

Natural Resources

Adopted Amendments (\$ in millions)				
	FY 2017 Adopted		FY 2018 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Chapter 780, 2016 Session)	\$181.1	\$262.5	\$115.1	\$262.5
Increases	0.0	0.0	0.0	3.1
Decreases	<u>(1.7)</u>	<u>(0.0)</u>	<u>(5.3)</u>	<u>(0.0)</u>
\$ Net Change	(1.7)	0.0	(5.3)	3.1
Chapter 836 (HB 1500, as Adopted)	\$179.4	\$262.5	\$109.8	\$265.5
% Change	(0.9%)	0.0%	(4.6%)	1.2%
FTEs	1,020.50	1,162.50	1,022.20	1,155.50
# Change	0.00	0.00	2.00	(7.00)

- **Secretary of Natural Resources**
 - *Reporting on Settlements.* Includes language requiring the Secretary of Natural Resources to report annually on all settlement agreements to which the Secretary is a signatory and to report whenever a new settlement or mitigation agreement occurs. Additionally, the Secretary is required to provide copies of any finalized settlements to the Chairmen of the House Appropriations and Senate Finance committees within 15 days of finalization. At present, the language would apply to the DuPont settlement and the Surry-Skiffes Creek mitigation agreements.

- **Department of Conservation and Recreation**
 - *Authorize Acquisition of Land with Nongeneral Funds.* Includes language authorizing DCR to acquire in-holdings or lands contiguous to an existing state park by gift, transfer, or purchase with nongeneral funds, provided that the Department certifies it will not result in increased operating costs and the specific locations are outlined in the appropriation act. This language modifies language adopted in Chapter 780 of the 2016 Acts of Assembly that prohibited such

acquisitions without the express approval of the General Assembly. Separate amendments to Items C-25 and C-26 identify nine specific state parks and 11 specific natural area preserves where the Department is authorized to acquire additional properties. In addition to the itemized parks and natural areas contained in the Capital Outlay section, amendments approved by the General Assembly in Chapter 781 of the 2017 Acts of Assembly (HB 1691) authorize the Department to acquire land adjacent to Widewater State Park in Stafford County.

- ***Water Quality Improvement Fund Reserve.*** Releases \$8.3 million from the Water Quality Improvement Fund (WQIF) reserve for agricultural best management practices cost share assistance in the second year. Included in these amounts is \$0.5 million for participation in the federal Conservation Reserve Enhancement Program and \$0.9 million for technical assistance provided by the Soil and Water Conservation Districts.
- ***Agricultural Best Management Practices Funding Review.*** Establishes a workgroup to evaluate methods to stabilize the flow of funding for Agricultural Best Management Practices to reduce fluctuations in funding and stabilize the workflow for the Soil and Water Conservation Districts. The legislative workgroup consists of two members of the House of Delegates and one member of the Senate (who are also members of the Chesapeake Bay Commission), as well as stakeholders from the natural resources agencies and the staff of the House Appropriations and Senate Finance Committees.
- ***Resource Management Plans.*** Requires the Department of Conservation and Recreation to convene a stakeholder group comprised of representatives from the agriculture and natural resources agencies as well as the soil and water conservation district, Chesapeake Bay organizations and Farm Bureau Federation to examine the funding and resources needed for the implementation of additional Resource Management Plans and make recommendations to the General Assembly no later than October 1, 2017.
- ***Deed Recordation Fee.*** Includes language to clarify that the \$1 deed recordation fee established in §58.1-817 applies to each instrument or document recorded in the deed books in circuit court clerk’s office in those localities in which the Virginia Outdoors Foundation holds an open-space easement. The action is estimated to generate approximately \$400,000 NGF for the operation of the Virginia Outdoors Foundation.

Budget Reductions

- ***Reflect October 2016 Savings Plan.*** The adopted budget reduction strategies for DCR generate \$659,000 GF in savings in FY 2017. Major items include a reduction of \$235,000 from a one-time appropriation to support development of the Swift

Creek Bike Trail, capturing turnover and vacancy savings totaling \$224,000 GF, and an additional \$200,000 GF from the elimination of four environmental education positions. In addition, reversion of prior year resources totaling \$1.0 million were utilized to offset the GF shortfall, including the capture of \$344,711 in excess funding provided for improvements to Todd Lake Dam, the reversion of \$200,000 in unobligated funds in the Dam Safety, Flood Prevention and Protection Fund, and \$528,000 in unobligated cash from the Natural Resources Commitment Fund.

