s

Commerce And Trade	FY 10-11	FY 11-12	
Virginia Economic Development Partnership	\$0	(\$900,000)	GF

Language:

Page 89, line 31, strike "\$20,178,808" and insert "\$19,278,808".

Page 91, line 11, strike "\$900,000 in the second year".

Explanation:

(This amendment eliminates funding in the second year for the Biotechnology Wet Laboratory Program. There is no planned use for these funds and no known qualified applicant for the funds.)

Economic Development - Natural Resources
Subcommittee

Item 114 #4s

Commerce And Trade

Virginia Economic Development
Partnership

Language

Language:

Page 92, after line 3, insert:

"S. The Virginia Economic Development Partnership shall enter into a memorandum of understanding with any data center operator, on behalf of itself and its tenants, who collectively meet the requirements of § 58.1-609.3(18), Code of Virginia."

Explanation:

(This amendment is self-explanatory.)

Commerce And Trade	FY 10-11	FY 11-12	
Virginia Employment Commission	\$0	(\$8,900,000)	GF

Language:

Page 92, line 10, strike "\$831,107,231" and insert "\$822,207,231".

Page 92, strike line 45 through line 47 and insert:

"E.1. It is the intent of the General Assembly that the Virginia Liaison Office shall work with the Virginia U. S. Congressional Delegation to seek the approval of the Congress to reinstate the policy for deferral of interest for calendar year 2011 and calendar year 2012 on funds borrowed from the Federal Unemployment Account.

2. If Congress does not extend the deferral of interest, the Governor is authorized to use \$8,900,000 the second year from the general fund from Item 256 of this Act, and \$3,000,000 out of this appropriation the second year from nongeneral funds for payment on interest due September 30, 2011 to the federal government."

Explanation:

(This amendment requires the Virginia Liaison Office to seek the continued deferral of interest payments to the federal government. To date, Virginia has borrowed \$347.0 million from the Federal Unemployment Account to cover shortfalls in the Unemployment Insurance Trust Fund due to an unprecedented number of unemployment claims. The U. S. Congress forgave the interest accrual in 2010 but the deferral ended on January 1, 2011. If Congress does not extend the deferral, Virginia will owe an interest payment to the federal government of \$11.9 million due September 30, 2011. This amendment also provides for a contingent appropriation for the interest payment if Congress does not extend the deferral.)

Economic Development - Natural Resources
Subcommittee

Item 120 #1s

Commerce And Trade

Virginia Tourism Authority

Language

Language:

Page 95, unstrike line 6 through line 10.

Explanation:

(This amendment restores funding of \$85,500 each year for outdoor advertising for tourism promotion, to be matched by in-kind support of at least \$256,500 each year from the Outdoor Advertising Association. The funds will come from existing Tourist Promotion funds.)

Economic Development - Natural Resources
Subcommittee

Item 120 #2s

Commerce And Trade

Virginia Tourism Authority

FY 10-11

\$0

FY 11-12

\$100,000 GF

Language:

Page 94, line 16, strike "\$19,808,135" and insert "\$19,908,135".

Page 95, line 17, strike "\$45,000" and insert "\$145,000".

Explanation:

(This amendment increases funding in the second year for the Coalfield Regional Tourism Development Authority, which is to be provided for the Heart of Appalachia Tourism Authority.)

Commerce And Trade

Virginia Tourism Authority

FY 10-11

\$0

FY 11-12

\$1,000,000 GF

Language:

Page 94, line 16, strike "\$19,808,135" and insert "\$20,808,135".

Page 96, line 16, after "provided" insert "to the City of Norfolk for support"

Page 96, after line 17, insert:

"P. Out of this appropriation, \$1,000,000 the second year from the general fund shall be provided to the City of Portsmouth for support of the Virginia Sports Hall of Fame."

Explanation:

(This amendment provides funding for the City of Portsmouth to support the Virginia Sports Hall of Fame. It also clarifies that funding to support OpSail 2012 is provided to the City of Norfolk.)

Economic Development - Natural Resources
Subcommittee

Item 350 #1s

Natural Resources	FY 10-11	FY 11-12	
Chippokes Plantation Farm Foundation	\$0	\$45,089	GF

Language:

Page 303, line 38, strike "\$184,181" and insert "\$229,270".

