

Protecting Virginia's Natural and Historic Resources

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L. Preston Bryant, Jr.
Secretary of Natural Resources



Overview

- I. Introduced budget
- II. Ongoing budget initiatives
- III. Policy Initiatives
- IV. Legislation



Natural Resources Agencies



Natural Resources Agencies

- Department of Environmental Quality (DEQ)
- Department of Conservation and Recreation (DCR)
- Department of Game and Inland Fisheries (DGIF)
- Marine Resources Commission (VMRC)
- Department of Historic Resources (DHR)
- Virginia Museum of Natural History (VMNH)



Natural Resource Agencies

Agency	FTEs	FY09	FY10
DEQ	896	\$219.0M	\$215.2M
DCR	539	\$116.4M	\$133.9M
DGIF	496	\$52.2M	\$52.2M
VMRC	159.5	\$19.0M	\$19.8M
DHR	49	\$10.8M	\$5.9M
VMNH	47.5	\$2.8M	\$2.7M



Budget



DHR: Introduced Budget

- 9% staff reduction
- Increasing triage, doubling up on staff assignments & shifting costs from General Fund to Special Funds where feasible; DHR is coping for the short term but reductions impact:
 - Response on public projects in environmental review at a time when stimulating construction is a national priority
 - Response on private rehabilitation projects—critical to urban economic development & among the only projects lenders are willing to fund;
- 50% reduction to the state's only survey & planning fund
 - Core program that provides & updates the information on which federal, state, and local decisions are made
 - Slows identification & evaluation of properties for eligible rehabilitation
 - Less information available for sound public & private decisions





Introduced Budget

In dealing with budget cuts for FY2009 and FY2010, the Virginia Museum of Natural History has made the following changes:

1. Reduced its staff by five (5) full-time positions
2. Closed the Museum on Sundays, Mondays, and all state holidays to reduce personnel and utility costs. This affects the Museum's attendance, but was a solution for savings.
3. Furloughed all remaining VMNH staff one day per week through June 30, which will affect the Museum's programs.
4. Reduced discretionary spending on travel, training, cleaning services, repairs, and equipment purchases.

DCR: Introduced Budget

- 47 total budget reduction strategies
- Total general fund budget reduction
 - FY09: \$5.1 M (10.2%)
 - FY10: \$5.7 M (11.4%)
- Total positions lost – 13 FTE plus funding for nearly 70 wage and seasonal staff
 - Eliminate 5 vacant state park positions
 - Eliminate or consolidate 8 agency-wide positions resulting in 4 layoffs
 - 5 additional positions transferred to federal and NGF funding
- Staffing levels reaching critical workload demands in design and construction; nutrient management; stormwater management; natural heritage; parks; etc.



DCR: Introduced Budget

- All 35 state parks remain open
- Reduced state park operations: visitor services, programs, advertisement, resource protection, reservation center
- No funding to open DCR acquisitions to the public (Crow's Nest; 4 new state parks; North Landing River NAP remains closed)
- Reduce local soil and water conservation districts operational support by 5% (FY09) and 10% (FY10) and implementation funding by 10% each year
- Virginia Outdoors Foundation - \$102,500 (5%) reduction in FY10 in operational support
- Transfer oversight of erosion and sediment control plans for higher education construction projects
- Agency operational efficiencies include: reduction of computer equipment inventory, reduction in VITA phone charges, number of vehicles leased



VMRC: Introduced Budget

	Additional General Fund Reduction	Substitution of Non-General Fund
• Oyster Replenishment	(\$481,933)	
• <u>Law Enforcement</u>	<u>(\$286,258)</u>	<u>\$286,258*</u>
• Total	(\$768,191)	\$286,258*

*Virginia Saltwater Recreational Fishing Development Fund



Virginia Marine Resources Commission

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DGIF Introduced Budget

Issue

Economic downturn has resulted in a decline in Watercraft Sales and Use Tax revenue that is currently \$2 million dollars and may even continue to increase during the remainder of FY 09 and early FY 10.

