



Report of the Subcommittee on
Economic Development and
Natural Resources

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 16, 2020



SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

**2020 Report of the Economic Development and
Natural Resources Subcommittee
The Honorable David W. Marsden, Chair
February 16, 2020**

Madam Chair and Members of the Committee:

Your Subcommittee has carefully reviewed the Governor's introduced budget for the Secretariats of Agriculture & Forestry, Commerce & Trade, and Natural Resources. The Subcommittee recommends investments that increase Virginia's attractiveness as a place where businesses will locate, innovate and thrive, while also ensuring that Virginia's workforce has increased access to affordable housing. The Subcommittee embraces our shared commitment to environmental stewardship and supports continued investments in cost-effective agricultural best management practices that improve the long-term health of our beloved Chesapeake Bay.

In the area of Economic Development, the Subcommittee faced the difficult challenge of reallocating funding from underutilized programs to make investments in developing business-ready sites, upholding the Commonwealth's commitments to projects endorsed by the MEI Commission, and increasing investments in oversubscribed programs with proven track records of success. The Subcommittee's recommendations also include establishing the Virginia Innovation Partnership Authority, and we endorse the Governor's proposal to increase funding for increasing broadband coverage across the Commonwealth. The Subcommittee believes these investments will pay off quickly by supporting more research commercialization and attracting additional high-paying jobs and capital investment throughout Virginia. We further propose significantly increasing deposits to the Housing Trust Fund that, when combined with other investments in housing affordability, will ensure Virginians have safe and affordable housing opportunities.

In the area of Natural Resources, your Subcommittee focused on making meaningful investments towards compliance with the Chesapeake Bay Watershed Implementation Plan by dedicating an additional \$29.3 million to the WQIF in Fiscal Year 2021. When combined with the \$47.0 million FY 21 statutory deposit included in the Governor's introduced budget, your Subcommittee recommends a one-time deposit of \$76.3 million -- \$2.5 million greater than last year's record-setting deposit.

Additionally, the Subcommittee maintains a commitment to land stewardship and prioritized investments in natural resources-related life, health and safety issues. Specifically, we recommend a total biennial investment of \$15 million in land conservation -- almost double the current level -- and dedicate \$20 million for the repair and rehabilitation of high-hazard dams owned by Virginia's Soil and Water Conservation Districts.

While your Subcommittee does recommend some targeted spending reductions in line with the Committee's broader objectives, we believe our targeted reductions will allow Natural Resources agencies to phase-in the hiring of additional staff at a manageable and predictable pace. And, we remain committed to continuing to increase environmental regulatory staffing throughout this, and the next, biennium.

We hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

The Honorable David W. Marsden, Chairman

The Honorable Frank M. Ruff, Jr., Vice-Chair

The Honorable Janet D. Howell

The Honorable Richard L. Saslaw

The Honorable Emmett W. Hanger, Jr.

The Honorable George L. Barker

Report of the Subcommittee on Economic Development and Natural Resources

(Recommended Amendments to SB 29 and SB 30, As Introduced)

(General Fund unless otherwise indicated)

Amendment		SB 29	SB 30		
		FY 2020	FY 2021	FY 2022	Biennium
1	AGRICULTURE & FORESTRY				
2	Department Of Agriculture And Consumer Services				
3	Food Access Investment Fund (SB 1073)		\$ 611,805	\$ 111,805	\$ 723,610
4	Comprehensive Companion Animal Care Programs (SB 891)		\$ 86,488	\$ 86,488	\$ 172,976
5	Wine Promotion - Cider Revenues		\$ 444,321	\$ 444,321	\$ 888,642
6	Holiday Lake 4-H		\$ 335,000	\$ -	\$ 335,000
7	Reverse Reduction in Predator Control Programs		\$ 90,000	\$ 90,000	\$ 180,000
8	Increase Hemp Registration Fee to \$250		\$ (300,000)	\$ -	\$ (300,000)
9	Redirect New Food Safety Position		\$ (128,351)	\$ (128,351)	\$ (256,702)
10	Enhance Charitable Gaming Programs (SB 199 / SB 936)		\$ 374,667	\$ 374,667	\$ 749,334
11	Department Of Forestry				
12	Open Space Easement Coordinator: Southwest Region		\$ 144,339	\$ 144,339	\$ 288,678
13	Redirect New Compliance Position		\$ (144,339)	\$ (144,339)	\$ (288,678)
14	Hardwood Reforestation Program		\$ (521,842)	\$ 39,000	\$ (482,842)
15	Virginia Racing Commission				
16	Horseracing in Virginia		<i>Language</i>		
17	COMMERCE & TRADE				
18	Secretary of Commerce and Trade				
19	Paid Family and Medical Leave Study		<i>Language</i>		
20	Department Of Housing And Community Development				
21	Adjust Funding for the Virginia Housing Trust Fund		\$ -	\$ (10,000,000)	\$ (10,000,000)
22	Phase-in Funding for Eviction Prevention and Diversion Pilot Program		\$ (1,650,000)	\$ -	\$ (1,650,000)
23	Tenant's Rights and Responsibilities (SB 707)		\$ 85,000	\$ 85,000	\$ 170,000
24	Affordable Housing Pilot Program		\$ 2,000,000	\$ -	\$ 2,000,000
25	Increase Support for Planning District Commissions		\$ 294,000	\$ 294,000	\$ 588,000
26	Increase Administrative Support for Virginia Telecommunication Initiative		\$ 275,000	\$ 275,000	\$ 550,000
27	Adjust Funding for Virginia Growth and Opportunity Fund	\$ (4,450,000)	\$ (4,450,000)	\$ (4,450,000)	\$ (8,900,000)
28	Adjust Funding for Community Centers		\$ 500,000	\$ (2,000,000)	\$ (1,500,000)

