Senate Finance
Economic Development and
Natural Resources Subcommittee
January 15, 2019

NATURAL RESOURCES

Conservation and Recreation
Environmental Quality
Game and Inland Fisheries
Historic Resources
Marine Resources
Museum of Natural History

Matthew J. Strickler, Secretary of Natural Resources

GOVERNOR NORTHAM
Natural Resources Budget Priorities

Water Quality Chesapeake Bay

$90 M per year through FY24 for agriculture and forest best management practices

$50 M per year through FY24 for the Stormwater Local Assistance Fund

Total proposed: $773 M through FY24

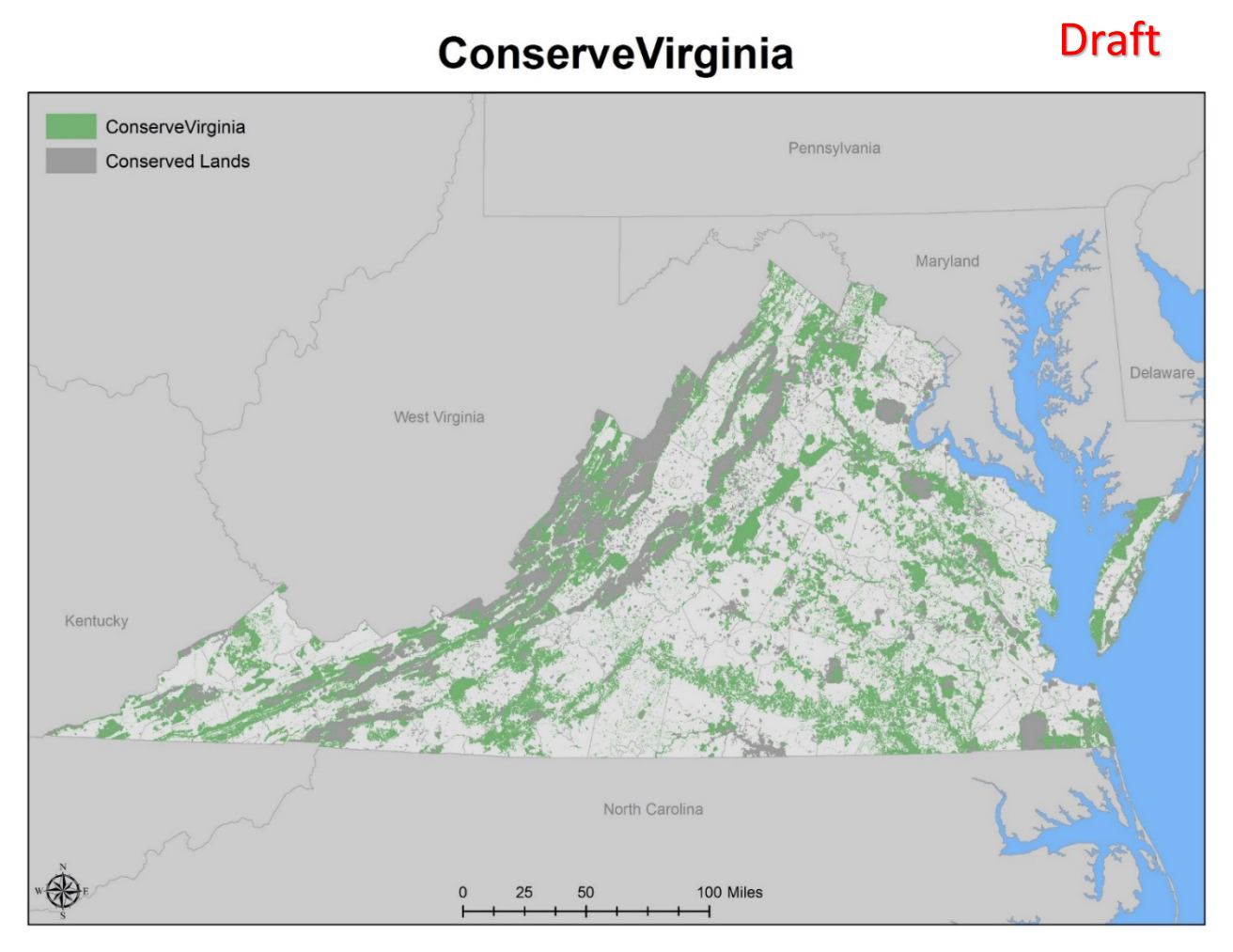
Land Conservation

Increase Virginia Land Conservation Fund by $11 Million

$5.5 Million increase in FY2019 and FY2020

Support Data Driven Conservation

Virginia's 1st Statewide Land Conservation Plan



25 Land Trusts plus state and federal agencies consulted.

19 Map Data Layers Combined into 6 Map Categories

Agriculture & Forestry

Natural Habitat & Biodiversity

Floodplains & Flooding Resilience

Cultural & Historic Preservation

Scenic Preservation

Protected Landscapes Resilience

6.5 million acres

Virginia's Natural Resource Agencies

- Targeted increase for Department of Environmental Quality

- Targeted increase for Department of Conservation and Recreation

- $1M additional to Virginia Marine Resources Commission for oysters

- NGF flexibility for Department of Game and Inland Fisheries

Department of Environmental Quality

<u>Stormwater Local Assistance Fund (SLAF) Summary:</u>

- To date the General Assembly has appropriated $100 million for the Stormwater Local Assistance Fund.
- Total grants authorized to date are $80 million for 193 stormwater management projects in 50 localities.
- A solicitation for projects was issued in the fall and DEQ received 59 applications from 34 localities for total requests of just under $40 million.
- The remaining $20 million already appropriated by the General Assembly will be authorized after a priority funding list is finalized by DEQ. We expect this to happen in January.
- The Governor's Budget dedicates an additional $50 million to the SLAF to help urban and suburban areas reduce pollution coming off of impervious surfaces.

<u>Combined Sewer Overflow (CSO) Matching Fund</u>