Reduction Strategies

Operating budget adopted by Board of Game and Inland Fisheries in June 2008 for FY 09 was approximately \$1 million dollars less than the Department's operating appropriation.

Incorporated advertising in Hunting and Fishing Regulation booklets for savings of \$181,260.00 (69 percent).

Filling no more than 469 positions.

Reduction in the number of vehicles assigned to Headquarters by 50 percent

Compliance with travel restrictions and/or reduction.

Reduction in fuel consumption by the agency's Law Enforcement Division.



DEQ: Introduced Budget

Activities Reduced	FY 10 Amount	FY 10 FTE
Management and Administrative	\$1,287,478	16
Wastewater engineering program	\$736,377	8
Air inspections	\$1,000,000	16
Solid waste inspection and hazardous waste permitting	\$416,503	6
Reduce Construction Assistance Program	\$255,355	3
Water compliance and monitoring	\$560,402	8
Environmental Education	\$88,040	1
Pollution Prevention	\$50,000	1
Discretionary spending	\$127,888	
Pay practices funding	\$114,443	
Water supply grants	\$100,000	
Contractual with VIMS for Water Quality	\$200,000	
Reduce competitive litter grants	\$100,000	
Capture nongeneral fund balance in Waste Tire Trust Fund	\$500,000	
Capture nongeneral fund balance in Virginia Environmental Emergency Fund	\$300,000	
Total Reductions	\$5,836,486	59



DEQ: Introduced Budget

Management and Administrative –Merged Roanoke and Lynchburg Regional offices; Reduced 1 Regional Director in Richmond office and 1 Division Director in Central Office-duties assumed by 2 Deputy Directors; other management reductions.

Wastewater engineering- continue engineering review and approval of design plans for nutrient upgrades to sewage treatment plants funded by WQIF; stopped engineering review and approval of design plans for construction, expansion and upgrades of sewage treatment plants that are not funded under WQIF (which are about 80% of the plans).

Air inspections- inspections have been reduced to federal minimum.

Solid waste inspection/ Water compliance and monitoring- reduced number of inspections and reduced water monitoring and analysis.

Contract with VIMS for Water Quality- reduces monitoring analysis to determine progress in Chesapeake Bay nutrient reductions.



DEQ: Introduced Budget

Water supply grants- reduces grants to localities to assist in development of regional water supply plans.

Environmental Education/Pollution Prevention- reduces environmental education and voluntary pollution prevention outreach.

Eliminate competitive litter grants- plan retains formula grants to localities for litter prevention.

Capture fund balance in Waste Tire Trust Fund- slows the progress on tire pile cleanups.

Capture fund balance in Virginia Environmental Emergency Fund- reduces amount available for responses to environmental emergencies and superfund contracts.



1 Budget increase

\$20 M for WQIF nonpoint source reductions - Ag BMPs

Significant pollution reductions needed from ag lands

- \$10 M in GF
- \$10 M in NGF (Interest and Reserve)



Ongoing Budget Initiatives: WQIF Needs for Point Sources

- DEQ has signed grant agreements for 41 projects
 - \$525 million commitment
- Another 17 applications under active processing
 - \$128 million requested
- Additional facilities to finalize applications or request \$ later as upgrades are needed
- Total current need to meet signed obligations – at least **\$653 million**



Ongoing Budget Initiatives: WQIF Needs for Point Sources

- WQIF deposits and interest since 2005 = \$300 M
- Available Bond Proceeds = \$250 M

Total Available Funds = \$550 M

- Total Current Need = \$653 M

Therefore, **WQIF is over-obligated by \$103 M**

- For FY10, expect to need approx. \$177 M in bond proceeds to meet near-term WQIF obligations



Ongoing Budget Initiatives: WQIF Needs for Point Sources

Nitrogen Reductions

- 18.4 million pounds/yr [22.4 million to go]