Explanation:

(This amendment provides additional funding in the second year to restore the Foundations funding to the 2008-2010 biennial level in order to cover necessary maintenance expenses of Chippokes Plantation.)

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 304, line 25, unstrike "The".

Page 304, unstrike line 26 and line 27.

Page 304, line 30, unstrike "Any unexpended general".

Page 304, unstrike line 31 and line 32.

Page 305, line 42, strike "\$14,000,000" and insert "\$27,798,700".

Explanation:

(This amendment provides that \$27.8 million of the \$32.8 million deposit to the Water Quality Improvement Fund (WQIF) be transferred to the Natural Resources Commitment Fund, which is devoted to priority agricultural best management practices. The introduced budget had proposed only \$14.0 million of the deposit be devoted to agricultural best management practices. The remaining \$5.0 million will be available for other nonpoint source water quality projects. The amendment also restores mandatory carry forward language for Soil and Water Conservation Districts and the WQIF that had been eliminated in the introduced budget.)

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 305, after line 48, insert:

“M. To achieve pollution reductions creditable toward Chesapeake Bay Total Maximum Daily Load water quality goals and to increase biofuel feedstock, out of the amounts provided for the Agricultural Best Management Practices Cost Share Program, the Department of Conservation and Recreation shall provide an additional incentive payment of \$10 per acre to program participants who produce feedstock under the harvestable cover crop practice requirements and certify that the crop was used for the production of biofuels in Virginia.”

Explanation:

(This amendment authorizes the Department of Conservation and Recreation to pay an incentive of \$10 per acre from the agricultural cost share fund for any harvestable cover crop that is used for the production of biofuels in Virginia, providing not only an environmental benefit but also an economic benefit to farmers that choose to participate. The Virginia Department of Conservation and Recreation (DCR) offers a program for harvestable cover crops, which provide an environmental benefit by reducing nutrient loading to waters and waterways. This amendment is intended to be included within the Virginia Agricultural Best Management Practice Cost-Share Program (VACS) that is administered by the Virginia Department of Conservation and Recreation (DCR) through local Soil and Water Conservation Districts (SWCD) to improve water quality in the state's streams.)

Economic Development - Natural Resources
Subcommittee

Item 351 #3s

Natural Resources	FY 10-11	FY 11-12	
Department Of Conservation And Recreation	\$0	\$1,000,000	GF

Language:

Page 304, line 3, strike "\$62,595,053" and insert "\$63,595,053".

Page 304, line 12, strike the second "\$3,487,091" and insert "\$4,487,091."

Explanation:

(This amendment increases soil and water conservation district operations funding for 47 districts. Soil and Water Conservation Districts are the essential player at the local level to implement nonpoint source programs to help accomplish water goals established by the General Assembly and the Administration. To meet the requirements of the Chesapeake Bay and Southern Rivers Total Maximum Daily Loads (TMDL), districts must have adequate resources to educate, plan, design and implement nonpoint source pollution control programs.)

Economic Development - Natural Resources
Subcommittee

Item 351 #4s

Natural Resources	FY 10-11	FY 11-12
Department Of Conservation And Recreation	\$1,000,000	\$0 GF

Language:

Page 304, line 3, strike "\$95,701,178" and insert "\$96,701,178".

Page 304, line 50, strike the first "\$600,000" and insert "\$1,600,000".

Page 305, line 2, after "repair." insert:

"Out of these amounts, a grant shall be given to a locality for 35 percent of a project for a high hazard dam operating under a condition certificate extension and that has received approval as of November 30, 2010 for federal funding from the U.S.D.A. Natural Resources Conservation Service for at least 65 percent of the cost of repair of a locally owned dam."

Explanation:

(This amendment provides funding for the Dam Safety, Flood Prevention and Protection Fund to maintain and bring dams up to current standards.)

Economic Development - Natural Resources
Subcommittee

Item 351 #5s

Natural Resources	FY 10-11	FY 11-12	
Department Of Conservation And Recreation	\$0	\$311,777	NGF

Language:

Page 304, line 3, strike "\$62,595,053" and insert "\$62,906,830".

Page 305, line 27, after "year" insert "and \$311,777 the second year".