Report of the Subcommittee on Economic Development and Natural Resources

(Recommended Amendments to SB 29 and SB 30, As Introduced)

(General Fund unless otherwise indicated)

Amendment	SB 29	SB 30			
	FY 2020	FY 2021	FY 2022	Biennium	
29	Increase Funding for Industrial Revitalization Fund		\$ 1,500,000	\$ 500,000	\$ 2,000,000
30	Increase Funding for Enterprise Zone Program		\$ 500,000	\$ 500,000	\$ 1,000,000
31	Department Of Labor and Industry				
32	Additional Investigators (SB 7, SB 8, SB 48, SB 481, SB 662)		\$ 1,193,588	\$ 1,343,732	\$ 2,537,320
33	Department Of Mines, Minerals and Energy				
34	Adjust Funding for Clean Energy Financing Program		\$ (2,000,000)	\$ -	\$ (2,000,000)
35	Office of Offshore Wind		\$ 225,000	\$ 225,000	\$ 450,000
36	Department Of Small Business and Supplier Diversity				
37	Phase-in Funding for SWaM Strategic Sourcing Unit		\$ (370,565)	\$ -	\$ (370,565)
38	Virginia Economic Development Partnership				
39	Remove Obsolete Language		<i>Language</i>		
40	Increase Support for Virginia Business Ready Sites Program		\$ 13,000,000	\$ (3,000,000)	\$ 10,000,000
41	Increase Brownfields Restoration and Economic Development Assistance Fund		\$ 250,000	\$ 250,000	\$ 500,000
42	Fund the International Trade Strategic Plan		\$ 1,032,500	\$ 3,120,000	\$ 4,152,500
43	Virginia Tourism Authority				
44	Amend Language to Reflect Funding for Welcome Centers		<i>Language</i>		
45	Governor's New Airline Service Incentive Fund (SB 990)		\$ 825,000	\$ 825,000	\$ 1,650,000
46	Marketing for the Children's Museum of Virginia's 40th Anniversary	\$ 100,000	\$ -	\$ -	\$ -
47	Virginia Innovation Partnership Authority				
48	Adjust Funding for Virginia Innovation Partnership Authority		\$ (10,075,000)	\$ (14,275,000)	\$ (24,350,000)
49	Remove Line of Credit for Innovation and Entrepreneurship Investment Authority		<i>Language</i>		
50	Remove Transfer from VRIF to Commonwealth's Opportunity Fund	<i>Language</i>			
51	NATURAL RESOURCES				
52	Department Of Conservation And Recreation				
53	Water Quality Improvement Fund		\$ 29,250,000	\$ (41,820,000)	\$ (12,570,000)
54	Virginia Land Conservation Foundation		\$ (10,000,000)	\$ (15,000,000)	\$ (25,000,000)
55	SWCD Dam Safety Program		\$ 10,000,000	\$ (10,000,000)	\$ -
56	Redirect Floodplain Program Staffing		\$ (114,819)	\$ (114,819)	\$ (229,638)

Report of the Subcommittee on Economic Development and Natural Resources

(Recommended Amendments to SB 29 and SB 30, As Introduced)

(General Fund unless otherwise indicated)

