FINAL REPORT OF THE JOINT
SUBCOMMITTEE STUDYING

POTENTIAL SOURCES OF RELIABLE FUNDING FOR SOIL AND WATER CONSERVATION DISTRICTS (SJR 275)

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA

SENATE DOCUMENT NO. 35

COMMONWEALTH OF VIRGINIA
RICHMOND
1996

Members:

Sen. Joseph V. Gartlan, Jr., *Chairman*
Del. Watkins M. Abbitt, Jr., *Vice-Chairman*
Sen. Charles R. Hawkins
Del. Kenneth R. Plum
Del. Beverly J. Sherwood
Jack Frye
H. Earl Longest
Edward T. Walters
G. Dan Pace

Staff:

Martin G. Farber, *Senior Research Associate*
Shannon R. Varner, *Staff Attorney*
Carol S. Agee, *Operations Staff Assistant*
José A. Rosado, *Senior Operations Staff Assistant*

TABLE OF CONTENTS

FINAL REPORT OF THE JOINT SUBCOMMITTEE STUDYING POTENTIAL SOURCES OF RELIABLE FUNDING FOR SOIL AND WATER CONSERVATION DISTRICTS (SJR 275)

I. AUTHORIZATION FOR STUDY

The 1994 Session of the General Assembly passed Senate Joint Resolution 18, establishing a joint subcommittee to study potential sources of reliable funding for soil and water conservation districts (Appendix A). Authorized under Senate Joint Resolution 275 (Appendix B) to continue its work through 1995, the joint subcommittee was composed of two members of the Senate, three members of the House of Delegates, the Director of the Division of Soil and Water Conservation of the Department of Conservation and Recreation, two directors of soil and water conservation districts (SWCDs), and one citizen at-large who was knowledgeable about conservation issues.

II. BACKGROUND

A. ADMINISTRATION OF VIRGINIA'S SOIL AND WATER CONSERVATION PROGRAM: STATUTORY AUTHORITY

In 1935, prompted by growing public concern for the poor condition of the nation's natural resources, Congress passed Public Law 46 declaring soil and water conservation and wise land-use a national policy. To carry out this new federal policy, President Roosevelt recommended that states establish soil and water conservation districts. Virginia responded in 1938 by enacting the Soil Conservation District Law. The statute declared:

> (t)hat the farm and grazing lands of the State of Virginia are among the basic assets of the State, and that the preservation of these lands is necessary to protect and promote the health, safety, and general welfare of its people; that improper land-use practices have caused and have contributed to, and are now causing and contributing to, a progressively more serious erosion of the farm and grazing lands of this State by wind and water . . . .[1]

The statute notes that the consequences of such soil erosion include (i) the silting and sedimentation of stream channels, reservoirs, dams, ditches, and harbors; (ii) the deterioration of soil and its fertility; and (iii) an increase in the speed of rainfall runoff. To correct such situations it was necessary "that land-use practices contributing to soil wastage and soil erosion be

[1] Chapter 394, Acts of Assembly of 1938.

discouraged and discontinued, and appropriate soil-conserving land-use practice be adopted and carried out . . . ."[2] It was the policy of the legislature

> . . . to provide for the conservation of the soil and soil resources of this State, and for the control and prevention of soil erosion, and thereby to preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect the tax base, protect public lands, and protect and promote the health, safety and general welfare of the people of this State.[3]

The original law established an administrative framework to carry out this policy. While succeeding years have seen changes in the law, many of the original provisions remain in force today, particularly with respect to the roles and responsibilities of state agencies, local soil and water conservation districts, and district boards. The Virginia Soil and Water Conservation Board (VSWCB) is the oversight body for state soil and water conservation programs, with financial and administrative assistance provided to the Board by the Department of Conservation and Recreation (DCR). The VSWCB comprises 12 members: four are farmers; two are either farmers or soil and water conservation directors; one is the governor's representative; and five are state agency administrators. Also serving on the Board in a nonvoting, advisory capacity is the Natural Resources Soil Conservation Service's state conservationist. The Board's activities include establishment of financial policies regarding technical and administrative grants to districts and the approval of equipment and water resource loans and watershed project applications. Specifically, the VSWCB is empowered by statute (§ 10.1-505) to:

- Give or loan appropriate financial and other assistance to district directors;
- Keep district directors informed of activities and experiences of other districts and facilitate interchange between districts;
- Coordinate district programs, so far as this may be done by advice and consultation;
- Secure the cooperation and assistance of the United States and any of its agencies in the work of the districts;
- Disseminate information concerning the activities and programs of the districts and encourage the formation of such districts in areas where their organization is desirable;

---

[2] Ibid.
[3] Ibid.

- Assist persons, associations, and corporations engaged in furthering the programs of the districts and to authorize financial assistance to the officers and members of such associations and corporations on the discharge of their duties;

- Receive, review, approve, or disapprove applications for assistance in planning and carrying out works of improvement under the Watershed Protection and Flood Prevention Act (PL-566);

- Advise and recommend to the governor approval or disapproval of all work plans developed under Public Law 83-556 and Public Law 78-555 as well as other similar soil and water conservation programs provided for in federal law; and

- Provide for the conservation of soil and water resources, control and prevention of soil erosion, flood water and sediment damages, thereby preserving the natural resources of the Commonwealth.

A crucial function of the VSWCB is its authority, under § 10.1-506, to create new soil and water conservation districts, merge or divide existing districts, or relocate or define the boundaries of districts. Created as political subdivisions, 45 such districts exist throughout Virginia, covering over 95 percent of the state's land area. District boundaries typically fall along county or city lines. Fourteen districts serve a single county and the remaining 31 districts serve two or more counties or cities. The largest districts serve five counties. A number of localities are not part of districts: Arlington County and the Cities of Alexandria, Charlottesville, Newport News, Portsmouth, and Richmond.

Each district is run by a board of locally elected and appointed directors. Boards range in size from five to 12 members. Once dominated by the agricultural community, district boards now reflect a broader variety of interests concerned with the conservation of local natural resources. If a district encompasses only one county or city, the district board consists of five members, three elected and two appointed by the VSWCB. If a district embraces more than one county or city, the board consists of two members elected from each jurisdiction, and two at-large members appointed by the VSWCB. A total of 325 directors serve on the 45 district boards. Directors serve three-year terms and receive no salary; however, they do receive reimbursement for travel-related expenses. Every district employs both clerical and technical staff, oftentimes on a part-time basis. The largest number of staff employed by a district is six.

A 1973 change in the Code of Virginia allowed the inclusion of cities into districts. Over the subsequent 20 years, urban representation and interest in urban conservation issues has grown, and boards now include teachers, developers, environmentalists, and civic leaders.

To fulfill their mission of conserving Virginia's soil and water resources, districts have the statutory authority to:

- Conduct surveys, investigations, and research relating to soil erosion and floodwater and sediment damages, and to agricultural and nonagricultural phases of conservation, development, utilization, and the disposal of water, and the preventive and control measures and works of improvement needed (§ 10.1-539);

- Conduct demonstration projects with the consent of the owner (§ 10.1-540);

- Carry out preventive and control measures and works of improvement for flood prevention or agricultural and nonagricultural phases of the conservation, development, utilization, and disposal of water within the district (§ 10.1-541);

- Enter into agreements to give, lend or otherwise furnish financial or other aid to any governmental or other agency or landowner within the district for erosion control and prevention operations and works of improvement for flood prevention or agricultural and nonagricultural phases of the conservation, development, utilization, and disposal of water within the district (§ 10.1-542);

- Acquire, sell, lease, or dispose of property and receive income from such properties (§ 10.1-543);

- Make available to land occupiers within districts agricultural and engineering machinery and equipment, fertilizer, seeds and seedlings, and other material or equipment that will assist land occupiers to conserve soil resources, to prevent and control soil erosion, and to prevent floods or carry out agricultural and nonagricultural phases of the conservation, development, utilization, and disposal of water within the district (§ 10.1-544); and

- Develop comprehensive programs and plans for the conservation of soil resources, for the control and prevention of soil erosion, for flood prevention or for agricultural and nonagricultural phases of the conservation, development, utilization and disposal water within the district (§ 10.1-546).

B. DISTRICT PROGRAMS AND SERVICES

The goals and activities of each district will vary based on the community's needs. For example, districts in the eastern half of the state may be influenced in their conservation planning by the requirements of the Chesapeake Bay Preservation Act (CBPA), while some districts may emphasize the development of erosion and sediment control plans for commercial development and comprehensive farm plans mandated by the federal Farm Bill. Still others may be responsible for maintaining flood control structures which are subject to the Virginia Dam Safety Act (§ 10.1-604 et seq.).

District programs and services can be grouped into eight areas: agricultural conservation, urban conservation, education, dam safety and floodplain management, watershed management, conservation equipment, and conservation promotion. The following discussion summarizes district activities in each of these areas.

1. Agricultural Conservation

For most districts, agricultural conservation programs receive the largest commitment of financial and staff resources. All 45 districts provide technical assistance on natural resource management. Through the Virginia Agricultural Best Management Practices (BMPs) Cost-Share Program, farmers are given financial assistance for the implementation of measures which protect water quality. Funds are allocated to areas having the greatest potential for pollution resulting from surface runoff, erosion, leaching, or intensive livestock production. The program shares the costs of installing 22 practices that may include animal waste control facilities systems, grass filter strips, no-till pasture and hayland, and stream protection. In their administration of the cost-share program, district personnel explain to farmers the purpose of the various BMPs, design the most appropriate practice, and oversee its installation and maintenance.

As part of their agricultural conservation program, many districts offer assistance in preparing nutrient management plans. These plans help assure maximum crop yield while reducing chemical applications, thereby better protecting surface and ground water quality. In addition, five counties (Accomack, Cumberland, Highland, Northampton, and Rockbridge) have enacted ordinances which require local districts to approve a nutrient management plan for poultry operations before the county approves certain livestock operations. The nutrient management plan analyzes the nutrient content of the poultry waste and determines whether the operation has land available to apply the waste without incurring nutrient-enriched runoff which may lead to surface or ground water contamination.

Pursuant to §§ 58.1-337 and 58.1-436, farmers and certain corporations may receive a 25 percent individual or corporate tax credit for the purchase of equipment which provides more precise pesticide and fertilizer application. The law requires that for any person engaged in agricultural production for market to be eligible for the credit, he must have in place a nutrient management plan that has been approved by the local soil and water conservation district. All 45 districts provide this service.

Under the federal Farm Bill (Food, Agricultural, Conservation and Trade Act), producers with highly erodible cropland must have had conservation plans approved and completely implemented by December 31, 1994, in order to remain eligible for United States Department of Agriculture (USDA) program benefits, including price support and crop insurance. District employees assist in the development of conservation plans, and district boards must approve the plans in order for landowners to maintain eligibility for USDA program benefits. Over

45,000 plans have been approved, representing in excess of 1.2 million acres of highly erodible land in Virginia.

In the eastern portion of Virginia, conservation plans must be developed and approved for agricultural land in Chesapeake Bay Preservation Areas. Thirteen districts have taken an active role in locally implementing the CBPA. Typically, the district's involvement begins with a determination of the extent to which each farm in the county is affected by the CBPA. The farmer will receive a letter from the district informing him of the requirements of the act and offering technical services. A district employee visits the farm and collects data necessary for the preparation of a comprehensive farm plan. The plan, which covers nutrient management, erosion control, and pesticide management, is then submitted to the district board for final approval. The district reports quarterly to the jurisdiction and the Department of Conservation and Recreation on the plan's accomplishments. Upon the district's approval of each plan, district employees assist farm operators with implementation.

2. Urban Conservation

The urban conservation program offered by districts provides such services as erosion and sediment control, stormwater management, and comprehensive planning for local government. The Erosion and Sediment Control Law (§ 10.1-560 et seq.) requires anyone undertaking a "land-disturbing activity" to submit to the appropriate local authority a soil erosion and sediment control plan. Local authorities are responsible for reviewing and approving such plans, inspecting projects during construction to ensure that the plans are implemented, and taking measures to enforce the provisions of local ordinances when violations are found. The role of the districts in implementing local erosion and sediment control programs varies widely. In some jurisdictions, the district is responsible for approving erosion control plans and performing inspections. In others, the district reviews plans and advises officials on erosion control matters. A few districts have no involvement in the program. In one jurisdiction (Buchanan County), the district has total program administration authority.

Many districts offer technical services to counties in their efforts to control stormwater runoff. District staff are available to review, design and approve plans for the abatement of runoff pollution.

A number of districts also work with county governments in preparing their comprehensive plans. They assist in the preparation of chapters in the county plan relating to the management of environmentally sensitive areas, and have been asked to review planning proposals as they evolve and comment on requests for zoning variances. Much of their focus in the planning process is to highlight the aesthetic and economic development value of the rural landscape.

3. Education

Districts offer both youth and adult education services for a wide range of audiences including local officials, engineers, land-use professionals, teachers, students and parents. As part of their youth educational program, district staff (i) provide teachers with curriculum materials relating to agriculture, water, soil and effective resource management, (ii) conduct a week-long, statewide conservation camp, instructing selected students on environmental issues and careers, (iii) make classroom presentations to thousands of students annually, and (iv) arrange school field trips related to soil and water conservation. For adults, district personnel organize forums to discuss and resolve local natural resource problems, conduct technical training and disseminate techniques for nonpoint source pollution (NPS) prevention, and take elected officials and area leaders into the field, exposing them to natural systems ecology and land-use issues.

