

Department of Conservation and Recreation

State Parks; Soil and Water Conservation; Natural Heritage;
Outdoor Recreation Planning, Trails and Grants; Dam Safety &
Floodplain Management; Environmental Education;
Land Conservation

Agency Update & Overview of Governor's Introduced Budget

January 21, 2015

House Appropriations: Agriculture, Commerce, Technology &
Natural Resources Subcommittee



Agency Overview

SB 800/HB 1400, as introduced

FY 2015	\$68.3 million GF	\$56.4 million NGF	\$124.7 million total
FY 2016	\$44.6 million GF	\$80.0 million NGF	\$124.6 million total
Authorized MEL	452 FTE	Currently filled- Vacant-	374 FTE 78 FTE
Current Wage Positions	717 Filled	Expected Wage Positions In-season	1,630 +/- (Includes life guards, snack bars, YCC staff)
Active Federal Grants	\$24.4 million NGF	Major Grant Sources	FEMA, EPA, NPS, USDOT, NOAA

Auditor of Public Accounts Findings and Corrective Actions

Jan. 2014: General Assembly requests APA conduct Special Review due to report of problems with oversight of federal grants and concerns of overall fiscal management.

April 2014: DCR placed under new management.

June 6, 2014: APA audit report issued with 93 findings; mostly due to lack of agency specific policies, failure to follow state polices/accounting procedures, but no evidence of widespread fraud, waste or abuse.

June 24, 2014: DCR submits Corrective Action Plan to DOA & APA; first 5 corrective actions already completed.

December 31, 2014: DCR submits most recent 90 day update; 44 corrective actions complete, all others in progress.

February 15, 2015: DCR will have all corrective polices and procedures in place.

April 2015: APA staff will review Corrective Action Plan progress with DCR.

Spring 2016: APA will conduct full audit.

Resource Management Plans

- Regulations effective July 2014.
- First four pilot plans now approved.
- First full plan implementation in December, 2014.
- Contracts awarded in for 274 plans to be completed by end of 2015.
- RMP computer module now in beta testing.

Resource Management Plans

*A Voluntary Approach
to Agricultural Certainty*



Water Quality Improvement Fund



- \$68.3 million needed in FY 16 for cost-share and technical assistance (based on statutory needs assessment to meet TMDL goals); \$27.7 million for cost-share and technical assistance budgeted in FY 15.
- No surplus deposit to WQIF; recordation fee revenue depressed.
- Introduced budget proposes use of \$8,185,417 in FY 16 from WQIF Reserve:
 - Conservation Reserve Enhancement Program (CREP) (\$700,000);
 - Nutrient plans for golf courses (\$100,000);
 - Soil and Water Conservation District technical assistance and agricultural best management practices cost-share (\$7,385,417).
- Recordation fee for FY 16 projected at \$7.0 +/- million, after \$ 1 million budget savings strategy in both FY 15 and FY 16 (Chapter 3, 2014):
- **\$11.2** million in outstanding obligations to farmers for the installation of livestock stream exclusion practices.

Transfer Nongeneral Appropriations

- Technical transfer of nongeneral fund appropriations from first year to second year to reflect expected Virginia Soil and Water Conservation Districts' cost-share assistance expenditures.

	FY 2015	FY 2016
Nongeneral Fund:	(\$10,000,000)	\$10,000,000



District High-Hazard Dam Plan Report

- Directs the Department to study and develop a plan for the rehabilitation of high hazard Soil and Water Conservation District dams.
- Of the 104 District dams, 45 high hazard dams are in need of rehabilitation; preliminary estimated cost of \$167 million.
- Need to prioritize repairs and refine cost estimates.
- PMP study results in Dec. 2015 may reduce spillway design costs.



DCR Administration



- Provides funding for operational support, to continue to respond to audit findings, includes 3 information technology positions.
- Addresses a portion of DCR's central accounts shortfalls from prior lack of proper fiscal management (salaries, VRS, rent, worker's comp, administrative funds transferred to DEQ, etc.)

	FY2015	FY2016
General Fund:	\$720,886	\$1,090,830

- Authority for a \$4,000,000 line of credit for DCR; helps to manage state fiscal year-end cash flow associated with \$24.4 million in reimbursable federal grants.

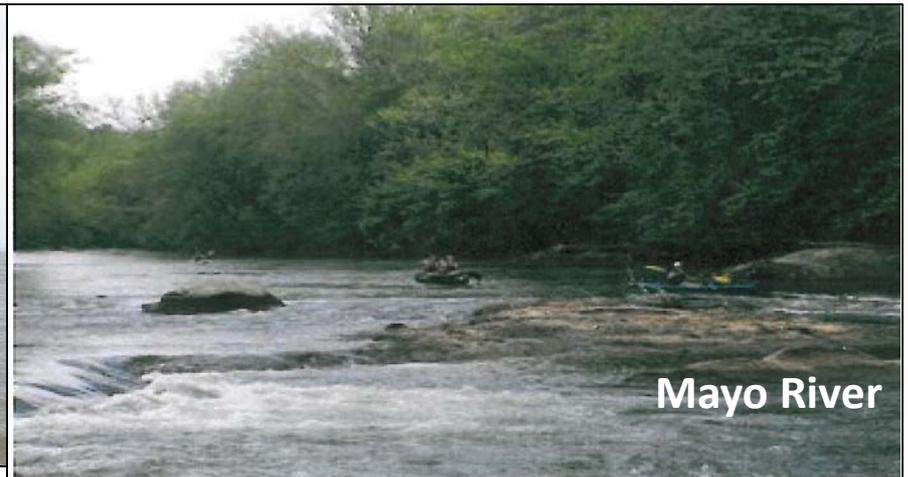
State Parks

- Increase appropriation for the State Parks: technical amendment to reflect administrative adjustments routinely made by DPB based on actual revenue that now appears sustainable.

	FY 2015	FY 2016
Nongeneral Fund:	\$2,000,000	\$2,000,000



- Construct Seven Bends as a limited-use State Park
- \$2,242,000 Nongeneral Fund Authorization (from SPDAF)
- Future need for operational expenses



Centrally Budgeted Reduction Totals For Department of Conservation and Recreation

	GF Reduction	GF Transfers	Total
FY 2015	(\$262,742)	(\$1,390,000)	(\$1,652,742)
FY 2016	(\$1,394,931)		(\$1,394,931)

- Does not include (\$249,624) reduction in FY 2016 taken in Chapter 2 (2014).

GF Budget Reduction Items

- Increase State Park fees effective January 1, 2015, but increase VA resident discount to 15%;
 - 2016: -\$870,144
- Transfer balance from the Dam Safety/Flood Prevention Assistance Fund;
 - 2015: -\$500,000
- Transfer balance from the State Park Acquisition and Development Fund; and,
 - 2015: -\$590,000
- Transfer balance from Virginia Land Conservation Fund;
 - 2015: -\$300,000

Other GF Budget Reduction Items

- Replace funding with federal funds related to the elimination of a contract;
 - 2015: -\$15,000 ; 2016: -\$35,000
- Fund administration cost using federal Planning and Resource funds;
 - 2015: -\$104,000
- Shut down file servers and move data to CESC;
 - 2015: -\$50,000 ; 2016: -\$102,000
- Consolidate and reconfigure office space;
 - 2016: -\$100,000 (\$20,000 cost in FY 2015)
- Eliminate One Position;
 - 2016: -\$91,987
- Reduce administration support; and,
 - 2015: -\$64,442; 2016: -\$92,200
- Support general fund wage staff using the Dam Safety Administration Fund;
 - 2016: -\$70,000

Department of Conservation and Recreation

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