Amendment	SB 29	SB 30			
	FY 2020	FY 2021	FY 2022	Biennium	
57	Environmental Literacy		\$ 170,000	\$ 170,000	\$ 340,000
58	Natural Bridge State Park		\$ 376,364	\$ 376,364	\$ 752,728
59	First Landing State Park: ADA Accessible Bike Trails	\$ 50,000	\$ -	\$ -	\$ -
60	James River Park System: ADA Compliance	\$ 100,000	\$ -	\$ -	\$ -
61	Widewater State Park Environmental Education Center		<i>Language</i>		
62	Brandy Station Battlefield		<i>Language</i>		
63	Hayfields Farm		<i>Language</i>		
64	Department Of Environmental Quality				
65	Phase New Staffing: Land Protection		\$ (653,500)	\$ (653,500)	\$ (1,307,000)
66	Phase New Staffing: Water Protection		\$ (7,550,940)	\$ (7,926,952)	\$ (15,477,892)
67	Phase New Staffing: Air Protection		\$ (1,385,500)	\$ (1,385,500)	\$ (2,771,000)
68	Groundwater Monitoring Wells: Westpoint Area		\$ 500,000	\$ -	\$ 500,000
69	External Regulatory Review: Stormwater Regulations		\$ 275,000	\$ -	\$ 275,000
70	HFC Prohibition		<i>Language</i>		
71	Point Source Criteria Review		<i>Language</i>		
72	Nutrient Removal Grant Program		<i>Language</i>		
73	Beneficiary Mitigation Plan		<i>Language</i>		
74	Department Of Game and Inland Fisheries				
75	Reduced Fees for Veterans (SB 335)		<i>NGF</i>		
76	Department Of Historic Resources				
77	Highway Interpretive Markers		\$ 100,000	\$ (100,000)	\$ -
78	Freedom House	\$ 2,443,000	\$ (2,443,000)	\$ -	\$ (2,443,000)
79	Maymont	\$ 1,000,000	\$ (1,000,000)	\$ (1,000,000)	\$ (2,000,000)
80	Montpelier	\$ 1,000,000			
81	Monticello	\$ 500,000	\$ (350,000)	\$ (350,000)	\$ (700,000)
82	Turning Point Suffragists Memorial	\$ 250,000	\$ -	\$ -	\$ -
83	Woodrow Wilson Presidential Library	\$ 250,000	\$ -	\$ -	\$ -
84	Woodville School	\$ 100,000	\$ -	\$ -	\$ -

Report of the Subcommittee on Economic Development and Natural Resources

(Recommended Amendments to SB 29 and SB 30, As Introduced)

(General Fund unless otherwise indicated)

Amendment		SB 29		SB 30	
		FY 2020	FY 2021	FY 2022	Biennium
85	Marine Resources Commission				
86	Oyster Reef Restoration Program		\$ 10,000,000	\$ -	\$ 10,000,000
87	Marine Habitat Waterways Improvement Fund		\$ 310,000	\$ -	\$ 310,000

Item 106 #1s

Adjust Funding for Virginia Growth and Opportunity Fund

Commerce and Trade	FY18-19	FY19-20	
Department of Housing and Community Development	\$0	(\$4,450,000)	GF

Language:

Page 26, line 4, strike "\$91,205,721" and insert "\$86,755,721".

Set out Item 106 from Chapter 854, 2019 Acts of Assembly.

In paragraph M.1. of Item 106, Chapter 854, 2019 Acts of Assembly, on the first line, strike "\$34,450,000" and insert "\$30,000,000".

In paragraph M.2. of Item 106, Chapter 854, 2019 Acts of Assembly, on the eighth line, strike "\$15,300,000" and insert "\$10,850,000".

Explanation:

(This amendment adjusts funding for the Virginia Growth and Opportunity Fund to more closely align with grant activity. The item will be set out in enrolling.)

Item 3-1.01 #1s

Remove Transfer from VRIF to Commonwealth's Opportunity Fund

Transfers

Interfund Transfers

Language

Language:

Page 244, strike lines 28 through 31.

Explanation:

(This amendment removes the \$10.0 million transfer from the Virginia Research Investment Fund (VRIF) to the Commonwealth's Development Opportunity Fund. The funds are anticipated to result from the sale of the CIT building. A separate amendment directs this \$10.0 million to the Commonwealth Commercialization Fund which is the successor to the VRIF.)

Item 95 #1s

SB 1073: Virginia Food Access Investment Fund

Agriculture and Forestry	FY20-21	FY21-22	
Department of Agriculture and Consumer Services	\$611,805 1.00	\$111,805 1.00	GF FTE

Language:

Page 85, line 12, strike "\$5,042,932" and insert "\$5,654,737".

Page 85, line 12, strike "\$5,042,932" and insert "\$5,154,737".

Page 85, following line 16, insert:

"A. Out of the amounts in this Item, \$611,805 the first year and \$111,805 the second year from the general fund is provided to establish the Virginia Food Access Investment Fund and to create and support a Food Access Coordinator at the Department. From these amounts, \$500,000 the first year from the general fund shall be used to capitalize the Fund and provide loans for the construction, rehabilitation, equipment upgrades, or expansion of grocery stores, small food retailers, and innovative small food retail projects in under-served communities. Out of this amount, \$111,805 each year is provided for the agency to create a Food Access Coordinator position, to support improving healthy food access for communities with limited access to fresh locally grown products, and to increase the amount of SNAP retailers who participate in the Virginia Fresh Match Incentive Program. The position will also coordinate with food access stakeholders and urban agricultural producers to expand awareness and access to Virginia Grown branding and products."

