

Agriculture and Forestry

The proposed general fund amendments for the Agriculture and Forestry secretariat for FY 2010 total \$3.9 million and reflect the Governor's September 2009 Budget Reduction Plan. For the Department of Agriculture and Consumer Services (VDACS), these reductions equal 7 percent of the FY 2010 GF appropriation in Chapter 781 of the 2009 Acts of Assembly. At the Department of Forestry, the GF reduction is 9 percent of the FY 2010 budget as adopted by the 2009 General Assembly.

The proposed appropriation for Agriculture and Forestry in the FY 2010-12 biennium totals \$82.3 million GF and \$87.3 million NGF, a reduction of \$10.2 million GF and \$276,710 NGF compared to Chapter 781. This reflects the continuation of the majority of the September 2009 reduction plan, as well as additional reductions totaling \$2.2 million GF.

Major actions proposed at VDACS include the imposition of a new \$17.50 per device fee to supplement funding for the weights and measures program, and the partial transfer of meat and poultry processing plant inspections to the U.S. Department of Agriculture, which is expected to generate annual GF savings of \$1.0 million once fully implemented. At the Department of Forestry, changes generally are limited to the September 2009 reduction actions, the most significant of which is a \$400,000 reduction to the GF match for the reforestation of timberlands program in FY 2011 and a \$250,000 reduction in FY 2012.

In combination, the September 2009 strategies and the reductions proposed in HB/SB 30 result in the elimination of 57 positions at VDACS and eight at the Department of Forestry.

HB/SB 29

- **Department of Agriculture and Consumer Services**
 - *Governor's September 2009 Budget Reductions.* Includes savings of \$2.3 million GF, offset by \$205,708 of NGF increases, for FY 2010 to implement the September 2009 budget reductions. The largest strategy included in that plan is the elimination of 22 positions, 12 of which resulted in layoffs. The remaining savings were generated by reducing discretionary expenses, as well as targeted reductions which eliminate state funding for the coyote control program and the agricultural statistics survey, reductions in funding for farmland preservation programs and a 15 percent reduction to support for Virginia Tech's agricultural education program. A Part 3 transfer of \$1.4 million in NGF cash balances from VDACS also is included in HB/SB 29.
- **Department of Forestry**
 - *Governor's September 2009 Budget Reductions.* Includes savings of \$1.6 million GF for FY 2010 to implement the September 2009 budget reductions. These strategies included the elimination of 8 vacant positions. Other actions included

HB/SB 30

- **Department of Agriculture and Consumer Services**
 - *Governor's September 2009 Budget Reductions.* Continues the on-going strategies contained in September 2009 and generates additional savings by shifting certain general fund costs to nongeneral fund support. Also included is the elimination of funding for 3 positions in agricultural education at Virginia Tech that have been funded by VDACS. In combination, these generate savings of \$2.0 million GF in FY 2011 and \$2.9 million in FY 2012.
 - *Distribute Central Appropriations Reductions to Agency.* Reflects technical adjustments transferring GF savings of \$815,117 each in FY 2011 and FY 2012 from changes to benefit contribution rates and other centrally funded items.
 - *Transfer Interstate Meat and Poultry Inspection Program to USDA.* Includes a proposal to transfer responsibility for inspection of meat and poultry processing plants that ship interstate to the U.S. Department of Agriculture for a savings of \$200,313 GF in FY 2011 and \$1.0 million GF in FY 2012. This results in the elimination of 35 positions. The department will continue to inspect plants that ship only within the state.
 - *Weights and Measures Inspections.* Proposes language authorizing the establishment of a \$17.50 per device fee for the annual inspection of weights and measures devices and an NGF appropriation of \$2.1 million in FY 2011 and FY 2012 to reflect revenues anticipated to be generated by this new fee. These amounts are not used to supplant GF support for the program, but to increase funding to allow for more frequent inspection of the devices. At the 2009 Reconvened Session the Governor vetoed language adopted by the General Assembly which called for the privatization of this program.
 - *Food Inspection Back-Up System.* Includes \$135,000 GF in FY 2011 and \$95,000 GF in FY 2012 to move the food inspection computer system to ensure appropriate disaster recovery services to address findings of the Auditor of Public Accounts.
- **Department of Forestry**
 - *Governor's September 2009 Budget Reductions.* In FY 2011, continues all the GF reduction strategies announced in September 2009 for a savings of \$1.6 million. In FY 2012, a number of cuts are reduced, leaving GF savings of \$1.4 million. The

- ***Reflect Appropriation of Local Fee Revenue.*** Includes an appropriation of \$500,000 NGF in FY 2011 and FY 2012 reflecting legislation adopted by the 2009 General Assembly to increase fees charged to localities for forest fire protection and suppression services.
- ***Reflect Updated NGF Revenue Forecast.*** Reduces the agency's special fund appropriation by \$1.25 million in FY 2011 and FY 2012 to reflect the most recent six-year nongeneral fund revenue estimate.