4. Dam Safety and Floodplain Management

Districts currently own 103 dams. With such ownership comes the responsibility for operation and maintenance as well as the performance of all dam safety permit requirements. As the Natural Resources Conservation Service (formerly the Soil Conservation Service) continues to construct flood control structures which require district sponsorship, the number of dams owned by districts will grow. The cost of upgrading existing structures was estimated, in a task force report, to be one million dollars. However, officials of the Department of Conservation and Recreation indicate that the costs could be as high as two million dollars.

Apart from their responsibilities for operation and maintenance of flood control earthen dams, districts provide guidance to rural and urban landowners in ways to curtail or reduce flood water and to impound waters so as to minimize overload flow, thereby preventing erosion and property damage.

5. Watershed Management

Virginia is divided into 494 hydrologic units which have been evaluated for known and potential impacts on overall water quality. Districts have developed a number of initiatives focusing on the control of NPS control including:

- Sponsorship of community-based watershed improvement projects to mitigate pollution sources in those watersheds which are experiencing NPS impacts;

- Increasing county and landowner involvement in NPS control strategies; and

- Education of residents about watershed characteristics and NPS pollution prevention.

Additionally, a number of districts actively solicit federal and private sector grant funds which will enable them to treat major sources of NPS.

6. Conservation Equipment

Under § 10.1-544, districts are authorized to make available to land occupiers in a district specialized conservation equipment for soil conservation and water quality protection. Twenty-four districts have used this authority to develop an equipment rental program.

7. Conservation Promotion

To promote conservation, districts have developed a program on urban lawn care. Through brochures and special events emphasizing safe fertilizer and pesticide use the districts train residents on proper turf management. Districts also market seeding to landowners as a way to reduce soil erosion, improve wildlife habitat and promote beautification.

8. Rural Development

Several of the rural districts have jointly sponsored, with city and county governments and planning districts, resource conservation and development councils whose purpose is to address natural resource and economic development needs.

C. FUNDING OF SOIL AND WATER CONSERVATION DISTRICTS: NATIONAL PROFILE

Initially, soil and water conservation districts were seen as a way to deliver technical assistance for the programs of the Soil Conservation Service. There was little need for conservation districts to develop large budgets for carrying out conservation programs since the federal government was providing most of the resources to tackle the problems associated with cropland erosion. In defraying the costs of large demonstration projects, districts would seek contributions of services and funds from landowners, private companies and banks. The 1950s and 1960s saw states enact laws that expanded the powers and scope of activities of conservation districts to meet emerging natural resources needs. Districts began to assume a greater role in resource management and development. District directors recognized that this assumption of additional responsibilities would require the districts to develop funding sources to support their activities.

1. County Funding

Throughout the years local governments have been an essential source of funding for district programs. Since a majority of the district programs directly benefit the local community, local governments, particularly for counties, have provided funds to the districts for administrative and technical assistance and shared the costs of special projects which counties and districts administer jointly. In 1957, county governments allocated about $9 million nationwide for conservation district programs. This figure had risen to $17 million by 1963 and to $33 million by 1968. In 1984, county appropriations to districts exceeded $100 million, reaching a high in 1988 of over $150 million, where it has remained since.[4] Nationally, this represents about 27 percent of a district's operating budget, with the level of support varying among regions in the United States, largely depending on factors such as population and a county's tax base. In Southeastern and Northeastern states, county governments are the principal source of funding for districts, providing approximately 58 percent and 40 percent, respectively, of their total operating funds.[5]

2. State Funding

A similar evolution of funding has taken place at the state level. For most of the period between 1940 and 1960, the role of state conservation agencies was limited to helping establish local districts and providing guidance on their operation. While guidance was abundant, state funding was limited. In 1957, state governments allocated four million dollars nationwide for conservation district programs. As district programs became more active, state appropriations increased. State funds were used to hire district employees and provide administrative and technical support. With the infusion of state funds, state agencies became more involved in monitoring district programs, understanding district needs, and advising state legislators of the program's benefits. By 1973, states were providing nearly $42 million for district programs.[6]

In 1977, Congress, concerned with the lack of a coordinated approach to deal with the growing demand being placed on the soil, water, and related resources of the nation, enacted the Soil and Water Conservation Act. Under this act, the USDA was directed to develop, through conservation districts and state and regional organizations and agencies, a national soil and water conservation program. States were encouraged to develop long-range programs to address resource problems. As states developed these programs, there was a wider recognition of the constructive role that states play in a federal-state-local conservation partnership. Between 1973 and 1983, state appropriations for conservation districts increased from $42 million to $96 million. In the eight years that followed, ending in 1991, states nearly tripled their funding of conservation districts and related programs to nearly $300 million nationwide. As with county government funding, state support for district programs varies

---

[4] National Association of Conservation Districts, "NACD RCA Notes," No. 74, March 1991, p. 1.
[5] Ibid.
[6] Ibid., p. 2.

widely around the country. In the South Central states, nearly 60 percent of district budgets come from state government, followed by Midwest and Western states, which provide 39 percent and 35 percent, respectively, of district budgets; only about 14 percent of district budgets in the Southeast come from state government.[7]

D. FUNDING OF DISTRICTS IN OTHER STATES

A 1991 survey conducted by the National Association of Conservation Districts found that conservation districts are developing other revenue-generating options to supplement the moneys they receive from state and local general fund appropriations and federal grants. Some of the funding options include dedicated taxes, tax credits, district taxing authority, low interest or revolving loan funds, special fees for services, and rental fees. A description of several other states' methods of generating revenue for their conservation district programs follows.

1. Minnesota

Soil and water conservation districts in Minnesota enjoy strong support from both the state and county governments. Each of the 91 districts receives annually approximately $9,000 in state general funds for operation and technical assistance. In 1986, the Minnesota legislature enacted the Reinvest in Minnesota (RIM) program which established a state conservation reserve by paying landowners to convert marginal farmland into wildlife habitat or to restore previously drained wetlands. To be included in the program, landowners with agricultural land which qualifies for the program may choose between a 20-year or perpetual conservation easement in exchange for a one-time payment based on market values of agricultural land in the area. The state provides about $4.5 million per year for easement procurement. The districts are appropriated $750,000 annually to administer the program locally. They assist in the initial screening and preparation of the application and the monitoring of the use of the land placed in easement. The basic grant to districts for the initial service is $750 to $1,000 per application, with significantly less paid annually for long-term monitoring. Since the program's inception approximately 50,000 acres have been placed in easement at an estimated cost of $24 to $28 million.

The Minnesota Board of Water and Soil Resources administers a $1.5 million erosion, sediment and water quality protection and management cost-share program. The state pays 50 to 75 percent of the costs of projects, with the landowners responsible for the remainder. The moneys are allocated by the state agency to districts based on the number of projects in each district which address the following: (i) pollution from feed lots, (ii) shoreland sedimentation and erosion, (iii) water erosion, and (iv) wind erosion. Twenty percent of the funds awarded in a district are allocated to the district for administration of the cost-share program and provision of technical assistance to the applicant.

---

[7] Ibid.

In 1989, the state created a program to cost-share the sealing of abandoned wells. Moneys are passed through the districts, with each district keeping 20 percent of the amount of the grants to pay for program administration. The districts have received annually between $400,000 to $700,000 in grant funds.

The Streambank, Lakeshore and Roadside Erosion Program, funded through state general funds, awards cost-share grants to local governments. Their purpose is to aid localities in controlling erosion and sedimentation from streambanks, lakeshores, and roadsides. Grants may not exceed 50 percent of the costs of eligible projects. The program is funded at about $150,000 per year, of which districts receive 20 percent for assisting in the preparation of the applicant's erosion control project.

In 1994, the legislature established a state revolving fund for NPS programs. It was capitalized through a $20 million general fund appropriation. Loans are at an interest rate ranging from zero to three percent. During the first year of the fund's operation, districts received $865,000 for (i) providing assistance to landowners in developing technically feasible nonpoint projects and (ii) determining the eligibility of such projects to receive loan funds. In 1995, the districts received $1.1 million for their services.

The state's general fund is not the only source of funding for district activities. Counties contribute $6.7 million annually for the operation of district programs. In addition districts generate about three million dollars a year through service fees and tree sales. Under the state's Wetland's Conservation Act, districts are responsible for conducting wetlands assessments for private landowners. A district may charge as much as $35 per hour for such delineation, with the proceeds paying the salary of the wetlands delineator, which each district is required to have on staff.

2. Missouri

Of the 114 counties in Missouri, 113 have established local soil and water conservation districts. The primary funding for the districts' programs derives from a 1984 constitutional amendment which authorized an increase in the state's retail sales tax of one-tenth of one percent. The money generated by the increase was split between the Missouri Soil and Water Districts Commission and the state parks system. The Soils Sales Tax Fund portion for FY 1994 was $27.1 million, the majority of which was allocated to land assistance programs. One such program provides financial incentives (cost-share) to landowners who apply soil conservation practices. The program seeks to control excessive erosion by financing single-practice erosion control projects contained in an owner's conservation plan. Projects and practices that qualify and receive up to a 75 percent state match include such standard traditional practices as terracing, structures, sod waterways, strip cropping, and conservation tillage. Qualified landowners apply through their district offices to receive funds. District supervisors review landowner applications and conservation plans. Following the review, the supervisors will select applications for cost-share funds and determine how much financial assistance will be given to selected projects. A claim for payment is filed by the landowner

after the project has been completed or the practice has been implemented. The claim is reviewed by the district board and then forwarded to the Commission for final approval. Reimbursement comes directly from the state.

A second program, the loan interest-share program, refunds a portion of the interest expense on loans used to reduce either erosion or the potential for erosion. The program attempts to address more types of soil conservation practices than traditional cost-share programs. Although the program requires the participation of local lending institutions, it does not dictate credit terms or interfere in agreements between borrowers and lenders. Moreover, it does not involve government-sponsored or government-guaranteed loans. The state refunds a portion of the landowner's interest expense at the end of each year of program participation; however, the refund cannot exceed the interest rate earned by the state in its general investment program. To qualify, a landowner must obtain a loan of between $2,500 and $25,000, with the maximum length being 10 years (five years for equipment purchases). The loan fund annually obligates $10 million, from which $800,000 in interest generated by the fund is made available as the state's share of the private loan for eligible practices. For FY 1994, $298,000 has been allocated for interest rate reimbursement.

The special area land treatment program (SALT) combines both cost-share and loan interest-share incentives to groups of landowners in watersheds to carry out a complete system of resources management on their farms, as outlined in the conservation plans. The aim of the program is to reduce soil erosion. Not every district has a SALT project. Higher levels of landowner and district planning are required in the SALT program than in the other programs. If landowners are to use the double incentive of cost-share and loan-interest share, they must implement conservation plans that achieve tolerable soil loss. SALT projects average 3,000 acres needing treatment per project and generally take five years to complete. Districts that administer a SALT project may receive an annual support grant, which can be used for personnel, equipment purchases, education, or other purposes that further the project's goals. Approximately $3.7 million is available for landowners within locally identified higher priority watershed projects. Currently 153 such projects are being funded under this program.

To ensure the viability of each conservation district, the Soils Sales Tax Fund allocates $4.9 million in direct grants that are to be used specifically for administration, management and technical services.

3. Nebraska

During the 1960s Nebraska experienced a proliferation of special purpose districts which had been established in an attempt to solve local water-related problems. Because of the puzzling overlap of authority which resulted, the 1969 Session of the legislature created natural resources districts (NRDs). Even though there was considerable opposition from a number of soil and water conservation districts, on July 1, 1972, 154 special purpose districts were merged into 24 new multi-purpose districts. A subsequent merger in 1989 reduced the

number of districts to 23. Because natural boundaries would provide a better opportunity for dealing with resource-related problems, the boundaries of these new subdivisions of state government were established primarily in accordance with Nebraska's naturally delineated river basins. A NRD is charged with management, development, and protection of the soil and water resources found in that district. Their basic objectives and responsibilities include: (i) soil and water conservation, (ii) flood control and flood damage reduction, (iii) provision of a water supply for any beneficial use, (iv) ground water protection, (v) streambank and stream erosion control, (vi) drainage management, (vii) development and management of fish and wildlife habitat, (viii) development and management of recreational and park facilities, (ix) forestry and range management, (x) protection of in-stream values, and (xi) oversight of solid waste disposal.

To enable NRDs to carry out these responsibilities, they may levy a local property tax of up to 4.5 cents per $100 valuation. The level of tax adopted by a NRD varies from a low of 18 cents valuation to a high of 450 cents valuation. In 1993, this general levy generated a total of $18,467,809 statewide, of which approximately $3.4 million has been allocated by NRDs for land treatment programs. Those districts which encompass a groundwater control area or management area also have the option of imposing a 1.8 cents/$100 valuation.

In addition to their general taxing power, NRDs may issue revenue bonds, exercise the power of eminent domain, and collect permit fees for well construction and chemigration (the application of chemicals to lands or crops in or with water through an on-farm irrigation distribution system).

NRDs also receive financial assistance from the state's Soil and Water Conservation Fund and the Resources Development Fund. The Soil and Water Conservation Fund annually awards districts $3.5 million in cost-share moneys. Created in 1977, this fund provides financial assistance to individual landowners for the installation of approved conservation practices to help control runoff and conserve soil and water. The rate of cost-sharing varies, but the state's share of the costs does not exceed 75 percent of the measure's cost. Applications for these funds are made to NRD, and technical assistance is generally provided by NRCS or in some cases the local NRD. The Resources Development Fund was legislatively established in 1974 to finance programs that develop or preserve Nebraska's natural resources. Funded annually at two million dollars, it is used for a variety of programs including ground water recharge, flood prevention, water supply, fish and wildlife habitat, outdoor recreation, provision and preservation of water for beneficial uses and the conservation of land resources. Applicants must be political subdivisions or agencies of state government. Financial assistance can be either in the form of a grant (up to 90 percent of local sponsor's costs) or a loan, or a combination of the two. Grants are made when the project does not generate revenue and is of general public benefit. Loans are made when the project benefits are local.

