

NATURAL RESOURCES

HB 30: Natural Resources

- The proposed budget for Natural Resources GF includes increases of \$62.8 million GF, or 51%, in the first year
 - Primarily from the statutorily-mandated deposit of FY 2015 surplus revenues and unexpended agency balances into the Water Quality Improvement Fund
- Net new funding totals only \$500,000 GF in the second year, however if the base is adjusted to exclude WQIF, the increase is about \$14 million (or 12%)
 - Largely reflects an increased commitment to land conservation

HB 30: Natural Resources

- Land Conservation programs total \$20.0 million GF in each year pursuant to the provisions of HB 1398 (2013 Session)
 - This legislation requires that in any year when the amount of Land Preservation Tax Credits issued falls below the cap of \$75.0 million annually, the difference between the amount issued and the cap, up to a maximum of \$20.0 million be directed to land conservation activities
 - Formula sets 80% to VLCF (with at least 50% going to fee simple acquisitions with public access or easements with public access), 10% to battlefield preservation and 10% to farmland preservation
- These amounts are distributed as follows:
 - Virginia Land Conservation Fund - \$16.0 million each year
 - Battlefields Preservation Fund - \$2.0 million each year (DHR)
 - Farmland Preservation – PDR Matching Fund - \$2.0 million (VDACS) each year
- Budget includes 2 years of funding; legislation requires amounts only in FY 2017

Water Quality Improvement Fund Non -Point Programs

- The statutory deposit to the Water Quality Improvement Fund totals \$61.7 million GF the first year for allocation to nonpoint source programs:
 - \$8.2 million (15%) set aside for the WQIF Reserve Fund established by the General Assembly
 - \$51.8 million is deposited into the Natural Resources Commitment Fund
 - \$26.0 million for general agricultural best management practices
 - \$19.6 million to address the backlog in previously approved livestock exclusion projects
 - \$6.2 for Soil and Water Conservation Districts technical assistance programs – representing 12% of the amounts after the reserve
- Also fully restores dedicated recordation fee revenues to the Natural Resources Commitment Fund increasing appropriation from \$9.0 million to \$10.0 million NGF in each year for Ag BMP cost share projects
 - Total funding for Ag BMP cost share is \$33.4 million (all funds)

WQIF Point Source Funding

- Proposed in Part II (Capital Outlay) is an additional \$59.0 million in bond proceeds to meet commitments to point source protection by improving municipal water treatment plants – fully funds amounts required through FY 2018
 - This supplements carry-forward cash and previously authorized bond proceeds for nutrient removal grants
 - Total estimated pay-outs in FY 2016 are \$63.4 million
 - In the upcoming biennium the bonds will support \$38.3 million in payments in FY 2017 and \$11.2 million in FY 2018
 - Total of 14 projects
 - Current estimated requirements in FY 2019 and beyond total \$13.5 million

Other DCR Funding

- Included in Capital Outlay is approximately \$140.0 million in bond proceeds the first year for the construction and maintenance of multiple park facilities
 - Build-out of two land-banked properties - Biscuit Run and Widewater State Parks
 - Land acquisition for contiguous parcels at Middle Peninsula State Park
 - Statewide revenue generation projects
 - Statewide cabin & campground renovations
- The proposed budget also includes \$400,000 GF in the first year and \$800,000 GF in the second year for operational improvements at various parks including:
 - Opening Seven Bends State Recreation Area in FY 2018
 - Transition of Natural Bridge to a state park
 - Wi-Fi connectivity and contact stations in approximately 20 parks
- Also proposed is \$500,000 GF each year in increased support for DCR natural heritage areas
- \$150,000 GF each year for shoreline erosion
- \$546,080 GF each year for the Dam Safety Fund
- Proposes language authorizing the transfer of the Daniel Boone Wilderness Trail Interpretive Center and 153 acres to the state upon completion of the Center, with language further stipulating that it is the intent of the General Assembly that the Division of State Parks would operate and maintain the facility

