VIRGINIAforever members,

I hope you and your loved ones are doing well. I’m writing to share the legislative summary below as it relates to VIRGINIAforever’s priorities during the 2020 Virginia General Assembly session. As you may suspect, the COVID-19 crisis will likely have a profound impact on Virginia’s budget. Revenues will almost certainly come in under previous projections, and available funds may need to be diverted to reflect the state’s response to the pandemic. The overall situation is likely to remain highly fluid for the next few weeks, and the actual impact on VIRGINIAforever’s priorities is difficult to predict; with that in mind, the summary below reflects the budget as passed. As the situation develops, we will keep you posted; for now, we are continuing to closely monitor.

Best regards,

VIRGINIAforever staff

2020 General Assembly Boosts (Some) Natural Resources Investments

Legislators scale back Gov. Northam’s proposals, but still some bright spots

When Gov. Ralph addressed the General Assembly’s budget committees in December, he proposed record investments in natural resources. His proposed budget included $733 million in new funding, including $400 million for water quality programs, $40 million for land conservation, $133 million for state parks infrastructure, and $25 million for Department of Environmental Quality (DEQ) increased staff for permitting, enforcement, and communications. A significant amount of this new funding was in the form of debt.

Throughout the legislative session members of the General Assembly’s budget-writing committees expressed concern that the proposed level of new debt might be too much.

They also made clear their budget priorities included boosting the state’s Rainy Day Fund and other reserves, state employee and K-12 teacher salary increases, and higher education tuition controls. In the end, the General Assembly’s budget included several hundred million dollars to reserves, bringing it to a record $2.1 billion; nearly $600 million for state and local public employee salary hikes; and $135 million for tuition-freeze funds and undergraduate financial aid increases.

For several years, General Assembly budget writers have moved to reign in reliance on bonds based on briefings from the Treasurer. Virginia is one of 13 states with Triple A rating and the state has been careful maintain this standing. This issue did seem to influence the bonding request from the natural resource agencies.
Gov. Northam’s overall proposed new debt neared $1 billion – for everything from mental health hospitals to university facilities to prisons to state parks. To some, this made sense, given a mostly healthy economy and low interest rates. To the legislature, it was too much, given some economic uncertainties and a desire to preserve more debt capacity.

When the General Assembly adopted its budget on March 12, they’d trimmed some $500 million from the governor’s proposed capital projects. The General Assembly also significantly reduced the amount of cash the Governor proposed allocating to natural resources programs.

Here’s what VIRGINIAforever’s 5-Year Plan recommended, what the Governor proposed, and what the General Assembly ultimately adopted for natural resources spending.

- Water Quality Improvement Fund
  - VIRGINIAforever 5-Year Plan: $55 million per year
  - Governor’s proposal: $120 million (bonds)
  - General Assembly approved: $50 million (bonds)

- Stormwater Local Assistance Fund
  - VIRGINIAforever 5-Year Plan: $80 million per year
  - Governor’s proposal: $182 million (bonds)
  - General Assembly approved: $50 million (bonds)

- Alexandria CSO support
  - VIRGINIAforever 5-Year Plan: No specific recommendation
  - Governor’s proposal: $65 million (bonds)
  - General Assembly approved: $25 million (bonds)

- Oyster Reef Restoration
  - VIRGINIAforever 5-Year Plan: No specific recommendation
  - Governor’s proposal: $11.5 million (cash and bonds)
  - General Assembly approved: $11.5 million (cash and bonds)

- Agricultural BMPs
  - VIRGINIAforever 5-Year Plan: $100 million per year
  - Governor’s proposal: $89 million (cash) over
General Assembly approved $66.6 million (cash) over biennium, plus $4.5 million for technical assistance to the base budget

- Virginia Land Conservation Fund
  - VIRGINIAforever 5-Year Plan
    - Governor’s proposal $20 million per year
    - General Assembly approved biennium $20 million (cash) over biennium
  - Governor’s proposal $40 million (cash) over biennium

- State Parks and other Infrastructure
  - VIRGINIAforever 5-Year Plan
    - $70 million per year for conservation lands $115 million per year for public access projects
  - Governor’s proposal $133 million (bonds)
    - General Assembly approved $33.65 million (bonds)

Gov. Northam’s proposed budget included record investments in natural resources. This in itself was an accomplishment, driven in no small part by VIRGINIAforever’s and many other environmental and business organizations’ advocacy.

A bright spot is that the $50 million appropriated to the stormwater fund, which is a dollar-for-dollar cost-share program with localities, is a record amount. The most previously appropriated was $35 million in 2013. Over the past half-dozen years, the General Assembly has appropriated $100 million to stormwater projects, which was matched by local governments.

Gov. Northam is currently reviewing the General Assembly’s amendments to his budget. The governor can propose additional amendments to the legislature’s adopted budget. The General Assembly returns to Richmond on April 22 for the one-day Reconvened Session, when legislators will consider – for a final time – amendments to the budget and other legislation as well as any vetoes the governor might propose.