4. New Jersey

In New Jersey, a soil and water conservation district's primary responsibility is to administer the state's Soil Erosion and Sediment Control Act. Under this act, districts are charged with certifying erosion control plans for land-disturbing activities which exceed 5,000 square feet, except for activities related to single family dwellings not part of a subdivision. Districts review soil erosion and control plans, perform site inspections and are empowered to issue stop work orders. Before a local government can issue a certificate of occupancy, the project has to be "signed-off" by the local district. Districts are authorized to charge a reasonable fee for the costs of plan review, certification, inspection and enforcement. The total amount of service fees generated by the 16 districts, in FY 1993, was $2.8 million. This money is used by the districts to administer the program.

The districts also have a role in the issuance of stormwater discharge permits. Any land-disturbing activity of more than five acres requires a permit from the local district. The permit fee is $200, of which the district retains $150 to pay for the cost of processing the permit and remits the other $50 to the State Soil Conservation Committee.

While the state provides cost-share funds for BMPs, the districts assist farmers in writing and processing the applications. The BMP grant is awarded directly to the farmer. The districts receive a $750 reimbursement from the State Soil Conservation Committee for each application submitted. The BMP program has been financed from the proceeds of three farmland preservation and open space bond issues. In 1981, three million dollars in bond money was allocated on a 50/50 cost-share basis, followed in 1989 by an allocation of $750,000 and $1.5 million in 1992. For FY 1993, $392,000 was approved for cost-share projects. Most of the agricultural nonpoint source pollution programs in New Jersey are administered by the 70 federal soil conservationists.

5. South Dakota

South Dakota is divided into 69 soil and water conservation districts. Serving as the lead agencies for NPS programs, districts are responsible for erosion and sediment control, the regulation of drainage lots, local review of mining permits, and watershed planning. The state offers districts conservation grants. The amount of funds available to districts depends on the amount of refunds claimed by farmers for gasoline used in operating off-road farm vehicles. Owners of such vehicles are eligible for a 13.5 cents per gallon refund. Typically, about six million dollars in refunds are available under the off-road gasoline utilization program. Each year approximately $4.5 million dollars is refunded. The level of funding for the district conservation grants equals 35 percent of the amount paid out by the state in gasoline tax refunds, which translates into $1.5 in grants for districts. The grants can be used to pay personnel, fund cost-share practices, and develop education programs. There is no limit on the amount a district can receive and the grant can be made for up to a three-year period. The grant awards are made on a cost-reimbursement basis.

Local governments and fees for service provide additional funds for district operations. Counties in South Dakota contribute $850,000 to district programs. Districts, under fee for service arrangements, also generate about three million dollars for their own operations. Some of these services include tree-planting, no-till drill rentals, tree care, and grass seeding. One district has bought construction equipment which it uses for conservation practices.

6. Washington

Washington has formed a conservation partnership among the Washington Conservation Commission, the 48 conservation districts and the NRCS. With an operating budget of $1,872,000 for 1993-95 biennium, the 10-member Commission employs 10 full-time and several part-time employees. By statute, it advises and assists conservation districts; provides a forum for the exchange of ideas and information among districts; and promotes cooperation with federal, state, county, and local agencies. The Commission's staff oversees creation of districts, administers the grants program, and helps to train conservation district supervisors and staff.

Conservation districts are subdivisions of state government statutorily authorized to:

- Conduct educational and demonstration projects for the conservation of renewable resources;

- Carry out preventive and control measures within the district, including engineering operations, methods of cultivation, the growing of vegetation, and changes in land-use; and

- Prepare a comprehensive long-range program for conserving all renewable natural resources within the district.

Districts receive state general fund appropriations for administrative operations and cost-share initiatives. All districts are eligible to receive a $12,500 water quality base allocation grant. Eligible activities may include: data collection; demonstration projects; implementation of BMPs; information and education; monitoring; planning; funding development for water quality activities and projects; technical assistance to landowners; and paying start-up costs for districts that do not have a water quality program. Competitive grants are also awarded for management practices which address high-priority water problems. The maximum amount per grant is $20,000 per year. Neither base allocation nor competitive grants can be used to support district operations, and the districts have to provide a 25 percent local match. During the 1993-94 grant period, 43 base allocation grants and eight competitive grants were awarded totaling $1,000,914.

In 1993, the legislature also appropriated three million dollars to establish a dairy waste program that provides technical assistance and grants for dairy waste management, including facility planning and implementation. Of the three million dollars, 2.1 million dollars were

channeled to conservation districts for hiring additional technicians to work specifically in dairy waste management .

In 1989, conservation districts were given the authority to impose special assessments on land within their boundaries because the revenue which districts raised, combined with the state's basic funding appropriations, was insufficient to support district programs. Special assessments can be collected to finance conservation district activities that conserve natural resources because the activities are deemed to benefit the assessed lands. The conservation district supervisors must file a system of assessments that includes rates as well as a proposed budget. The conservation district has two options for setting assessment rates: (i) an annual per acre amount or (ii) a per parcel plus an annual per acre amount. There is a ceiling for the assessment rate on both parcels and acres. The law stipulates that the maximum per parcel rate is five dollars. The ceiling for the amount per acre rate is 10 cents. Forest land, if it receives a benefit from district activities, is assessed at a lesser rate (one-tenth of the per acre assessment on all other land assessed in the district). On forest lands, the law allows a three-dollar per landowner charge in lieu of a per parcel charge. It is left to the county to accept or modify the district's proposed assessments, including the number of years during which the assessment will be imposed. If it finds both that the public interest will be served by the imposition of the special assessments and that the assessments imposed on any land will not exceed the special benefit that the land will receive from the activities of the district, it may authorize the establishment of a special assessment district. Currently, there are five such districts which generate between $150,000 and $300,000 annually for district activities.

III. SUBCOMMITTEE DELIBERATIONS

To determine potential sources of reliable funding, the subcommittee (i) examined the current level of financial support for districts, (ii) identified the level of unmet service needs, (iii) solicited the views of district directors, and local, state and federal program officials on the possible options for financing district operations, and (iv) reviewed funding options..

A. DISTRICT FUNDING

Districts are limited in their ability to raise revenue for their operations. By statute, they are authorized to charge a fee for the rental of conservation equipment (§ 10.1-544). This fee has generated approximately $230,000 for districts statewide and has been used to pay for district operating expenses, including staff salaries. Districts may also raise needed revenue for specific types of improvement projects through the establishment of small watershed improvement districts. Whenever it is found that soil and water conservation or water management within a district will be promoted by the construction of improvements to check erosion, provide drainage, collect sediment or stabilize the runoff of surface water, a small watershed improvement district may be created. Article 3 (§ 10.1-614 et seq.) of Chapter 6 of Title 10.1 of the Code of Virginia lays out a procedure for the creation of such a district and the subsequent imposition of a tax on real estate or a service charge. This financial mechanism has been used only once. The Lake Barcroft Watershed Improvement District was established in the early 1970s after Hurricane

Agnes damaged the lake's dam. The total area of the improvement district is approximately 600 to 800 acres. The annual revenue generated by the approximately 1,000 properties in the district is $550,00 or about $550 per household. Of this total annual budget, $130,000 pays for a staff of four, $100,000 is expended on dredging, and a substantial portion of the remaining dollars has been spent on consulting services (e.g., maintenance of critical dam components).

Because of their inability to generate significant revenue, districts are dependent upon state, federal and local government to finance their operations. In FY 1994, districts received $3.6 million: $1.9 in state and federal (the Environmental Protection Agency) funds and $1.7 million in local funds. The VSWCB is responsible for establishing the financial policy by which districts receive the $1.9 million state and federal moneys. Currently, under this policy, districts are eligible to receive funding for the following:

- Basic operations grants, $5,800: for essential operating expenses for office supplies, equipment, maintenance and repair, reimbursement for director travel, etc.

- Matching grants, $9,000: for the same purpose as basic operations grants, so long as the district receives an equal share from local sources.

- Full-time technical employee, $25,000: contingent on local match (75 percent state, 25 percent local) to employ staff for assisting local residents with controlling NPS problems.

- Full-time technical employee operating grant, $3,000: for employee's travel, training, equipment, communications, and costs of leased office space.

- Part-time administrative/clerical employee, $5,000: for basic administrative and clerical support to district directors and staff.

- Innovative water quality grant, $5,000: contingent on equal share of local dollars. This grant serves as seed money for projects that address local water quality and conservation issues.

Mr. Jack Frye, director of the Division of Soil and Water Conservation (DSWC), testified that technically the maximum annual grant each district is eligible to receive under the financial policy is $53,000; however, not enough funds are available to award each district the maximum amount. He characterized this total as the amount necessary to pay for the basic operating expenses of a district. It would cover reimbursement for the district director's travel expenses, as well as provide 75 percent of the salary for a technical staff person and wages for a part-time administrative secretary for each district. In addition to the moneys allocated for basic district operations and staff, the Department of Conservation and Recreation annually provides $471,262 in training, technical expertise, program guidance and administrative support to districts. The

DCR also bears the costs of bonding and liability insurance and providing audit services for districts.

The DSWC, through its Virginia Agricultural Best Management Practices Cost-Share Program, also awards cost-share matching grants to districts to encourage farmers and landowners to apply needed BMPs to their land to control sediment, nutrient loss, and the transportation of pollutants into Virginia waters. The districts receive their funding allocation based on need, as determined from an analysis of major agricultural factors that influence water quality, such as intensive cropland cultivation, erosive soil conditions, and animal unit numbers. These factors are evaluated on a hydrologic unit basis to determine relative water quality degradation. Districts encompassing those hydrologic units with the most significant water quality problems receive the largest share of the funds. For the 1993-1994 fiscal year, $1,195,680 in cost-share matching grants were awarded. Of this total, $147,630 came from state general funds and was allocated to districts outside the Bay watershed (60 percent of state). The remainder, $1,048,050, came from federal EPA Chesapeake Bay Program funds that are restricted in their allocation to those districts in the Bay watershed.

The DCR is not the only state agency which provides funds to districts. The Chesapeake Bay Local Assistance Department has allocated $375,000 annually to districts in Tidewater Virginia. Beginning in 1990, thirteen positions were added to district technical staff in 1990 to help write farm plans and implement agricultural provisions of the CBPA. These funds are administratively passed through DCR.

B. SURVEY OF DISTRICT ACTIVITIES AND UNMET NEEDS

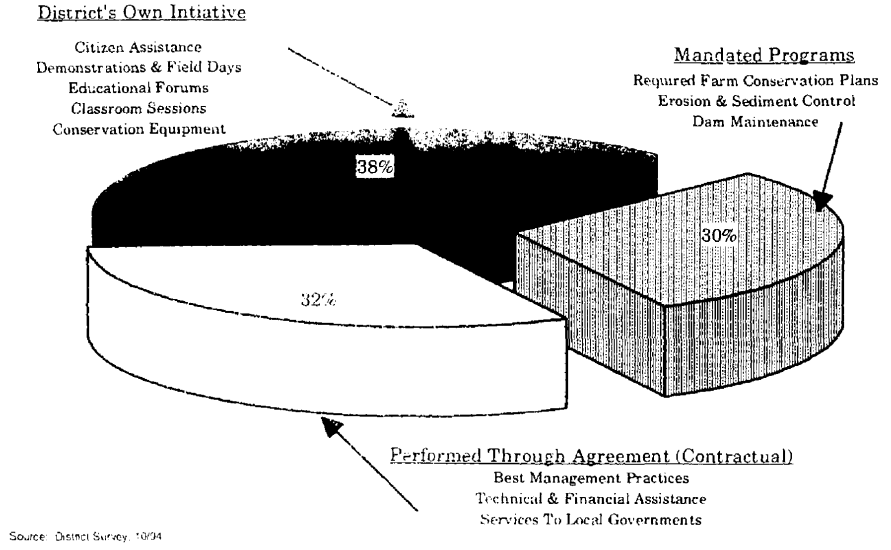
Having reviewed the sources of district funding, the subcommittee was interested in developing a profile of district activities, particularly how districts were spending their funds and what service needs were going unmet. The subcommittee suggested that the Virginia Association of Soil and Water Conservation Districts, together with the DSWC, undertake a survey of district activities. The survey was conducted in October 1994. Ms. Moira Croghan, bureau manager for district and landowner assistance in the DSWC, presented the results of that survey. She noted that the survey was designed to answer the following questions:

- What are districts doing with their time and money?
- Who is doing it?
- Why are districts performing these activities?

All 45 districts responded to the survey. For analytical purposes, the district activities were grouped into three categories: (i) activities mandated by a governmental entity (e.g., farm conservation plans, erosion and sediment control plans, and dam maintenance); (ii) activities performed pursuant to a contractual agreement (e.g., best management practices, technical and financial services to local governments); and (iii) activities undertaken as a result of the district's own initiative (e.g., demonstrations, field days and educational forums). Chart I indicates that on average a district's operating budget was devoted almost equally to mandated programs.

contractual activities, and district-initiated programs, with expenditures for the last programs being slightly greater.