Phosphorus Reductions

- 4.57 million pounds/yr [2.9 million to go]

Sediment Reductions

- 480,000 tons/ yr [270,000 tons to go]



Ongoing Budget Initiatives: Land Conservation

- As of December 31, 2008:
304,708 acres have been protected
towards the Governor's 400,000 acre
goal.
- CY 08 total: 74,427 acres
- Left to go: 95,292 acres.
- Will spend \$30M VPBA bonds by
year's end: 5 top tier projects



Ongoing Budget Initiatives: Dam Repairs

- \$20 M in VPBA bonds provided to DCR for repairs to state park and district-owned dams
- 24 priority dams identified
- Estimated cost for first 10 dam repairs = \$15.3 M
- Dam break inundation studies
 - 72 priority dams (estimated cost = \$3.5 M)
 - 7 studies started (funding obligated = \$164,000)
 - Phased schedule to complete all studies by June 2010



Policy Initiatives



Policy Initiatives: Blue Crab Disaster Declaration

- September 22, 2008: NOAA/NMFS declared a commercial fishery failure for the blue crab soft and peeler fishery due to a 41% decline in landings Bay-wide
- Up to \$10 million will be made available to assist watermen and rebuild the fishery



Policy Initiatives: Blue Crab Disaster Declaration

Possible uses:

- License Buy-Outs
- Ghost Pot Removal Project
- Oyster Aquaculture Transition
- Critical Crab Management Research