- $25,000,000 appropriated from bonds proceeds for a grant to the City of Alexandria to pay a portion of capital costs of its CSO control project.

DEQ Section

- The Governor is seeking funding of $859,075 and 5 FTEs in FY 2020 to increase general fund support for website redesign and to begin the development and maintenance of an online service portal to increase stakeholder engagement.
- Funding of $150,000 in FY 2019, and $1,404,056 and 11 FTEs in FY 2020 is added for regulatory review and permit writing in the agency's air and water protection programs.
  - Our non-general fund fees are designated in Code and continue to be flat. In addition, federal funds are decreasing or mostly flat which adds pressure on general funds for increases in salary and benefit costs.
- Funding of $100,000 in FY 2020 is added for a one-time study of the agency's community engagement capacity.

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DEPARTMENT OF CONSERVATION AND RECREATION

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

DCR
Virginia Department of Conservation & Recreation

Clyde E. Cristman, Agency Director

Agency Budget Summary

HB1700/SB1100 (as introduced)			
FY 2019	$99 million GF	$55.1 million NGF	$154.1 million total
FY 2020	$149.9 million GF	$55 million NGF	$204.9 million total
Authorized MEL	459 FTE	Currently filled- Vacant-	436 FTE 23 FTE
Current Wage Positions	673 Filled	Expected Wage Positions In-season	1,630 +/- (Includes life guards, snack bars, YCC staff)
Active Federal Grants	$37.6 million NGF	Major Grant Sources	NPS, FHWA(DOT), EPA via DEQ, FEMA, FWS

Agency Compliance Update

- Spring 2014 – Special Audit of DCR by the Auditor of Public Accounts by request of Senate Finance resulted in 93 Audit Points
- April 2014 – New Management at DCR
- February 2017 – APA follow-up reflected DCR's substantial progress with corrective actions
- June 2017- APA Audit of DCR Capital Asset Additions:
  - proper recording and reporting, in all material respects, in the Commonwealth's accounting and reporting system and the Commonwealth's fixed asset system;
  - **no** instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
  - only two minor matters necessary to bring to management's attention.

