

Agriculture and Forestry

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget (Ch. 56, 2020 Special Session I)	\$64.0	\$57.4	\$62.3	\$57.4
Proposed Increases	0.0	0.0	2.7	0.0
Proposed Decreases	<u>(1.3)</u>	<u>0.0</u>	<u>(2.2)</u>	<u>0.0</u>
\$ Net Change	(1.3)	0.0	0.5	0.0
HB 1800/SB 1100, as Introduced	\$62.6	\$57.4	\$62.8	\$57.4
% Change	(2.3%)	0.0%	0.8%	0.0%
FTEs	512.59	337.41	517.58	337.42
# Change	0.00	0.00	5.00	0.00

- **Department of Agriculture and Consumer Services**

- **Food Assistance Program.** Recommends \$600,000 GF the second year to establish a Virginia Agriculture Food Assistance Program, which will provide funding to cover farmers' and food producers' costs associated with the harvesting, processing, packaging, and transporting of agriculture products in order to donate those items to charitable food assistance organizations. The existing tax credit, established in 2016 for this purpose, is currently undersubscribed. Legislation is expected to be considered during the 2021 Session to establish the grant program.
- **Food Safety Program.** Proposes to restore \$276,636 GF and 3.00 FTE the second year for three food safety inspectors and associated operating costs to enhance the food safety inspection program that had been approved during the 2020 Session, but were subsequently unallotted.
- **Watershed Implementation Plan.** Proposes to restore \$245,698 and 2.00 FTE the second year for the implementation of Agricultural Best Management Practices and enhanced auditing of contractor-applied fertilizer on nonagricultural property. This item, related to meeting the Commonwealth's water pollution reduction

targets under Phase III of the Watershed Implementation Plan, was approved during the 2020 Session but was subsequently unallotted.

- ***Wine Promotion Fund.*** Decreases the second year deposit required to be made to the Wine Promotion Fund by \$0.8 million GF based on updated wine and cider liter tax revenue collections attributable to Virginia wines and ciders. Bringing the total to approximately \$2.0 million the revenues dedicated by statute to promotion of Virginia’s viticulture industry.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces the agency’s budget by \$757,222 GF the first year and \$441,722 the second year to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I.

- **Department of Forestry**

- ***Multi-agency Incident Management Team.*** Proposes \$316,146 GF the second year to provide funding to establish a new program to work in partnership with the Virginia Department of Emergency Management to build a multi-agency Incident Management Team for enhanced response capacity for large-scale emergency incidents.
- ***Watershed Implementation Plan.*** Proposes to restore \$478,185 GF the second year to manage conservation easements, tree planting and forest conservation strategies included in Phase III of the Watershed Implementation Plan to help Virginia meet its 2025 Chesapeake Bay cleanup targets. This funding had been approved during the 2020 Session, but were subsequently unallotted.
- ***Hardwood Habitat Program.*** Proposes to restore \$521,842 GF the second year for the establishment of a new hardwood forest habitat program, modeled on the Reforestation of Timberlands program, to incentivize landowners to invest in the regeneration of hardwood trees. The existing program is limited to pine forests. General Fund amounts for both programs would match industry participant contributions. Funding would provide for initial staffing of the program with a report detailing the potential landowner incentives and best management practices for the Hardwood Habitat program required by October 15, 2021. This funding had been approved during the 2020 Session, but was subsequently unallotted.
- ***Hardwood Seedlings.*** Recommends an additional \$290,000 GF the second year in order to expand the agency’s hardwood tree seedling capacity.

- ***Charlotte County Forest Phase II.*** Proposes an additional \$6.8 million NGF in Capital Outlay for the acquisition of approximately 2,500 acres new State Forest in Charlotte County. Phase I, adopted in the 2020 Session, provided \$5.1 million from the State Forest Mitigation Acquisition Fund for initial acquisition of land by the Department of Forestry.

- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces the agency’s budget by \$0.6 million GF in the first year and \$1.0 million the second year to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session.

