

*Report of the
House Appropriations
Subcommittee*

on

*Commerce, Agriculture,
Natural Resources, &
Technology*



*House Bill 29
&
House Bill 30*

February 21, 2016

REPORT OF THE SUBCOMMITTEE
on
COMMERCE, AGRICULTURE, NATURAL
RESOURCES AND TECHNOLOGY

Mr. Chairman and Members of the Committee:

This marks my first report as the Chairman of the subcommittee which has 4 Secretariats under its purview - Agriculture and Forestry, Commerce and Trade, Natural Resources and Technology. It has been a pleasure to be exposed to the breadth of areas of state government contained within this Subcommittee and I thank my fellow subcommittee members for their specific knowledge of the diverse areas contained within it.

Commerce and Trade:

Looking first at Commerce and Trade - over the past six years we have worked hard to reinvest in Virginia's economic development infrastructure and make job creation the top priority of state government. In each of the past three biennial budgets, we have increased funding for these activities substantially. Even with somewhat more modest increases in the upcoming biennium, the budget amendments before you today reflect a general fund increase of 60% for the Commerce and Trade Secretariat compared to the 2009-2010 biennium.

As we heard earlier this Session, the number of economic development programs have proliferated, and while many have been successes, the time has come to ensure the General Assembly has an appropriate oversight role regarding these expenditures. To that end, the Subcommittee recommends funding and positions to establish an on-going oversight group within JLARC to ensure the taxpayer's funds are being spent wisely. Building on the initiative begun in the 2014 Session by Delegate Massie, this unit will provide biennial reports on our economic development expenditures - including both grants and tax incentives - to help us evaluate

which programs best place the Commonwealth to move us fully to a 21st century economy.

To support the continued attraction of business expansion across all regions of the Commonwealth, the Subcommittee recommends fully funding all outstanding incentive commitments and continuing funding for the Commonwealth Opportunity Fund at \$20.8 million each year. The Subcommittee also worked in concert with the House Finance Committee to identify resources to expand the existing Research and Development tax credit and to establish a new credit aimed at larger scale research ventures.

The subcommittee is pleased to support the GO Virginia initiative by recommending \$32.5 million over the biennium to implement and capitalize this innovative plan to foster regional cooperation in the arena of economic development.

Also included at the Department of Housing and Community Development is \$4.0 million each year for the Virginia Housing Trust Fund and \$2.5 million each year for rapid rehousing, with special focus given to finding permanent housing for victims of domestic abuse, individuals with serious mental illness, and Virginia's homeless veterans.

Natural Resources:

Moving next to Natural Resources – this Committee has worked diligently to improve Virginia's water quality, and since 2005 has provided nearly \$1 billion in investments in Virginia's natural resources. That's something we all can be proud of.

Building on these past water quality improvements, the Subcommittee is recommending \$61.7 million be provided for use in implementing agricultural best management practices in the first year through the deposit to the Water Quality Improvement Fund. This represents the largest annual cash investment into this Fund. It provides almost \$20 million to help address the backlog in stream exclusion projects and provide additional operating support for the Soil and Water Conservation districts to implement best management practices both within and outside the Chesapeake Bay watershed.

Furthermore, Mr. Chairman, the Subcommittee is pleased to have worked with the Capital Outlay Subcommittee to provide \$59.0 million in funding through House Bill 1344 to meet fully our commitments to point source protection by improving municipal water treatment plants.

Agriculture and Forestry:

Mr. Chairman, next I will touch briefly on the Subcommittee's efforts in Agriculture and Forestry. Virginia's largest industry not only provides jobs, but it also plays an integral role in maintaining our environment and the quality of life in rural Virginia. This past year, Virginia became the 2nd largest agricultural exporter on the East Coast. The Subcommittee is gratified to support continued expansion of our export markets by funding additional marketing presence in North Africa and Southeast Asia, supporting reverse trade missions, and establishing a program to link Virginia producers with international buyers and distributors.

With modest programmatic increases over the biennium, we will be able to continue revitalizing a number of agricultural programs, including the VDACS weights and measures program, meat inspection and animal lab accreditation programs. Also included in the Subcommittee's recommendations is an increase in the newly established and highly successful Agriculture and Forestries Industries Development Fund of \$1.0 million each year, and additional positions to market the program throughout the Commonwealth.

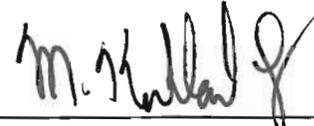
At the Department of Forestry, I am especially pleased to report that the Subcommittee recommends fully funding the general fund match for the public-private reforestation of timberlands program for the first time since the Gilmore Administration. Each year of the biennium \$1.8 million general fund will be available to match industry contributions to ensure long-term sustainability of the forestries industry in the Commonwealth.

The details of the Subcommittee's report are contained in the attachments. Committee staff will review the report and the attached listing of

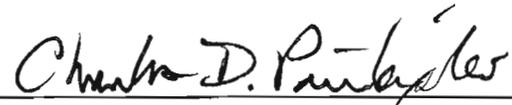
our recommendations at this time, and I hope it will be the Committee's pleasure to adopt the report.