Chart I
REASONS FOR DISTRICT ACTIVITIES
(Expressed As Percentage of Operating Budget)

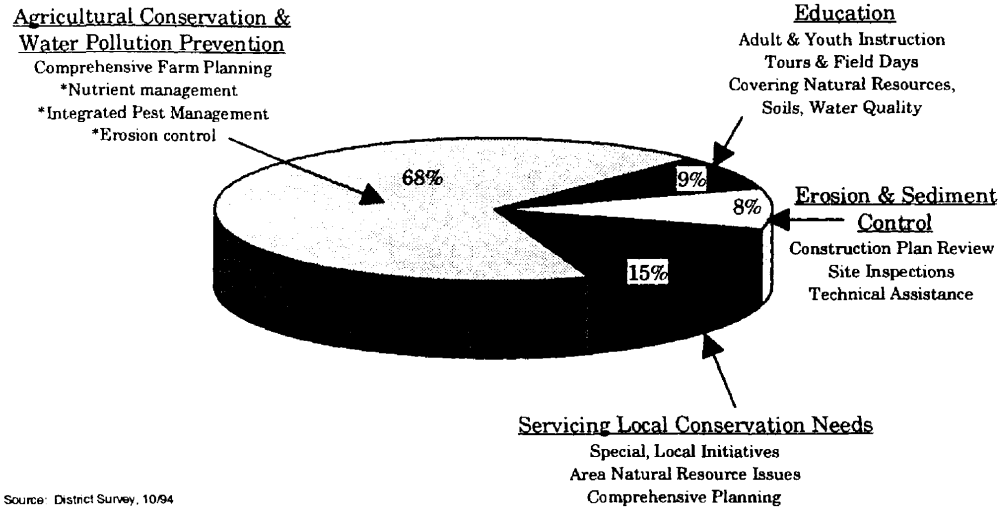


All of the districts indicated that they perform some level of mandated services. Statewide, 22 percent of district staff time and approximately 14 percent of the total time donated by district directors is devoted to performing these types of services. The costs of performing "mandated" activities are estimated to be $1.06 million, or about 27 percent of the statewide operating budgets of districts. Written agreements, contracts and memorandums of understanding exist between every district and such agencies as the NRCS, the Department of Conservation and Recreation (DCR), and local governments. Performing contractual types of services consumes approximately 25 percent ($980,000) of the operating budgets of districts and 19 percent of the time worked by district staffs. Every district develops local programs that exist because various community needs are not being met by other agencies or entities. Forty-seven percent of the total hours worked by district staff are devoted to the delivery of these district-initiated programs, and approximately 32 percent ($1.25 million) of districts' operating budgets support these types of programs and services.[8]

Looking at districts' core programs or "what every district does," Chart II indicates that district directors and staff spent the majority of their time (68 percent) on agricultural conservation and water pollution prevention activities. Fifteen percent of their time was spent on servicing local conservation needs through special local initiatives and comprehensive resource planning; nine percent was devoted to education and field demonstrations; and eight percent was spent on erosion and sediment control activities such as plan reviews, site inspections and technical assistance.

[8] Detailed analysis of each type of activity classification appears in Appendix C.

Chart II
CORE DISTRICT PROGRAMS
(Expressed As Time Spent By District Staff & Directors)

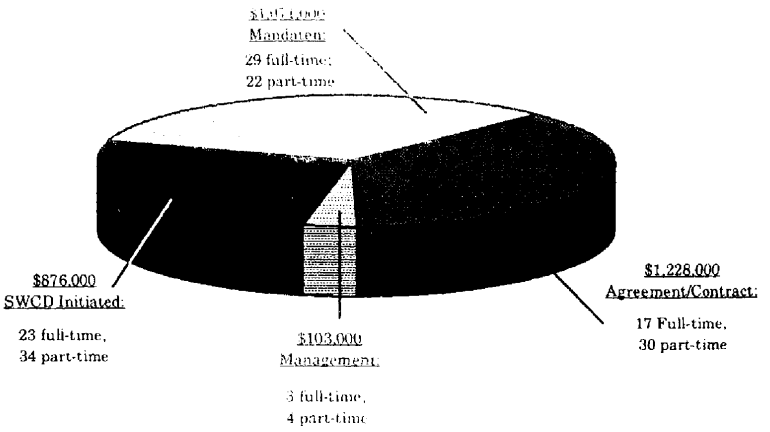


Source: District Survey, 10/94

The activities depicted in Chart II were performed by 146 district employees (82 full-time, salaried and 64 part-time wage employees) throughout the state. Of this total, 101 performed technical duties, and 45 performed clerical/secretarial duties. In addition, 325 district directors contributed approximately 33,987 hours in 1994, performing such functions as managing districts' budgets, supervising local conservation projects, conducting special events, approving of farm plans and addressing erosion and sediment control problems.

When presenting the survey data on unmet district needs (Chart III), Ms. Croghan cautioned the subcommittee that the estimates of unmet needs are conservative estimates. The figures reflect not services in new program areas, but rather the increases in funding that will be required to provide services currently being requested. According to the survey, meeting these program and staffing needs will cost $3,278,000. Chart III depicts the estimated costs of meeting the needs in the various categories of programs. Districts identified the need for an additional 69 salaried and 80 part-time positions to fulfill requests for basic services in the various program categories. This includes $1.2 million to employ 17 full-time and 30 part-time staff to perform agreement/contractual services; $1 million to employ 29 full-time and 22 part-time staff to provide mandated services; $876,000 to employ 23 full-time and 34 part-time staff to provide district-initiated activities; and $103,000 to employ three full-time and four part-time staff to meet program management needs.

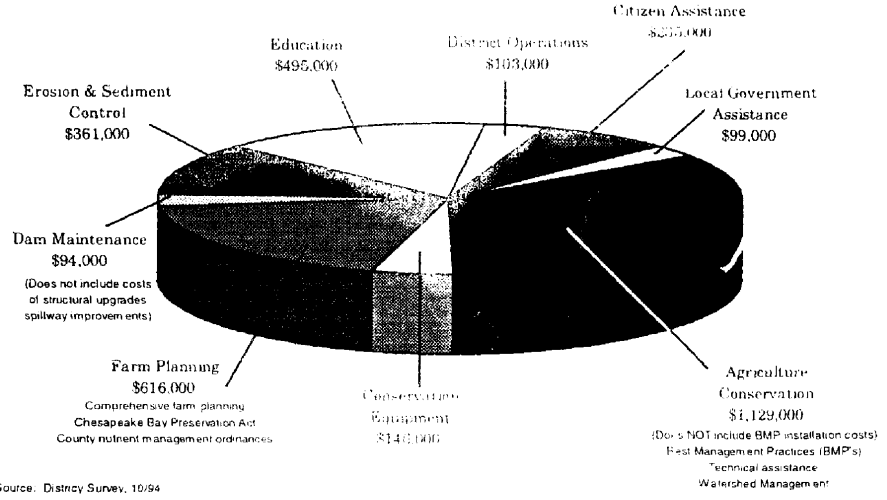
Chart III
UNMET PROGRAM AND STAFFING NEEDS
(TOTAL ANNUAL FINANCIAL NEEDS = $3,278,000)



Source: District Survey, 10/94

Finally, Chart IV dramatically illustrates the extent to which districts are unable to fulfill all of the requests for those services that they are currently offering. This is especially true with respect to the preparation of farm plans to meet the provisions of the federal 1985 Food Security Act and the Chesapeake Bay Preservation Act ($616,000), and agricultural conservation services such as BMPs watershed management ($1.12 million).

Chart IV
UNMET DISTRICT $ NEEDS
(Annually, By Service Type)
TOTAL = $3,179,000



Source: District Survey, 10/94

C. FEDERAL ROLE

Ms. Denise Doetzer, state conservationist for the Natural Resources Conservation Services (NRCS),[9] presented her views on the relationship that exists between her agency and local conservation districts in Virginia. The NRCS is a federal agency within the U.S. Department of Agriculture (USDA). Established by Congress in 1935, its mission is to help landowners voluntarily apply conservation practices to protect the nation's natural resources. The partnership between the NRCS and soil and water conservation districts is unique in several ways:

- It is the only instance in which local governments serve as the conduit for federal services;
- It has a proven record of success of more than half a century; and
- It relies on a voluntary approach to assist citizens on private lands.

Ms. Doetzer discussed the NRCS's role in district programs and activities. The NRCS provides technical expertise to districts, landowners, units of government, developers, suburban residents, and schools. Annually in Virginia, the NRCS is responsible for providing, through districts, between $11 and $12 million in technical assistance to these customer groups. It contributes office space, vehicles and computer equipment that can be jointly used by district personnel. Historically, most district staff have been housed in office space leased by the NRCS. Telephones and utilities are shared. In many locations, district employees have used NRCS vehicles in providing technical assistance to landowners. The assistance provided by NRCS, under a memorandum of understanding, represents an annual savings to districts of about $400,000 in costs which they would have had to include in their budgets.

The NRCS, with assistance from the Virginia Cooperative Extension and the Department of Conservation and Recreation, has sponsored joint training and capacity building efforts among districts. They provided guidance in the development of strategic plans by districts aimed at outlining future strategies needed to address local resource needs. Local customers were involved in this process that now has been completed in about 37 of the 45 districts. Under a contract with NRCS, 3-M Corporation offered total quality management training to 100 district employees and 80 DCR employees as well as to the entire NRCS workforce. These efforts, according to Ms. Doetzer, have increased the skills and abilities of NRCS and district staffs.

Changes in NRCS finances over the past 10 years have had a significant impact on districts. The number of NRCS staff in Virginia has decreased from 360 to about 200. Ms. Doetzer stated that although the number of district employees has increased during this time, the conservation needs are not being adequately addressed at the local level. NRCS is currently undergoing a reorganization with the objective of placing a larger percentage of employees at the field level. The goal is to have 80 percent of all employees in the field providing direct assistance

[9] The National Resources Conservation Service was previously known as the Soil Conservation Service.

to customers. The field staff will have "maximum flexibility" to make technical and program decisions to meet customer needs. She cautioned that in light of NRCS's declining numbers and reductions in the federal budget, districts have had to, and will continue to, shoulder an increasing share of the workload. Through USDA reorganization activities, NRCS will have 16 fewer offices in Virginia by 1997 than in 1994. All of her agency's offices will be located in USDA Service Centers with other local USDA agencies. Thus, office arrangements with individual districts will have to be developed as these changes take place. This will likely result in increased costs to some districts for rent, utilities, and communications equipment.

Ms. Doetzer suggested several options that have been used in other states for funding districts. The most common sources of funding are through the appropriation of state and local government general revenues. Other options are:

- ***District taxing authority***. This includes authority for the district to levy a property tax to fund activities or projects. In Virginia, a watershed improvement district has such authority. In Nebraska, the natural resource districts have authority to raise revenue through taxes.

- ***Sales tax.*** Missouri has dedicated 0.1 percent of the state's sales tax to conservation districts. This change alone has resulted in soil and water conservation programs receiving $27 million annually.

- ***Special fees.*** In some states the districts can charge a user fee, such as New Jersey does for erosion and sediment control program assistance. Illinois districts charge a fee for reviewing urban development plans for adequacy in natural resource management. Some other sources that have been used for district funding include agriculture premium funds from horse betting, a portion of the state road use tax, hunting license fees, oil overcharge funds, inheritance taxes, and lottery funds.

D. DISTRICTS AND LOCAL GOVERNMENT RELATIONSHIPS

To learn more about the nature of the relationship between districts and local governments, the subcommittee invited district directors from the Mountain SWCD, the Piedmont SWCD, the Northern Virginia SWCD, the Halifax SWCD, the Headwater SWCD, and local government officials representing jurisdictions within these districts to discuss (i) the range of services that districts provide and (ii) local government's role in financing district operations. Because of limited staff resources and the lack of conservation expertise, many local officials in rural areas of the state view districts as the primary provider of conservation and environmental services to residents, businesses and their clients. While districts' only concern once was combating erosion on agricultural lands, they are now being asked to develop conservation programs aimed at recreational, residential and industrial land-uses as well as the protection of water quantity and quality. Many of those testifying were concerned that districts were underutilized by localities, in large measure, because of the localities' need to dedicate greater portions of their budgets to meet the increasing costs of public education and federal environmental mandates. In view of the localities' current commitment to districts of approximately $1.6 million, combined with the fact that a limited number of revenue-generating

options are available to local governments, several speakers looked to the state to either increase its funding for districts, or to provide districts and localities with the necessary tools for raising additional revenue. They recommended the following options for the subcommittee's consideration:

- Dedicate a small percentage of the state sales tax, as Missouri has, to fund district operations. Such an option could be made more attractive by including fish and wildlife programs, forests, parks and recreation, historic preservation, natural science museums and environmental education activities as recipients of the dedicated funds.

- Impose user fees, with local government paying districts for administration of a particular program or service based on usage.

- Implement a cost-share funding formula for state and local governments and their customers, using a ratio of 80/20, 75/25, or 70/30.

- Reorganize districts statewide into a structure and funding regime similar to that of planning district commissions, with each locality paying a portion of the district's operating costs based on its population. Extra payments would made for those services not ordinarily provided by districts.

- Establish a line item in the state budget allocated for districts' operations.

E. REVIEWING FINANCING OPTIONS

At the request of the subcommittee, staff, working with representatives of soil and water conservation districts, developed a number of options for financing district operations. Staff presented the following options to the subcommittee for consideration. In its review of the merits of each option, the subcommitteee provided those representing affected parties an opportunity to comment.