Commerce and Trade

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget (Ch. 56, 2020 Special Session I)	\$400.9	\$755.5	\$342.1	\$725.2
Proposed Increases	15.7	0.0	88.1	30.3
Proposed Decreases	<u>(19.1)</u>	<u>(0.0)</u>	<u>(15.7)</u>	<u>(0.0)</u>
\$ Net Change	(3.4)	0.0	72.5	30.3
HB 1800/SB 1100, as Introduced	\$397.5	\$755.5	\$414.5	\$755.5
% Change	(0.9%)	0.0%	21.2%	4.2%
FTEs	421.23	1,301.77	427.23	1,318.77
# Change	9.00	0.00	15.00	17.00

- **Economic Development Incentive Payments (EDIP)**
 - *Virginia Investment Partnership Grants.* Proposes a technical reduction of \$160,000 GF the second year to align with anticipated grant payments. The payments are based on negotiated grants awarded to select projects that invest in Virginia and meet specified job creation and capital investment targets.
 - *Special Workforce Grants.* Increases grant payments the second year by \$2.3 million GF, bringing the total to \$5.3 million GF in FY 2021 and \$5.2 million GF in FY 2022. Grants are payable to a qualified company (Amazon Web Services) pursuant to Chapter 744 of the 2018 Acts of Assembly (HB 1551).
 - *Technology Development Grants.* Provides \$5.6 million GF the second year to be deposited to a special, nonreverting fund for the award of grants to a qualified company (Microsoft) pursuant to legislation to be considered during the 2021 legislative session. This represents the first installment of a multi-year custom performance grant totaling \$22.5 million. The project will result in the establishment of a new software development and R&D regional hub in a

qualified county. This economic development project was endorsed by the MEI Commission.

- ***Virginia Jobs Investment Program Grants.*** Proposes \$2.0 million GF the second year to restore previously unallotted funding for the Virginia Jobs Investment Program for grants to eligible businesses to offset recruiting, training and retraining costs.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces \$1.0 million GF the first year and \$3.0 million GF the second year in the agency's budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$2.0 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the Virginia Jobs Investment Program bullet above.

- **Department of Housing and Community Development**

- ***Increase Funding for Broadband.*** Proposes an additional \$15.3 million GF and four positions for the Virginia Telecommunication Initiative (VATI). The recommended appropriation includes \$15.0 million GF the second year to level fund VATI program grants at \$49.7 million in both FY 2021 and FY 2022, and an additional \$250,000 GF to fund two positions the second year for administration.
- ***Increase Deposits to the Housing Trust Fund.*** Recommends increasing deposits to the Housing Trust Fund by \$15.7 million GF in FY 2021 and \$25.0 million GF in FY 2021. The proposal would increase the appropriation to \$70.7 million GF the first year and \$55.0 million GF the second year and authorize an additional four positions. Proposed funding in the first year includes \$28.2 million designated to continue the Virginia Rent and Mortgage Relief Program when monies allocated from the Coronavirus Relief Fund expire.
- ***Eviction Prevention and Diversion Program.*** Recommends \$3.3 million GF to restore previously unallotted funding and authorizes two positions in the second year for the Eviction Prevention and Diversion Program at the Department of Housing and Community Development.
- ***Southeast Rural Community Assistance Project.*** Provides \$600,000 GF the second year, restoring previously unallotted funding for the Southeast Rural Community Assistance Project (SERCAP). SERCAP provides low-income, rural communities with technical assistance and support for water, wastewater and community development projects.

- ***Virginia Main Street Program.*** Recommends an increase of \$3.0 million GF for the Virginia Main Street Program, increasing proposed funding in FY 2022 from \$500,000 to \$3.5 million GF. The Virginia Main Street Program is a preservation-based economic and community development program that offers assistance to communities interested in revitalizing their historic commercial districts.
- ***NGF Appropriation for Federal Coronavirus Relief Funds.*** Recommends \$30.0 million NGF and 10 authorized positions at the Department of Housing and Community Development to administer federal funds received by the agency to provide coronavirus relief.
- ***NGF Appropriation for Percentage of Income Payment Program.*** Provides \$300,000 NGF and three positions at the Department of Housing and Community Development to administer the weatherization components of the Percentage of Income Payment Program (PIPP) in accordance with Chapters 1193 and 1194 of the 2020 Acts of Assembly (HB 1526/SB 851).
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces \$3.6 million GF the first year and \$4.9 million GF the second year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session. Of this total, \$3.9 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullets above.