Explanation:

(This amendment provides the second year appropriation of nongeneral funds for the Chesapeake Bay Restoration Fund pursuant to the recommendation of the Chesapeake Bay Restoration Fund Advisory Committee. The source of the nongeneral funds is from the sale of the "Friends of the Chesapeake" license plates.)

Economic Development - Natural Resources
Subcommittee

Item 351 #6s

Natural Resources	FY 10-11	FY 11-12	
Department Of Conservation And Recreation	\$0 0.00	\$906,000 5.00	GF FTE

Language:

Page 304, line 3, strike "\$62,595,053" and insert "\$63,501,053".

Page 304, line 10, strike "\$3,178,567" and insert "\$4,084,567".

Explanation:

(This amendment provides funding and five FTE positions for Natural Heritage Preservation and Management to address emergency needs of the Natural Heritage Program. These positions include three Conservation Officers and two Natural Area Stewards to protect and manage critical needs of the State Natural Area Preserve System.)

Economic Development - Natural Resources
Subcommittee

Item 351 #7s

Natural Resources	FY 10-11	FY 11-12	
Department Of Conservation And Recreation	\$0	\$20,000	GF

Language:

Page 304, line 3, strike "\$62,595,053" and insert "\$62,615,053".

Explanation:

(This amendment provides funding for the Rivanna River Basin Commission to support activities related to Phase II of the Chesapeake Bay Watershed Implementation Plan.)

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 307, after line 14, insert:

"F. The Virginia Recreational Facilities Authority shall provide a status report to the Governor and the General Assembly no later than December 1, 2011 regarding the continued utilization and management of the authority's property. The report shall include an update on implementation of the authority's management plan, financial condition and attainment of goals as specified in House Document No. 17 (2010) and shall include recommendations for future operation of Virginia's Explore Park."

Explanation:

(This amendment is self-explanatory.)

Economic Development - Natural Resources
Subcommittee

Item 352 #2s

Natural Resources	FY 10-11	FY 11-12	
Department Of Conservation And Recreation	\$0 0.00	\$1,200,000 15.00	GF FTE

Language:

Page 305, line 50, strike "\$54,942,744" and insert "\$56,142,744".

Page 306, line 6, strike "\$31,477,219" and insert "\$32,177,219."

Explanation:

(This amendment restores \$1.2 million in the second year for State Park operations and 15 FTE positions in the second year that have been cut in prior budgets. This funding and positions are necessary to help address record State Park visitation and provided needed maintenance support. Since fiscal year 2008, general fund support for State Parks has been cut by about \$5.0 million so this amendment restores about 25 percent of the prior reductions.)

Economic Development - Natural Resources
Subcommittee

Item 352 #3s

Natural Resources	FY 10-11	FY 11-12	
Department Of Conservation And Recreation	\$0	\$250,000	GF

Language:

Page 305, line 50, strike "\$54,942,744" and insert "\$55,192,744".

Explanation:

(This amendment provides funding each year for the Southwest Regional Recreation Authority for operational funding and administrative costs for the Spearhead Trails to proceed in the development of multi-use trails in Southwest Virginia.)

Economic Development - Natural Resources
Subcommittee

Item 355 #1s

Natural Resources	FY 10-11	FY 11-12	
Department Of Environmental Quality	\$0	\$80,000	GF

Language:

Page 308, line 24, strike "\$44,464,690" and insert "\$44,544,690".

Explanation:

(This amendment corrects an error in the introduced budget and moves a reduction in funding for local water quality supply planning grants to the correct program. This adjustment, and the companion amendment in Item 357, net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 355 #2s

Natural Resources	FY 10-11	FY 11-12
Department Of Environmental Quality	(\$3,644,300)	\$0 GF

Language:

Page 308, line 24, strike "\$48,383,207" and insert "\$44,738,907".

Explanation:

(This amendment corrects an error in the introduced budget by moving the Water Quality Improvement Fund deposit to the correct program. This amendment, and a companion amendment in Item 357, net to zero.)

Natural Resources	FY 10-11	FY 11-12	
Department Of Environmental Quality	\$0	\$827,815	GF

Language:

Page 309, line 14, strike "\$16,075,806" and insert "\$16,903,621".

Page 309, line 29, before "The", insert "A."

Page 309, after line 33, insert:

“B. Notwithstanding any other provision of law, up to \$1,000,000 of cash balances from the Vehicle Emissions Inspection Program Fund may be transferred to the Operating Permits Program Fund in the second year.”

