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

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ORIGINAL

Bill Number:HB1834Patron:BloxomBill Title:Virginia Waterway Maintenance Grant Program and Fund; administration by Marine
Resources Commission.

Bill Summary: Transfers from the Virginia Port Authority to the Marine Resources Commission the administration of the Virginia Waterway Maintenance Grant Program and Fund and requires the Commission to utilize the existing Municipal Dredging Operating Program and Municipal Dredging Operating Agreement adopted by the Authority for the administration of the Municipal Dredge Pilot Program operated by the Middle Peninsula Chesapeake Bay Public Access Authority. The bill also requires the Commission to utilize the Fast-Track Permitting Program for Disposal of Dredged Material when applicable for dredged material disposal in its implementation of the Program.

Budget Amendment Necessary: Yes. See "Fiscal Items Impacted: 374, 451, and §3-1.01 M Summary"

Explanation: It is anticipated that the Marine Resources Commission (MRC) will require additional resources to implement the provisions of this bill. Additionally, budget language will need to be added to Item 374, stricken from Item 451, and modified in §3-1.01 M to effectuate the changes proposed in this bill. See Fiscal Analysis section, below.

Fiscal Summary: Consistent with language in §3-1.01 M, utilizing \$4.0 million of general fund support in each year from the sales tax on hunting and fishing equipment, the Virginia Port Authority (VPA) administers a program to award grants of funds to a qualified applicant or applicants to support a dredging project or dredging projects. This appropriation is deposited to the Virginia Waterway Maintenance Fund and will need to move from VPA to MRC. Additionally, MRC anticipates that additional staffing resources will be required to implement the program, as the bill does not allow the agency to recover administrative costs. Currently, VPA supports the administration of the program with approximately 10 percent of an existing FTE's time; this partial support cannot be transferred to MRC. Language amendments will be needed under MRC, VPA, and §3-1.01 M to transfer funding and program responsibilities.

Fiscal Analysis: This impact statement is preliminary. The current Virginia Waterway Maintenance Grant Program and Fund (VWMGPF), which was created in 2018 and is funded with general fund revenue generated from the sales tax on hunting and fishing equipment and deposited into the Fund, is managed by VPA's Director of Grant Programs. The Director of Grant Programs is responsible for annual oversight, management, and coordination of reporting on all agency grants, including the VWMGPF. VPA estimates that managing this program makes up approximately 10 percent of the director's workload. MRC maintains that a full-time position is necessary to administer the program.

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The VWMGPF is supported with \$4.0 million from the general fund in each year, derived from sales tax on hunting and fishing equipment, which is deposited to the Fund. The Fund has a cash balance of \$8.3 million. Program expenditures vary annually; from 2021-2024, VPA expended between \$500,000 and \$1.8 million annually on VWMGPF grants, and typically award between one and five projects each year.

To administer the VWMGPF, MRC anticipates needing to hire an Engineer II. MRC indicates that implementing the provisions of the bill will require the skill set of a professional engineer with both civil engineering training and the ability to review feasibility and cost evaluations, pre-project engineering studies, and project contract documents, which the Commission indicates is not currently on staff.

The table below reflects MRC's estimate of the general fund annual cost to administer and manage the program this bill transfers from VPA to MRC.

Expense	GF Impact
Salary	\$75,000
Fringe Benefits	\$43,025
Truck (leased)	\$9,396
Truck Maintenance Costs	\$3,000
IT Equipment and Support	\$3,000
Office Supplies	\$1,000
Total	\$134,421

Other: None.