- **Department of Labor and Industry**

- ***Increase Personnel in Occupational Safety Programs.*** Proposes an increase of \$1.5 million GF the second year to fill 12 unfunded positions in the Virginia Occupational Safety and Health (VOSH) Program, restoring previously unallotted funding. These positions would conduct safety and health inspections and issue citations where violations of VOSH regulations are found.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces \$1.5 million GF each year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$1.5 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullet above.

- **Department of Mines, Minerals and Energy**
 - *Savings from Agency Restructuring.* Recommends a reduction of \$547,780 GF the second year from savings associated with agency restructuring proposed in legislation to be considered during the 2021 legislative session. Under the proposed restructuring, the Department of Mines, Minerals and Energy would realign resources in order to increase its focus on renewable energy development. The proposed realignment would include a name change for the agency, a restructured workforce, and the closure of a field office in Lebanon, VA.

- **Department of Small Business and Supplier Diversity**
 - *Establish a Statewide Strategic Sourcing Unit.* Includes \$741,130 GF the second year and seven positions to establish and support a statewide unit to strategically source small, woman, and minority-owned (SWaM) participation on large dollar Commonwealth contracts. This is a restoration of funding previously unallotted.
 - *Distribute Budget Reductions from Central Appropriations to Agency Budgets.* Reduces \$370,565 GF the first year and \$741,130 GF the second year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$741,130 GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullet above.

- **Virginia Economic Development Partnership**
 - *Increase Funding for Business Ready Sites Program.* Proposes an additional \$5.0 million GF the second year to expand funding for grants used to characterize, inventory, and develop sites in the Commonwealth in order to be more competitive with other states in attracting economic development projects.
 - *Create the Office for Labor Market and Education Alignment.* Provides \$500,000 GF the second year to establish the Office of Education and Labor Market Alignment in accordance with legislation to be considered by the 2021 General Assembly.
 - *Distribute Budget Reductions from Central Appropriations to Agency Budgets.* Reduces \$12.5 million GF the first year and \$4.7 million GF the second year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$5.0

million GF is proposed for restoration in HB 1800/SB 1100 as described in the bullets above.

- **Virginia Employment Commission**

- *One-time Funding for Customer Service Costs.* Includes \$10.0 million GF the second year for one-time support to cover costs associated with the increase in staffing necessary to process the high volume of unemployment insurance claims as a result of the COVID-19 pandemic.
- *Interest Payment on Federal Cash Advances.* Provides \$7.5 million GF the second year for estimated interest due on federal cash advances for unemployment insurance benefits. The interest payment will be due in September 2021. This interest payment is based on estimated borrowing of \$538.1 million from the federal government through September 2021.
- *Funding to Integrate CARES Act Programs into Unemployment Insurance System.* Includes \$5.0 million GF the second year for one-time costs to incorporate programs authorized by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act into the agency's new unemployment insurance system.

- **Virginia Tourism Authority**

- *Increase Funding for Heart of Appalachia Tourism Authority.* Proposes an increase of \$100,000 GF the second year, from \$200,000 to \$300,000 GF, to support tourism marketing in the coalfield region.
- *Distribute Budget Reductions from Central Appropriations to Agency Budgets.* Reduces \$150,000 GF the first year and \$100,000 GF the second year in the agency's budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$100,000 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullet above.

- **Virginia Innovation Partnership Authority**

- *Additional Funding for Rent.* Proposes \$750,000 GF the second year for the Virginia Innovation Partnership Authority (VIPA) for rent expenses at locations in Richmond, VA and Northern Virginia. Before being restructured as VIPA, the Innovation and Entrepreneurship Authority occupied space rent free in a building owned by the Commonwealth in Herndon, VA. The building was sold in May 2020.