Explanation:

(This amendment provides \$0.7 million GF in the biennium to establish the Virginia Food Access Investment Fund and Food Access Coordinator position at the Department of Agriculture and Consumer Services.)

Item 111 #1s

Paid Family and Medical Leave Study

Commerce and Trade

Secretary of Commerce and Trade

Language

Language:

Page 93, after line 25, insert:

"D.1. The Chief Workforce Development Advisor and Secretary of Commerce and Trade are hereby directed to study the development, implementation and costs of a statewide paid family and medical leave program for all employers including the Commonwealth of Virginia. In conducting this study, the designated secretariats shall: (i) research other states that have fully implemented paid family and medical leave; (ii) quantify economic impact on businesses and workers if a paid family and medical leave was implemented; (iii) develop an operating plan which includes designated agency or entity, staffing needs, technology requirements, implementation timeline and business practices; (iv) identify resources needed to implement a statewide program; and (v) research start up loans for paid leave programs in other states and loan payback. Such study shall be reported to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on or before September 30, 2020.

2. In completing the study required in paragraph D.1. of this Item, the Chief Workforce Development Advisor and Secretary of Commerce and Trade shall convene a workgroup of industry stakeholders. Such stakeholders may include, but not be limited to, representatives from small business owners, chambers of commerce, the insurance industry, labor and health care."

Explanation:

(This amendment directs the Chief Workforce Development Advisor and Secretary of Commerce and Trade to study the development, implementation and costs of a statewide paid family and medical leave program for all employers including the Commonwealth of Virginia.)

Item 114 #3s

Adjust Funding for Virginia Growth and Opportunity Fund

Commerce and Trade	FY20-21	FY21-22	
Department of Housing and Community Development	(\$4,450,000)	(\$4,450,000)	GF

Language:

Page 97, line 48, strike "\$115,738,362" and insert "\$111,288,362".

Page 97, line 48, strike "\$116,738,362" and insert "\$112,288,362".

Page 100, line 31, after "Item,", strike "\$34,450,000" and insert "\$30,000,000".

Page 100, line 31, after "year and", strike "\$34,450,000" and insert "\$30,000,000".

Page 100, line 43, after "(iii)", strike "\$15,300,000" and insert "\$10,850,000".

Page 100, line 43, after "year and", strike "\$15,300,000" and insert "\$10,850,000".

Explanation:

(This amendment reduces funding for the Virginia Growth and Opportunity Fund by \$4.5 million GF each year. This reduction is intended to enable resources to be reallocated to support new initiatives.)

Item 135 #1s

Virginia Innovation Partnership Authority

Commerce and Trade	FY20-21	FY21-22	
Virginia Innovation Partnership Authority	(\$10,075,000)	(\$14,275,000)	GF

Language:

Page 112, line 51, strike "\$36,925,000" and insert "\$26,850,000".

Page 112, line 51, strike "\$42,125,000" and insert "\$27,850,000".

Page 113, strike lines 8 through 51.

Page 114, strike lines 1 through 55.

Page 115, strike lines 1 through 55.

Page 116, strike lines 1 through 19.

Page 113, after line 7, insert:

"B. The Virginia Innovation Partnership Authority (VIPA) is hereby authorized to transfer funds in this appropriation to an established managing non-profit to expend said funds for realizing the statutory purposes of the Authority, by contracting with governmental and private entities, notwithstanding the provisions of § 4-1.05 b of this act.

C. This appropriation shall be disbursed in twelve equal monthly disbursements each fiscal year. The Director, Department of Planning and Budget, may authorize an increase in disbursements for any month not to exceed the total appropriation for the fiscal year if such an advance is necessary to meet payment obligations.

D.1. No later than November 1 of each year, the Authority shall report to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees details describing key programs overseen by the Authority and an assessment of their effectiveness in attracting public and private research funding, investment capital, and increasing innovation and economic development in Virginia during the prior fiscal year.

2. The report shall include details on direct and indirect investment activities including but not limited to: (i) the number of companies receiving investments from the fund; (ii) the state investment and amount of privately leveraged investments per company; (iii) the estimated number of jobs created; (iv) the estimated tax revenue generated; (v) the number of companies who have received investments from the GAP fund still operating in Virginia; (vi) return on investment, to include the value of proceeds from the sale of equity in companies that received support from the program and economic benefits to the Commonwealth; (vii) the number of state investments that failed and the state investment associated with failed investments; and (viii) the number of new companies created or expanded and the number of patents filed.