Explanation:

(This amendment corrects an error in the introduced budget and provides authority for the use of nongeneral fund balances in the Vehicle Emissions Inspection Program Fund to support the Air Protection Program. A companion amendment in Part 3 transfers the same amount from nongeneral fund balances to the general fund.)

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 310, after line 15, insert:

“3. Out of the amounts of this appropriation, the Department of Environmental Quality shall use an amount not to exceed \$3,000,000 from the Water Quality Improvement Fund to conduct the James River chlorophyll study pursuant to the approved Virginia Chesapeake Bay Total Maximum Daily Load, Phase I Watershed Implementation Plan. This amount shall be used solely for contractual support for (a) water quality monitoring and analysis in an amount not to exceed \$1,000,000 and (b) computer modeling in an amount not to exceed \$2,000,000. No portion of this funding may be used for administrative costs of the department.”

Explanation:

(The U.S. Environmental Protection Agency asserts in its final Chesapeake Bay TMDL that “absent significant reductions from other pollution sources [beyond those specified in the Virginia Watershed Implementation Plan], it is estimated that every significant municipal and industrial wastewater treatment facility in the river basin (39 facilities) would have to install nutrient removal technologies at or below the limit of technology levels.” This would require estimated additional expenditures of between \$0.5 billion and \$1.0 billion to meet the James River’s unique Site-Specific Numeric Chlorophyll-a Criteria, according to the Virginia Watershed Implementation Plan. In light of new water quality data, additional scientific research, and the opportunity to improve the existing computer modeling, the Virginia Watershed Implementation Plan provides for a technical study designed to ensure the best science and regulatory approaches are used prior to determining whether to impose such additional expenditures. This amendment provides the resources to conduct this study and may result in substantial savings to the Water Quality Improvement Fund.)

Natural Resources	FY 10-11	FY 11-12	
Department Of Environmental Quality	\$0	\$107,875,737	NGF

Language:

Page 309, line 34, strike "\$57,373,759" and insert "\$165,249,496".

Page 310, after line 15, insert:

“E.1. The Commonwealth’s share of the design and installation of nutrient removal technology at publicly owned wastewater treatment projects in paragraph G.2. of this Item is hereby authorized and may be financed in whole or in part through bonds of the Virginia Public Building Authority pursuant to §2.2-2263, Code of Virginia. The aggregate principle amounts will not exceed the amounts listed in paragraph E.2 below, plus amounts to fund related issuance costs, and other financing expenses, in accordance with § 2.2-2263, Code of Virginia.

The Director of the Department of Planning and Budget shall provide the Chairman of the Virginia Public Building Authority with the specific projects, as well as the amounts for these projects, to be financed by the authority within the dollar limit established by this authorization.

Debt service on the projects contained in this Item shall be provided from appropriations to the Treasury Board.

The appropriations for said capital projects are contained in this Item.

2. There is hereby appropriated \$107,875,737 the second year from bond proceeds of the Virginia Public Building Authority to provide funds for the Commonwealth’s share of the design and installation of nutrient removal technology at publicly owned wastewater treatment projects pursuant to § 10.1-2128, et seq, Code of Virginia, that have signed Water Quality Improvement Grant agreements with the Department of Environmental Quality pursuant to § 10.1-2130, Code of Virginia.”

Explanation:

(This amendment provides funding through the Virginia Public Building Authority in the second year for commitments the Commonwealth has previously made for the state share of biological nutrient removal technologies at publicly owned wastewater treatment plants, which are already under construction. The

Department of Environmental Quality (DEQ) has signed grant agreements to reimburse local governments and regional authorities for the state's share of the costs of these upgrades necessary to meet water quality goals. The amount of funding is based on DEQ's most recent schedule of when projects will be completed and qualify for state reimbursement.)

Economic Development - Natural Resources
Subcommittee

Item 357 #3s

Natural Resources	FY 10-11	FY 11-12	
Department Of Environmental Quality	\$0	(\$80,000)	GF

Language:

Page 309, line 34, strike "\$57,373,759" and insert "\$57,293,759".