Respectfully Submitted by the House Appropriations Subcommittee on
Commerce, Agriculture, Natural Resources & Technology:

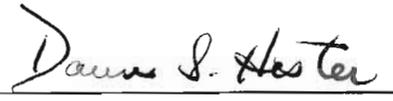

John M. O'Bannon, III, Chairman

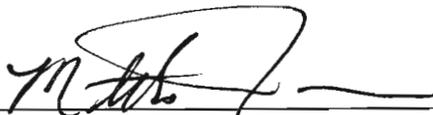

M. Kirkland Cox


R. Steven Landes


Charles D. Poindexter


Barry D. Knight


Daun S. Hester


Matthew James

Amendment

**House Bill 29
FY 2016**

2016-18 BIENNIAL TOTAL		
<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>FTE</u>

COMMERCE, AGRICULTURE, NATURAL RESOURCES AND TECHNOLOGY

HB 29

Chesapeake Bay Advisory Committee

Reflect FY 16 License Plate Revenues (in CA) NGF

Department of Conservation and Recreation

Eliminate Funding for Natural Bridge (in CA) (60,000)

Center for Innovative Technology

Backfill Operating Budget Shortfall 800,000

Central Accounts

Site Development for Regional Economic Development Project 1,000,000

HB 30 (2016-18 Budget)

General Assembly

Review of NAP Credits by Tax Preferences Subcommittee Language

Auditor of Public Accounts

Local Stormwater Charge Reporting Language

Chesapeake Bay Commission

Multi-State Consultant for Bay Clean-Up Progress 38,000

Joint Legislative Audit and Review Commission

Expand JLARC Water Resource Planning Review Language

JLARC Unit for Eco Dev Oversight 550,000 2.00

JLARC Access to Data for HJR 7 Language

Department Of Agriculture And Consumer Services

Food Program Report Language Language

Cider Revenues to Wine Promotion Fund 43,966

Reduce Increase to PDR Program (1,000,000)

Agricultural Marketing/Business Expansion Program 747,888 2.00

VA Grown Food Ambassador (214,448)

Coyote Control Program Language Language

Information Technology Upgrade Funding (400,000) (1.00)

International Marketing Efforts for Agriculture 500,000

Weights and Measures Program Support 542,802

Department of Forestry

Reduce Proposed Forestry Increases (709,275)

Phase-In Forestry MELP Increase (355,458)

Secretary of Commerce and Trade

HB 858 - Create Virginia International Trade Corporation 300,000

Economic Development Incentive Payments

Eliminate New Funding for Biotechnology Spinoffs (60,000,000)

Additional Funding for the Motion Picture Opportunity Fund 4,500,000

Reduce New Funding for Trade Missions (1,000,000)

Level Fund VBHRC (12,500,000)

Department of Housing and Community Development

Additional Funding for GO Virginia 7,000,000

Level Fund Housing Trust Fund (12,000,000)

<u>Amendment</u>	<u>House Bill 29</u> <u>FY 2016</u>	<u>2016-18 BIENNIAL TOTAL</u>		
		<u>General</u> <u>Fund</u>	<u>Nongeneral</u> <u>Fund</u>	<u>FTE</u>
Increase Funding for Rapid Re-Housing		3,000,000		
Eliminate Funding for the New Healthy Food Financing Program		(10,000,000)		
Funding for the Ctr. for Adv. Engineering & Research		925,797		
Eliminate New Funding for Broadband Initiative		(5,667,294)		(1.00)
Department of Mines, Minerals and Energy				
Eliminate New Funding for Development of Solar Energy		(2,000,000)		
Eliminate New Funding for Biofuels Production Fund		(3,000,000)		
Virginia Economic Development Partnership				
Virginia Business Ready Sites Program		2,000,000		
Reduce New Funding for VEDP		(8,000,000)		
Transfer Nutrient Offset Study to DEQ			Language	
Virginia Employment Commission				
Treasury Offset Program - Recovery of Fees			Language	
Virginia Tourism Authority				
Funding for Development of Spearhead Trails		600,000		
Reduce New Funding for Additional Tourism Marketing		(2,000,000)		
Department of Conservation and Recreation				
NRCS to Provide Engineering Services to SWCDs			Language	
Increase SEAS Funding		100,000		
Small Dam Repairs		750,000		
Rappahannock River Basin Commission		13,000		
Hearthstone Dam Repairs		633,100		
Eliminate Funding for Natural Bridge		(240,000)		
No Funds for Natural Bridge			Language	
Breaks Interstate Park Funding		186,626		
Remove Parks WiFi Funding		(713,800)		(250,000)
DCR Review of P3 Options for State Parks			Language	
Department of Environmental Quality				
DEQ Review of Nutrient Offset Methods			Language	
Appomattox River Water Authority			Language	
Local Stormwater Charge Reporting			Language	
Virginia Marine Resources Commission				
Eliminate New Fisheries Deputy		(275,000)		(1.00)
Department of Historic Resources				
DHR Easement Coordinator		(188,622)		
Confederate Graves - HB 1066		1,970		
Center for Innovative Technology				
MACH-37		500,000		
Central Appropriations				
Remove Duplicative Funding for Slavery and Freedom Heritage Site		(2,000,000)		
Part 3				
Eliminate Angel Investor Language			Language	
Total: HB 29/30	\$ 1,740,000	\$ (99,330,748)	\$ (250,000)	1.00

Amendments to House Bill 29, as Introduced

Item 468 #3h

Central Appropriations	FY14-15	FY15-16
Central Appropriations	\$0	(\$60,000) GF

Language:

Page 184, line 40, strike "\$13,613,298" and insert "\$13,553,298".

Page 187, after line 53, insert:

"O. On or before June 30, 2016, the Director, Department of Planning and Budget, shall authorize the reversion to the general fund of \$60,000, representing amounts that had been appropriated for the Department of Conservation and Recreation for transition costs of Natural Bridge."

Explanation:

(This amendment removes \$60,000 in the second year from the Department of Conservation and Recreation that was provided to fund costs associated with staffing at Natural Bridge. It is the intent of the General Assembly that this amendment will be set out in Item 358 F. upon enrolling.)

Item 468 #4h

Central Appropriations	FY14-15	FY15-16
Central Appropriations	\$0	\$349,835 NGF

Language:

Page 184, line 40, strike "\$13,613,298" and insert "\$13,963,133".

Page 187, after line 53, insert:

"O. The Director, Department of Planning and Budget, shall increase the dedicated special fund revenue appropriation set out in Item 6, Paragraph F, Chapter 665, Acts of Assembly, for the Chesapeake Bay Restoration Fund Advisory Committee by \$349,835 in the second year."