Virginia Land Conservation Foundation

The proposed budget includes $5.5M in FY2019 and $10M in FY2020 for Preservation of Open Space Lands

- $1.37 million in the first year and $900,000 in the second year is designated for the Open-Space Lands Preservation Trust Fund at the Virginia Outdoors Foundation
- $4.13 million in the first year and $9.1 million in the second year is designated for VLCF with at least 50% of the funds in the second year to be used for grants to acquire lands or easements with public access
- VLCF criteria will be amended to implement the goals of ConserveVirginia

Proposed FY19 VLCF Grant Round Schedule

First week of March 2019	**VLCF Board meeting** to approve grant round.
By March 11, 2019	**Announce** official opening of grant round (emails, postcards).
Late March 2019	**Workshop** for grant applicants.
Thursday, May 9, 2019	**Deadline** for application submittal.
Mid-May 2019	**Interagency taskforce meetings** to score projects - usually takes two meetings.
Early June 2019	**SNR and Director's review** of top-scoring projects.
Third week in June 2019	**VLCF Board meeting**. Approval of grant awards.
By June 30, 2019	**Grant agreements signed.** Projects have two years to close.

Land Preservation Tax Credit Program

Governor Northam's Proposed Budget

- Increase appropriation to support LPTC program - $133,400 NGF and one additional FTE

Legislation

- SB1340 – (Senator R. H. Stuart) -amend § *58.1-512*
- Lower threshold for DCR review from $1 million to $500,000

DCR Virginia Department of Conservation & Recreation

GOVERNOR NORTHAM's

Water Quality Budget Priorities

FY2019 Proposed Amendments

Conservation Reserve Enhancement Program (CREP)	**$1,500,000**
$1,000,000 outside the Bay	
$500,000 in the Bay	
Nonpoint Source Projects	**$500,000**
Poultry litter transport and RMPs	
Livestock Stream Exclusion	**$7,000,000**
$6,300,000 outside the Bay	
$700,000 in the Bay	
Natural Resources Commitment Fund	**$11,000,000**
$9,570,000 for agricultural BMPs (Bay only)	
$1,430,000 for technical assistance	
Total General Fund	**$20,000,000**

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FY2020 Proposed Amendments (WQIA deposit)

Reserve Deposit	$8,228,850
Conservation Reserve Enhancement Program (CREP)	$2,000,000
Virginia Conservation Assistance Program (VCAP)	$1,000,000
Nonpoint Source Projects (Poultry litter transport and RMPs)	$750,000
Department of Forestry (Silvicultural BMPs)	$500,000
Natural Resources Commitment Fund	$61,218,849
$37,282,279 for agricultural BMPs in the Bay	
$15,978,129 for agricultural BMPs outside the Bay	
$7,958,450 for technical assistance	
Total WQIA Deposit	$73,757,699

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FY2020 Proposed Amendments (additional GF deposit)

Department of Forestry (Silvicultural BMPs)	$500,000
Natural Resources Commitment Fund	$14,531,151
$8,849,471 for agricultural BMPs in the Bay	
$3,792,630 for agricultural BMPs outside the Bay	
$1,889,050 for technical assistance	
Total General Fund	$15,031,151