E.1. Out of the appropriation in this Item, a total of \$3,100,000 the first year and \$3,100,000 the second year from the general fund shall be allocated to the Division of Investment to support the Commonwealth Growth Acceleration Program fund and other indirect investment mechanisms to foster the development of Virginia-based technology companies.

2. Funds returned, including proceeds received due to the sale of a company that previously received a GAP investment, shall remain in the program and be used to make future early stage financing investments consistent with the goals of the program. The managing non-profit may recover the direct costs incurred associated with securing the return of such funds from the moneys returned.

F. Out of the appropriation in this Item, a total of \$2,000,000 the first year and \$2,000,000 the second year from the general fund shall be allocated to the Entrepreneurial Ecosystems Division to support and promote technology-based entrepreneurial activities in the Commonwealth as specified in § 2.2-2357, Code of Virginia.

G. Out of the appropriation in this Item, a total of \$1,000,000 the first year and \$1,000,000 the second year from the general fund shall be allocated to the Technology Industry Development Services to support strategic initiatives that explore and shape programs designed to attract and grow innovation in the Commonwealth. These initiatives may include: (i) seeking, or supporting others in seeking, federal grants, contracts, or other funding sources that advance the exploration functions of the Authority's public purpose; (ii) assuming responsibility for forward-looking technology assessment and market vision around strategic initiatives and partnerships with federal and local governments; (iii) taking a leading role in defining, promoting, and implementing forward-looking technology market and industry development policies and processes that advance innovation and entrepreneurial activity and the assimilation of

technology; (iv) contracting with federal and private entities to further innovation, commercialization, and entrepreneurship in the Commonwealth; and (v) conducting limited-scale commercialization pilot projects based on identified strategic initiatives to promote the industry or commercial development of specific technologies or interests.

H. Out of the appropriation in this Item, \$1,000,000 the first year and \$1,000,000 the second year from the general fund shall be made available for the Virginia Center for Unmanned Systems. The Center shall serve as a catalyst for growth of unmanned and autonomous systems vehicles and technologies in Virginia. The Center will establish collaboration between businesses, investors, universities, entrepreneurs and government organizations to increase the Commonwealth's position as a leader of the Autonomous Systems community.

I.1. Out of the appropriation for this Item, \$3,750,000 the first year and \$3,750,000 the second year from the general fund shall be provided for the Virginia Biosciences Health Research Corporation (VBHRC), a non-stock corporation research consortium initially comprised of the University of Virginia, Virginia Commonwealth University, Virginia Polytechnic Institute and State University, George Mason University and the Eastern Virginia Medical School. The consortium will contract with private entities, foundations and other governmental sources to capture and perform research in the biosciences, as well as promote the development of bioscience infrastructure tools which can be used to facilitate additional research activities. The Director, Department of Planning and Budget, is authorized to provide these funds to the non-stock corporation research consortium referenced in this paragraph upon request filed with the Director, Department of Planning and Budget by VBHRC.

2. Of the amounts provided in I.1. for the research consortium, up to \$3,750,000 the first year and \$3,750,000 the second year may be used to develop or maintain investments in research infrastructure tools to facilitate bioscience research.

3. Remaining funding shall be used to capture and perform research in the biosciences and must be matched at least dollar-for-dollar by funding provided by such private entities, foundations and other governmental sources. No research will be funded by the consortium unless at least two of the participating institutions, including the five founding institutions and any other institutions choosing to join, are actively and significantly involved in collaborating on the research. No research will be funded by the consortium unless the research topic has been vetted by a scientific advisory board and holds potential for high impact near-term success in generating other sponsored research, creating spin-off companies or otherwise creating new jobs. The consortium will set guidelines to disburse research funds based on advisory board findings. The consortium will have near-term sustainability as a goal, along with corporate-

sponsored research gains, new Virginia company start-ups, and job creation milestones.

4. Other publicly-supported institutions of higher education in the Commonwealth may choose to join the consortium as participating institutions. Participation in the consortium by the five founding institutions and by other participating institutions choosing to join will require a cash contribution from each institution in each year of participation of at least \$50,000.

5. Of these funds, up to \$500,000 the first year and \$500,000 the second year may be used to pay the administrative, promotional and legal costs of establishing and administering the consortium, including the creation of intellectual property protocols, and the publication of research results.

6. The accounts and records of the consortium shall be made available for review and audit by the Auditor of Public Accounts upon request.

7. Up to \$2,500,000 of the funds managed by the Commonwealth Health Research Board (CHRB), created pursuant to § 32.1-162.23, Code of Virginia, shall be directed toward collaborative research projects, approved by the boards of the VBHRC and CHRB, to support Virginia's core bioscience strengths, improve human health, and demonstrate commercial viability and a high likelihood of creating new companies and jobs in Virginia.