Explanation:

(This amendment reflects the nongeneral fund license plate revenues dedicated to the Chesapeake Bay restoration. Because that item was not set out in House Bill 29 as introduced, it is the intent of the General Assembly that the item will be revised upon enrolling.)

Item 468 #5h

Central Appropriations	FY14-15	FY15-16
Central Appropriations	\$0	\$800,000 GF

Amendments to House Bill 29, as Introduced

Language:

Page 184, line 41, strike "\$13,613,298" and insert "\$14,413,298".

Page 187, after line 53, insert:

"O. Out of this appropriation, \$800,000 the second year from the general fund shall be provided to the Innovation and Entrepreneurship Investment Authority to support the operations of the authority."

Explanation:

(This amendment provides \$800,000 from the general fund in fiscal year 2016 for the Innovation and Entrepreneurship Investment Authority (IEIA). The IEIA is currently projecting a revenue shortfall that would require the authority to lay off 20% of their staff. The newly appointed CEO has requested these funds to get through the current fiscal year and to allow him and the Board time to thoroughly review the authority's operations and business model.)

		Item 468 #6h	
Central Appropriations	FY14-15	FY15-16	
Central Appropriations	\$0	\$1,000,000	GF

Language:

Page 184, line 40, strike "\$13,613,298" and insert "\$14,613,298".

Page 187, after line 53, insert:

"O. Out of this appropriation, \$1,000,000 from the general fund in the second year shall be transferred to the Commonwealth Opportunity Fund.

P. In addition to all other economic incentive payments already approved for the project, the Governor may authorize an additional \$1,500,000 from the Commonwealth Opportunity Fund as needed to assist with site development improvements for a regional economic development project related to the location of a major automotive supplier manufacturer in Botetourt County."

Explanation:

(This amendment provides \$1.0 million from the general fund in additional funding for the Commonwealth Opportunity Fund. In addition, the language allows the Governor to provide an additional \$1,500,000 from the Commonwealth Opportunity Fund to assist Botetourt County with site improvements related to the location of a major automotive supplier manufacturer to the Roanoke Valley Region if he deems it necessary and appropriate.)

Review of Neighborhood Assist. Tax Credits

Legislative Department

General Assembly of Virginia

Language

Language:

Page 10, after line 23, insert:

"S. The Joint Subcommittee to Evaluate Tax Preferences established pursuant to Chapter 777, 2012 Session of the General Assembly, is hereby directed, as part of its work during calendar year 2016, to undertake a review of the Neighborhood Assistance Act tax credit program and to report to the General Assembly on any proposed changes to the program structure, eligibility requirements, distribution of funding or overall funding amounts made available for the credit by November 15, 2016."

Explanation:

(This amendment directs the Joint Subcommittee to Evaluate Tax Preferences to review the Neighborhood Assistance Act tax credits as part of its work in 2016.)

Local Stormwater Charge Reporting

Legislative Department

Auditor of Public Accounts

Language

Language:

Page 11, after line 50, insert:

"D. 1. Each locality establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, shall provide to the Auditor of Public Accounts by October 1 of each year, in a format specified by the Auditor, a report as to each program funded by these fees and the expected nutrient and sediment reductions for each of these programs.

2. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from the

Amendments to House Bill 30, as Introduced

Administrative Process Act and shall be required for all audits completed after July 1, 2014."

Explanation:

(This amendment directs the Auditor of Public Accounts to receive reports on local stormwater charges. A companion amendment moves this requirement from the Department of Environmental Quality. This is intended to reduce redundancies as the local governments already report finances and charges to the APA on an annual basis.)

Item 29 #1h

Multi-State Consultant for Bay Clean-Up Progress

Legislative Department	FY16-17	FY17-18
Chesapeake Bay Commission	\$0	\$38,000 GF

Language:

Page 18, line 7, strike "\$292,217" and insert "\$330,217".

Page 18, after line 11, insert:

"Included in the amounts for this item is \$38,000 the second year from the general fund representing Virginia's share of contributions to the six state Chesapeake Bay Region efforts to hire an independent outside evaluator responsible for reviewing and submitting reports to Congress according to the schedule prescribed in the Chesapeake Bay Accountability and Recovery Act of 2014. Such funds shall not be released until such time as all six states in the Region have committed equal amounts of funding to the project. If such commitment has not been achieved by June 30, 2018, the amounts will revert to the general fund."

Explanation:

(This amendment provides \$38,000 from the general fund in the second year to the Chesapeake Bay Commission. This amount represents Virginia's share of funds required to hire an independent outside evaluator to verify the impact of clean-up efforts undertaken in the 6-state Chesapeake Bay Region. Such funds will not be released until such time as all six states - Virginia, West Virginia, Maryland, Delaware, Pennsylvania and New York - commit to provide equal amounts of funding for this purpose. This proposal has been advanced by Congressman Rob Wittman and Senator Mark Warner as necessary steps following the passage of the Chesapeake Bay Accountability and Recovery Act by Congress in December 2014.)

Item 33 #1h

Expand JLARC Water Resource Planning Review

Legislative Department

Joint Legislative Audit and Review Commission

Language

Language:

Page 21, after line 20, insert:

"J. As a component of its review of water resource planning and management pursuant to House Joint Resolution 623 from the 2015 Session of the General Assembly, the Joint Legislative Audit and Review Commission shall also (i) identify and report a list of the water systems and other water dependent facilities that could be affected by changes, including those that may relate to current "grandfathering" provisions, to the state's water protection permit regulations pursuant to 9 VAC 25-210, and (ii) describe the nature and magnitude of the impact on affected water systems and other water dependent facilities."