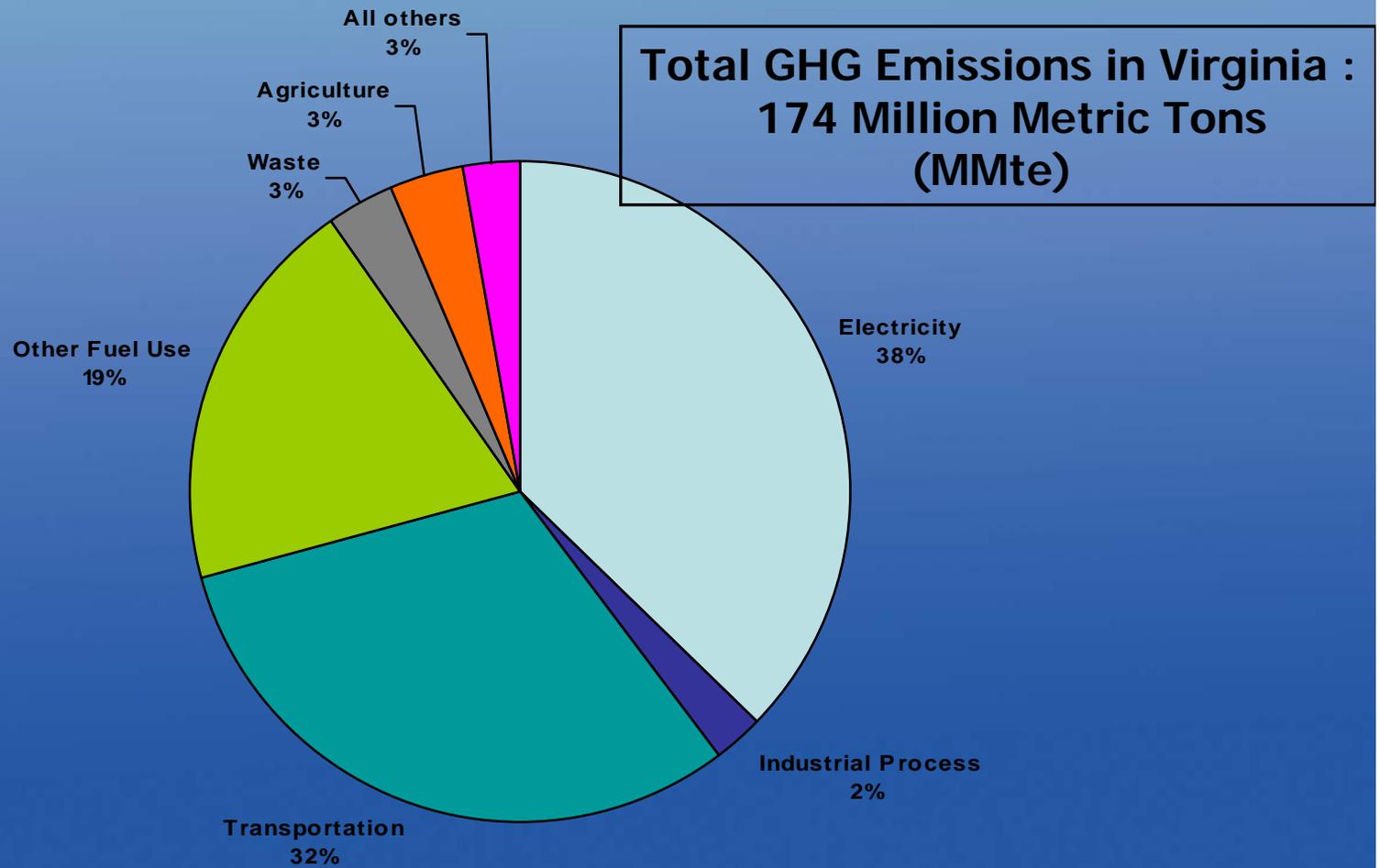


Policy Initiatives: Governor's Commission on Climate Change

- 45-member commission
- 10 meetings held in Richmond and at universities around the Commonwealth
 - Presentations from nearly 40 state and national experts
- 4 Workgroups
- Each meeting included
 - a commission roundtable
 - a public comment period
- Final Report Issued December 15, 2008



Policy Initiatives: Governor's Commission on Climate Change



Policy Initiatives: Governor's Commission on Climate Change

Largest emission sector by far – 89%

- Power generation & use (38%)
 - In-state power plant emissions
 - Electricity imports
- Transportation (32%)
 - Motor vehicle emissions
 - Non-road equipment
- Other fossil fuel use (19%)
 - Total fuel use by all other sources



Policy Initiatives: Governor's Commission on Climate Change

IMPACTS IN VIRGINIA:

- Environmental: terrestrial, marine and aquatic ecosystems, including coastal wetlands, forests, trout streams, Chesapeake Bay
- Economic: insurance, military installations, infrastructure
- Hampton Roads is particularly vulnerable to sea level rise



Legislative Initiatives



Legislation resulting from Climate Commission

- Greenhouse Gas Reporting (HB 2202, SB 1145)
- Energy Efficiency Resource Standard (HB 2176, SB1248)
- Making utility regulation more friendly to efficiency and renewable energy (SB 1339, HB 2105)
- Improvements in intermodal transportation planning (HB 2420)
- Green Public Buildings Act (HB 2387, SB 1252)



Legislative Initiatives: Green Jobs

- B2 Renewable Fuel Standard (HB 2157, SB 1146))
- Clean Energy Manufacturing Incentive (HB 2235, SB 1215)
- Biofuel Incentive Grant (HB 2001, SB 1186)
- Renewable Energy System Income Tax Credits (HB 2094)
- Renewable Energy Equipment Sales Tax Exemption (SB 1216)



Legislative Initiative: Stormwater Timing (HB1991)

- Proposed stormwater management regulations schedule for public comment Spring 2009
- HB1991 will provide for additional time between adoption of final regulations and adoption of local stormwater programs (15-21 months)
- Allows for an extension of up to 12 months if locality is making significant progress
- Delays the effective date of the regulations until July 1, 2010
- Bill supporters include: Homebuilders of Virginia, Chesapeake Bay Foundation, Hampton Roads Planning District Commission, VACO, James River Association