J.1. Out of the appropriation in this Item, \$925,000 in the first year and \$925,000 in the second year from the general fund shall be made available to the Commonwealth Center for Advanced Manufacturing for rent, operating support and maintenance. VIPA shall approve any and all disbursements of these funds to the Commonwealth Center for Advanced Manufacturing before distribution. These funds shall not revert back to the general fund at the end of the fiscal year.

2. Out of the appropriation in this Item, VIPA shall provide \$1,100,000 the first year and \$1,100,000 the second year from the general fund to CCAM for the purpose of providing private sector incentive grants to industry members of the CCAM as follows: (i) incentive grants for new industry members with no prior membership at CCAM; (ii) incentive grants to small manufacturing members who locate their primary job center in the Commonwealth, as determined by VIPA, in order to mitigate inaugural, industry membership costs associated with joining CCAM; and (iii) grants dedicated to CCAM industry members to be used exclusively for research project costs and require a minimum one-to-one match in funds to conduct additional directed research at the CCAM facility after their base amount of directed research is programmed.

3. Out of the appropriation in this Item, VIPA shall provide \$600,000 in the first year and \$600,000 in the second year from the general fund to CCAM for university research grants requiring a minimum one-to-one match in funds that bring in external research funds from federal or private organizations for research to be conducted at the CCAM facility. All project approvals are contingent upon each university partner entering into a memorandum of understanding (MOU) with CCAM that includes specific details about the university's anticipated commitment of financial and human resources, as well as programming and academic credentialing plans, to the CCAM facility.

4. No grant funds shall be disbursed until the conditions of paragraph J.2. of this Item have been met and approval from VIPA has been granted.

5. CCAM shall submit a report on October 1, 2020, to the Secretary of Finance and Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations containing a status update of all new incentive programs, including but not limited to the following: (i) MOUs it has entered into with each university partner; (ii) funds disbursed to both university and private sector partners of CCAM, as well as any other recipients; (iii) any other agreements CCAM has entered into with representatives of the public and private sectors that may impact current and future incentive fund disbursements; and (iv) any additional information requested by VIPA, the Secretary of Finance, or the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

K.1. Out of this appropriation, \$5,000,000 the first year and \$5,000,000 the second year from the general fund is provided to scale the Commonwealth Cyber Initiative and provide resources for faculty recruiting at both the Hub, Virginia Polytechnic Institute & State University, and Spoke sites.

2. Out of this appropriation, \$5,000,000 the first year and \$5,000,000 the second year from the general fund is provided for the leasing of space and establishment of the Hub by the anchoring institution and for the establishment of research faculty, entrepreneurship programs, student internships and educational programming, and operations of the Hub.

L. Out of this appropriation, \$125,000 in the first year and \$125,000 in the second year is designated for the Virginia Academy of Engineering, Science and Medicine to provide technical assistance to the Virginia Innovation Partnership Authority.

M.1. Out of the amounts transferred to the Authority as a result of actions pursuant to Item 126.10, paragraph S.5 of the Chapter 854, 2019 Acts of Assembly, \$10,000,000 the first year shall be allocated to the Commonwealth Commercialization Fund to foster innovative and collaborative research, development, and commercialization efforts in the Commonwealth in projects and programs with a high potential for economic development and job creation as specified in § 2.2-2359.

2. Excluding the amounts in paragraph M.1. of this item, any additional funds transferred to the Authority as a result of actions pursuant to Item 126.10, paragraph S.5 of the Chapter 854, 2019 Acts of Assembly, may be used: (1) to enable the establishment of a fund of funds that will permit the Commonwealth to invest in one or more syndicated private investment funds; (2) to enhance direct investment programs by placing additional investments in partnership with Virginia accelerators and university technology commercialization programs; (3) to enable the establishment of a sustainable program to enhance discovery of, and early investment in, technologies aligned with the Virginia Innovation Index; and (4) in addition to the amounts provided in paragraphs K.1. and K.2. of this item, to provide additional funding to the Commonwealth Cyber Initiative. Decisions to allocate funding to the Commonwealth Cyber Initiative and decisions to invest in private funds shall be subject to approval by the Board of Directors. Investments in such funds shall be monitored by the Board of Directors.

N. Out of the amounts in this item, \$1,000,000 the second year from the general fund is allocated to the Commonwealth Commercialization Fund to foster innovative and collaborative research, development, and commercialization efforts in the Commonwealth in projects and programs with a high potential for economic development and job creation as specified in § 2.2-2359, Code of Virginia."

Explanation:

(This amendment creates the Virginia Innovation Partnership Authority to serve as a consolidated entity for innovation and new technology-based economic development in the Commonwealth pursuant to SB 576. Funding includes proceeds from the sale of the CIT building, including \$10.0 million NGF allocated to the Commonwealth Commercialization Fund. The remainder of the proceeds may be used to support the Division of Investment and to provide additional funding for the Commonwealth Cyber Initiative.)