Explanation:

(This amendment expands the scope of the previously authorized JLARC study of water resource planning and management to include the identification of water systems and other water dependent facilities that would be affected by changes to the state's water protection regulations.)

Item 33 #5h

JLARC Unit for Eco Dev Oversight

Legislative Department	FY16-17	FY17-18	
Joint Legislative Audit and Review Commission	\$250,000 2.00	\$300,000 2.00	GF FTE

Language:

Page 19, line 10, strike "\$3,840,287" and insert "\$4,090,287".

Page 19, line 10, strike "\$3,840,445" and insert "\$4,140,445".

Page 21, after line 20, insert:

"J.1. The General Assembly hereby designates the Joint Legislative Audit and Review Commission (JLARC) to oversee and evaluate economic development initiatives and policies on a continuing basis and to make such special studies and reports as may be requested by the General Assembly, the House Appropriations Committee, or the Senate Finance Committee.

2. The areas of review and evaluation to be conducted by the Commission shall include, but are not limited to, the following: (i) spending on and performance of individual economic development incentives, including grants, tax preferences, and other assistance; (ii) economic benefits to Virginia of total spending on economic development initiatives at least biennially;

Amendments to House Bill 30, as Introduced

(iii) effectiveness, value to taxpayers, and economic benefits to Virginia of individual economic development initiatives on a cycle approved by the Commission; and (iv) design, oversight, and accountability of economic development entities, initiatives, and policies as needed.

3. For the purpose of carrying out its duties under this authority and notwithstanding any contrary provision of law, JLARC shall have the following powers, including but not limited to: (i) access to the information, records, facilities and employees of all public bodies involved in economic development initiatives and policies for the purpose of carrying out such duties; (ii) access to the public and executive session meetings and records of the boards of all public bodies involved in economic development initiatives and policies. Access shall include the right to attend such meetings for the purpose of carrying out such duties; (iii) access to the information and records of private entities, where private entities are obligated to provide such information and records to other public bodies pursuant to law or contract for the purpose of carrying out such duties.

4. Notwithstanding the provisions of subsection A or B of § 58.1-3 or any other provision of law, unless prohibited by federal law, an agreement with a federal entity, or a court decree, the Tax Commissioner is authorized to provide to JLARC such tax information as may be necessary to conduct oversight of economic development initiatives and policies.

5. The following records shall be excluded from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.):

(a) records provided by a public body as defined in § 2.2-3701, Code of Virginia, to the Joint Legislative Audit and Review Commission in connection with its oversight of economic development initiatives and policies, where the records would not be subject to disclosure by the public body providing the records. The public body providing the records to the Joint Legislative Audit and Review Commission shall identify the specific portion of the records to be protected and the applicable provision of the Freedom of Information Act or other provision of law that excludes the record or portions thereof from mandatory disclosure.

(b) confidential proprietary records provided by private entities pursuant to a promise of confidentiality from the Joint Legislative Audit and Review Commission, used by the Joint Legislative Audit and Review Commission in connection with its oversight of economic development initiatives and policies where, if such records are made public, the financial interest of the private entity would be adversely affected.

6. By August 15 of each year, the Secretary of Commerce and Trade shall provide to JLARC all information collected pursuant to § 2.2-206.1, Code of Virginia, in a format and manner specified by JLARC to ensure that the final report to be submitted by the Secretary fulfills the intent of the General Assembly and provides the data and evaluation in a meaningful manner for decision-makers.

7. JLARC shall assist the agencies submitting information to the Secretary of Commerce and Trade pursuant to the provisions of § 2.2-206.1, Code of Virginia, to ensure that the agencies

Amendments to House Bill 30, as Introduced

work together to effectively develop standard definitions and measures for the data required to be reported and facilitate the development of appropriate unique project identifiers to be used by the impacted agencies.

8. The Chairman of JLARC may appoint a permanent subcommittee to provide guidance and direction for oversight activities, subject to the full Commission's supervision and such guidelines as the Commission itself may provide.

9. JLARC may employ on a consulting basis such professional or technical experts as may be reasonably necessary for the Commission to fulfill its responsibilities under this authority.

10. All agencies of the Commonwealth shall cooperate as requested by JLARC in the performance of its duties under this authority."

Explanation:

(This amendment establishes a new unit at JLARC to provide ongoing oversight of economic development incentives, including tax incentives focused on the area of economic development and business expansion. The unit will report economic benefits to Virginia of total spending on economic development initiatives at least biennially; and evaluate the effectiveness, value to taxpayers, and economic benefits to Virginia of individual economic development initiatives on a cycle approved by the Commission. In addition, the unit will assist in the development of the annual report required pursuant to the provisions of House Bill 1191, 2014 Session of the General Assembly.)

Item 33 #6h

JLARC Study of VEDP

Legislative Department

Joint Legislative Audit and Review Commission

Language

Language:

Page 21, after line 20, insert:

"J.1. To assist JLARC in conducting its study of the Virginia Economic Development Partnership Authority (VEDP) pursuant to House Joint Resolution 7 of the 2016 General Assembly, JLARC shall have the legal authority to access the facilities, employees, information and records, including the information and records provided by private entities, of VEDP and its contractors for the purpose of conducting this study. JLARC shall also have access to the public and executive session meetings and records of the board of directors of VEDP. Access shall include the right to attend such meetings for the purpose of conducting this study.

2. Records provided by VEDP and its contractors to the Joint Legislative Audit and Review

Amendments to House Bill 30, as Introduced

Commission in connection with its study of VEDP, where the records would not be subject to disclosure by VEDP, shall be excluded from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). VEDP shall identify the specific portion of the records to be protected and the applicable provision of the Freedom of Information Act or other provision of law that excludes the record or portions thereof from mandatory disclosure."

Explanation:

(This amendment provides JLARC authority to review FOIA exempt documents at the VEDP and ensures that the Commission has access to the data needed to effectively undertake the study authorized pursuant House Joint Resolution 7, 2016 Session of the General Assembly.)