- ***Eliminate Four Positions.*** Reflects savings in FY 2018 associated with action identified in the Governor’s October Reduction Plan which eliminated four positions in DCR’s environmental education unit. This will generate savings of \$450,000 GF in the second year and has resulted in three layoffs.
- ***Reduce GF Deposit to the Virginia Land Conservation Fund (VLCF).*** Reduces the GF appropriation in FY 2018 to the VLCF from \$8.0 million to \$4.5 million, generating savings of \$3.5 million. Associated language also stipulates that \$900,000 will be provided to each of the four land conservation grant activities and \$900,000 will be available for the Virginia Outdoors Foundation’s Open-Space Preservation Fund.
- ***Supplant GF Appropriation with NGF Interest Earnings.*** Identifies general fund savings totaling \$75,486 the second year by supplanting \$30,138 from the VLCF and \$45,348 from the WQIF and the Natural Resources Commitment Fund. No accompanying change to the NGF appropriation was necessary to implement this change.

- **Department of Environmental Quality**

- ***Hampton Roads Sanitation District Equipment.*** Includes \$1.3 million GF the second year to reimburse the Hampton Roads Sanitation District for the purchase of an extensometer to measure land subsidence in support of the Sustainable Water Initiative for Tomorrow.
- ***Remove Language Prioritizing Use of Nutrient Offsets.*** Strikes language included in Chapter 780 that places priority on nutrient offsets produced from facilities that generate electricity from animal waste when using the Nutrient Offset Fund to purchase nutrient credits.
- ***Support the Stationary Sources Air Pollution Program with Virginia Environmental Response Fund.*** Includes language authorizing DEQ to utilize the Virginia Environmental Emergency Response Fund to support the air protection programs at DEQ. Current language limits such use to waste management and water programs.

- *Appomattox Regional Water Authority.* Provides for a one-year extension through 2018 to allow the Appomattox Regional Water Authority to determine if it intends to utilize bonds authorized by the 2013 General Assembly. In light of the financial stresses facing the Authority, which includes the City of Petersburg, additional time is required to finalize plans for the envisioned project.

Budget Reductions

- *Supplant GF Support with Vehicle Emissions Inspection Fund Monies.* Utilizes \$1.0 million from the vehicle emissions inspection fund to offset a \$1.0 million GF reduction in support for the DEQ air program in the second year.
- *Supplant GF Support with Waste Tire Funds for Land Program.* Sweeps balances of \$.6 million from the waste tire fund to offset a like reduction in GF support for the DEQ land protection program in the second year. The Governor’s October 2016 reduction plan included the reversion of \$1.0 million in unobligated amounts from this fund to the general fund to help offset the FY 2017 GF shortfall.
- *Revert Unobligated Balances from the Waste Tire Fund.* Makes several reversions from unobligated amounts totaling \$500,000 in various nongeneral funds, including the Waste Tire Fund, to help offset the FY 2017 general fund shortfall.

- **Department of Historic Resources**

- *Preserve Historical African-American Graves and Cemeteries.* Includes \$34,875 GF the second year to support the preservation of historical African-American graves and cemeteries in a manner identical to the provision of support for the preservation of Revolutionary and Civil War grave sites. The gravesite preservation program is established in Chapter 270 of the 2017 Acts of Assembly (HB 1547).

Budget Reductions

- *Reduce Funding for the Battlefields Preservation Fund.* Reduces the first year general fund amounts from \$1.0 million to \$792,385 for the preservation of battlefields. The second year base amount remains unchanged.

- **Marine Resources Commission**

- *Freeze Commercial Fishing License Fees.* Includes language to prohibit the Marine Resources Commission from increasing fees for commercial fishing activities beyond the level they were in effect on January 1, 2016. At its December 2016 meeting, the Marine Resources Commission Board approved a *Code*-sanctioned increase in a series of various commercial harvest license and gear use fees to generate revenue to replace general fund support for its law enforcement division in the FY 2018. The fees would have gone into effect in December 2017. A general

fund appropriation of \$244,246 is included in the second year to provide funding equal to the amount that was anticipated to be generated by the proposed fee increases.

