

Natural Resources

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2019 Proposed		FY 2020 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Current Budget (Ch. 2, 2018 Special Session I)	\$156.5	\$273.7	\$117.2	\$273.1
Proposed Increases	\$25.7	\$1.6	\$148.6	\$3.0
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	25.7	1.6	148.6	3.0
HB 1700/SB 1100, as Introduced	\$182.1	\$275.4	\$265.8	\$276.1
% Change	16.4%	0.6%	126.8%	1.1%
FTEs	1,030.50	1,159.50	1,051.50	1,161.50
# Change	0.00	0.00	19.00	2.00

- **Department of Conservation and Recreation**

- *Statutory Water Quality Improvement Fund (WQIF) Deposit Based on FY 2018 Surplus and Agency Balances.* Appropriates a total of \$73.8 million to the WQIF in FY 2020 for the mandatory Part A and Part B deposits based on the FY 2018 revenue surplus and unencumbered agency balances. The Governor proposes to utilize the deposit as follows:

- \$8.3 million is deposited to the WQIF Reserve Fund;
- \$4.25 million is set aside for special projects as follows: 1) \$1.0 million to match federal Conservation Reserve Enhancement Program (CREP) funds within the Chesapeake Bay watershed; 2) \$1.0 million to match federal CREP funds outside the Chesapeake Bay watershed; 3) \$1.0 million for the Virginia Conservation Assistance Program (VCAP); 4) \$750,000 for special projects related to poultry litter transportation, or development and certification of Resource Management Plans (RMPs); and, 5) \$500,000 to the Department of Forestry for water quality grants.

- \$61.2 million is transferred to the Natural Resources Commitment Fund (NRCF). Of this total, \$37.3 million, or 61 percent, is dedicated to agricultural best management practices (Ag BMPs) within the Chesapeake Bay Watershed; \$16.0 million, or 26 percent, is dedicated to Ag BMPs outside the Chesapeake Bay Watershed, and \$8.0 million, or 13 percent, is used for technical assistance for Soil and Water Conservation Districts (SWCDs).

Embedded in these proposals is an increase in the share of funding dedicated to SWCD technical assistance from 8 percent to 13 percent, an increase in the share directed to projects inside the Chesapeake Bay Watershed from 55 percent to 61 percent, and a corresponding reduction in the share for projects outside of the Chesapeake Bay Watershed from 37 percent to 26 percent. One additional proposed policy shift is the inclusion of WQIF funds for the VCAP program. Previously funding for the program came from federal grants and from DEQ. VCAP is used to address urban best management practices.

- ***Supplemental WQIF Deposits.*** Proposes additional appropriations of \$20.0 million GF in FY 2019 and \$15.0 million GF in FY 2020 to the WQIF from “limited time” revenues assumed to be generated from the federal Tax Cut and Jobs Act. The Governor proposes to utilize the amounts as follows:
 - \$9.0 million in FY 2019 and \$500,000 in FY 2020 is set aside for special projects as follows: 1) \$500,000 to match federal CREP grants within the Chesapeake Bay watershed and \$1.0 million to match CREP grants outside the Chesapeake Bay watershed in the first year; 2) \$6.3 million for livestock stream exclusion (SL-6) projects outside the Chesapeake Bay Watershed and \$700,000 for SL-6 projects inside the Chesapeake Bay Watershed in the first year; 3) \$500,000 for special projects related to poultry litter transportation, or development and certification of RMPs in the first year; and, 4) \$500,000 to the Department of Forestry for water quality grants in the second year.
 - \$11.0 million the first year and \$14.5 million the second year is transferred to the NRCF. In the first year, \$9.6 million is directed to Ag BMPs inside the Chesapeake Bay watershed and \$1.4 million is utilized for technical assistance to SWCDs. In the second year, \$8.8 million would be used for Ag BMPs inside the Chesapeake Bay Watershed, \$3.8 million is dedicated to Ag BMPs outside the Chesapeake Bay Watershed, and \$1.9 million is directed to technical assistance for Soil and Water Conservation Districts (SWCDs).
- ***Increase Funding for Virginia Land Conservation Fund.*** Includes an appropriation of \$5.5 million in the first year and \$10.0 million the second year for the Virginia Land Conservation Fund (VLCF). Chapter 2 of the 2018 Acts of Assembly, Special Session I (HB 5002), provided no funding for the VLCF in FY 2019 based on the

availability of substantial settlement funds for land purchases and provided \$4.5 million – the FY 2018 base amount – for the Fund in FY 2020.

