

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** HB1309

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** Bulova

**3. Committee:** Passed both Houses.

**4. Title:** Resilient Virginia Revolving Fund.

**5. Summary:** Creates the Resilient Virginia Revolving Fund. The bill provides guidelines for deposits, expenditures, and investments and requires an annual audit of the Virginia Resources Authority. The bill provides that the Fund be used for loans or to refinance projects for local governments or to give grants to them, and establishes guidelines for the priority of such loans and grants.

**6. Budget Amendment Necessary:** Yes, to capitalize the fund and to provide for the distribution of funds to the Virginia Resources Authority. See items 8 and 11.

**7. Fiscal Impact Estimates:** Final.

**8. Fiscal Implications:** This bill establishes the Resilient Virginia Revolving Fund to be administered by the Virginia Resources Authority (VRA) in consultation with the Soil and Water Conservation Board staffed by the Department of Conservation and Recreation (DCR). The provisions of the bill state that the Fund shall be supported by sums appropriated by the General Assembly. To capitalize the Fund, a budget amendment is required.

The bill does not require that the Fund be on the books of the State Comptroller. In addition, VRA does not have access to the state accounting system. It is anticipated that any appropriation provided for this Fund will require a pass-through agreement between DCR and VRA. Budget language authorizing the transfer of funding to VRA will be required. DCR has a similar arrangement with VRA for both the Dam Safety, Flood Prevention and Protection assistance Fund and the Community Flood Preparedness Fund

Provisions of the bill authorize VRA to disburse from the Fund its reasonable costs and expenses incurred in the administration and management of the Fund and a reasonable fee to be approved by the Board for its management services. VRA may provide a portion of that fee to DCR to cover the department's costs and expenses in administering the Fund. At this time, the size and scope of this program is unknown. However, based on the Dam Safety, Flood Prevention and Protection Assistance Program, which DCR and VRA co-administer, DCR anticipates that it may require nongeneral fund appropriation and positions. The estimated cost of the positions is \$208,000 annually. One position would be a program specialist (\$110,000 estimated salary and benefits) and the second position would be a grant

specialist (\$98,000 estimated salary and benefits). The positions and fund source would be the administrative allowance for program administration provided for in this bill.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Resources Authority; Department of Conservation and Recreation; localities.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** House amendments to HB30/SB30 include \$25.0 million the first year from the unobligated balances of the Community Flood Preparedness Fund (09037) for deposit in the Resilient Virginia Revolving Fund. Senate amendments include \$10.0 million the first year from the general fund deposit in the Resilient Virginia Revolving Fund.

SB756 also establishes the Resilient Virginia Revolving Fund.