



***State Parks * Soil and Water Conservation * Outdoor Recreation Planning
Natural Heritage * Dam Safety and Floodplain Management * Land Conservation***

Senate Finance

Economic Development and Natural Resources Subcommittee

October 5, 2017



Department Audit

January 2014: General Assembly requests APA conduct Special Review due to report of problems with oversight of federal grants and concerns of overall fiscal management.

April 2014: Department placed under new management.

June 6, 2014: APA audit report issued with 93 findings; mostly due to lack of agency specific policies, failure to follow state policies/accounting procedures, but no evidence of widespread fraud, waste or abuse.

Spring 2017: APA conducts audit

Spring 2017: 81 audit findings are complete; remaining 12 require ongoing testing to ensure compliance with agency policies

April 2017: Department completes all corrective actions

August 2017: FEMA conducts audit of grants; no findings

Grant Agreements with SWCDs

- Guide the distribution and disbursement of funds and ensures accountability
- Requires the involvement, reporting, implementation of
 - Virginia Agricultural BMP Cost-Share Program
 - Virginia Agricultural Tax Credit Program
 - Conservation Reserve Enhancement Program
 - Voluntary BMP Installation
 - TMDL Development and Implementation Processes
 - Agriculture Stewardship Act
 - Resource Management Plan Program

Budget Template

- Initially developed in 2012 by stakeholder advisory group
- Current template program areas designed to capture entire costs associated with providing programs including programs not funded through DCR (Chesapeake Bay Preservation Act)
- 4 key program areas:
 - Central operations
 - Agricultural program implementation
 - Dam maintenance
 - Environmental education
- Peer-reviewed process
 - One representative from each District area
 - Review submissions for outliers

FY2017 Cost-Share Fiscal Expenditures

(as of October 1, 2017)

Total Funding Allocated by VSWCB to SWCDs	\$52.6
Total Funding Requested by Producers	\$50.6
Total Funding Approved by SWCDs	\$47.7
Total Funding Pending Approval	\$2.9
Subtotal	\$50.6
Total Obligations Paid	\$22.5

Highlights of RMP Program

- As of August 31, 2017:
 - 388 RMPs covering over 92,000 acres
 - 323 plans in implementation phase
 - 50 in the development or assessment stage
 - 15 being reviewed by Technical Review Committee
 - 10 certified
 - Totaling 2,335 acres