Item 373 #1s

Water Quality Improvement Fund

Natural Resources	FY20-21	FY21-22	
Department of Conservation and Recreation	\$29,250,000	(\$41,820,000)	GF

Language:

Page 373, line 46, strike "\$96,837,453" and insert "\$126,087,453".

Page 373, line 46, strike "\$91,631,756" and insert "\$49,811,756".

Page 375, strike line 26 through line 52 and insert:

"C. In addition to the amounts provided in paragraph B.2., out of the appropriation in this item \$29,250,000 is authorized for transfer to the Virginia Natural Resources Commitment Fund, a subfund of the Water Quality Improvement Fund. Notwithstanding any other provision of law, the funds transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the department upon approval of the Virginia Soil and Water Conservation Board in accordance with the board's developed policies, as follows: \$17,500,000 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed, \$7,500,000 shall be used for matching grants for Agricultural Best Management Practices on lands in the Commonwealth exclusively outside the Chesapeake Bay watershed, and \$4,250,000 shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts."

Explanation:

(This amendment dedicates an additional \$29.3 million GF to the Water Quality Improvement Fund in FY 2021, bringing the total one-year deposit to \$76.3 million. Additionally, this amendment removes a proposed discretionary deposit to the Fund for fiscal year 2022.)

Item 373 #2s

SWCD Dam Safety Program

Natural Resources	FY20-21	FY21-22	
Department of Conservation and Recreation	\$10,000,000	(\$10,000,000)	GF

Language:

Page 373, line 46, strike "\$96,837,453" and insert "\$106,837,453".

Page 373, line 46, strike "\$91,631,756" and insert "\$81,631,756".

Page 377, line 7, strike "\$10,732,147 the first year" and insert "\$20,732,147 the first year".

Page 377, line 7, strike "\$10,732,147 the second year" and insert "\$732,147 the second year".

Page 377, following line 9, insert:

"2. Out of the amounts deposited to the Dam Safety, Flood Prevention and Protection Assistance Fund, \$20,000,000 the first year from the general fund shall be authorized for the

major modification, upgrade, or rehabilitation of dams owned or maintained by the Department of Conservation and Recreation and the Virginia Soil and Water Conservation Districts to bring impounding structures into compliance with the Dam Safety Act requirements promulgated by the Virginia Soil and Water Conservation Board pursuant to § 10.1-605, Code of Virginia."

Page 377, line 10, strike "2." and insert "3."

Explanation:

(This amendment provides a one-time deposit of \$20 million to the Dam Safety, Flood Prevention and Protection Assistance Fund for the rehabilitation of dams owned by the Department of Conservation and Recreation and the Virginia Soil and Water Conservation Districts.)

Item 374 #1s

Hayfields Farm

Natural Resources

Department of Conservation and Recreation

Language

Language:

Page 377, following line 40, insert:

"3. The Department of Conservation and Recreation and the Virginia Outdoors Foundation shall review the Hayfields Farm property, consisting of approximately 1,034.7 acres more or less in Highlands County, Virginia, Tax Parcel #68A17 and #68A18A, located at 524 Hayfields Lane in McDowell, and make recommendations to the Chairs of the Senate Committee on Finance and Appropriations and the House Appropriations Committees by October, 1 2020 on its suitability as a recreational area pursuant to §10.1-200 et. seq., Code of Virginia, for development as a state or regional park. In its review, the agencies shall consider (i) management of the area or park by a combination of public and private entities; (ii) potential user activities at the area or park including but not limited to camping, fishing, hiking, bird watching, equestrian activities, and biking; and (iii) operation of the area or park with only those improvements minimally necessary for activities listed herein and consistent with the preservation and protection of the property's conservation values and natural resources."

Explanation:

(This amendment directs the Virginia Outdoors Foundation and the Department of Conservation and Recreation to review the feasibility of transferring the Hayfields Farm to the Department of Conservation and Recreation for the purposes of evaluating its suitability as a recreational area, or state or regional park.)

Item 374 #2s

Brandy Station - Cedar Mountain

Natural Resources

Department of Conservation and Recreation

Language

Language:

Page 378, following line 47, insert:

"L. The Department of Conservation and Recreation shall review the Brandy Station and Cedar Mountain properties and make recommendations to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees by October 1, 2020 on their suitability as a historical and recreational area pursuant to §10.1-200 et. seq., Code of Virginia, or development as a state or regional park. In its review, the Department shall consider (i) management of the area or park by a combination of public and private entities; (ii) potential user activities at the area or park including heritage tourism, primitive camping, fishing, bow hunting, boating, equestrian activities, biking and historical and military education; and (iii) operation of the area or park with only those improvements minimally necessary for activities listed herein and consistent with the preservation and protection of existing historic, cultural, archaeological, and natural resources."