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Livestock Stream Exclusion

Governor amendments provide $7 million to fulfill state commitment

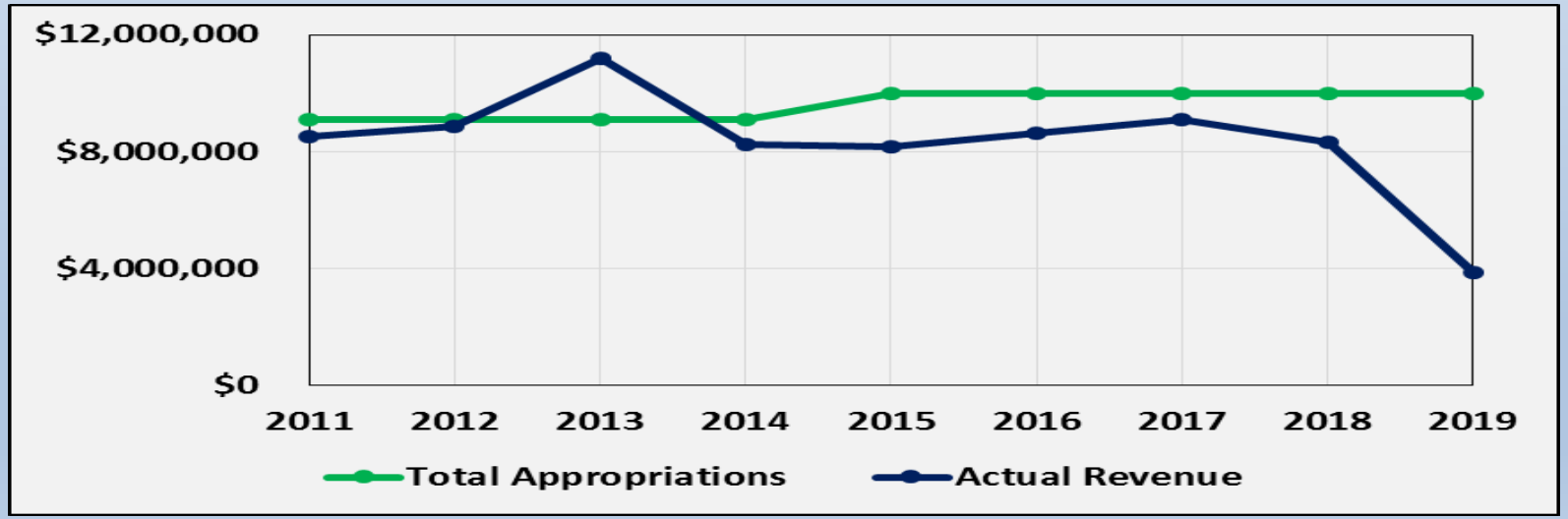
- $6,300,000 for practices outside the Bay watershed
- $700,000 for practices in the Bay
- 118 practices on backlog list (awaiting funding)

Statewide (FY2013 to present)

- $84 million finished; **2,165 practices** installed
- **8.5 million linear feet** have been protected
- **105,190 animal units** excluded

Recordation Fee Revenue Amendments

- Provides the recordation fee proceeds dedicated to the implementation of agricultural best management practices
- $10 million in non-general funds appropriated in each year (CH2)
- For FY20, increases amount of technical assistance provided
  - $8.7 million for agricultural BMPs
  - $1.3 million for technical assistance to Districts each year



NOTE: FY19 actual revenue includes revenue received as of December 31, 2018.

