

Natural Resources

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2017 Proposed		FY 2018 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Ch. 780, 2016 Session)	\$181.1	\$262.5	\$115.1	\$262.5
Proposed Increases	0.0	0.0	0.0	3.3
Proposed Decreases	<u>(2.1)</u>	<u>0.0</u>	<u>(7.4)</u>	<u>(0.0)</u>
\$ Net Change	(2.1)	0.0	(7.4)	3.3
HB 1500/SB 900, as Introduced	\$179.0	\$262.5	\$107.7	\$265.8
% Change	(1.2%)	0.0%	(6.4%)	1.3%
FTEs	1,020.50	1,162.50	1,022.20	1,153.50
# Change	0.00	0.00	2.00	-9.00

- **Department of Conservation and Recreation**

- *Authorize Acquisition of Land with Nongeneral Funds.* Proposes language which would authorize DCR to acquire in-holdings or lands contiguous to an existing State Park by gift, transfer, or purchase with nongeneral funds provided the Department certifies it will not result in increased operating costs for the Department. 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.

Budget Reductions

- *Reflect October 2016 Savings Plan.* The Governor's October Reduction Plan for DCR generates \$1,059,000 GF in appropriation reductions in FY 2017. Major items include the elimination of a \$635,000 one-time appropriation to support the Swift Creek Bike Trail, capturing turnover and vacancy savings totaling \$224,000 GF, and \$200,000 from the elimination of four Environmental Education positions. In addition, reversion of prior year resources totaling \$1,072,711 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 the four positions in DCR’s environmental education unit. This will generate savings of \$450,000 GF in the second year and has resulted in 3 layoffs.
- ***Reduce GF Deposit to the Virginia Land Conservation Fund.*** Proposes to reduce 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.*** Proposes general fund savings totaling \$75,486 in 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 is necessary to implement this change.

- **Department of Environmental Quality**

- ***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.

Budget Reductions

- ***Supplant GF Support with Vehicle Emissions Inspection Fund Monies.*** Proposes to utilize \$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.*** Proposes to utilize \$1,557,575 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 \$1,038,230 in unobligated amounts from this fund to the general fund to help offset the FY 2017 GF shortfall.

- *Revert Unobligated Balances from the Hazardous Waste Management Fund.* The Governor’s October 2016 reduction plan reverted \$500,000 in unobligated amounts from the Hazardous Waste Management Fund to help offset the FY 2017 General Fund shortfall.

- **Department of Historic Resources**

- *Preserve Historical African-American Graves and Cemeteries.* Proposes \$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. It is anticipated that legislation will be introduced in the 2017 Session to establish the gravesite preservation program.

Budget Reductions

- *Reduce Funding for the Battlefields Preservation Fund.* Proposes to reduce by \$323,472 GF the second year the amounts provided for the preservation of battlefields, leaving \$676,528 in FY 2018 for this purpose. The reduction amount reflects 7.5% of the non-exempt portion of the Department’s total budget. As part of the Governor’s October 2016 reduction plan, first year amounts were reduced from \$1.0 million to \$792,385 in FY 2017.

- **Marine Resources Commission**

- *Adjust Funding for the Tangier Island Seawall.* Proposes to shift from FY 2017 to FY 2018 \$217,067 GF appropriated in Chapter 780 to match federal funds for the Tangier Island Seawall project to reflect slippage in the project schedule.
- *Restore Funds for Habitat Management Regulatory Function.* Proposes \$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.

Budget Reductions

- *Increase Commercial Fishing License Fees.* At its December 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 go into effect in December 2017 and are capped at either \$5.00 or the

rate of inflation since the particular fee was last increased. It is anticipated that the fees would offset a reduction of \$244,246 GF in the second year.

- ***End Virginia Saltwater Sport Fishing Tournament.*** Reduces the Commission’s GF appropriation by \$214,000 in the second year and eliminates 2.0 FTEs and supplants the reduction with saltwater recreational license fees to backfill the GF reduction for law enforcement activities of the Commission. These license fees are currently utilized to support the annual Saltwater Sport Fishing Tournament. It is not anticipated to result in any lay-offs; instead, the personnel would be redeployed to other positions within the Commission. The Tournament would cease July 1, 2017.
- ***Privatization of Oyster Ground Leasing Services.*** Proposes a GF reduction of \$72,879 in FY 2018 by not filling a position due to become vacant following a retirement. The work currently undertaken by this person would instead be done by private survey workers.
- ***Capture Turnover and Vacancy Savings.*** Proposes to continue a savings strategy included in the Governor’s October 2016 reduction plan which would generate savings of \$70,000 GF of each year by delaying the filling of vacant positions.
- ***Close Whitestone Field Office.*** Saves \$1,100 GF in the second year by consolidating field offices. This is a continuation of a proposal in the Governor’s October 2016 reduction plan which generates a like amount in the first year.
- ***End Telephone Registration for Fisheries Identification Program.*** Proposes the elimination of the toll-free telephone number used by saltfish anglers for registration. The funds dedicated to this purpose, totaling \$75,000 GF in the second year, would instead be redirected to support the law enforcement division. This is a continuation of a reduction included in the Governor’s October 2016 reduction plan. It is estimated that 12 percent of anglers utilize the phone service. Online and in-person registration remains available.
- ***Reduce NGF Support for the American Eel Assessment Project*** Proposes the utilization of \$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.*** Proposes to supplant \$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.*** Proposes to use \$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 support 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.*** Proposes to supplant \$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.*** Proposes 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. This results in one lay-off. Also proposes 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.