Item 89 #1h

Report on Proposed Food Program Change

Agriculture and Forestry

Department of Agriculture and Consumer Services

Language

Language:

Page 72, strike lines 23 through 26 and insert:

"and shall submit such plan to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than November 15, 2016. Such plan shall detail the funding amounts and positions associated with the impacted programs, and estimate of whether cost savings or additional costs would be incurred, both during the transition and over the long-term, resulting from the transfer of these programs. The review shall also assess any potential administrative impacts on the local school divisions, the Department of Education and the Department of Health. No transfer of positions or funding shall occur without prior approval of the General Assembly at the 2017 Regular Session."

Explanation:

(This amendment removes language proposed in House Bill 30 as introduced that would have moved and consolidated the food programs through the Department of Education and Department of Health into the Department of Agriculture and Consumer Services and instead requires that the Department present a report on the planned transition to the General Assembly and propose any such change to the 2017 Session of the General Assembly.)

Item 91 #1h

Cider Revenues to Wine Promotion Fund

Amendments to House Bill 30, as Introduced

Agriculture and Forestry	FY16-17	FY17-18	
Department of Agriculture and Consumer Services	\$21,983	\$21,983	GF

Language:

Page 72, line 35, strike "\$22,412,142" and insert "\$22,434,125".
Page 72, line 35, strike "\$22,399,142" and insert "\$22,421,125".
Page 73, line 39, strike "\$1,919,248" and "\$1,919,248" and insert:
"\$1,941,231" and "\$1,941,231".

Explanation:

(This amendment increases the amounts deposited to the Wine Promotion Fund to reflect the dedication of the cider mark-up on cider produced by farm wine licensees.)

Item 91 #2h

Reduce Increase to PDR Program

Agriculture and Forestry	FY16-17	FY17-18	
Department of Agriculture and Consumer Services	(\$500,000)	(\$500,000)	GF

Language:

Page 72, line 35, strike "\$22,412,142" and insert "\$21,912,142".
Page 72, line 35, strike "\$22,399,142" and insert "\$21,899,142".
Page 73, line 42, strike "\$2,000,000" and "\$2,000,000" and insert:
"\$1,500,000" and "\$1,500,000".

Explanation:

(This amendment reduces by \$500,000 each year the amounts dedicated to the Virginia Farmland Preservation Fund. The remaining \$1.5 million annual appropriation matches the amounts included for fiscal year 2016 in Chapter 665.)

Item 91 #3h

Agricultural Marketing/Business Expansion Program

Agriculture and Forestry	FY16-17	FY17-18	
Department of Agriculture and Consumer Services	\$373,944 2.00	\$373,944 2.00	GF FTE

Amendments to House Bill 30, as Introduced

Language:

Page 72, line 35, strike "\$22,412,142" and insert "\$22,786,086".

Page 72, line 35, strike "\$22,399,142" and insert "\$22,773,086".

Page 74, after line 27, insert:

"L. Out of the amounts in this item, \$373,944 the first year and \$373,944 the second year from the general fund and 2.00 full-time equivalent positions shall be used to establish a program of grants to agribusiness for a marketing and business planning activities, including in-depth research, website design, social media strategy, food innovation, packaging design, modernization of facilities and certification."

Explanation:

(This amendment provides \$373,944 each year and two positions from the general fund to support a program to provide grants to agribusinesses. The investment will provide \$5,000 grants to 30 companies each year and include at least two half-day workshops around the state. This program will be a first-of-its-kind strategic investment in domestic marketing for agriculture and forestry. Many agribusinesses are so focused on farming and production costs it is difficult to balance marketing and business planning tasks.)

Item 91 #4h

VA Grown Food Ambassador

Agriculture and Forestry	FY16-17	FY17-18
Department of Agriculture and Consumer Services	(\$107,224)	(\$107,224) GF

Language:

Page 72, line 35, strike "\$22,412,142" and insert "\$22,304,918".

Page 72, line 35, strike "\$22,399,142" and insert "\$22,291,918".

Explanation:

(This amendment removes \$107,224 each year that was included in House Bill 30 as introduced to support a new initiative to create a Virginia Grown Foods Ambassador.)

Item 91 #5h

International Marketing

Agriculture and Forestry	FY16-17	FY17-18
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Weights & Measures Program Support

Agriculture and Forestry	FY16-17	FY17-18	
Department of Agriculture and Consumer Services	\$345,701	\$197,101	GF

Language:

Page 75, line 17, strike "\$2,973,717" and insert "\$3,319,418".
 Page 75, line 17, strike "\$2,973,717" and insert "\$3,170,818".

Explanation:

(This amendment provides additional support for the weights and measures program. The amounts would be used to hire two additional inspectors and related support equipment. This would increase the total devices inspected by 3,600 annually with a focus on farm scales and risk-based needs. This would continue the General Assembly's goal of incrementally addressing the deficit between available funding and stated goals in terms of timely inspections.)

Item 100 #1h

Information Technology Upgrade Funding

Agriculture and Forestry	FY16-17	FY17-18	
Department of Agriculture and Consumer Services	(\$200,000) -1.00	(\$200,000) -1.00	GF FTE

Language:

Page 76, line 41, strike "\$10,760,048" and insert "\$10,560,048".
 Page 76, line 41, strike "\$10,766,773" and insert "\$10,566,773".

Explanation:

(This amendment reduces the funding available to upgrade internal information technology applications by \$200,000 each year and one position, leaving a total of \$707,788 and five additional positions each year to begin the system upgrades in a phased fashion.)

Item 101 #1h

Phase-In Funding of Forestry MELP

Agriculture and Forestry	FY16-17	FY17-18
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Amendments to House Bill 30, as Introduced

Department of Forestry (\$177,729) (\$177,729) GF

Language:

Page 77, line 8, strike "\$31,912,262" and insert "\$31,734,533".