- ***Increase Funding for Dam Safety Fund.*** Proposes an increase of \$267,853 in FY 2020 for the Dam Safety, Flood Prevention and Protection Assistance Fund. The Fund supports grants to local governments and private entities and the increased funding brings the appropriation to \$732,147 in the second year. In the FY 2018 grant round, there were requests for \$1.2 million from the Fund. Project requests included financial assistance for engineering services, gate valve evacuation and repair, erosion stabilization projects the development of flood hazard mitigation strategies and plans.
- ***Increase Appropriation to Support LPTC Program.*** Proposes a reduction of \$133,400 to the transfer to the general fund from the amounts generated by Land Preservation Fund and a corresponding increase of nongeneral funds for DCR in the second year to hire 1.00 FTE position to increase its oversight of the land preservation tax credit. This position would implement provisions of legislation to be introduced to the 2019 General Assembly which would decrease from \$1.0 million to \$500,000 the tax credit requests DCR must approve.
- ***Support Daniel Boone Wilderness Interpretive Center Operations.*** Includes an appropriation of \$257,187 GF and 1.00 FTE position the second year to support the operations of the Daniel Boone Wilderness Interpretive Center. Existing language in Chapter 2 provides for a transfer of the Center to DCR. A companion Capital Outlay amendment authorizes DCR to accept the Center and surrounding acreage.
- ***Fund Limited Opening of Clinch River State Park.*** Proposes \$534,159 and 2.00 FTE positions from the general fund to support the limited opening of the park, to include hiking trails, picnic and parking areas and water access points for visitors.
- ***Fund Development and Implementation of the Virginia Great Valley Lewis and Clark Eastern Legacy Trail.*** Proposes \$125,000 and 1.00 FTE position from the general fund in the second year to assist in the development of the Virginia Great Valley Lewis and Clark Eastern Legacy Trail project. The National Park Service previously rejected an application for the Virginia portion of the trail.
- ***Acquire Land for Middle Peninsula State Park.*** Proposes a supplemental nongeneral fund appropriation from the State Park Acquisition Fund of \$145,000 in the first year for the Middle Peninsula State Park being developed in accordance with the provisions of the Surry-Skiffes Creek Transmission Line Mitigation Agreement.
- ***Provide Funding to Acquire Land for State Parks and Natural Area Preserves.*** Amendments in Capital Outlay increase the nongeneral fund appropriations for the

acquisition of State Parks and Natural Area Preserves by \$2.2 million in FY 2019 and \$8.4 million in FY 2020. This includes planned acquisitions at the Sailor’s Creek Battlefield, Shenandoah River, and Wilderness Road State Parks, as well as authorization to accept donations of property to develop a state park in Loudoun County. Also assumed are acquisitions at seven Natural Area Preserves.

- **Department of Environmental Quality**

- ***Stormwater Local Assistance Fund.*** Proposes an additional appropriation of \$50.0 million GF in FY 2020 for the Stormwater Local Assistance Fund (SLAF) from “limited time” revenues assumed to be generated from the federal Tax Cut and Jobs Act. Chapter 2 included \$20.0 million in FY 2019 for this purpose.
- ***Fund Positions for Regulatory Review in Permitting and Monitoring Programs.*** Includes \$150,000 the first year and \$1.4 million and 11.00 FTE positions the second year from the general fund to support regulatory review and permit writing in DEQ’s air and water protection programs and support the Governor’s environmental agenda. Funds would be used for activities related to the State Water Control Board, establishing a methane leakage framework, updating renewable energy regulations, water program guidance, solid waste management regulations related to open burning of trash, coal combustion byproducts, leachate management and hazardous waste regulations, and amending regulations to incorporate climate science into decision-making. The proposal also includes new funding for DEQ to contract with a consultant to help develop a comprehensive transportation electrification action plan.
- ***Provide Funding for Online Service Upgrades.*** Proposes \$859,075 and 5.00 FTE positions from the general fund in the second year to support web site redesign and the development and maintenance of an online portal. The DEQ website was last updated in 2011 and is not designed to be responsive to mobile devices. Two of the positions would be related to this upgrade. The remaining funds, and three positions, would focus on development of a DEQ portal to enable intake and reporting of permits and other DEQ data. Regulated entities with multiple permits or dealings with the agency will have a “one stop shop” to conduct business with the agency.
- ***Fund Study of Communications and Outreach Needs.*** Proposes \$100,000 from the general fund in FY 2020 for a one-time study of the agency’s community engagement capacity that includes a plan for improving and increasing outreach to underserved and lower income communities (environmental justice).
- ***Alexandria CSO.*** An amendment in Capital Outlay would authorize \$25.0 million in general fund supported bonds to address improvements related to Alexandria’s Comprehensive Sewer Overflow project.

- **Department of Game and Inland Fisheries**
 - *Increase Nongeneral Fund Appropriation for Agency Operations.* Proposes a nongeneral fund appropriation increase of \$1.35 million each year for the department to help absorb costs associated with the pay raise contained in Chapter 2 and other increases associated with agency operations.
 - *Increase Nongeneral Funds for Mitigation and Settlement Activities.* Reflects an increase of \$230,000 the first year and \$1,160,000 the second year from nongeneral fund settlement revenues to support restoration activities at Hog Island and mussel propagation efforts.
- **Marine Resources Commission**
 - *Increase Funding for Oyster Restoration and Replenishment.* Proposes an additional \$1.0 million GF in the second year to support oyster replenishment and restoration activities. This would bring total funding to \$2.5 million for replenishment and \$1.5 million for restoration in FY 2020.
- **Virginia Museum of Natural History**
 - *Replace Telephone System.* Provides \$45,671 from the general fund in the second year to replace the telephone and voice mail systems at the Museum of Natural History.