No one source will provide the needed revenue; however, a combination of state, local, and district revenue-generating mechanisms might be considered, including:

- Creation of a special statutory fund, the Soil and Water Conservation District Operations Fund, containing funds dedicated to carrying out SWCD activities. This fund could be capitalized by fees on products or substances having a potential impact on soil and water quality. The conservation of soil and protection of water quality are the primary objectives of SWCDs.

- Authorization for local governments to impose a millage tax/assessment on real estate lying within soil and water conservation districts.

- A line item budget appropriation for soil and water conservation districts in an amount which would enable districts to provide services needed in meeting local, state, and federal mandates.

- Authorization for soil and water conservation to charge a fee for the full range of services provided or for a specific type of service offered such as erosion and sediment control assistance.

1. Soil and Water Conservation District Operations Fund

A special nonreverting fund could be established by statute to assist in the financing of district operations. The Fund would be administered either by the Virginia Soil and Water Conservation Board or the Board of Conservation and Recreation. Its purpose would be to supplement current SWCD operational grant funds received from the Department of Conservation and Recreation. Activities which may be eligible to receive moneys from the fund would include:

- Technical assistance to land-users to control pollution from nonpoint sources;

- Educational programs which promote voluntary actions in preventing soil erosion and nutrient runoff into state waters;

- Coordination of state, local and private organization initiatives for soil conservation and water quality improvement;

- Performance of mandated soil conservation activities; and

- Administration of the SWCD program (salaries, equipment, travel expenses).

The revenue to pay for these activities could be generated through the collection of fees on products/substances which, if not handled properly, may have an impact on the soil as well as surface water and ground water.

a. Feed and Fertilizer Inspection Fees

Currently, an inspection fee is imposed on fertilizer and commercial feed sold in Virginia. Any person who distributes fertilizer in Virginia is required to file a tonnage statement with the Virginia Department of Agriculture and Consumer Services by August 1 of each year, indicating the amount of the product sold from July 1 through June 30. The inspection fee for the last 25 years has been 25 cents per ton. Five cents of the inspection fee is credited to the Virginia Agricultural Foundation for research and promotions. The remainder is used to carry out the provisions of the Virginia Fertilizer Act. According to Department figures for the period July 1994 through June 1995, 776,000 tons of fertilizer were distributed in Virginia with an average

per ton value of $170 and a total value of $131,920,000 annually. If the inspection fee were to be increased 10 cents, an additional $77,600 would be generated for districts.

The reporting year for commercial feed tonnage is January 1 through December 31. Commercial feed distributors pay a seven cents per ton inspection fee, which must be paid by February 1 of the ensuing year. In 1956, when the Virginia Commercial Feed Act was enacted, the fee was 15 cents per ton and increased to its highest level of 25 cents in 1966. Since then the fee has steadily declined. For the 1994 calendar year, 1,064,700 tons of commercial feed and 1,838,100 tons of contract feed were distributed, with the total amount distributed being 2,902,800 tons. The average value per ton was $200 and the total annual value was $580,560,000. If the current seven-cent fee, all of which goes to the Virginia Agricultural Foundation, is increased to 15 cents per ton, an additional $232,224 would be generated annually for districts.

b. Biosolids Fee Assessment

The Virginia Department of Health recently assumed responsibility for issuing Virginia Pollution Abatement (VPA) permits for land application of biosolids (sludge). The Department of Health has proposed that the maximum fee for such a permit be $2,500, which was the maximum fee established by statute when the program was administered by the Department of Environmental Quality. The permit fee will include a base fee of $500 and a graduated per acre fee. The permit will be issued for a five-year period.

Currently, companies are paid between $18 and $22 per ton to transport biosolids from municipal treatment facilities. After the material is tested for its constituent makeup, it is applied to agricultural land as a soil fertilizer at no cost to the farmer. A Department of Health official estimated that 400 dry tons (50 acres) of biosolids are applied daily in the state or 146,000 dry tons per year. If the companies which hold VPA permits were assessed a quarterly fee based either on the number of tons applied or on the pounds of nitrogen and phosphorus applied, revenue in the following amounts could be generated:

- Tonnage assessment based on 146,000 dry tons applied per year
  at $1.00 per ton assessment or 1/20¢ ($.0005)/lb. = $146,000
  at $1.50 per ton assessment or $.00075/lb. = $219,000

- Assessment based on amount of nitrogen and phosphorus, assuming a ton of biosolids contains 40 lbs. of nitrogen and 20 lbs. of phosphorus

Nitrogen:	400	tons of sludge per day
	x 40	lbs. of nitrogen per ton
	16,000	lbs. of nitrogen per day
	x 365	days
	5,840,000	lbs. of nitrogen per year

at 5¢/lb. of nitrogen = $292,000, $2.00 per ton of sludge
at 2½¢/lb. of nitrogen = $146,000, $1.00 per ton of sludge

Phosphorus:	400	tons of sludge per day
	x 20	lbs. of phosphorus per ton
	8,000	lbs. per day
	x 365	days
	2,920,000	lbs. of phosphorus per year

at 5¢/lb. of phosphorus = $146,000, $1.00 per ton of sludge
at 2½¢/lb. of phosphorus = $73,000, $.50 per ton of sludge

c. Landfilling Fee

Local governments and private companies operate more than 240 nonhazardous solid waste facilities across the state. The majority of these facilities are sanitary, industrial, or demolition debris landfills which are used to dispose of various types of solid waste by burying the refuse. In its 1993 report Solid Waste Facility Management in Virginia: Impact on Minority Communities, the Joint Legislative Audit and Review Commission (JLARC) projected an increase of 16 percent in the amount of solid waste disposed of annually in Virginia. In 1993, 86 facilities disposed of about seven million tons of solid waste. By 1994, the figure had increased to approximately 8.2 million tons and is expected to reach more than 9.4 million tons in 1995. About 80 percent of the solid waste that is buried in the state is disposed of in sanitary landfills, with the remainder buried in construction/demolition debris and industrial waste facilities.

Currently, there is no statewide fee on the landfilling of solid waste. Each facility charges a tipping fee for disposal of waste at their facility. Based on the 9.4 million ton figure, if sanitary landfill operators were assessed a fee of ten cents per ton, $940,000 could be generated annually for district operations. At five cents per ton, $470,000 could go to the districts.

2. Local Real Estate Assessment

A number of states have authorized a millage levy on real property lying within soil and water conservation districts as a means of providing additional revenue for the operation of districts. The authority to levy a mill (1/10 of a cent) tax, in most instances, is given to the local government, although some states (Colorado, California, Nebraska) grant this taxing power to districts. When such authority is given to localities, it can be exercised upon the petition of voters within the districts, or by a resolution received from a majority of the supervisors of the conservation district, or upon the locality's own motions. Typically, a district submits its budget request to the locality, which has the option of funding the request out of general funds or imposing a millage tax or assessment. The following exemplify how several states have structured the financial relationship between districts and localities using a millage authority.

a. Kansas

The boards of county commissioners in Kansas, upon the request of the conservation districts, are authorized to pay for district operations using county general funds. County general fund contributions to districts historically had been capped by statute, most recently at $10,000 annually. In 1994, the legislature removed the cap. Counties were given the power to levy an annual tax against taxable "tangible property" within a district, not to exceed two mills or $55,000, whichever is less, in order to provide additional moneys for the operation of the district. For calendar year 1996, county general fund contributions to districts will be $927,168. Forty-eight of the 105 counties will impose a millage tax, generating an average of $21,142 per county and $1,014,836 statewide.

In addition, the state provides up to $10,000 in matching funds per district. The matching funds are disbursed upon certification that county moneys have been received. The amount of the match is calculated based on the total local contribution of general funds and millage revenue. For fiscal year 1997, the state match contribution will total $1,008,892 or about $9,600 per district.

b. Kentucky

In Kentucky, the board of a conservation district may request annual operating expenses from a fiscal court. Each county in the Commonwealth is managed by a fiscal court which may consist of the judges of the county court and the justices of the peace; or a county may have three commissioners, elected from the county at large, who together with the judge of the county court constitute the fiscal court. In support of its request for funds, the district board presents to the fiscal court a report containing a description of the previous year's operation, a long-range plan for natural resource development, and an annual work plan. If the court rejects the budget request, it is required to present, in writing and within a reasonable time, a list of objections and suggested corrections to the district's budget proposal. The district then may submit a revised budget request. Funds for an approved budget must be from either general funds or from the levy of a millage tax. The statute requires proceeds from the millage tax to be expended by the conservation district for employment of soil conservation aids and for other purposes directly related to the program, including staffing, promotional activities, office equipment and supplies, and necessary incidentals.

There are 121 conservation district in Kentucky. Fewer than half have adopted a millage tax. During fiscal year 1994, local governments, through the fiscal courts, funded district budgets in the amount of $3.1 million. The state provided $250,000 or about $2,000 per district in assistance to pay for clerical assistance, office operations and a limited number of field conservationists.

c. Montana

On or before the first Monday of July, conservation district supervisors are required by statute to furnish the boards of county commissioners a written estimate of the amount of money that will be needed to be raised through an assessment for the operation of the district during the next fiscal year. If the district lies in more than one county, the amount of the estimate of the assessment is divided in the proportion of value of the land in the district lying in each county. The district provides each county with a statement of the part of the estimate apportioned to it. The maximum regular assessment is 1½ mills on a dollar of total taxable valuation of real property within the district. The board of commissioners is empowered to levy a regular assessment in an amount sufficient to raise the amount reported to the county commissioner by the district supervisors. The funds raised via the levy reside in the treasury of the principal county in the district. The principal county is that locality where all or the greatest portion of land is situated.

In addition to the "regular assessment" of 1½ mills, supervisors of conservation districts are authorized to levy a "special administrative assessment" for administrative costs and expenses of the district, if the qualified electors in the district approve the imposition of this additional assessment. However, the amount raised cannot exceed the difference between the amount raised by the "regular assessment" and $20,000. The special administrative assessment question is presented to the qualified electors of the district by resolution of the district supervisors. If the district is located in more than one county, the question must be approved by residents of each county in the district.

Montana contains 58 conservation districts. Approximately two-thirds of the districts have imposed a "regular assessment," which has generated about $1.2 million statewide. No district has adopted the special administrative assessments. The state awards $120,000 in competitive grants to conservation districts. However, to be eligible for a grant, a district must have exhausted its authorized mill levy. A Montana official pointed out that one of the problems inherent in a millage tax based on the valuation of real property is that the revenue generated by the assessment will vary significantly among the districts. For instance, in Montana the rural under-populated areas receive $1,500 per year from the assessment while the urban, populated districts receive as much as $100,000.

d. North Dakota

Supervisors of conservation districts in North Dakota may levy a tax of not more than one mill on land valuation to pay for conservation district expenses, including mileage and other expenses of the supervisors, and technical, administrative, clerical, and other operating costs. Immediately after completing the district budget and adoption of the annual tax levy, but no later than July 1, district supervisors are required to send one certified copy of the levy to the county auditor of each county in the district. The county auditor then extends the levy on the tax list of the county. The treasurer of the county in the district collects all district taxes together with any interest and penalty. He then transfers to the district, by the tenth working day of each month, all taxes collected during the preceding month.

If district supervisors find a need to raise funds in excess of the allowable one mill maximum through taxation, they must submit to the qualified electors of the district at the next general election the question of increasing the levy by a certain number of mills. Notice of the question must be filed with the county auditor 55 days before the election. They may then increase the levy if a majority of the qualified elections approve the question.

e. South Dakota

A conservation district in South Dakota is required, at least three weeks before the statutory deadline for establishing official budgets, to estimate (i) the cost of operating and maintaining the district for the upcoming fiscal year and (ii) the amount of moneys that may be available from all sources. These estimates are submitted in the form of a budget to a county or counties comprising the territory of the district. The county must provide the additional moneys required to operate and maintain the district. However, it may disallow or otherwise modify any item which it determines is not justified, having first held at least one public hearing on the budget proposal. The funds must be used to hire employees, purchase supplies, and carry out district programs "for the conservation of soil and water resources that will protect the tax base of the county, and to provide for the general welfare of the people of the county" (South Dakota Code § 38-8-55). Before receiving funds, a district is required to file with the county commissioners a financial statement for the prior three years, itemizing the amount of funds received and how they were disbursed.

Using general fund moneys, counties have been required since 1986 to fund the cost of operating and maintaining the district over the estimated moneys available to the district from all other sources. Prior to 1986, if the general fund of the county was insufficient to meet the approved budget, the county could levy a tax, not to exceed one mill, on the taxable valuation of property within the district.

f. Wyoming

Wyoming law authorizes county commissioners to levy a tax on all property in the district in an amount not to exceed one mill on each dollar of assessed value. The county may hold a referendum on the imposition of such a tax if it receives a petition from a majority of the conservation district supervisors requesting an election. The tax can be imposed if a majority of the qualified electors casting ballots vote in favor of the tax. It would then be levied in the year following the election. The county treasurer is responsible for collecting the taxes and depositing the revenue into a separate account known as the Conservation District Fund. If the tax is approved, the conservation district board has two options as to renewal of the tax. It can submit the same proposition at the second following general election and, thereafter at succeeding general elections every four years until the proposition is defeated, or the tax remains in effect until a petition of 10 percent of electors of the districts to discontinue the tax is received by the

county commissioners and the proposal to discontinue the tax is approved by the electors of the district at the next general election.

Of the 34 conservation districts, 20 are imposing a millage tax; however, most have imposed less than the one-mill maximum. The districts have generated approximately $1,287,000 in local millage revenue. In addition, county commissioners provide direct general fund appropriations to conservation districts.