Natural Resources

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget (Ch. 56, 2020 Special Session I)	\$211.9	\$284.2	\$199.3	\$283.0
Proposed Increases	0.3	0.0	36.7	0.2
Proposed Decreases	<u>(10.0)</u>	<u>(0.0)</u>	<u>(40.0)</u>	<u>(0.0)</u>
\$ Net Change	(9.7)	0.0	(3.3)	0.2
HB 1800/SB 1100 as Introduced	\$202.3	\$284.2	\$196.0	\$283.2
% Change	(4.6%)	0.0%	(1.7%)	0.1%
FTEs	1,022.00	1,157.00	1,031.00	1,157.00
# Change	0.00	0.00	9.00	0.00

- **Department of Conservation and Recreation**

- *Allocation of Mandatory and Supplemental Water Quality Improvement Fund (WQIF) Deposit.* Proposes to appropriate a total of \$39.4 million to the WQIF in FY 2022, reflecting both a mandatory deposit of \$30.4 million based upon FY 2020 agency balances and a supplemental deposit totaling \$9.0 million, in addition to \$4.55 million GF included in FY 2022 for base technical assistance funding provided to the Soil and Water Conservation Districts. The Governor recommends to utilize the deposit as follows:

- \$35.0 million GF in FY 2022 to be deposited in the Natural Resources Commitment Fund (NRCF), with \$24.5 million used for Agricultural Best Management Practices within the Chesapeake Bay watershed and \$10.5 million for Agricultural Best Management Practices outside the Chesapeake Bay watershed. Additionally, the remaining \$4.35 million would be used to provide \$500,000 for the Conservation Reserve Enhancement Program (CREP); \$500,000 for the Virginia Conservation Assistance Program (VCAP);

\$1.0 million for special nonpoint source reduction projects including poultry litter transportation and development of Resource Management Plans; \$250,000 for the Small Farm Outreach Program; \$250,000 for the Department of Forestry water quality grants; \$500,000 for the Virginia Trees for Clean Water program; \$1.0 million to the Department of Environmental Quality for the Clean Water Financing and Assistance Program; \$100,000 to the Department of Health for analysis of statewide septic hotspots and mapping of communities with failing or failed onsite wastewater treatment; and \$250,000 for development and maintenance of the Conservation Application Suite.

- ***Project Harmony.*** Proposes \$5.0 million GF the second year for Project Harmony in support of the establishment of the Harmony Living Shoreline Memorial and activities to repatriate the tombstones of the former Columbian Harmony Cemetery, located in Washington D.C. The proposed authorizing language allows for the funds to be used for all aspects of the project, including but not be limited to the location, recovery, and cataloging of tombstones from the shoreline of the Potomac River; transportation of tombstones to New Harmony cemetery in Landover, Maryland; and, the installation of Harmony Living Shoreline memorial using remaining materials from the former Columbian Harmony Cemetery that cannot be recovered.
- ***Acquisition and Reclamation of Chickahominy Tribe Land.*** Recommends \$3.5 million GF the second year to be provided to the Chickahominy Tribe to assist in the acquisition and restoration of tribal lands.
- ***Increase Support for Natural Heritage Area.*** Proposes \$1.0 million GF the second year and five positions to improve public safety and access to Natural Area Preserves. Of the new positions, three will be public access coordinators to handle increased visitor traffic being experienced at Virginia’s Natural Area Preserves.
- ***Increase Appropriation for State Park Operations.*** Proposes \$556,000 GF the second year to increase support for state park maintenance, supplies, and the hiring of additional wage staff. This is a restoration of funding that had been approved during the 2020 Session, but was subsequently unallotted.
- ***Address Agency Pandemic-Related Costs.*** Recommends \$300,000 GF the first year to address increased personnel costs resulting from pandemic response activities.
- ***Dam Safety Floodplain Manager.*** Proposes the \$400,395 GF the second year and three positions in the Dam Safety and Floodplain Management Program. Of these, two positions are intended to provide assistance to Virginia residence and localities to ensure compliance with the National Flood Insurance Program. This is a

restoration of had been approved during the 2020 Session, but was subsequently unallotted.

