

## Department of Planning and Budget 2022 Fiscal Impact Statement

**1. Bill Number:** SB508

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

**2. Patron:** Lewis

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:** Water and Soil Conservation Board; Virginia Community Preparedness Fund.

**5. Summary:** Shifts administration of the Virginia Community Preparedness Fund from the Department of Conservation and Recreation to the Soil and Water Conservation Board. The bill also expands the membership of the Board from nine to 11 members, with the General Assembly making the two additional appointments from flood-prone communities.

**6. Budget Amendment Necessary:** See item 8.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** The bill removes the Department of Conservation and Recreation (DCR) as the administrator of the Virginia Community Flood Preparedness Fund and shifts responsibility to the Soil and Water Conservation Board. The bill also increases the Board's membership by adding two appointments from flood-prone communities. Additionally, this bill requires the Virginia Resources Authority (VRA) to submit an annual report to the General Assembly and the Governor on the Fund and the administration of all grants and loans made from the Fund.

Virginia Community Flood Preparedness Fund is a low-interest loan program to help inland and coastal communities that are subject to recurrent flooding. DCR administers the Fund, and the Virginia Resources Authority (VRA) manages the Fund in accordance with § 10.1-603.25, Code of Virginia, and a memorandum of agreement (MOA) between the two entities. The Code of Virginia and the MOA authorize both DCR and VRA to recover reasonable costs of administration from the Fund. Presently, DCR has seven positions and \$860,842 of nongeneral fund appropriation to support the administration of this Fund. Additionally, HB30/SB30, as Introduced, includes \$85.0 million in nongeneral fund appropriation and five additional positions to support this program. The Fund's source of funding is revenue generated from the Commonwealth's participation in the Regional Greenhouse Gas Initiative quarterly auctions.

As part of DCR's responsibilities in administering the Fund, these positions are charged with the development and implementation of Virginia's Coastal Resilience Master Plan and for providing outreach and technical assistance to localities and other stakeholders regarding the grant opportunities provided by the Fund. As this bill shifts responsibility of administration

to the Soil and Water Conservation Board, it is uncertain how these positions will be affected. DCR currently serves as staff support for the Board, and technical staff will continue to be needed to assist the Board with the necessary outreach and technical assistance tasks associated with administering the Fund.

**9. Specific Agency or Political Subdivisions Affected:** Department of Conservation and Recreation; Soil and Water Conservation Board; Virginia Resources Authority.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.