Page 77, line 8, strike "\$32,643,961" and insert "\$32,466,232".

Page 77, line 44, strike "\$1,470,685 the first year and \$2,303,855 the second year" and insert: "\$1,292,956 the first year and \$2,126,126 the second year".

Explanation:

(This amendment reduces the proposed proposed funding for the replacement of forestry firefighting equipment by \$177,729 each year, leaving new funding of \$898,351 in the first year and \$1,731,521 in the second year for this purpose in addition to the base funding in Chapter 665.)

Item 101 #2h

Reduce Proposed Forestry Increases

Agriculture and Forestry	FY16-17	FY17-18
Department of Forestry	(\$407,566)	(\$301,709) GF

Language:

Page 77, line 8, strike "\$31,912,262" and insert "\$31,504,696".

Page 77, line 8, strike "\$32,643,961" and insert "\$32,342,252".

Explanation:

(This amendment reduces the funding proposed in House Bill 30 as introduced for three additional regional foresters and for a telecommunications specialist.)

Item 108 #3h

Increase Funding for Rapid Re-Housing

Commerce and Trade	FY16-17	FY17-18
Department of Housing and Community Development	\$1,500,000	\$1,500,000 GF

Language:

Page 84, line 35, strike "\$55,715,827" and insert "\$57,215,827".

Page 84, line 35, strike "\$55,715,827" and insert "\$57,215,827".

Amendments to House Bill 30, as Introduced

Page 85, strike lines 22 through 28 and insert:

"C. Out of the amounts in this item, \$2,500,000 the first year and \$2,500,000 the second year from the general fund shall be provided for rapid re-housing efforts. As part of the Department's rapid re-housing efforts the Department shall give priority to providing services to veterans, victims of domestic abuse, and individuals with serious mental illness."

Explanation:

(This amendment provides an additional \$1.5 million from the general fund each year, increasing funding to \$2.5 million from the general fund a year, for rapid re-housing and gives priority in funding to veterans, victims of domestic abuse, and individuals with serious mental illness.)

Item 125 #1h

Transfer Study from VEDP to DEQ

Commerce and Trade

Virginia Economic Development Partnership

Language

Language:

Page 96, line 21, strike "may utilize" and insert:

"shall transfer to the Department of Environmental Quality".

Page 96, line 24, after "Exchange." insert:

"The Virginia Economic Development Partnership shall work in conjunction with the Department of Environmental Quality to develop the long-term offsetting methods."

Explanation:

(This amendment transfers primarily responsibility for the development of a long-term offsetting methods within the Virginia Nutrient Credit Exchange from VEDP to the Department of Environmental Quality and directs the two entities to work together on the process.)

Item 126 #1h

Treasury Offset Program - Recovery of Fees

Commerce and Trade

Virginia Employment Commission

Language

Language:

Amendments to House Bill 30, as Introduced

Page 97, after line 4 insert:

"D. Notwithstanding any other provision of law, all fees incurred by the Virginia Employment Commission with respect to the collection of debts authorized to be collected under § 2.2-4806 of the Code of Virginia, using the Treasury Offset Program of the United States, shall become part of the debt owed the Commission and may be recovered accordingly."

Explanation:

(This amendment is self-explanatory.)

Item 364 #1h

NRCS to Provide Engineering Services to SWCDs

Natural Resources

Department of Conservation and Recreation

Language

Language:

Page 315, after line 24, insert:

"O. Notwithstanding § 54.1, Chapter 4, the U.S. Department of Agriculture's Natural Resources Conservation Service and Department of Conservation and Recreation Central Office staff may provide engineering services to the Department of Conservation and Recreation and the local Soil and Water Conservation Districts for design and construction of agriculture best management practices."

Explanation:

(This amendment authorizes USDA's NRCS to provide engineering services to DCR and the local soil and water conservation districts.)

Item 364 #2h

Increase SEAS Funding

Natural Resources

FY16-17

FY17-18

Department of Conservation and Recreation

\$50,000

\$50,000 GF

Language:

Page 312, line 34, strike "\$96,847,683" and insert "\$96,897,683".
Page 312, line 34, strike "\$35,138,883" and insert "\$35,188,883".

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Page 315, line 17, strike "\$150,000" and "\$150,000" and insert: "\$200,000" and \$200,000".

Explanation:

(This amendment increases by \$50,000 general fund each year the amounts provided for DCR shoreline erosion advisory services, increasing totaling funding to \$200,000 each year. This amount mirrors the funding provided in the House Budget for such activities during the 2015 Session. The amounts will be used to support additional financial resources for stream bank and shoreline erosion control to reduce harmful impacts to the waters of the Chesapeake Bay, to aid in meeting mandated nutrient and sediment reduction goals for the Bay TMDL, and to provide citizens of the Commonwealth with science-based stream bank and shoreline erosion reduction techniques. Funding for the Department of Conservation and Recreation's Shoreline Erosion Advisory Service (SEAS) program requires the increased amount to fund the second full-time DCR SEAS employee.)

Item 364 #3h

Small Dam Repairs

Natural Resources	FY16-17	FY17-18	
Department of Conservation and Recreation	\$375,000	\$375,000	GF

Language:

Page 312, line 34, strike "\$96,847,683" and insert "\$97,222,683".
Page 312, line 34, strike "\$35,138,883" and insert "\$35,513,883".
Page 313, line 14, strike "\$150,000" and insert "\$525,000".
Page 313, line 15, strike "\$150,000" and insert "\$525,000".