3. Line Item General Fund Budget Appropriation

Financial support for SWCDs for FY 1994-1995 totaled about $3.2 million. According to the recently completed survey of district needs, districts estimate that about 27 to 30 percent of their budget is allocated for "mandated" services — those services performed in response to requirements of federal, state, and local laws. These services include performing erosion and sediment control activities, preparing mandated farm conservation plans (Food Security Act, Chesapeake Bay Preservation Act, county ordinances), and maintaining district owned dams. The percentage of operating budgets devoted to delivering these services, if projected against the total of $3.2 million in district funding, means that approximately $1 million is allocated by districts statewide to perform mandated services. In addition, the survey identified $1,071,000 worth of essential needs not being met in the area of mandated services. One option then is to recommend that a line item of $2 million be included in the Appropriations Act to be allocated to districts to perform services required by state or federal law or regulation.

4. Statutory Authorization of Fee for Service

With the exception of allowing districts to rent machinery and other equipment to individuals or groups, Virginia law is silent regarding a district's authority to charge a fee for a service it provides. While districts are empowered to execute contracts and other instruments necessary to carry out their powers, a statutory provision which specifically allows districts to charge for services rendered would further formalize districts' relationships with local government, state agencies, and private organizations, perhaps enhancing the credibility of districts as providers of valuable services.

IV. FINDINGS AND RECOMMENDATIONS

The testimony of those who appeared before the subcommittee and the information gathered during two years of deliberations suggests that the lack of a reliable financial base significantly affects the ability of soil and water conservation districts to effectively perform their mission, and undermines Virginia's efforts to improve water quality and minimize a significant water quality problem--nonpoint source pollution. The foundation of Virginia's approach to reducing NPS pollution includes reliance on district technical assistance in such areas as farm planning and urban erosion control. Districts' efforts are essential in bringing voluntary, locally

initiated solutions to conservation-related problems. Unfortunately, data reviewed by the subcommittee indicates that funds have not been available to meet basic levels of service. For example, every district has a full-time employee who can provide needed technical and education services.

Because various levels of government (local, federal and state) have requested and will continue to request the assistance of districts in a wide array of activities, the subcommittee recommends four financing options which involve both localities and state government:

- A line item budget appropriation;
- Legislative authorization for districts to enter into fee-for-service agreements;
- Enabling legislation for the imposition of a millage tax; and
- A study of the feasibility of imposing a state landfilling fee.

State general funds are currently being allocated to the DSWC for distribution to districts. Following the rationale that a government should provide funding for the activities it mandates, the subcommittee asked the DSWC to develop a more detailed analysis of the costs to districts of responding to governmental mandates. The DSWC had previously estimated the costs of performing such mandated activities to be approximately $2 million. Using data from the survey of districts and other DCR information, the estimated total costs (current plus additional costs), as indicated on the table below, is $3,769,000[10]

MANDATE	CURRENT ANNUAL COSTS	ADDITIONAL NEEDS	TOTAL COSTS
Nonpoint Source (NPS) Pollution	$196,000	$276,000	$472,000
Erosion and Sediment (E&S) Responsibilities	$262,000	$361,000	$623,000
Implementation of the Chesapeake Bay Pres. Act	$375,000	$111,000	$486,000
Installation of Best Management Practices	$893,000*	$856,000**	$1,749,000
Dam Safety	$65,000	$94,000	$159,000
Tributary Strategies	-0-	$280,000	$280,000
GRAND TOTALS	$1,791,000	$1,978,000	$3,769,000

* Amount reflects state support for technical staff wages and salaries. Incentive moneys for farmers with installation of BMPs are not included--actual FY 1994-95 incentive moneys totaled $1,068,861.

**Incentive moneys for farmer BMPs are not incorporated in this amount. Estimates of citizen demand are $4,000,000 to $5,000,000 annually.

[10] A brief explanation of each mandate is provided in Appendix D.

The subcommittee recognizes that financial resources do not exist to meet all of these needs. However, the subcommittee believes that the highest funding priority should be meeting Virginia's commitment to clean up the Chesapeake Bay and its tributaries. Addressing water quality problems in the upstream portions of the Bay's tributaries also benefit downstream water users. Integral to the Baywide restoration effort is the development of strategies for cleaning up tributaries. Districts, by virtue of their expertise in conservation issues, are envisioned as a partner in this effort. The subcommittee views its recommendation of providing districts with funds for tributary projects as an initial step in incrementally meeting the needs of districts as they continue to respond to government-imposed mandates. Therefore, the subcommittee recommends:

Recommendation #1: That language be included in the Appropriations Act that allocates $280,000 in FY 1996-1997 and $280,000 in FY 1997-1998 for soil and water conservation districts to coordinate and assist in the implementation of local tributary strategies under the Chesapeake Bay Program. In addition, language should be included which provides funding for soil and water conservation districts in an amount equal to the levels provided before July 1996.

The subcommittee acknowledges the significant financial contributions that local governments have made to the operation of districts. To further enhance a district's ability to raise additional revenue from services which might be provided not only to localities, but also to businesses and individuals, the subcommittee recommends:

Recommendation #2: That legislation be enacted authorizing soil and water conservation districts to engage in contractual negotiations for the purpose of charging for services they render (Appendix E).

To provide local governments with a mechanism apart from local general fund appropriations for generating revenue for district operations, the subcommittee recommends:

Recommendation #3: That the General Assembly enact legislation which would allow every county or city that is a member of a soil and water conservation district, if it chooses, to impose a tax on real estate lying within a district. The tax would be a dedicated source of revenue, used to pay for the costs of district operations (Appendix F).

In reviewing the appropriateness of imposing a statewide fee on waste deposited in landfills to finance district operations, the subcommittee was concerned that the payment of such fees might interfere with contractual obligations between private operators and their customers/clients. (e.g., localities). Financial arrangements, including debt service, could be affected by a proposal to impose a separate state charge. However, a majority of the subcommittee members believe that a study should be undertaken to examine the efficacy of imposing such a fee.

Recommendation #4: That the following language be included in the Appropriations Act: Out of this appropriation, the Department shall conduct a study to determine the impact that the imposition of a state waste disposal fee will have on the operation of sanitary landfills. The study shall include: (i) a survey of landfill operators and those disposing of solid waste to determine to what extent, if any, such a fee would affect current contractual obligations; (ii) projections of the amount of solid waste that will be disposed in sanitary landfills and incinerators located in Virginia

over the next five years; and (iii) an analysis of whether such a fee represents an appropriate and reliable source of funding for soil and water conservation districts.

Respectfully submitted,

Sen. Joseph V. Gartlan, Jr., *Chairman*
Del. Watkins M. Abbitt, Jr., *Vice-Chairman*
Sen. Charles R. Hawkins
Del. Kenneth R. Plum
Del. Beverly J. Sherwood
Jack Frye
H. Earl Longest
Edward T. Walters
G. Dan Pace

APPENDICES

1994 SESSION

LD1786661

SENATE JOINT RESOLUTION NO. 18

Offered January 17, 1994

Establishing a joint subcommittee to study potential sources of reliable funding for soil and water conservation districts.

Patron—Gartlan

Referred to the Committee on Rules

WHEREAS, soil and water conservation districts are political subdivisions of the Commonwealth; and

WHEREAS, the 45 districts created in the Commonwealth perform numerous invaluable services for every county and its citizens on behalf of the Commonwealth; and

WHEREAS, districts conduct essential programs for the prevention and control of nonpoint source pollution of water; and

WHEREAS, nonpoint source pollution constitutes over half of the pollution entering waters of the Commonwealth; and

WHEREAS, the responsibilities of districts have been increased by the Commonwealth to the extent that more than 60 technical employees of the districts now assist farmers and other landowners in reducing nonpoint source pollution; and

WHEREAS, districts are the approving authority for the 20,000 agricultural conservation plans being prepared in accordance with regulations promulgated pursuant to the Chesapeake Bay Preservation Act; and

WHEREAS, districts offer the Commonwealth a unique, decentralized mechanism for reaching land users and having them curtail activities which cause nonpoint source pollution; and

WHEREAS, the governing body of a conservation district consists of directors, who are elected and appointed local officials; and

WHEREAS, district directors are the only elected officials charged with soil and water conservation, a mission critical to maintaining Virginia's environmental health; and

WHEREAS, the absence of a stable source of revenue for districts has resulted in district programs being underfunded and suffering from both state and federal budget reductions; and

WHEREAS, the vulnerability of their funding sources has detrimentally affected the budgets of districts and has seriously detracted from their ability to perform essential services; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study potential sources of reliable funding for soil and water conservation districts.

The joint subcommittee shall consist of nine members to be appointed as follows: two members of the Senate to be appointed by the Senate Committee on Privileges and Elections; three members of the House of Delegates to be appointed by the Speaker of the House; the Director of the Division of Soil and Water Conservation of the Department of Conservation and Recreation; and three members to be appointed by the Governor as follows: two directors of the governing body of soil and water conservation districts, to be selected from a list of nominees submitted by the Virginia Association of Soil and Water Conservation Districts; and one citizen at large who, based on educational and professional background, is knowledgeable about conservation issues.

The Division of Legislative Services shall provide staff support for the study. Technical ssistance shall be provided by the Department of Conservation and Recreation. All agencies of the Commonwealth shall provide assistance to the joint subcommittee upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing

legislative documents.

The direct costs of this study shall not exceed $5,250.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

Official Use By Clerks

Agreed to By The Senate		Agreed to By The House of Delegates	
without amendment	☐	without amendment	☐
with amendment	☐	with amendment	☐
substitute	☐	substitute	☐
substitute w/amdt	☐	substitute w/amdt	☐
Date: _____		Date: _____	
Clerk of the Senate		Clerk of the House of Delegates	

APPENDIX B

1995 SESSION

LD0040661

SENATE JOINT RESOLUTION NO. 275

Offered January 17, 1995

Continuing the Joint Subcommittee Studying Potential Sources of Reliable Funding for Soil and Water Conservation Districts.

Patrons—Gartlan and Hawkins; Delegates: Abbitt, Plum and Sherwood

---

Referred to the Committee on Rules

WHEREAS, Senate Joint Resolution 18, adopted by the 1994 Session of the General Assembly, established a joint subcommittee to study sources of reliable funding for soil and water conservation districts; and

WHEREAS, soil and water conservation districts in Virginia conduct essential programs for the prevention and control of nonpoint source pollution of water; and

WHEREAS, districts offer the Commonwealth a unique, decentralized mechanism for offering land users financial and technical assistance aimed at protecting water quality and conserving the soil; and

WHEREAS, during its first year of deliberations, the joint subcommittee received testimony which indicated that the FY 1994 funding for district activities from local, state, and federal sources totaled approximately $3.4 million; and

WHEREAS, preliminary figures appear to confirm funding needs which are in excess of current funding levels; and

WHEREAS, the joint subcommittee is currently engaged in more precisely documenting the specific areas of need; and

WHEREAS, the appropriate roles of the state, federal, and local governments in providing an adequate level of funding are still being investigated by the joint subcommittee; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Potential Sources of Reliable Funding for Soil and Water Conservation Districts be continued for the purpose of (i) examining the financial needs of soil and water conservation districts and (ii) recommending reliable sources of funding. The current members of the joint subcommittee shall continue to serve, with any vacancies to be filled in accordance with the original resolution.

The direct costs of this study shall not exceed $5,250.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Department of Conservation and Recreation. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

DETAILED ANALYSIS OF SWCD PROGRAM DATA

I. PERFORMING MANDATED SERVICES

OVERVIEW:

Every one of Virginia's 45 SWCDs performs activities they are bound to fulfill due to local, state and/or federal mandates. These "must do" activities include district board approval of conservation plans, fulfillment of local erosion and sedimentation control responsibilities required under local ordinances, and maintenance of district owned dams.

Summary of Survey Findings concerning SWCD Mandated Responsibilities:

* All 45 districts perform some level of mandated services.

* As a group, performing these services consumes approximately 14% of total time donated by directors and 22% of district staff time.

* Costs of performing mandates are estimated at $1.06 million, or about 27% of the statewide operating budget of districts; includes all funding sources.

* To fulfill basic services in several mandated programs, a total of 29 full-time and 22 part-time technical employees are needed.

* To pay staff and meet essential operating expenses, additional funding is needed in the amount of $1,071,000.

Mandated Programs and Services:

1) Erosion and Sedimentation: Forty-one (41) districts perform erosion and sedimentation control functions under authorization of state code. Fourteen (14) districts stated that they are not able to meet basic needs in this program. An additional 9 full-time and 9 part-time positions are needed to perform essential services, which includes plan approvals, plan reviews, inspections, etc. Estimated funding of $361,000.00 is needed to pay for staff and provide operating support to those districts.

2) A) Implementation of Provisions of Chesapeake Bay Preservation Act Ordinances:

   Fourteen (14) districts implement agricultural provisions of the CBPA through agreements between DCR and CBLAD and between the district and the local government. Staff from these eastern Virginia districts prepared over 600 farm

conservation plans during FY 1994. As required by state regulation, every plan must meet approval by the local district board of directors.

Of the 14 districts performing this service, two-thirds (9) reported they are not adequately staffed and funded to meet basic needs. As a group, additional staff needs are 11 full-time and 7 part-time technical employees. Funding needed to support these employees and meet service needs is $384,000.

B) Landowner Assistance for Compliance with the Federal 1985 Food Security Act:

District boards must approve farm plans that provide management guidance to control erosion on highly erodible soils -- as required by the federal 1985 Food Security Act. District staff perform much of the planning with oversight by the USDA Soil Conservation Service.