Natural Resources

The proposed FY 2010 amendments for the Natural Resources secretariat include a general fund decrease of \$9.3 million from the Governor's September 2009 budget reductions, which represents a 9.5 percent decrease. These reductions are offset by the addition of \$17.2 million in general funds to replace federal fiscal stabilization funds, for a net general fund increase of \$7.9 million over Chapter 781 of the 2009 Acts of Assembly. A corresponding amendment in the Compensation Board uses the Federal Fiscal Stabilization Funds to backfill reductions to Sheriff's Officers.

The Governor's proposed appropriation for Natural Resources in the 2010-12 biennium totals \$189.0 million GF and \$540.7 million NGF. This is a decrease of \$7.6 million GF and \$92.3 million NGF compared to the appropriation for current operations, after the September 2009 reductions are taken into consideration. This total includes reductions of \$21.2 million GF offset by new spending of \$13.6 million GF. This represents a 3.9 percent decrease in general fund spending compared to the adjusted appropriation for the previous biennium.

The only significant new spending item proposed for Natural Resources is \$10.0 million GF and \$18.2 million NGF for implementation of agricultural best management practices. The source of this nongeneral fund is from a proposed increase of \$10.00 in the Recordation Fee.

The significant change in the nongeneral fund appropriation is mostly due to removing the appropriation of \$55.7 million NGF each year which had been included in the base budget to authorize cash expenditures of previous deposits to the Water Quality Improvement Fund. The cash balance has been exhausted and expenditures for FY 2011 and FY 2012 will be from \$250.0 million in bonds that were previously authorized by the General Assembly.

HB/SB 29

- **Chippokes Plantation Farm Foundation**
 - *Governor's September 2009 Budget Reductions.* Includes savings of \$53,661 GF for FY 2010 to implement the September 2009 budget reductions.
- **Department of Conservation and Recreation**
 - *Governor's September 2009 Budget Reductions.* Includes savings of \$4.3 million GF for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include a \$900,000 GF reduction to state parks by eliminating 19 positions; reducing state park visitor services, programs and operational hours for an additional \$825,000 GF savings; implementing a state park reservation fee to cover an additional \$350,000 GF reduction with nongeneral funds, and; reducing funds for state park maintenance by \$100,000. Reductions to state parks total \$2.3

- *Revise Items Funded with ARRA.* Provides \$15.2 million GF for FY 2010 to substitute for federal fiscal stabilization funds for agricultural best management practices. A corresponding amendment in the Compensation Board uses the stabilization funds to support sheriffs’ offices and this amendment restores general funds for agricultural best management practices.
- *Revise Items Funded with ARRA.* Provides \$2.0 million GF for FY 2010 to substitute for federal fiscal stabilization funds to support the Virginia Land Conservation Foundation (VLCF). A corresponding amendment in the Compensation Board uses the stabilization funds to support sheriffs’ offices and this amendment restores general funds for the VLCF.

- **Department of Environmental Quality**

- *Governor’s September 2009 Budget Reductions.* Includes savings of \$2.7 million GF for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include a reduction of \$500,000 GF from FY 2009 agency balances; savings of \$364,830 GF from eliminating a contract for fish tissue analysis; reducing funding for the Water Facilities Revolving loan program by \$200,000 GF; saving \$255,000 GF by reducing litter control grants to localities, and reducing funding for Chesapeake Bay water quality monitoring by \$149,276 GF. In addition to these savings, DEQ will reduce funding for the waste tire pile clean-up program and transfer \$1.5 million NGF from the Waste Tire Fund to the general fund.
- *Change Fund Source for September 2009 Reduction Strategy.* Restores \$1.5 million GF for FY 2010 that was eliminated as part of the September 2009 reduction plan. These funds were proposed to come from indirect cost recoveries that are not available. A corresponding amendment will instead transfer the same amount from the Water Quality Improvement Fund Reserve.

- **Department of Game and Inland Fisheries**

- *Reduction in General Fund Transfer.* Language is included reducing the total transfer from watercraft sales and use tax provided to the agency by \$2.0 million in FY 2010 due to reduced watercraft sales activity.

- **Department of Historic Resources**

- *Governor’s September 2009 Budget Reductions.* Includes savings of \$535,506 GF and 3 positions for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include eliminating \$190,000 GF for Civil War Battlefield Preservation; reducing funding for the statewide historic resources survey by \$85,500 GF, and saving \$67,100 GF by reducing the grant payment to Montpelier.
- *Revert Balance from Nonstate Grant.* Proposes a reduction of \$22,434 GF in FY 2010 representing the balance from a nonstate grant for which the grantee did not qualify.