Explanation:

(This amendment increases the funding provided to the Soil and Water Conservation Districts for small dam repairs from \$150,000 to \$525,000 in each year of the biennium. Twelve of the 47 soil and water conservation districts operate and maintain 104 flood control dams in Virginia. Dams require continuous maintenance and periodic small repairs including spillway gate valve replacements, repair of wave berms on dams, access road repairs, slope erosion repairs, filter drain replacements and trash rack repairs and maintenance. After allocating the \$150,000 available for these repairs in fiscal year 2016, DCR identified a backlog of approximately \$1.3 million in small dam repairs based on owner annual inspections of each dam. An appropriation of \$525,000 each year of the biennium will allow for substantial progress towards addressing these documented needs.)

Rappahannock River Basin Commission

Natural Resources	FY16-17	FY17-18	
Department of Conservation and Recreation	\$6,500	\$6,500	GF

Language:

Page 312, line 34, strike "\$96,847,683" and insert "\$96,854,183".
Page 312, line 34, strike "\$35,138,883" and insert "\$35,145,383".
Page 314, line 32, strike "\$8,500" and "\$8,500" and insert:
"\$15,000" and "\$15,000".

Explanation:

(This amendment returns the state share of funding for the Rappahannock River Basin Commission to \$15,000 per year to match the local contribution on a dollar-for-dollar basis as required by § 62.1-69.33, Code of Virginia.)

Hearthstone Dam Repairs

Natural Resources	FY16-17	FY17-18	
Department of Conservation and Recreation	\$633,100	\$0	GF

Language:

Page 312, line 34, strike "\$96,847,683" and insert "\$97,480,783".
Page 314, line 45, strike the first "\$464,294" and insert "\$1,097,394".
Page 314, line 47, after "Virginia." insert:
"Out of these amounts, \$633,100 in the first year from the general fund shall be provided to match federal and local funding for the rehabilitation of the Hearthstone Lake dam in Augusta County."

Explanation:

(This amendment provides \$633,100 in the first year from the general fund to rehabilitate the Upper North River Watershed Dam Number 77 on Hearthstone Lake in Augusta County to meet current NRCS safety performance standards for a high hazard dam. The proposed project would provide sediment storage for another 68 years after construction and maintain the current level of flood protection downstream. The plan provides for raising the dam

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embankment by 2.6 feet with earthfill, widening the auxiliary spillway by 92 feet, constructing a splitter dike, and installing turn reinforcement mat for stability. It is anticipated that federal funds will be provided for the remaining \$2.1 million of costs associated with the rehabilitation.)

Item 365 #1h

Eliminate Funding for Natural Bridge

Natural Resources	FY16-17	FY17-18	
Department of Conservation and Recreation	(\$120,000)	(\$120,000)	GF

Language:

Page 315, line 25, strike "\$67,564,642" and insert "\$67,444,642".
Page 315, line 25, strike "\$66,998,477" and insert "\$66,878,477".

Explanation:

(This amendment eliminates a proposed appropriation of \$120,000 each year from the general fund to support two positions in the DCR Division of Parks intended to support the transition of Natural Bridge to a state park facility.)

Item 365 #2h

No Funds for Natural Bridge

Natural Resources

Department of Conservation and Recreation Language

Language:

Page 316, after line 36, insert:
"H. Notwithstanding any other provision of the Code of Virginia, no funds appropriated to the Department of Conservation and Recreation may be utilized to hire park rangers or other employees, either full-time or part-time, to work at any Natural Bridge lands or facilities until such time as the General Assembly has approved bringing those lands and any related facilities into the state park system as evidenced by language authorizing such transfer in the Appropriation Act."

Explanation:

(This amendment states that no funds appropriated for the Department of Conservation and Recreation may be spent to hire rangers or other state employees at Natural Bridge lands or

Amendments to House Bill 30, as Introduced

facilities until such time as the General Assembly has approved bringing those lands and any related facilities into the state park system.)

Item 365 #4h

Breaks Interstate Park Funding

Natural Resources	FY16-17	FY17-18	
Department of Conservation and Recreation	\$93,313	\$93,313	GF

Language:

Page 315, line 25, strike "\$67,564,642" and insert "\$67,657,955".
Page 315, line 25, strike "\$66,998,477" and insert "\$67,091,790".
Page 315, line 42, strike "\$181,687" and insert "\$275,000".
Page 315, line 43, strike "\$181,687" and insert "\$275,000".

Explanation:

(This amendment provides an additional \$93,313 each year from the general fund to increase Virginia's support for the Breaks Interstate Park. The requested funds would be used for maintenance and operation of the park. Virginia currently contributes \$181,687, which represents a 34% reduction in funding from the 2006 funding level. This reduction has forced frequent withdrawals of funds from the park's savings accounts in order to maintain critical facilities and services. The requested additional amount will restore the Virginia allocation to its previous level and help provide the critical maintenance and operations functions without further decreasing the park's savings accounts. The park's savings accounts have declined by 66% despite intensive cost cutting and restructuring measures which have shaved nearly \$200,000 in personnel, utilities, insurance and supplies expenses from the park's annual budget.)

Item 365 #5h

Remove Parks WiFi Funding

Natural Resources	FY16-17	FY17-18	
Department of Conservation and Recreation	(\$665,800) (\$250,000)	(\$48,000) \$0	GF NGF

Language:

Page 315, line 25, strike "\$67,564,642" and insert "\$66,648,842".
Page 315, line 25, strike "\$66,998,477" and insert "\$66,950,477".

Page 316, strike lines 27 through 36.

Explanation:

(This amendment removes funding and language relating to the feasibility study and installation of wireless WiFi capability in state parks.)

Item 365 #6h

DCR Review of P3 Options for State Parks

Natural Resources

Department of Conservation and Recreation

Language

Language:

Page 316, after line 36, insert:

"H. The Board of Conservation and Recreation shall consider whether public-private partnerships would (i) result in greater operational efficiencies in the planning, development, construction, and operation of new state parks and in the management of existing state parks and (ii) generate cost savings, allow for additional state park amenities, and increase operational revenues for state parks. Technical assistance shall be provided to the Board by the Department of Conservation and Recreation. The Board shall submit a report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than November 15, 2016."