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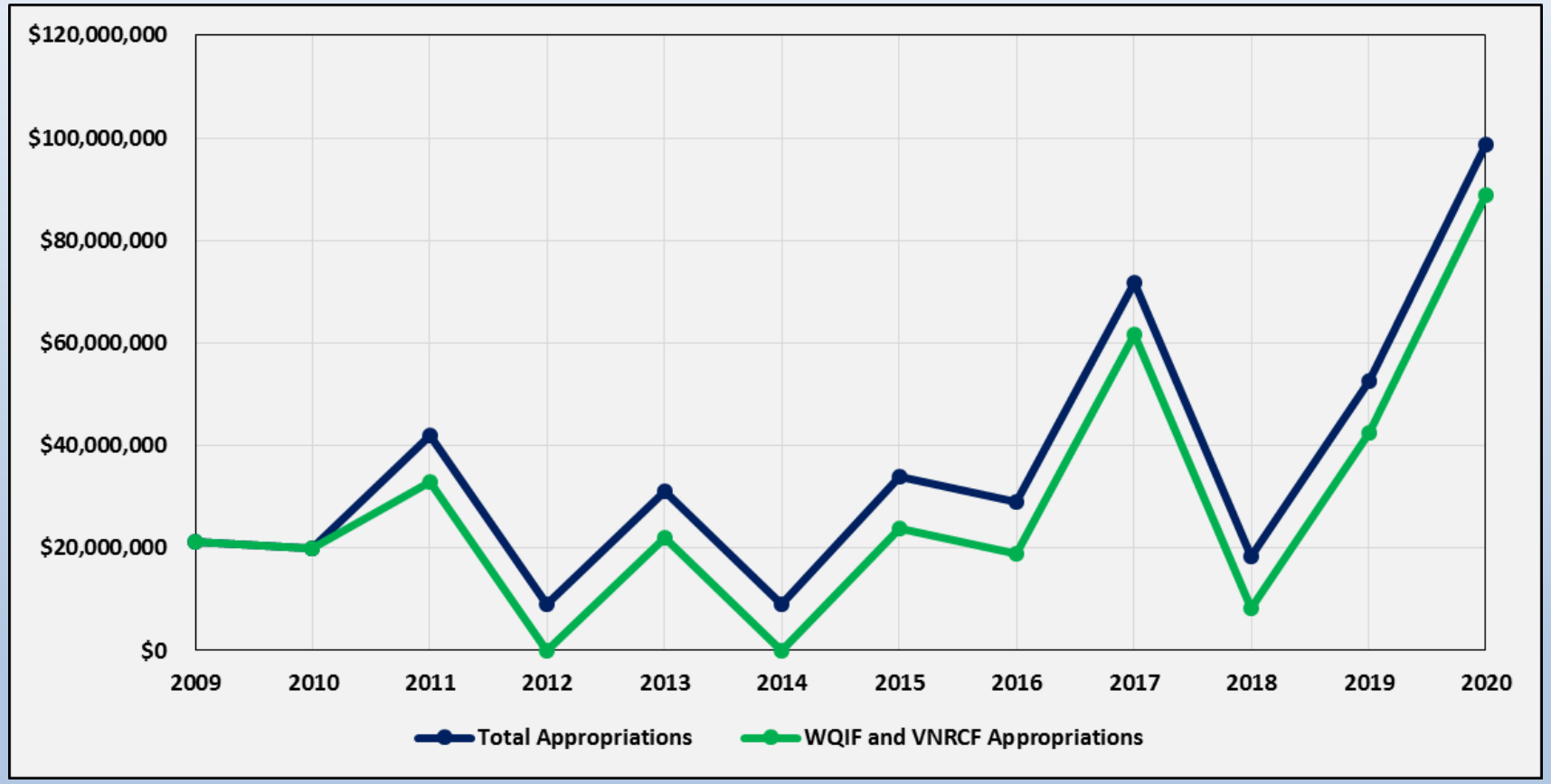
Total Appropriations vs. WQIF/VNRCF



NOTE: SWCD administration and operations funds are not included.

Dam Safety

- Governor's amendments provide an additional $267,853 for the Dam Safety, Flood Prevention and Protection Assistance Fund for a total of $732,147
- Rehabilitation of District-owned high hazard dams report submitted November 2018
  - 43 dams do not meet regulatory standards
  - $189.2 million estimated cost to rehabilitate to minimum standards
  - Prioritized using NRCS priority ranking system for rehabilitation of aging watershed dams
  - Continuing to conduct additional analysis

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Virginia State Parks

State Parks Revenues

	FY17	FY18	FY19 (Jul-Dec)
Camping	$5,326,800	$5,801,775	$2,960,304
Cabins	$6,442,861	$6,747,717	$4,755,162
Reservation Fees	$871,535	$1,022,786	$657,846
Parking	$3,583,052	$3,582,097	$1,840,163
Merchandise	$2,457,483	$2,876,003	$1,805,358
Food and Beverages	$856,456	$895,385	$525,513
Swimming	$1,123,647	$1,022,784	$587,376
Equipment Rentals	$411,800	$393,239	$235,780
Admission	$996,328	$1,044,175	$563,929
Other	$1,553,258	$1,432,516	$880,385
Total	$23,623,220	$24,818,477	$14,811,816

