



Report of the Subcommittee on
Economic Development and
Natural Resources

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 5, 2023



SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

**2023 Report of the Economic Development and
Natural Resources Subcommittee
The Honorable David W. Marsden, Chair
February 5, 2023**

Madam Chair, Mister Chair, and Members of the Committee:

Your Subcommittee has carefully reviewed the Governor's introduced budget for the Secretariats of Agriculture and Forestry, Commerce and Trade, Labor, and Natural Resources. We have thoughtfully considered those proposals, along with those offered by our Senate colleagues.

Our Commonwealth and its people have so much to offer, it is our job to continue delivering on our shared values. All Virginians deserve an affordable, safe place to live. Our Subcommittee endorsed \$150.0 million from a contingent amount for the Housing Trust Fund. In addition, funding is provided to establish a Manufactured Home Parks Affordable Housing Pilot that will provide grants to homeowners associations and non-profits who promise to maintain the property as a mobile home park for 30 years. Much of the affordability crisis is driven by housing stock challenges, and the Subcommittee has approved development of a Residential Sites and Structures Locator to help match available land and builders.

Virginia is regionally diverse, and all citizens should have access to new technology and opportunities. The Subcommittee has redirected funding to the Virginia Business Ready Sites Program to focus on local economic development authorities making decisions and acquiring sites for business prospects. In addition, flexibility is added to the broadband line extension program to enhance access in

rural areas regardless of income, and initial support is provided to establish the Electric Vehicle Infrastructure Program so that rural areas can benefit and have access to new technologies.

Virginians value our environment and natural resources, and the Subcommittee recommends providing \$102.9 million for new investments in the areas of Natural and Historic Resources and Agriculture and Forestry. Included in that amount is \$50.0 million from a contingent amount for Soil and Water Conservation District Dam repairs and enhancements. Protecting and preserving our natural resources is only possible with the right tools in place, and a total of \$4.2 million, across four agencies, is dedicated to invasive species detection and eradication. Additionally, funding of \$12.9 million is included to incentivize the adoption of agricultural best management practices and support is also provided to upgrade the Conservation Suite system used to monitor and document our progress.

This completes the report of the Economic Development and Natural Resources Subcommittee. I hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

The Honorable David W. Marsden, Chairman

The Honorable Frank M. Ruff, Jr., Vice-Chair

The Honorable Janet D. Howell

The Honorable Richard L. Saslaw

The Honorable Emmett W. Hanger, Jr.

The Honorable George L. Barker

Report of the Subcommittee on Economic Development and Natural Resources
(Recommended Amendments to SB 800, As Introduced)

Amendment		SB 800		
		FY 2023	FY 2024	Biennium
1	AGRICULTURE AND FORESTRY			
2	Department of Agriculture and Consumer Services			
3	Add Wholesome Food to Agricultural Food Assistance Fund	\$ -	\$ 500,000	\$ 500,000
4	Dairy Margin Coverage Program	\$ -	\$ 1,000,000	\$ 1,000,000
5	Farmland Preservation Fund	\$ -	\$ 2,000,000	\$ 2,000,000
6	Allocate Positions Using Existing Revenue (NGF)	\$ -	\$ -	\$ -
7	Governor's Blue Catfish Industries Development Fund	\$ -	\$ 2,000,000	\$ 2,000,000
8	Meat Processing Capacity	\$ -	\$ 1,000,000	\$ 1,000,000
9	Livestock Depredation	\$ -	\$ 200,000	\$ 200,000
10	Invasive Species Management	\$ -	\$ 485,000	\$ 485,000
11	Department of Forestry			
12	Forest Sustainability Fund	\$ -	\$ 10,000,000	\$ 10,000,000
13	Statewide Study of Forests & Tree Canopy Relative to Chesapeake Bay Goals	\$ -	\$ 500,000	\$ 500,000
14	Invasive Species Management	\$ -	\$ 940,000	\$ 940,000
15	AGRICULTURE AND FORESTRY TOTAL	\$ -	\$ 18,625,000	\$ 18,625,000
16	COMMERCE AND TRADE			
17	Economic Development Incentive Payments			
18	Virginia Business Ready Sites Program	\$ 100,000,000	\$ 150,000,000	\$ 250,000,000
19	Site Acquisition Program	\$ (200,000,000)	\$ (250,000,000)	\$ (450,000,000)
20	Remediation Incentive for Sale of Central Virginia Training Center	\$ -	\$ 6,000,000	\$ 6,000,000
21	SB 1522: Cloud Computing Cluster Infrastructure		<i>Language</i>	
22	SB 1308: Eligibility for Site Development Grants		<i>Language</i>	

Report of the Subcommittee on Economic Development and Natural Resources
(Recommended Amendments to SB 800, As Introduced)