Explanation:

(This amendment directs DCR to evaluate whether cost reductions and other efficiencies could be generated by increasing public-private partnerships for the development and operation of state parks.)

Item 368 #1h

DEQ Review of Nutrient Offset Methods

Natural Resources

Department of Environmental Quality

Language

Language:

Page 318, after line 13, insert:

"F. The Department shall work in conjunction with the Virginia Economic Development Partnership to facilitate the development of a long-term offsetting methods within the

Amendments to House Bill 30, as Introduced

Virginia Nutrient Credit Exchange as set out in Item 125 of this act."

Explanation:

(This amendment directs DEQ to work with the VEDP to develop a long-term offsetting methods within the Virginia Nutrient Credit Exchange.)

Item 368 #2h

Appomattox River Water Authority

Natural Resources

Department of Environmental Quality

Language

Language:

Page 318, after line 13, insert:

"F. If the Board of the Appomattox River Water Authority does not approve an action to move forward with the raising of the Brasfield Dam prior to June 30, 2017, the authorization for \$5.0 million in Virginia Public Building Authority bonds for such project included in Chapter 806, 2013 Acts of Assembly shall expire."

Explanation:

(This amendment provides an expiration date for \$5.0 million in bond proceeds authorized for the Appomattox River Water Authority authorized by the 2013 General Assembly.)

Item 370 #1h

Local Stormwater Charge Reporting

Natural Resources

Department of Environmental Quality

Language

Language:

Page 320, line 26, strike "Department of Environmental Quality" and insert:

"Auditor of Public Accounts".

Page 320, line 27, strike "Department" and insert "Auditor".

Page 320, line 28, after "programs." insert:

"The Department of Environmental Quality shall, at the request of the Auditor of Public Accounts, offer assistance to the Auditor's office in the review of the submitted reports."

Explanation:

Amendments to House Bill 30, as Introduced

(This amendment removes the requirement that each locality with a stormwater service charge file a report with DEQ as to the programs funded by these fees and the expected nutrient and sediment reductions for each of these programs and instead requires that this report be filed by October 1 of each year with the Auditor of Public Accounts. Upon request, the DEQ would continue to offer assistance to the APA in their review of the reports. The requirement to ensure compliance with the Code of Virginia shall remain in place.)

Item 376 #1h

DHR Easement Coordinator

Natural Resources	FY16-17	FY17-18	
Department of Historic Resources	(\$94,311)	(\$94,311)	GF

Language:

Page 322, line 27, strike "\$6,984,154" and insert "\$6,889,843".
Page 322, line 27, strike "\$6,984,901" and insert "\$6,890,590".

Explanation:

(This amendment removes funding for a new easement coordinator position that had been included in House Bill 30 as introduced.)

Item 376 #2h

Confederate Graves - HB 1066

Natural Resources	FY16-17	FY17-18	
Department of Historic Resources	\$985	\$985	GF

Language:

Page 322, line 27, strike "\$6,984,154" and insert "\$6,985,139".
Page 322, line 27, strike "\$6,984,901" and insert "\$6,985,886".
Page 322, line 47, strike "\$82,585" and "\$82,585" and insert:
"\$83,570" and "\$83,570".

Explanation:

(This amendment provides \$985 each year from the general fund for the care of confederate graves pursuant to the provisions of House Bill 1066.)

Item 378 #1h

Eliminate Funding for Fisheries Chief

Natural Resources	FY16-17	FY17-18	
Marine Resources Commission	(\$140,000)	(\$135,000)	GF
	-1.00	-1.00	FTE

Language:

Page 324, line 11, strike "\$20,004,079" and insert "\$19,864,079".
 Page 324, line 11, strike "\$19,946,753" and insert "\$19,811,753".

Explanation:

(This amendment eliminates funding and a position included in House Bill 30 as introduced to hire a deputy chief in the Fisheries Division of the Virginia Marine Resources Commission.)

Item 476 #2h

Remove Duplicative Funding for Slavery and Freedom Heritage Site

Central Appropriations	FY16-17	FY17-18	
Central Appropriations	(\$2,000,000)	\$0	GF

Language:

Page 405, line 32, strike "\$17,596,330" and insert "\$15,596,330".
 Page 407, strike lines 20 through 24.
 Page 407, after line 19, insert:

"H.1. Any unexpended general fund balances, as of June 30, 2016, that were appropriated for the purpose of supporting the City of Richmond in the development of the Slavery and Freedom Heritage Site in Richmond shall not revert to the general fund but shall instead be reappropriated for its original purpose. Out of the \$2,000,000 originally appropriated, \$1,000,000 shall be used for improvements to the Slave Trail, and \$1,000,000 for costs associated with Lumpkin's Pavilion."

Explanation:

(This amendment eliminates duplicative funding included in the introduced budget of \$2.0 million from the general fund in fiscal year 2017 for development of the Slavery and Freedom Heritage Site in Richmond. Funding of \$2.0 million for the project is included in the fiscal year 2016 appropriation and the funds have not yet been accessed. The amendment

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in the introduced budget was intended to ensure the original funding would remain available.)

Item 3-6.04 #1h

Eliminate Angel Investor Language

Adjustments and Modifications to Fees

Qualified Equity and Subordinated Debt Investment Tax Credit

Language

Language:

Page 451, strike lines 41 through 50.

Explanation:

(This amendment eliminates language included in House Bill 30 as introduced that proposes to earmark \$2.0 million of the amounts available under the Qualified Equity and Subordinate Debt Investment Tax Credit (Angel Investor) for investments in biotechnology companies. By statute, this tax credit is available to qualified investors in qualified technology, biotechnology and energy start-ups across the Commonwealth. Legislation increasing the available amount of credit was not adopted by the House in the 2016 Session.)