- ***Distribute Budget Reductions from Central Appropriations to Agency Budget.*** Reduces by \$2.5 million GF the first year and \$27.2 million GF the second year the agency’s general fund budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in 2020 Special Session I. The vast majority relates to a supplemental WQIF deposit that has been replaced by the deposit resulting from the FY 2020 agency balances.
- ***Increase Nongeneral Fund Appropriation for State Park Projects Fund.*** Recommends increasing the appropriation for the State Park Projects Fund by \$200,000 NGF the second year to reflect anticipated revenues and expenditures.
- ***State Park and Natural Preserve Acquisition List.*** Amendments to Part 2 propose to increase by \$500,000 NGF the first year and \$800,000 NGF the second year support for state park land acquisition, and updates the list of parks and natural area preserves to expand acquisitions of property. Specifically, the amendment adds Highbridge Trail, Staunton River, and Grayson Highlands State Parks and removes Westmoreland. With respect to natural areas, Dendron Swamp, Magothy Bay, and Lyndhurst Ponds would be added and would remove Antioch Pines and Camp Branch Wetlands from the list of properties the Department is authorized to purchase property within or adjacent to.

- **Department of Environmental Quality**

- ***Increase Appropriations for Monitoring and Compliance Activities.*** Proposes a total of \$12.0 million GF the second year be provided for positions, equipment and contractual work for monitoring, compliance, permitting, and policy activities in the Air Protection (\$2.0 million); Land Protection (\$1.7 million); and, Water Protection (\$8.3 million) programs. This is a restoration of funding that had been approved during the 2020 Session, but was subsequently unallotted.
- ***Conformity with Federal Hydrofluorocarbon Requirements.*** Proposes a clarifying amendment directing the Department to expeditiously propose a rule to conform state regulations regarding the use of hydrofluorocarbons to federal Clean Air Act requirements should new rules be adopted by the United States Environmental Protection Agency.
- ***Continue Water Quality Enhancement Fee.*** Proposes the re-implementation of the water quality enhancement fee paid by nutrient credit banks upon application for credits, at a rate equal to five percent of the amount paid for credits. A similar

proposal included by the Governor in HB 5005/SB 5050 (2020 Special Session I) to continue the water quality enhancement fee at a rate of 6 percent was rejected by the General Assembly. The language proposed by the Governor in HB 1800/ SB 1100 also establishes a workgroup of affected stakeholders to make recommendations to improve the long-term sustainability of the water quality enhancement fee and report to the Governor and General Assembly by November 1, 2021.

- ***Distribute Budget Reductions from Central Appropriations to Agency Budget.*** Reduces by \$6.2 million GF the first year and \$12.0 million GF the second year the agency’s general fund budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in 2020 Special Session I. The second year amounts are offset by a corresponding increase in staffing for these activities listed above.

- **Department of Historic Resources**

- ***Replace Robert E. Lee Statue in U.S. Capitol.*** Proposes \$35,000 GF the first year and \$483,500 GF the second year for the removal of the Robert E. Lee statute in the Statuary Hall of the United States Capitol building and the design and installation of a statue of Barbara Rose Johns as its replacement.
- ***Fund Cemetery Preservation Position.*** Includes \$108,000 GF the second year for the Department to hire a cemetery preservation specialist.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budget.*** Reduces by \$732,144 GF the first year and \$740,714 GF the second year the agency’s general fund budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in 2020 Special Session I.

- **Marine Resources Commission**

- ***Coastal Resiliency Manager.*** Proposes \$78,150 GF the second year for a coastal resiliency manager to manage the Waterways Improvement Fund. This is a restoration of what had been approved during the 2020 Session, but was subsequently unallotted.
- ***Unmanned Aerial Vehicles.*** Recommends \$18,672 GF the second year through a pilot program to use unmanned aerial vehicles to assist in patrolling coastal areas.

This is a restoration of what had been approved during the 2020 Session, but was subsequently unallotted.

- ***Outboard Motors.*** Proposes \$14,710 GF the second year to purchase six replacement outboard motors for law enforcement. This is a restoration of what had been approved during the 2020 Session, but was subsequently unallotted.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budget.*** Reduces by \$575,153 GF the first year and \$135,845 GF the second year the agency's general fund budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in 2020 Special Session I.