Twelve (12) of 45 districts are not adequately staffed and funded to meet basic service needs in their communities. Seven (7) full-time and three (3) part-time positions are needed with additional funding needs totalling $232,000 to meet this shortage.

3) Maintaining District Owned Dams: Thirteen (13) districts sponsor 62 dams that require continuous, routine maintenance to ensure their structural integrity and public safety. These impoundments serve as resources for public drinking supply, and provide local residents with many recreational opportunities.

Five (5) districts state their basic needs with performance of routine maintenance are not currently met. Additional staff needs are 2 full-time and 3 part-time technical employees. Total costs of needed staff and operational expenses is $94,000. Staff and funding pertain solely to maintenance, and do not address projected expenses for structural modifications (when needed), monitoring devices, acquisition of additional property, etc.

II. PERFORMING SERVICES REQUIRED THROUGH CONTRACTS, AGREEMENTS, MOUs, ETC.

OVERVIEW:

Written agreements, contracts and memorandums of understanding (MOUs) exist between every (45) district and various government agencies and groups. Examples include agreements between districts and agencies such as the USDA Soil Conservation Service (SCS), DCR and local governments. USDA SCS relies on districts for implementation of 1985 and 1990 federal farm legislation. These laws cause Virginia to meet water quality goals established in the Chesapeake Bay

Program. DCR relies heavily on services of districts to implement a variety of local programs that address crucial NPS pollution problems; like implementation (by every district) of a local cost-shared program for farmers -- funded and managed by DCR. An additional example of reliance on districts by DCR includes local district provision of technical expertise to farmers, and suburbanites and others that voluntarily correct problems and behaviors that contribute to pollution problems.

While the DCR and USDA Soil Conservation Service rely on district support, other state and federal agencies also establish working agreements with districts. These agencies include the Virginia Department of Forestry, Virginia Cooperative Extension and the USDA ASCS, and others.

Districts perform services through agreements with counties, towns and cities within their boundaries. Some districts perform services supporting community recycling programs; others assist with implementation of county ordinances requiring plans for disposal and management of manures from confined livestock operations.

Summary of Survey Findings Concerning Services Performed Through Agreements and Memorandums of Understanding (MOUs):

* All 45 districts perform services through agreements with local/state/federal agencies and other groups.

* Performing these services consumes approximately 25% ($.98 million) of the statewide operating budget of districts.

* Carrying out these responsibilities accounts for 19% of the time worked by SWCD staff.

* To meet basic needs of services provided through agreements, 17 full-time and 30 part-time employees are needed.

* Additional funding totalling $1.23 million is needed to cover expenses of staff and operating costs associated with delivery of services.

Programs and Services Performed Through Agreements and MOUs:

1) **Performing Essential Support for DCR's Statewide NPS Pollution Reduction Management Program**: Every district implements a local program that provides technical and financial assistance to farmers with installation of conservation practices aimed at minimizing NPS pollution. Since agricultural operations are estimated to contribute over 60% of NPS pollution impacting state waters, this program is a crucial part of Virginia's NPS Management Plan. DCR provides funding for landowner incentive payments and establishes statewide guidance for the

program. Districts administer funds locally and provide technical assistance to farmers with management and installation of conservation practices. The Virginia Agricultural Best Management Practices Cost-Share Program recently celebrated its 10th anniversary.

Seventeen (17) districts report they are unable to satisfactorily provide basic levels of service to this program. They estimate seven (7) full-time and eleven (11) part-time employees are needed. Additional funding to support positions and cover operating costs totals $856,000. This does not include funds for the actual installation of the best management practices.

Additionally, DCR relies on districts for their local delivery of technical assistance to farmers that may not be recipients of funding from the Cost-Share Program. Working with farmers to raise awareness about farm practices and management problems that contribute pollution is a critical service provided by districts. It is the necessary precursor to actual adopting improved farm management and water quality measures. Through district efforts, thousands of farmers receive technical expertise and encouragement for voluntary change.

Twenty-three (23) districts are unable to fulfill basic services to local farmers that enable them to voluntarily plan and manage farms with minimal NPS pollution problems. Eight (8) full-time and (14) part-time technical employees are needed. Costs associated with additional positions and operating expenses are estimated at $276,000.

2) **Fulfilling Agreements/MOUs with Local Governments and Others:** Examples of services performed for local governments through agreements and MOUs includes the inventory of land use along streams, review and comment for rezoning requests, land use planning assistance, provision of soils information and interpretation, and responsibilities with local recycling programs.

Eight (8) districts state they are not able to fulfill basic services needed to meet their agreements with local governments and others. Additional funding in the amount of $99,000 is needed to support 2 full-time and 5 part-time employees and pay operating expenses.

III. SERVICES DELIVERED THROUGH INDEPENDENT INITIATIVES OF DISTRICTS

OVERVIEW:

Every district performs local services to meet local community needs. The locally initiated services and activities always dovetail in ways that further state and federal

programs. It was to address local needs that districts originally were created.

Districts devote considerable effort with youth and adult education activities. Some districts hire staff devoted exclusively to citizen education. These services fulfill local voids in education where classroom curriculum may be lacking, or critical conservation information is not adequately reaching certain adult groups.

District sponsored workshops and forums bridge the gap between state and federal mandates, and actually transfer the messages about changes that must occur at the community level. Locally conveyed requests sit better with landowners and incite adoption much better than appeals or demands from Richmond and Washington, D.C. DCR's NPS efforts are enhanced when districts sponsor field days with farmers and local officials to demonstrate effective conservation practices. USDA federal agencies benefit from forums convened by districts to explain implementation of Farm Bill provisions.

Another example of an effective district initiative is local rental programs for farm conservation equipment. Farm implements that minimize soil disruption combine water quality protection with the latest technology with efficient seeding and cultivation. But, they're nearly always cost-prohibitive for individual farms. Over 30 districts have established local rental programs where they lease conservation implements to farmers at very nominal rates. These efforts enhance adoption of the latest technology with conservation practices, benefit the environmental and generate district revenue which is returned to the community through additional programs and services.

Summary of Survey Findings Concerning Services Initiated by Districts to Address Community Needs:

* Every district implements local programs that exist due to community needs that are not met through efforts of other government agencies.

* Forty-seven percent (47%) of the total hours worked by district staff are devoted to delivery of district initiated services.

* Directors devote over two-thirds of their donated time to these activities.

* Approximately thirty-two percent (32%) or ($1.25 million) of the total operating budget of districts supports district initiated programs and services.

* The addition of 20 full-time and 30 part-time employees will enable district to fulfill basic services in key local programs.

* Costs for additional staff and operational expenses is needed in the amount of $876,000.

IV. MANAGEMENT AND ADMINISTRATION

OVERVIEW:

Districts must manage their programs, staff and finances. District directors provide oversight, supervise employees, and establish policies and directives. Paid staff manage daily operations of every district.

Summary of Survey Findings Concerning SWCD Management and Administration:

* Performing this activity consumes about 30% of total time donated by directors and 12% of district staff time.

* Costs of management and administration are estimated at $.63 million, or about 16% of the statewide operating budget of districts.

* To fulfill basic services, an additional statewide total of 3 full-time and 4 part-time employees are needed.

* To pay staff and adequately manage and administer district programs, finances and personnel, additional funding is needed in the amount of $103,000.

Statewide Summary: 45 SWCD's

SWCD Services & Activities	% of Time Devoted	% of Operating Budget	Essential Needs Not Met
MANDATES (required services to fulfill federal/state/local laws): Includes Erosion & Sedimentation, responsibilities, development and approval of mandated conservation plans, maintenance of district owned dams.	22%	27% ($1.06 million)	Staff: Full-Time 29 Part-Time 22 Funding: $1,071,000
PERFORMED THROUGH AGREEMENT (with federal/state/local agencies to locally deliver programs & services): Implementation of the Va Ag BMP Cost-Share Program, provision of technical assistance for land managers for voluntary installation of conservation practices, fulfillment of local MOU's & agreement.	19%	25% ($.98 million)	Staff: Full-Time 17 Part-Time 30 Funding: $1,228,000
DELIVERED THROUGH INDEPENDENT INITIATIVES (complements & supports federal & state conservation efforts; addresses community conservation needs): Implementing conservation equipment programs, performing adult & youth education services, handling citizen complaints and inquiries, etc.	47%	32% ($1.25 million)	Staff: Full-Time 20 Part-Time 30 Funding: $ 876,000
MANAGEMENT & ADMINISTRATION: Managing operations of the district including programs, finances & staff.	12%	16% ($.63 million)	Staff: Full-Time 3 Part-Time 4 Funding: $103,000
TOTALS	100%	100% *($3.92 million)	Staff: Full-Time 69 Part-Time 86 Funding: $3,278,000

* Rece[illegible]om all revenue sources for period July 1, 1993 to June 30, 1994.

Statewide Summary: 43 SWCDS

SWCD Services & Activities		% of Time Devoted	% of Operating Budget	Essential Needs Not Met
MANDATES: (required services performed to fulfill federal/state/local laws.)	- Performing E&S Responsibilities	7%	8%	Staff: Full-Time 9 Part-Time 9 Funding: $ 361,000
	- Preparing Mandated Farm Conservation Plans (Food Security Act, Chesapeake Bay Preservation Act, County Ordinances, etc.)	14%	17%	Staff: Full-Time 18 Part-Time 10 Funding: $ 616,000
	- Maintaining district owned dams	1%	2%	Staff: Full-Time 2 Part-Time 3 Funding: $ 94,000
PERFORMED THROUGH AGREEMENT: (with federal/state/local agencies to locally deliver programs & services.)	- Implementing the Virginia Agricultural Best Management Practices Cost-Share Assistance Program	11%	15%	Staff: Full-Time 7 Part-Time 11 Funding: $ 856,000
	- Assisting land manages with technical expertise for voluntary implementation of conservation practices	5%	6%	Staff: Full-Time 8 Part-Time 14 Funding: $ 273,000
	- Fulfilling local services through MOU's, etc.	3%	4%	Staff: Full-Time 2 Part-Time 5 Funding: $ 99,000
DELIVERED THROUGH INDEPENDENT INITIATIVES: (complements & supports federal & state conservation efforts addressing community conservation needs.)	- Implementing Conservation Equipment Programs	31%	8%	Staff: Full-Time 0 Part-Time 11 Funding: $ 146,000
	- Performing Adult & Youth Education Activities (Field days, classroom curriculum development, presentations, forums, etc.)	8%	12%	Staff: Full-Time 12 Part-Time 14 Funding: $ 495,000
	- Handling Citizen Inquiries, complaints, requests, etc. Supporting community needs including provision of technical data on soils, water quality etc.	8%	12%	Staff: Full-Time 8 Part-Time 5 Funding: $ 235,000
MANAGEMENT & ADMINISTRATION:	- Managing operations of the district, including programs, finances, & staff	12%	16%	Staff: Full-Time 3 Part-Time 4 Funding: $ 103,000
TOTALS:		100%	100% ($3.92 million)	Staff: Full-Time 69 Part-Time 86 Funding: $ 3,278,000

*Received from all revenue sources for period July 1, 1993 to June 30, 1994

Regional Summary: 45 SWCD's

SWCD Services & Activities		Tidewater - 8 SWCD's			Piedmont - 21 SWCD's			Valley - 6 SWCD's			Mountain - 10 SWCD's		
		% of Time Devoted	% of Operating Budget	Essential Staff & Funding Needs Not Met	% of Time Devoted	% of Operating Budget	Essential Staff & Funding Needs Not Met	% of Time Devoted	% of Operating Budget	Essential Staff & Funding Needs Not Met	% of Time Devoted	% of Operating Budget	Essential Staff & Funding Needs Not Met
MANDATES: required services performed to fulfill federal/state/local laws.)	-Performing E&S Responsibilites	8%	6%	Ft 0 PT 1 $ 7,000	12%	10%	Ft 8 PT 2 $ 274,000	9%	6%	Ft 1 PT 2 $ 32,000	6%	6%	Ft 0 PT 4 $ 47,000
	-Preparing Mandated Farm Conservation Plans (Food Security Act, Chesapeake Bay Preservation Act, County Ordinances, etc.)	31%	30%	Ft 2 PT 2 $ 72,000	17%	17%	Ft 11 PT 6 $ 429,000	8%	4%	Ft 1 PT 0 $ 13,000	18%	16%	Ft 4 PT 2 $ 101,000
	-Maintaining district owned dams	0%	0%	Ft 0 PT 0 0	2%	2%	Ft 1 PT 1 $ 34,000	7%	6%	Ft 1 PT 1 $ 60,000	17%	1%	Ft 0 PT 0 0
PERFORMED THROUGH AGREEMENT: (with federal/state/local agencies to locally deliver programs & services.	-Implementing the Virginia Agicultural Best Management Practices Cost-Share Assistance Program	12%	13%	Ft 1 PT 2 $ 102,000	15%	13%	Ft 3 PT 3 $ 126,000	16%	19%	Ft 3 PT 0 $ 221,000	18%	16%	Ft 0 PT 5 $ 406,000
	-Assisting land manages with technical expertise for voluntary implementation of conservation practices	6%	6%	Ft 0 PT 3 $ 35,000	5%	5%	Ft 4 PT 7 $ 153,000	9%	8%	Ft 2 PT 0 $ 25,000	7%	6%	Ft 2 PT 4 $ 60,000
	-Fullfilling local services through MOU's, etc.	4%	6%	Ft 0 PT 0 $ 3,000	5%	5%	Ft 2 PT 3 $ 81,000	5%	3%	Ft 0 PT 0 $ 4,000	3%	3%	Ft 0 PT 2 $ 11,000
DELIVERED THROUGH INDEPENDENT INITIATIVES (complements & supports federal & state conservation efforts addressing community conservation needs.)	-Implementing Conservation Equipment Programs	3%	5%	Ft 0 PT 1 $ 6,000	6%	7%	Ft 0 PT 5 $ 80,000	8%	8%	Ft 0 PT 3 $ 8,000	10%	11%	Ft 0 PT 3 $ 52,000
	-Performing Adult & Youth Education Acitvities (Field days, classroom curriculm development, presentations, forums, etc.)	12%	9%	Ft 2 PT 1 $ 90,000	13%	15%	Ft 8 PT 7 $ 340,000	4%	7%	Ft 1 PT 2 $ 13,000	10%	11%	Ft 1 PT 4 $ 52,000
	-Handling Citizen Inquiries, complaints, requests, etc. Supporting community needs including provision of technical data on soils, water quality, etc.	11%	8%	Ft 0 PT 0 $ 79,000	10%	12%	Ft 4 PT 1 $ 97,000	20%	22%	Ft 2 PT 1 $ 1,000	10%	11%	Ft 1 PT 2 $ 57,000
MANAGEMENT & ADMINISTRATION	-Managing operations of the district, including programs, finances, & staff	13%	17%	Ft 0 PT 0 $ 11,000	15%	14%	Ft 1 PT 2 $ 59,000	14%	17%	Ft 2 PT 0 $ 21,000	17%	19%	Ft 0 PT 1 $ 12,000
TOTALS (Statewide Total Operating Budget for July 1, 1993 to June 30, 1994 = 3.92 million.)		100%	100%	Ft 5 PT 10 $ 405,000	100%	100%	Ft 42PT 37 $1,673,000	100%	100%	Ft 13 PT 9 $ 398,000	100%	100%	Ft 8 PT 27 $ 798,000