Proposed Land Additions

State Parks C-25	Locality
Sailor's Creek Battlefield	Amelia
Shenandoah River	Warren
Wilderness Road	Lee
Loudoun County/Sweet Run	Loudoun
Natural Area Preserves C-26	**Locality**
Camp Branch Wetlands	Floyd
Chestnut Ridge	Giles
Cleveland Barrens	Russell
Difficult Creek	Halifax
Pedlar Hills Glades	Montgomery
Poor Mountain	Roanoke
South Quay Sandhills	Suffolk

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Natural Area Preserve and State Park Acquisition and Improvement Recommendations

(Item 363, Chapter 2 of the 2018 Virginia Acts of Assembly)

- Consider further development of public access facilities, infrastructure improvements, and increased operational funding to provide public access to parks under development or open in a limited capacity, and **primed for immediate public access** enhancements. Middle Peninsula, Seven Bends, Sweet Run, and Widewater.

- Consider public access facilities, infrastructure improvements, and increased operational funding to enhance public access to the state's natural area preserve system. This would **provide public access to five natural area preserves** that currently lack any public access infrastructure, and enhance facilities at nine additional preserves.

- Consider further development of Clinch River, Mayo River, and Natural Bridge in the **near future**. These parks are all presently in some form of the land acquisition phase and will have need of funding for public access facilities, infrastructure, and operational costs in the near future.

DCR Virginia Department of Conservation & Recreation

Natural Area Preserve and State Park Acquisition and Improvement Recommendations

(Item 363, Chapter 2 of the 2018 Virginia Acts of Assembly)

- Consider the acquisition of additional acreage identified as: immediately beneficial for acquisition, are **adjacent to existing natural area preserves**, will enhance the resilience of the existing property, will protect significant natural resources, are in high demand areas for outdoor recreation, and come with relatively low operational cost and staffing needs.

- Consider the acquisition of additional acreage at parks **identified as being immediately beneficial to the state park system**. These parcels are within the same management areas and frequently adjacent to existing state parks, enhance the resilience of the existing properties, protect significant natural and cultural resources, have the potential to enhance revenue, and are generally located in high demand and low-availability areas for outdoor recreation opportunities.

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Clinch River State Park

- **Current Status:** 2015 General Assembly authorized $2.5 million for planning, acquisition and early stages of development. In 2018, the General Assembly authorized an additional $2.5 million in funding.
- Three (3) main anchor properties across four (4) counties; Tazewell, Russell, Wise, & Scott, as well as numerous river access points that will be acquired or managed with regional partners.

Governor Northam's Proposed Budget includes $534,159 in general funds and two FTE positions for a limited opening of Clinch River.

“Middle Peninsula” State Park

- **Current Status**: As part of the mitigation agreement for the Surry-Skiffes Creek transmission project, Dominion Energy is assisting with Phase I development of the site.

- Native American tribal leaders are providing input regarding the appropriate interpretive elements and name for the park, prior to development of a true master plan.

- The Timberneck site consists of 645 acres acquired by The Conservation fund and construction of Phase 1 to begin in 2019.

Sweet Run State Park

Acquired through donation of 604 acres in 2015.

Current Status: 10/2018 Loudoun County Board of Supervisors authorized acquisition of an additional 280 acres with intent of conveying to the Commonwealth. This parcel has fewer deed restrictions, which will enable DCR to provide traditional park offerings.

Currently managed by the Blue Ridge Center for Environmental Stewardship through a cooperative agreement with DCR.

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Daniel Boone Wilderness Interpretive Center

- 2014 GA authorized the transfer to DCR upon the completion of construction including 153 acres and $450K for maintenance.
- Project funded through a public private partnership of 10 partners.
- The introduced budget includes $257,187 NGF and 1 FTE and establishes a capital project for the Commonwealth to accept the center.

Virginia Great Valley Lewis and Clark Eastern Legacy Trail

The introduced budget proposes a GF amendment of $125K and 1FTE to be located at Natural Bridge State Park but will serve the entire SW Region

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