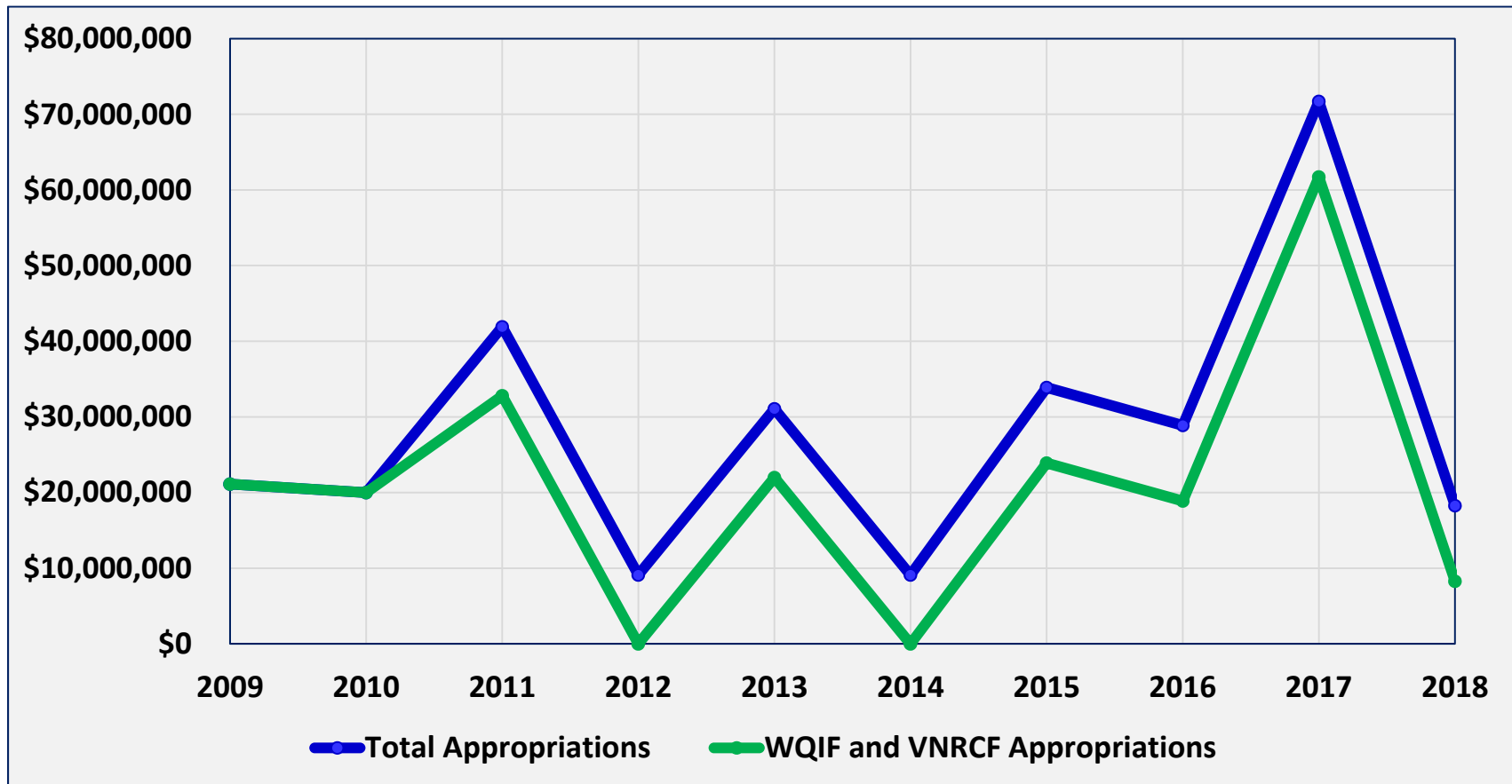
Purpose of Stakeholder Advisory Group

Chapter 836 (2017); Item 364 R

Stabilize Agricultural BMP Funding

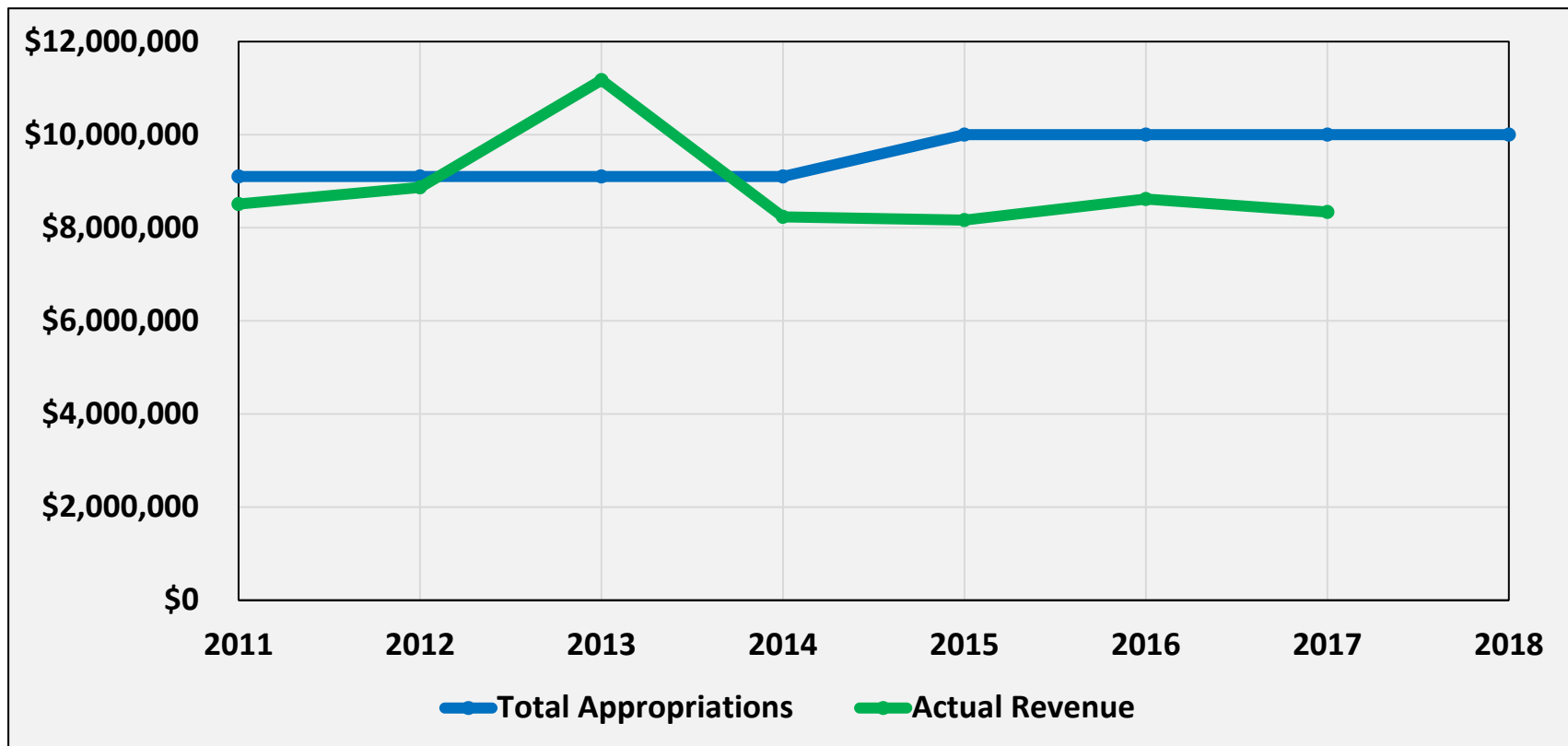
- Evaluate and provide recommendations on:
 - Increasing the portion of any deposit to the WQIF reserve;
 - Limiting the portion of the WQIF reserve that may be utilized;
 - Evaluating combined revenues available from the WQIF and the Natural Resources Commitment Fund in a given fiscal year; and
 - Distributing funds to be deposited across a biennial period.
- Must consider the impacts on the staffing and technical assistance needs of the SWCDs