Other Natural Resources Agencies

Department of Game and Inland Fisheries

- Provides an additional \$7.7 million each year to the DGIF Game Protection Fund - \$5.0 million in each year from sales taxes on hunting and fishing related equipment, and \$2.7 million each year from increased watercraft sales taxes
 - Reflects increased sales of sporting equipment in addition to restoration of funds that had been retained in the General Fund
 - Brings total Game Fund allocations from \$10.0 million each year to \$17.7 million each year

Department of Environmental Quality

- DEQ's budget includes \$442,000 GF increase each year for lab testing fees paid to the Department of General Services

Other Natural Resources Agencies

Virginia Marine Resources Commission

- VMRC's budget includes \$318,000 GF in the first year and \$262,000 GF in the second year to expand and consolidate positions relating to Fisheries Management into one new division
- Proposes \$140,000 GF in the first year and \$135,000 GF in the second year to fill a new Chief Deputy position to focus on shellfish management
- Provides \$233,000 the first year and \$2,933 GF the second year to match federal funds for the Tangier Island Seawall Project
- Authorizes 2 additional NGF FTEs to support the sturgeon observer program

Department of Historic Resources

- At Department of Historic Resources, proposes funding a new easement coordinator at a cost of \$94,311 GF each year

AGRICULTURE AND FORESTRY

HB 30: Secretariat Agriculture and Forestry

- Proposed appropriations for Agriculture and Forestry programs would increase spending by \$6.2 million GF the first year and \$6.8 million the second year, increases of about 12% and 13% respectively
- Also proposes a net total of 7 additional FTE positions

Department of Agriculture and Consumer Services

- Within VDACS, the proposed budget increases funding for the Agriculture and Forestry Industries Development Fund (AFID) by \$1.0 million GF each year, doubling the size of the grant program
 - Additional funding of \$200,000 GF and 2.0 FTE is proposed to increase marketing efforts and administration of the program
 - Proposed language changes remove the cap on individual awards and the set-aside for local agribusiness economic development programs

Agriculture Initiatives

- Other proposals within VDACS include:
 - Increase of \$250,000 GF each year for the Office of Farmland Preservation's Purchase of Development Rights matching program (total of \$2.0 million each year)
 - \$240,000 GF each year and 1 FTE as part of the "Bridging the Nutritional Divide" initiative
 - Funds would be used to hire a Virginia Grown Foods Ambassador (1 FTE) and to support the funding of an organics food specialist (No additional position required)
 - \$900,000 GF each year for business application improvements at VDACS
 - Includes four system developers, one Oracle engineer and one HR specialist to overhaul the agency's customer-facing and internal business applications
 - \$300,000 GF each year additional international agriculture marketing – supports additional presence in North Africa and Southeast Asia and reverse trade missions

Agriculture Initiatives

- Language is proposed to consolidate the administration of federal food-aid programs within VDACS
 - Would authorize the transfer of an unspecified number of staff as well as approximately \$350 million NGF
 - Includes programs currently administered by the Departments of Health (VDH) and Education (DOE)
 - Language excludes any requirement that the plan be presented to or approved by the General Assembly prior to implementation

Forestry Initiatives

Department of Forestry

- Proposed budget would increase funding for the Reforestation of Timberlands (RT) program by \$0.9 million GF in the first year and \$0.8 million GF in the second year
 - Would fully fund state's matching share of the RT program in the second year for the first time in more than a decade, bringing total annual funding to \$1.8 million each year
- Also provides \$1.0 million GF in the first year and \$1.9 million GF the second year for debt service payments on approximately \$25.9 million of forest firefighting equipment through the Master Equipment Lease Program (MELP)
 - Would finance the purchase of 36 bulldozers, 10 SUVs, 110 $\frac{3}{4}$ ton pick-up trucks, 5 1-ton pick-up trucks and 2 brush trucks