Regional Summary: 45 SWCD's

SWCD Services & Activities	Tidewater - 8 SWCD's			Piedmont - 21 SWCD's			Valley - 6 SWCD's			Mountain - 10 SWCD's		
	% of Time Devoted	% of Operating Budget	Essential Needs Not Met	% of Time Devoted	% of Operating Budget	Essential Needs Not Met	% of Time Devoted	% of Operating Budget	Essential Needs Not Met	% of Time Devoted	% of Operating Budget	Essential Needs Not Met
MANDATES(required services performed to fulfill federal/state/local laws.): Includes Erosion & Sedimentation, responsibilities, development and approval of mandated conservation plans, maintenance of district owned dams.	39%	36%	Staff: Full-Time 2 Part-Time 3 Funding: $79,000	31%	29%	Staff: Full-Time 20 Part-Time 9 Funding: $ 737,000	24%	16%	Staff: Full-Time 3 Part-Time 3 Funding: $ 105,000	25%	23%	Staff: Full-Time 4 Part-Time 6 Funding: $ 148,000
PERFORMED THROUGH AGREEMENT (with federal/state/local agencies to locally deliver programs & services.): Implementation of the Va Ag BMP Cost-Share Program, provision of technical assistance for land managers for voluntary installation of conservation practices, fullfilment of local MOU's & agreement.	22%	25%	Staff: Full-Time 1 Part-Time 5 Funding: $140,000	25%	23%	Staff: Full-Time 0 Part-Time 13 Funding: $ 360,000	30%	30%	Staff: Full-Time 5 Part-Time 0 Funding: $ 250,000	28%	25%	Staff: Full-Time 2 Part-Time 11 Funding: $ 477,000
DELIVERED THROUGH INDEPENDENT INITIATIVES (complements & supports federal & state conservation efforts addressing community conservation needs.): Implementing conservation equipment programs, performing adult & youth education services, handling citizen complaints and inquiries, etc.	26%	22%	Staff: Full-Time 2 Part-Time 2 Funding: $175,000	29%	34%	Staff: Full-Time 12 Part-Time 13 Funding: $ 517,000	32%	37%	Staff: Full-Time 3 Part-Time 6 Funding: $ 22,000	39%	33%	Staff: Full-Time 2 Part-Time 0 Funding: $ 161,000
MANAGEMENT & ADMINISTRATION: Managing operations of the district including programs, finances & staff.	13%	17%	Staff: Full-Time 0 Part-Time 0 Funding: $11,000	15%	14%	Staff: Full-Time 1 Part-Time 2 Funding: $ 59,000	14%	17%	Staff: Full-Time 2 Part-Time 0 Funding: $ 21,000	17%	19%	Staff: Full-Time 0 Part-Time 1 Funding: $ 12,000
TOTALS (Statewide Total Operating Budget for July 1, 1993 to June 30,1994=3.92 million.)	100%	100% $518,232	Staff: Full-Time 5 Part-Time 10 Funding: $405,000	100%	100% $2,184,280	Staff: Full-Time 42 Part-Time 37 Funding: $1,673,000	100%	100% $358, 404	Staff: Full-Time 13 Part-Time 9 Funding: $ 398,000	100%	100% $571,848	Staff: Full-Time 8 Part-Time 27 Funding: $ 798,000

APPENDIX D

Nonpoint Source (NPS) Pollution Responsibilities:

Historically, Districts' function has been to help landowners conserve their natural resources. They exist to offer citizens technical assistance to prevent resource waste. Government has capitalized on Districts' local presence in recent years to add on related responsibilities. Federal, state and local authorities all count on Districts to address nonpoint source pollution to water.

A key District responsibility is to develop programs and plans (§10.1-546) for the conservation of soil resources, for the control and prevention of soil erosion, for flood prevention or for agricultural and nonagricultural phases of the conservation, development, utilization and disposal of water within the district. Because they possess this local authority, DCR, as the agency responsible for leading the Commonwealth's prevention and control of nonpoint source pollution (NPS), relies on Districts for delivery of state initiatives to reduce NPS and improve water quality.

Current Costs (all revenue sources): $196,000
Additional Needed Funding: $276,000

Erosion and Sediment (E&S) Responsibilities:

Districts are a responsible organization for delivery of a soil erosion and sediment control program consistent with the state program and regulations (§10.1 - 560). Should any locality (county, city, town) abolish their existing program responsibilities, Districts may assume program responsibilities. Districts must maintain understanding of local issues and be ready for leadership.

Additionally, as needed locally, Districts actually perform a wide range of ongoing erosion and sediment control tasks, such as review of project plans and site inspections.

Current Costs (all revenue sources): $262,000
Additional Needed Funding: $361,000

Implementation of the Chesapeake Bay Preservation Act:

Districts are critical to implementation of the Act on agricultural lands. Regulations (VR173-02-01) require land upon which agricultural activities are being conducted to have a soil and water quality conservation plan. Plans must be approved by local Soil and Water Conservation Districts. Districts employ staff who develop these plans. In addition, they resolve mandated vegetative buffers, and inform affected citizens about compliance with provisions of the Act.

Current Costs (all revenue sources): $375,000
Additional Needed Funding: $111,000

Installation of Best Management Practices:

State law requires that water quality standards be upheld, and that the condition of streams and rivers not be degraded. The federal Clean Water Act requires Virginia to prepare and follow a coordinated plan to prevent nonpoint source pollution. In response, and to meet the multi-

jurisdictional agreement of the Chesapeake Bay Program. Virginia asks farmers to install works which reduce run-off pollution. District staff members are familiar with area conditions and people. They have the technical expertise to design site-specific facilities which present nonpoint source pollution.

The demand for technical District services exceeds the availability of staff to assist with best management practices (BMP). Districts need the skills of additional conservation specialists to advise land operators. This additional need should not be confused with the money for actual BMP installation. This fiscal year, $1,068,861 was dedicated as a financial incentive to landowners to use BMPs. Of that amount, only $20,000 was General Funds; the bulk was EPA funds.

Current Costs $893,000
Funding Needed: $856,000

Dam Safety

Drinking water supply and flood protection dams are scattered across Virginia, with a state dam safety law governing the operation. Districts own over 100 of the dams and uphold the operation and maintenance provision of the law to protect the public from dam failure. (Section 10.1-604 of the Code to Virginia)

Current Operation and Maintenance Costs on 102 District-owned structures (all revenue sources): $65,000
Additional Funding Needed for Ongoing Operation: $94,000

Cost of Modifications Needed to Meet Standards of Dam Safety Act - $3,497,691

Tributary Strategies

Under the Chesapeake Bay Program, a new series of water quality protection strategies are being developed in which Districts may play a crucial, long term role. The character of these strategies, and the method of delivery, is not yet clear. Presumably, county governments and other local interests will organize along river basin boundaries to conduct water quality activities, and presumably counties will call upon their Conservation District to lead or assist in such efforts.

This will represent a significantly expanded, but fitting, responsibility for Districts. By statutory authority and by practice, Districts already facilitate resolution of local water quality issues. With the state's emphasis on local decision making, Districts more than ever before may be called upon to promote practical land use management. Managing water quality through tributary based networks will necessitate manpower beyond current District staffing levels.

Current Costs (all revenue sources): $0
Additional Funding Needed: 1996: $280,000 (add 8 SWCD technical/managerial employees for the Potomac Basin) If similar approaches are adopted throughout the Chesapeake Bay watershed, more employees will be needed.

THE BASIS OF CURRENT & NEEDED FUNDING AMOUNTS:

Methodology: The primary source of data used for the figures under "Current Costs" and "Needed Funding was reported by Districts for the survey conducted for SJR 275 Legislative Sub Committee in October 1994. Additional data from the Department was utilized when applicable.

Nonpoint Source (NPS) Pollution Responsibilities:
Current Costs: Within the Survey, Districts reported devoting 6% of their operating budget performing technical assistance for land managers that implement conservation practices voluntarily. Six (6) per cent of the FY 1994-95 total operating budget of $3,272,069 equates to $196,000. While Districts perform many other services such as educational activities, that contribute towards the Commonwealth's NPS interests they are not included in the cost analysis for this mandate.
Needed Funding: $276,000 -- as reported from the Survey

Erosion and Sediment (E&S) Responsibilities:
Current Costs: Calculated from the Survey with Districts estimating 8% of their operating budget is spent supporting this mandate. The total SWCD operating budget for FY1994-95 totaled $3,272,069. Eight (8) per cent equates to $262,000.
Needed Funding: $616,000 --as reported from the Survey.

Implementation of the Chesapeake Bay Preservation Act:
Current Costs: The Chesapeake Bay Local Assistance Department presently funds 11 District positions through a grant totalling $375,000 which is administered by DCR. These funds fully support employees that provide technical expertise for compliance with agricultural provisions of the Act within designated counties.
Needed Funding: An analysis of survey information reveals Districts with preservation Act responsibilities requires approximately 18% of the additional needed funding of $616,000 (to perform all mandated planning) in order to accomplish Preservation Act responsibilities --this equates to $111,000.

Installation of Best Management Practices:
Current Costs: $893,000 supports 3/4 of the salary costs of 40 technical employees and provides grants of $5,000 for 7 wage positions that deliver technical services.
Needed Funding: $856,000 -- as reported from the Survey

Dam Safety:
Current Costs: Calculated from the Survey with Districts estimating 2% of their operating budget is spent supporting this mandate. The total SWCD operating budget for FY 1994-95 totaled $3,272,069. Two (2) per cent equates to $65,000.
Needed Funding: $94,000 --as reported from the survey.

Tributary Strategies:
Current Costs: $ -0-
Needed Funding: 8 positions are needed, at a cost of $35,000/position, total costs are $280,000.

960009661

SENATE BILL NO. 454

Offered January 22, 1996

A BILL to amend the Code of Virginia by adding a section numbered 10.1-548.1, relating to charging fees for soil and water conservation district services.

Patron—Gartlan

Referred to the Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 10.1-548.1 as follows:

§ 10.1-548.1. Fee for service contracts.

Districts are authorized to engage in contractual negotiations and may enter into contracts to charge fees for the services districts render. The fees agreed upon shall not exceed an amount commensurate with the services rendered, taking into consideration the time, skill and staff expense involved.

960009661

SB454

1/23/96 0:44

Official Use By Clerks

Passed By The Senate		**Passed By The House of Delegates**	
without amendment	☐	without amendment	☐
with amendment	☐	with amendment	☐
substitute	☐	substitute	☐
substitute w/amdt	☐	substitute w/amdt	☐

Date: _____ Date: _____

Clerk of the Senate

Clerk of the House of Delegates

960010661

SENATE BILL NO. 451

Offered January 22, 1996

A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 5 of Title 10.1 a section numbered 10.1-559.1, relating to the financing of soil and water conservation district operations.

Patrons—Gartlan and Hawkins; Delegate: Plum

Referred to the Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 3 of Chapter 5 of Title 10.1 a section numbered 10.1-559.1 as follows:

§ 10.1-559.1. Soil and water conservation district tax; dedication of revenue.

A. Every county or city that is a member of a district may impose an annual tax on real estate lying within the district, in accordance with Chapter 32 (§ 58.1-3200 et seq.) of Title 58.1, for the purpose of funding the operations of the district.

B. Each district shall establish a Soil and Water Conservation District Fund which shall be the repository of the moneys received from the tax. The moneys in the Fund shall be used to pay for the costs of district operations.

960010661

SB451

1/23/96 0:44

Official Use By Clerks

Passed By The Senate		**Passed By The House of Delegates**	
without amendment	☐	without amendment	☐
with amendment	☐	with amendment	☐
substitute	☐	substitute	☐
substitute w/amdt	☐	substitute w/amdt	☐

Date: _____ Date: _____

Clerk of the Senate | Clerk of the House of Delegates