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ORIGINAL

Bill Number:HB1950Patron:HernandezBill Title:Living Shoreline Grant Fund; established.

Bill Summary: Establishes the Living Shoreline Grant Fund to be administered by the Marine Resources Commission for the purpose of awarding grants to a local government or a federally recognized tribe in the Commonwealth to match federal or other matching funds. The bill requires such grants be used for the construction, renovation, or improvement of living shorelines greater than 1.5 miles in any shore angle direction. The bill requires the Commission to give priority to projects that (i) are located on public lands, (ii) demonstrate the ability for the living shoreline to migrate upland over time through documented control of upland properties, or (iii) are identified as priorities in the Virginia Coastal Resilience Master Plan.

Budget Amend	Iment Necessary:	Yes, see fiscal analysis section	Items Impacted:	374
Explanation:	It is anticipated that a general fund budget amendment is necessary to capitalize the Fund. Additionally, the Marine Resources Commission (MRC) may require additional funding to implement the provisions of this bill. See Fiscal Analysis section, below.			

Fiscal Summary: If the Living Shoreline Grant Fund is capitalized, it is anticipated that this bill will result in an ongoing expenditure of \$115,750 and one position from the general fund. An estimate of funding capitalization is not available.

Fiscal Analysis: This fiscal impact estimate is preliminary. A one-time general fund budget amendment is necessary to capitalize the Living Shoreline Grant Fund. It is anticipated that capitalization of the Fund would also have an ongoing general fund expenditure impact for MRC.

MRC indicates the agency lacks the staffing capacity to absorb this additional workload and the need to hire an Environmental Specialist II at a total ongoing cost of \$115,750. The additional position would require a specialized skill set, including the ability to research, analyze, and investigate complex environmental qualityrelated problems and trends and make technical decisions independently. Key duties for this position will involve coordinating and conducting wetland delineations; reviewing biological impact assessments, environmental documents prepared by consultants, and existing regulations and statutes; evaluating data, records, and reports associated with the permitting process; and frequently contacting federal, state, and local government officials and agencies, businesses, professional associations, public interest groups, and the general public in the administration of the Fund.

Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

The Habitat Management Division currently has 15 positions, including four Environmental Specialist II roles as permit writers who are at capacity. MRC is statutorily required to serve as the default local wetlands board when a locality has not adopted or has rescinded the adoption of an ordinance. In comparison to 47 Tidewater localities with 30 existing local wetlands boards, six boards have been rescinded recently, and the agency estimates that every two to three boards lost requires one additional Environmental Specialist. Additional responsibilities incurred by the Division due to rescinded ordinances include reviewing and processing applications, conducting public interest reviews, working with applicants, contractors, and permit agents to obtain missing information, conducting onsite investigations, and coordinating with state and federal advisory and regulatory agencies. MRC receives approximately 2,800 applications annually and has experienced a 39 percent rise in the number of joint permit applications. The complexity, size, and volume of applications have also increased.

The table below outlines the estimated cost to MRC each fiscal year for the Environmental Specialist position. The total salary and benefits are projected at \$99,354, with MRC reporting an expected starting salary of \$60,000 and estimated fringe benefits totaling \$39,354. Additional expenses, based on the agency's anticipated needs, include \$9,396 for leasing a truck as a work vehicle, \$3,000 for vehicle maintenance, \$3,000 for IT equipment and support, and \$1,000 for office supplies.

Expense	GF Impact
Salary	\$60,000
Fringe Benefits	\$39,354
Truck (leased)	\$9,396
Truck Maintenance Costs	\$3,000
IT Equipment and Support	\$3,000
Office Supplies	\$1,000
Total	\$115,750

Other: HB2453 is identical to this bill. MRC is responsible for regulating general permits for living shorelines and for any living shorelines requiring subaqueous encroachment permit on state-owned subaqueous lands under Title 28.2, Chapter 12 of the Code of Virginia. MRC indicates this would require the agency to permit all work before any grant award.