Explanation:

(This amendment corrects an error in the introduced budget and moves a reduction in funding for local water quality supply planning grants to the correct program. This adjustment, and the companion amendment in Item 355, net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 357 #4s

Natural Resources	FY 10-11	FY 11-12
Department Of Environmental Quality	\$3,644,300	\$0 GF

Language:

Page 309, line 34, strike "\$57,373,759" and insert "\$61,018,059".

Explanation:

(This amendment corrects an error in the introduced budget bill and moves the Water Quality Improvement Fund deposit provided to the correct program. This amendment, and a companion amendment in Item 355, net to zero.)

Economic Development - Natural Resources
Subcommittee

Item 358 #1s

Natural Resources	FY 10-11	FY 11-12	
Department Of Environmental Quality	0.00	-6.00	FTE

Language:

Page 310, line 40, strike "396.50" and insert "390.50".

Page 310, line 43, strike "900.00" and insert "894.00".

Explanation:

(This amendment adjusts the agency's position level to correctly reflect a budget reduction strategy contained in the introduced budget bill. In the introduced budget bill positions were increased by three, but should have been reduced by three.)

Economic Development - Natural Resources
Subcommittee

Item 363 #1s

Natural Resources	FY 10-11	FY 11-12	
Department Of Historic Resources	\$0	\$1,550	GF

Language:

Page 312, line 9, strike "\$4,508,593" and insert "\$4,510,143".

Explanation:

(This amendment provides funding for the care of 310 confederate graves identified at Fredericksburg Cemetery. Companion legislation will be introduced to add these graves to the list of confederate graves eligible for state funding in Section 10.1-2211, Code of Virginia.)

Economic Development - Natural Resources
Subcommittee

Item 363 #2s

Natural Resources	FY 10-11	FY 11-12	
Department Of Historic Resources	\$0	\$2,035	GF

Language:

Page 312, line 9, strike "\$4,508,593" and insert "\$4,510,628".

Explanation:

(This amendment provides funding for the care of 407 confederate graves identified at Portsmouth Cedar Grove Cemetery. Companion legislation will be introduced to add these graves to the list of confederate graves eligible for state funding in Section 10.1-2211, Code of Virginia.)

Economic Development - Natural Resources
Subcommittee

Item 363 #3s

Natural Resources	FY 10-11	FY 11-12	
Department Of Historic Resources	\$0	\$105,000	GF

Language:

Page 312, line 9, strike "\$4,508,593" and insert "\$4,613,593".

Explanation:

(This amendment provides funding to the Southampton County Historical Society to match a federal T-21 grant of \$420,000 for a walking and driving tour of the path of the 1831 Nat Turner Insurrection and renovation of the Rebecca Vaughan House.)

Natural Resources

Department Of Historic Resources

Language

Language:

Page 313, line 17, after "G." insert "1."

Page 313, after line 21, insert:

"2. It is the intent of the General Assembly that for the remaining term of the grant authorized by § 10.1-2213.1, Code of Virginia, that Montpelier shall receive the full amount of matching funds as provided by the Code."

Explanation:

(This amendment expresses the intent to fund the state portion of the matching grant for the Montpelier Foundation at \$0.20 for each \$1.00 of funds raised by the Foundation. A 15 percent reduction imposed on the state funds in the 2009 Session has carried forward each year. This amendment would require full funding as provided for in the Code of Virginia beginning in fiscal year 2013.)

Economic Development - Natural Resources
Subcommittee

Item 365 #1s

Natural Resources

Marine Resources Commission

Language

Language:

Page 314, unstrike line 24 through line 26.

Explanation:

(This amendment restores mandatory carry forward language for oyster restoration funds not expended by the end of each fiscal year.)

Economic Development - Natural Resources
Subcommittee

Item 366 #1s

Natural Resources

Marine Resources Commission

Language

Language:

Page 314, line 43, unstrike "Any".

Page 314, unstrike line 44 and line 45.

Explanation:

(This amendment restores mandatory carry forward language for seawall project funds not expended by the end of each fiscal year.)

Transfers

Interfund Transfers

Language

Language:

Page 460, after line 42, insert:

"YY. On or before June 30, 2012, the State Comptroller shall transfer to the general fund \$827,815 from the Department of Environmental Quality, Vehicle Emissions Inspection Program Fund."

Explanation:

(This amendment corrects an error in the introduced budget and is a companion amendment to Item 356 #1.)