- ***Virginia Saltwater Sport Fishing Tournament.*** Includes language that affirms the statutory requirement that the Commission conduct the Virginia Saltwater Sport Fishing Tournament in both years of the biennium. Saltwater Fishing license fee revenues support the annual Saltwater Sport Fishing Tournament. Additionally, separate language directs the Commission to annually report on the revenues and expenditures from the Virginia Saltwater Recreational Fishing Development Fund.
- ***Adjust Funding for the Tangier Island Seawall.*** Shifts \$217,067 GF appropriated in Chapter 780 from FY 2017 to FY 2018 to match federal funds for the Tangier Island Seawall project, and to reflect slippage in the project schedule.
- ***Restore Funds for Habitat Management Regulatory Function.*** Includes \$402,000 GF the second year to restore funding eliminated in the 2010 budget reductions that support the regulatory functions in the Habitat Management Division of the Commission. The Division handles approximately 2,000 permit applications each year.
- ***Oyster Ground Leasing Services.*** Provides an additional \$172,879 GF in FY 2018 to improve and enhance oyster ground lease surveying services and allow the Commission to fill a position vacancy due to a retirement. The division helps determine which riparian grounds are available for oyster leasing and performs the surveying, mapping, and platting of subaqueous grounds.

Budget Reductions

- ***Capture Turnover and Vacancy Savings.*** Continues a savings strategy included in the Governor's October 2016 reduction plan which generates savings of \$70,000 GF of each year by delaying the filling of vacant positions.
- ***Close Whitestone Field Office.*** Saves \$1,100 GF in each year by consolidating field offices. This is a continuation of a Governor's October 2016 reduction strategy.
- ***End Telephone Registration for Fisheries Identification Program.*** Authorizes the elimination of the toll-free telephone number used by saltfish anglers for registration. Approximately 12 percent of anglers utilize the phone service. Online and in-person registration remains available. The savings from this action, totaling \$75,000 GF in the second year, are redirected to support the law enforcement division. This is a continuation of a reduction included in the Governor's October 2016 reduction plan.

- ***Reduce NGF Support for the American Eel Assessment Project.*** Utilizes \$20,000 NGF from the Commercial Fishing License revenues currently allocated to an annual assessment of the American eel to support law enforcement and fisheries management operations, offsetting a general fund reduction in a like amount. This is a continuation of a strategy included in the Governor’s October 2016 reduction plan. Sufficient funds remain to undertake the eel assessment.
- ***Use Unallocated NGF Resources to Support Law Enforcement Activities.*** Supplants \$104,000 GF with a like amount of unallocated revenues generated by the sale of recreational and commercial fishing licenses to support law enforcement activities. This is a continuation of a proposal contained in the Governor’s October 2016 Reduction Plan that utilized \$214,000 NGF for that purpose in FY 2017.
- ***Utilize Federal Funds for Catch Assessment Program.*** Uses \$50,000 of saltwater recreational fishing license revenue allocated to the catch assessment program to support law enforcement and fisheries management operations in the second year to offset a like reduction in general fund support for these activities. Federal funds will be used in support of the catch assessment program. This is a continuation of a proposal contained in the Governor’s October 2016 reduction plan.
- ***Use Federal Funds to Support River Herring Data Collection.*** Supplants \$40,000 GF with a like amount of commercial fishing license revenue to support data collection on river herring. This is a continuation of a proposal contained in the Governor’s October 2016 Reduction Plan that utilized \$40,000 NGF for that purpose in FY 2017.

- **Virginia Museum of Natural History**

- ***Reflect October 2016 Reduction Plan.*** Includes GF reductions of \$78,563 in FY 2017 reflecting the savings strategies announced in the Governor’s October 2016 reduction plan which include delaying filling a curator position and reducing wage security employee hours. These two strategies are continued into FY 2018, and generate identical savings in the second year.
- ***Eliminate Marketing Position.*** Eliminates \$51,775 GF and one position associated with a marketing position at the Museum in the second year, resulting in one lay-off. This action also includes supplanting \$15,000 in GF support for marketing activities with nongeneral fund support.
- ***Reduce Discretionary Spending.*** Generates savings of \$70,393 GF the second year by reducing spending for travel, supplies, memberships and other items.