Explanation:

(This amendment directs the Department of Conservation and Recreation to study the creation of a new state park from the existing Brandy Station and Cedar Mountain Battlefield properties in Culpeper County.)

Item 374 #4s

Widewater State Park Environmental Education

Natural Resources

Department of Conservation and Recreation

Language

Language:

Page 378, line 33, strike "H." and insert "H.1.".

Page 378, following line 38, insert:

"2. The Department of Conservation and Recreation shall collaborate with Stafford County Public Schools, the Friends of Widewater State Park and other interested stakeholders regarding the Science and Environmental Center at Widewater State Park planned to be constructed as part of Phase III in order to ensure the facility is adequate to meet the needs of the community,

curriculum collaboration opportunities with local schools, and other needs; determine whether any design changes would further community environmental education goals; determine the availability of any grant, charitable or co-funding opportunities with Stafford County and/or Virginia higher educational institutions; determine the feasibility and costs of any design changes or the necessity of any Master Plan changes; and produce any recommendations, if any, relating to such objectives."

Explanation:

(This amendment directs the creation of a stakeholder workgroup to determine the most appropriate specifications for planned Science and Environmental Center at Widewater State Park. The new facility is planned to be constructed as part of Phase III construction at the Park.)

Item 374 #5s

Virginia Land Conservation Foundation

Natural Resources	FY20-21	FY21-22	
Department of Conservation and Recreation	(\$10,000,000)	(\$15,000,000)	GF

Language:

Page 377, line 15, strike "\$80,721,152" and insert "\$70,721,152".

Page 377, line 15, strike "\$80,587,983" and insert "\$65,587,983".

Page 377, line 29, strike "\$20,000,000" and insert "\$10,000,000".

Page 377, line 30, strike "\$20,000,000" and insert "\$5,000,000".

Explanation:

(This amendment provides a \$15 million GF biennial deposit to the Virginia Land Conservation Fund.)

Item 377 #1s

Nutrient Removal Grant Program

Natural Resources

Department of Environmental Quality	Language
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Language:

Page 380, Line 31, strike "F." and insert "F.1."

Page 380, following line 33, insert:

"2. For nutrient removal projects in the Upper / Middle James River Basin, where such projects have a permitted wasteload allocation of at least 350,000 pounds per year for total nitrogen and at least 28,000 pounds per year for total phosphorus, and serve a locality or localities whose individual or collective Composite Fiscal Stress Index exceeds the Commonwealth's standard for Median Household Income, the Department shall take into consideration such fiscal stress factors and may award a grant of up to 90 percent of total project costs."

Explanation:

(This amendment directs the DEQ to take into account local fiscal stress factors when awarding nutrient removal grants for projects in the James River Basin and allows grant awards to cover up to 90 percent of eligible costs.)

Item 377 #4s

Technical Review of Point Source Nutrient Reductions and WQIF Grant Savings

Natural Resources

Department of Environmental Quality

Language

Language:

Page 380, Line 31, strike "F." and insert "F.1."

Page 380, following line 33, insert:

"2. The Department shall work in conjunction with permittees under the Chesapeake Bay watershed nutrient general permit to conduct a review and identify more cost-effective options for Chesapeake Bay TMDL implementation than the actions assumed in Initiative 52 of the Phase III Watershed Implementation Plan. The Department shall take into account the critical role of facilities that have previously received Water Quality Improvement Fund nutrient removal grants to determine whether their actual performance data and trends provide a technical basis to revise the Plan's assumption of substantially increasing 2025 effluent nutrient concentrations and to reduce the Water Quality Improvement Fund appropriations needed through 2025. The review shall be completed and provided to the Chairs of the Senate Finance and Appropriations Committee, the House Appropriations Committee, Senate Committee on Agriculture, Conservation, and Natural Resources, and the House Committee on Agriculture, Chesapeake, and Natural Resources by December 1, 2020. Prior to the 2021 Session of the General Assembly, no funds appropriated under this act shall be expended on any rulemaking activity for imposing new or reduced nutrient wasteload allocations on facilities eligible for WQIF grants except with consent of the permittee; however, the Department shall continue issuing Water Quality Improvement Fund grants for additional nutrient removal projects in accordance with the appropriations under items 379 and C-70 of this act and §10.1-1186.01 and §10.1-2117 of the Code of Virginia."

Explanation:

(This amendment directs DEQ to review and identify an alternative point source implementation approach for the Chesapeake Bay TMDL than the regulation stated in Initiative 52 of the Phase III Watershed Implementation Plan. The review would consider technical data on the performance of prior Water Quality Improvement Fund grant recipients, and consider if there is a technical basis to update the Plan and decrease Water Quality Improvement Fund appropriations through 2025.)