Amendment		SB 800		
		FY 2023	FY 2024	Biennium
23	Department of Housing and Community Development			
24	Manufactured Home Parks Affordable Housing Pilot	\$ -	\$ 3,000,000	\$ 3,000,000
25	Residential Sites and Structures Locator	\$ -	\$ 350,000	\$ 350,000
26	SB: 839 Statewide Housing Assessment	\$ -	\$ 400,000	\$ 400,000
27	General Fund Support for Flood Relief	\$ 11,000,000	\$ -	\$ 11,000,000
28	Center for Rural Virginia	\$ 88,750	\$ 355,000	\$ 443,750
29	Expand Line Extension Customer Assistance Program Eligibility (NGF)	\$ -	\$ -	\$ -
30	Community Development Financial Institutions Fund	\$ -	\$ 5,000,000	\$ 5,000,000
31	White Mill Whitewater Channel in Danville	\$ -	\$ 1,000,000	\$ 1,000,000
32	Local Capacity for Building Permits	\$ -	\$ (10,000,000)	\$ (10,000,000)
33	Agriculture Technology Workforce	\$ -	\$ (650,000)	\$ (650,000)
34	GO Virginia Workforce Transfer	\$ -	\$ (10,000,000)	\$ (10,000,000)
35	Department of Energy			
36	Commonwealth Solar and Economic Development Program	\$ -	\$ 50,000	\$ 50,000
37	Southwest Virginia Energy Research and Development Authority	\$ -	\$ 250,000	\$ 250,000
38	Study of Economic and Environmental Impacts of Coal Ash	\$ -	\$ 250,000	\$ 250,000
39	Electric Vehicle Infrastructure Program		\$ 50,000	\$ 50,000
40	Power Innovation Fund		\$ (8,000,000)	\$ (8,000,000)
41	Fort Monroe Authority			
42	Marketing Support	\$ -	\$ (211,000)	\$ (211,000)
43	Operating Support		\$ 500,000	\$ 500,000
44	Virginia Economic Development Partnership			
45	Central Virginia Rail-centric Economic Development Study		\$ 200,000	\$ 200,000
46	Airline Service Expansion Study	\$ -	\$ (1,200,000)	\$ (1,200,000)
	COMMERCE AND TRADE TOTAL	\$ (88,911,250)	\$ (112,656,000)	\$ (201,567,250)

Report of the Subcommittee on Economic Development and Natural Resources
(Recommended Amendments to SB 800, As Introduced)

Amendment		SB 800		
		FY 2023	FY 2024	Biennium
47	LABOR			
48	Establish Department of Workforce Development and Advancement	\$ 5,000,000	\$ -	\$ 5,000,000
49	Virginia Employment Commission			
50	Unemployment Insurance Trust Fund Supplemental Deposit	\$ (60,000,000)	\$ -	\$ (60,000,000)
51	Paid Family and Medical Leave (Line of Credit)		<i>Language</i>	
52	LABOR TOTAL	\$ (55,000,000)	\$ -	\$ (55,000,000)
53	NATURAL RESOURCES			
54	Department of Conservation and Recreation			
55	Conservation Application Suite System	\$ -	\$ 1,000,000	\$ 1,000,000
56	Soil and Water Conservation District Training and Certification	\$ -	\$ 350,000	\$ 350,000
57	Operational Support for Soil and Water Conservation Districts	\$ -	\$ 1,000,000	\$ 1,000,000
58	Lake Anna Harmful Algal Bloom		\$ 500,000	\$ 500,000
59	Incentivize Cost-Effective Agricultural Best Management Practices	\$ -	\$ 12,907,600	\$ 12,907,600
60	Invasive Species Management	\$ -	\$ 250,000	\$ 250,000
61	Wetland Restoration & Forested Stream Buffers Related to Chesapeake Bay Goals	\$ -	<i>Language</i>	\$ -
62	Study of Baseline Funding for Agricultural Water Quality Improvement	\$ -	<i>Language</i>	\$ -
63	Cost Share Program for Livestock Poultry and Waste Facilities	\$ -	<i>Language</i>	\$ -
64	Virginia Land Conservation Fund	\$ -	\$ 10,000,000	\$ 10,000,000
65	State Parks Personnel	\$ -	\$ 7,500,000	\$ 7,500,000
66	Virginia Land Conservation Tax Credit Workgroup	\$ -	<i>Language</i>	\$ -
67	Office of Trails Workgroup		<i>Language</i>	\$ -
68	Allocate Positions Using Existing Revenue (NGF)	\$ -	\$ -	\$ -
69	Department of Environmental Quality			
70	Keep Virginia Beautiful Campaign	\$ -	\$ 150,000	\$ 150,000

Report of the Subcommittee on Economic Development and Natural Resources
(Recommended Amendments to SB 800, As Introduced)