Appropriations: Total vs. WQIF/VNRCF

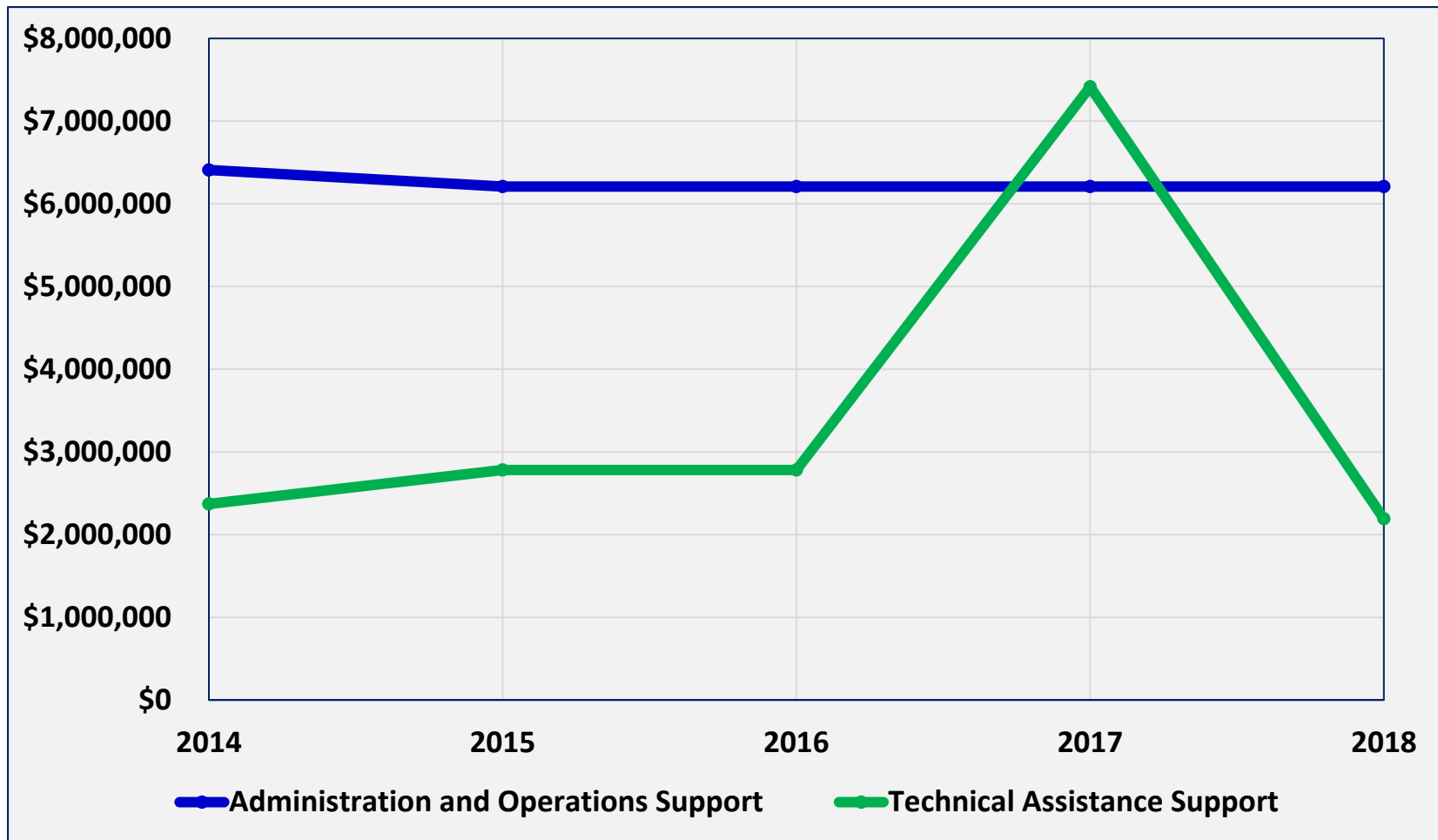


NOTE: SWCD administration and operations funds are not included.

Recordation Fee Revenue



Funding for District Operations



SWCD Needs – Budget Template

Year	Administration and operations support needs	Total administrative support needs (Includes dam repair and DCR support funds)	Cost-share technical support	Total program delivery support needs
2014	\$8,054,395	\$9,123,680	\$4,758,589	\$13,882,269
2015	\$8,478,554	\$9,821,082	\$4,965,636	\$14,786,718
2016	\$9,121,195	\$10,403,939	\$5,042,231	\$15,446,170
2017	\$9,428,266	\$10,830,763	\$5,204,089	\$16,034,852
Average needs	\$8,770,603	\$10,044,866	\$4,992,636	\$15,037,502

Innovative Agricultural Practices

- Use of technology to increase efficiencies
 - Nutrient applications (nitrogen and phosphorus)
 - Pesticides
- Producer expenses
 - Equipment (new or retrofit existing equipment)
 - Testing for zone or grid sampling
- Working with partners to ensure credit is given for using innovative practices

Precision Nutrient Management

- FY2017 – offered a precision nutrient management BMP (NM-5)
- FY2018 – refined BMP; separate BMPs now for nitrogen (NM-5N) and phosphorus (NM-5P)
- For FY2017 and FY2018
 - More than 375 practices requested
 - Over 20,558 acres included in requests
 - Unfunded requests total more than 44,000 acres

Department of Conservation and Recreation

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