- **Marine Resources Commission**

- *Governor’s September 2009 Budget Reductions.* Includes savings of \$1.4 million GF for FY 2010 to implement the September 2009 budget reductions. Strategies to reach these savings include supplanting \$421,000 GF for habitat management with waterway improvement funds; supplanting \$400,000 GF in law enforcement with \$300,000 NGF from saltwater recreational fishing funds and \$100,000 NGF from federal joint forces agreement funds; a reduction of \$237,844 GF in law enforcement from reducing purchase of gasoline, supplies and equipment, and a savings of \$297,000 GF by eliminating general fund support for oyster replenishment and restoration projects.

- **Museum of Natural History**

- *Governor’s September 2009 Budget Reductions.* Includes savings of \$261,257 GF for FY 2010 to implement the September 2009 budget reductions. Strategies to meet these savings include closing the museum on Sundays and holidays and keeping vacant positions open.

HB/SB 30

- **Secretary of Natural Resources**

- *Consolidate Support Staff.* Reduces funding by \$67,814 GF each year by eliminating funding for a support staff position.

- **Chippokes Plantation Farm Foundation**

- *Governor’s September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a savings of \$20,764 GF each year.

- **Department of Conservation and Recreation**

- *Restore Funding for Conservation Reserve Enhancement Program.* Provides \$435,473 GF each year to restore funding for the Conservation Reserve

- ***Nonpoint Source Pollution Funding.*** Proposes \$5.0 million GF and \$9.1 million NGF each year for agricultural best management practices to control nitrogen, phosphorus, and sediment runoff from farming. The source of the nongeneral funds is a proposed increase to the Recordation Fee from the current \$10.00 for each deed recorded to \$20.00.
- ***Governor's September 2009 Budget Reductions.*** Continues the strategies announced in September 2009 for a reduction of \$3.8 million GF each year and a net reduction of 26 positions. The one major difference from the September plan is that the strategy of reducing state park visitor services, programs and operational hours, which produced savings of \$825,000 GF in FY 2010, will only produce savings of \$600,000 GF in FY 2011 and \$600,000 GF in FY 2012. The net reduction to state parks is just over \$2.0 million GF for each year.
- ***Virginia Land Conservation Foundation.*** Provides \$1.0 million GF each year to restore half of the funding for the Virginia Land Conservation Foundation. The Foundation was previously funded at \$2.0 million GF per year, but this funding was eliminated from the base when federal ARRA funding was substituted for the general funds in Chapter 781.
- **Department of Environmental Quality**
 - ***Remove Appropriation for Water Quality Improvement Fund Balance.*** Removes an appropriation of \$55.7 million NGF each year which had been included in the base to authorize cash expenditures of previous deposits to the Water Quality Improvement Fund. The cash balance has been exhausted and expenditures for FY 2011 and FY 2012 will be from \$250 million in bonds that were previously authorized by the General Assembly.
 - ***Governor's September 2009 Budget Reductions.*** Continues the strategies announced in September 2009 for a reduction of \$3.2 million each year. This includes \$2.5 million GF and \$1.4 in NGF transfers from the waste tire and litter prevention funds each year. The only difference from the previously announced plan was to increase the reduction from the Water Facilities Revolving loan program to \$847,720 each year in FY 2011 and 2012. The plan also annualizes the reduction for local water supply grants at \$20,000 GF, the Chesapeake Bay Foundation at \$20,000 GF and citizen water quality monitoring grants at \$20,000 for each year.
- **Department of Game and Inland Fisheries**
 - ***Reduction in Watercraft Sales and Use Tax Transfer.*** Language is included reducing the transfer of watercraft sales and use tax by \$2.0 million each year. The

- *Increase in Federal Fund Appropriation.* Increases the nongeneral fund appropriation for the State Recreational Boating Program by \$1.3 million each year based on anticipated increases in federal funds.
- **Department of Historic Resources**
 - *Governor’s September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a net savings of \$570,980 GF each year.
- **Marine Resources Commission**
 - *Governor’s September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a net savings of \$1.4 million GF in FY 2011 and \$1.4 million GF in FY 2012.
 - *Oyster Replenishment Grant.* Provides an appropriation of \$2.0 million NGF each year for anticipated federal funds for oyster replenishment efforts.
 - *Tangier Seawall Project.* Provides \$360,000 GF in FY 2011 and \$12,000 GF in FY 2012 for a joint project with the U. S. Army Corps of Engineers to construct a seawall to protect the Tangier Island harbor. The budget document indicates that this is the first funding for what is anticipated to be a 30-year project.
 - *Joint Enforcement Action.* Provides an appropriation of \$200,000 NGF each year from anticipated federal funds to support joint marine law enforcement activities.
 - *Federal Law Enforcement Grants.* Provides an additional increase of \$200,000 NGF each year based on a projected increase in other federal law enforcement grants.
- **Virginia Museum of Natural History**
 - *Governor’s September 2009 Budget Reductions.* Continues the strategies announced in September 2009 for a net savings of \$261,257 GF each year.