Amendment		SB 800		
		FY 2023	FY 2024	Biennium
71	Department of Wildlife Resources			
72	Invasive Species Management	\$ -	\$ 775,000	\$ 775,000
73	Department of Historic Resources			
74	Jefferson School African American Heritage Center	\$ -	\$ 200,000	\$ 200,000
75	Nelson Heritage Center	\$ -	\$ 200,000	\$ 200,000
76	Virginia Battlefield Preservation Fund - New Market Battlefield	\$ -	\$ 3,750,000	\$ 3,750,000
77	Virginia Museum of Transportation	\$ -	\$ 500,000	\$ 500,000
78	Dogwood Veterans Memorial Foundation	\$ -	\$ 600,000	\$ 600,000
79	Saint Paul's College Museum and Archives	\$ 100,000	\$ -	\$ 100,000
80	Marine Resources Commission			
81	Oyster Shell Recycling Grant	\$ -	\$ 100,000	\$ 100,000
82	NATURAL RESOURCES TOTAL	\$ 100,000	\$ 39,782,600	\$ 39,882,600
83	Central Appropriations			
84	Animal Disease Outbreak Producer Indemnification		<i>Language</i>	\$ -
85	Line Extension Customer Assistance Program (SLRF-ARPA) (NGF)	\$ -	\$ -	
70	<i>Various language amendments</i>		<i>Language</i>	<i>Language</i>
70	SUBCOMMITTEE TOTAL	\$ (143,811,250)	\$ (54,248,400)	\$ (198,059,650)

Invasive Species Management

Agriculture and Forestry	FY22-23	FY23-24	
Department of Forestry	\$0 0.00	\$940,000 2.00	GF FTE

Language:

Page 96, line 14, strike "\$39,041,707" and insert "\$39,981,707".

Page 97, after line 43, insert:

"O. Out of the amounts in this item, \$940,000 in the second year from the general fund is provided to support two additional staff positions and implement strategies to mitigate the impact of invasive species in support of the objectives outlined in the 2018 Virginia Invasive Species Management Plan. The Department shall take steps to eradicate or slow the spread of priority species on private and public lands; support the creation of additional Partnerships for Regional Invasive Species Management (PRISMs); and provide statewide coordination of invasive species management working with Department of Agriculture and Consumer Services, the Department of Conservation and Recreation, and the Department of Wildlife Resources in collaboration with relevant stakeholders."

Explanation:

(This amendment is part of a series of amendments to provide \$2.45 million GF in FY 2024 to responsibly manage invasive species to ensure the long-term viability of Virginia's native natural resources. Working with state agencies and in support of the goals outlined in the 2018 Virginia Invasive Species Management Plan, the Chesapeake Bay Commission has identified long-term goals for the management of priority invasive species. This amendment funds two positions at DOF to support this approach as well as provide interagency coordination responsibilities.)

SB 1522: Cloud Computing Cluster Infrastructure

Commerce and Trade

Economic Development Incentive Payments

Language

Language:

Page 104, after line 44, insert:

"U. Notwithstanding any other provision of law to the contrary, a data center operator that was approved by the MEI Commission for a grant from the Cloud Computing Cluster Infrastructure Grant Fund on December 13, 2022, shall be eligible to receive grants beginning with the Commonwealth's fiscal year starting on July 1, 2025, and ending no later than the Commonwealth's fiscal year starting on July 1, 2044, and not to exceed \$140.0 million, subject to the terms of a memorandum of understanding (MOU) entered into between such data center operator and the Commonwealth. The amount of the grant payment in each fiscal year shall be calculated based upon an award of \$8,642 for each new full-time job created by the qualified company in the prior calendar year, and an award of \$3,364 for each \$1.0 million of capital investment by the qualified company in the prior calendar year."

Explanation:

(This amendment authorizes payments from the Cloud Computing Cluster Infrastructure Fund, as established by SB 1522, for a project approved by the Major Employment and Investment (MEI) Commission on December 13, 2022.)

Incentivize the Most Cost-Effective Agricultural BMPs

Natural and Historic Resources	FY22-23	FY23-24	
Department of Conservation and Recreation	\$0	\$12,907,600	GF

Language:

Page 457, line 6, strike "\$373,552,369" and insert "\$386,459,969".

Page 461, after line 25, insert:

"V. Out of the appropriation in this Item, \$12,907,600 in the second year from the general fund is provided to provide incentives to farm operators for the adoption of highly cost-effective nutrient management practices, including stream exclusion systems, nutrient management plans, and forested riparian buffers on lands within the Chesapeake Bay watershed. The department shall pilot the incentive program in select Soil and Water Conservation Districts to determine the most effective approach for watershed-wide implementation of incentives."

Explanation:

(This amendment creates a pilot program to provide incentives for the most cost-effective agricultural best management practices to assist the Commonwealth with achieving the Phase III Chesapeake Bay Watershed Implementation Plan goals. The incentive program will be piloted in select Soil and Water Conservation Districts to determine the best approach for implementation throughout the watershed.)
