

**Virginia Soil and Water Conservation Board
Allocation Subcommittee
Tuesday, August 27, 2019
Charlottesville, Virginia**

TIME AND PLACE

The meeting of the Virginia Soil and Water Conservation Board Allocation Subcommittee was held at 10:00 a.m. on Tuesday, August 27, 2019 at the Department of Forestry in Charlottesville, Virginia.

SUBCOMMITTEE MEMBERS PRESENT

Adam Wilson, Virginia Soil and Water Conservation Board, Subcommittee Chair
Mario Albritton, Virginia Soil and Water Conservation Board
Keith Balderson, Three Rivers SWCD
John Petersen, Northern Virginia SWCD
Kelly Snoddy, Peter Francisco SWCD
Darryl M. Glover, Director, Division of Soil and Water Conservation
Martha Moore, Virginia Farm Bureau ex officio

SUBCOMMITTEE MEMBERS ABSENT

Gray Coyner, Virginia Soil and Water Conservation Board

DCR STAFF PRESENT

Russell W. Baxter, Deputy Director, Dam Safety/Floodplain Management, Soil and Water Conservation
Christine Watlington, Policy and Regulatory Coordinator
Michael Fletcher, Board and Constituent Services Liaison
Melissa Jackson, Budget Manager
Sharon Partee, Director of Finance

OTHERS PRESENT

Charles Newton, Shenandoah Valley SWCD
Anne Coates, Thomas Jefferson SWCD
Joe Thompson, Thomas Jefferson SWCD
Greg Wichelns, Culpeper SWCD
Tom Turner, John Marshall SWCD

CALL TO ORDER AND INTRODUCTIONS

Mr. Baxter convened the meeting and called for introductions.

Mr. Petersen nominated Mr. Wilson to serve as Chair of the Subcommittee. There were no other nominations and Mr. Wilson was elected chair unanimously.

REVIEW OF THE SUBCOMMITTEE PURPOSE AND CHARGE

Ms. Watlington reviewed the purpose and the charge for the subcommittee.

The Allocation Subcommittee was authorized by the VSWCB at their April 24, 2019 meeting. The Board directed the following:

The VSWCB Allocation Subcommittee will review the current methodology used for calculating the baseline technical assistance allocation to Districts and to provide recommendation(s) for alternative method(s) to determine this baseline.

Ms. Watlington noted that the current methodology had been in place since 2012.

The Subcommittee shall provide its recommendations to the Board no later than the December 11, 2019 Board meeting.

REVIEW OF CURRENT BASELINE ALLOCATIONS FOR EACH DISTRICT

Ms. Watlington provided an overview of the current baseline funding for each district. This funding is based on the methodology established in 2012.

Mr. Petersen noted that while equitable funding is a good goal, the concept of fairness is subjective.

Ms. Moore pointed out that the baseline funding does not include additional funding percentages for Technical Assistance (TA) or Operation and Maintenance.

The baseline funding was established as a place marker until the budget template recommendations could be implemented.

Ms. Watlington noted that the main concern with the current system was that it had not been reviewed or updated since 2012. She advised that the Department was bringing forth options as a starting point for subcommittee conversations.

Mr. Glover advised that the WQIF Task Force, which included state legislator representatives, came to a consensus that \$35 million was the base level funding that they could support. An option for increased the baseline funding was to utilize the recordation fee revenues.

Mr. Petersen noted that several of the Department options seemed to favor districts with Phase III WIP Implementation.

Mr. Glover advised that there were ten districts that committed to implement 70% of the reductions needed to meet the WIP goal. The remaining districts in the Bay region accounted for 30% of the needed reductions.

PRESENTATION AND DISCUSSION OF INITIAL DEPARTMENT FUNDING PROPOSAL AND AMOUNT

Mr. Glover presented DCR staff options for Subcommittee consideration with increased based technical assistance funding.

- I. Stabilize Funding Stream for District Technical Assistance (TA)

- a. Staff proposes increasing baseline TA to \$4.55M
 - i. reflects 13% of a \$35 million VACS program (2017 WQIF stakeholder group recommendation)
 - b. Additional TA based on 13% of any cost share > \$35M
- II. Option A for Baseline TA
- a. Use percentage of total cost share “obligated” from FY13 – FY20
 - b. Apply this percentage to \$4.55M baseline
 - c. Pro – based on recent implementation of VACS funding
 - d. Con – would not emphasize WIP III implementation in some of the targeted ten SWCDs
- III. Option B for Baseline TA – greater equity
- a. Almost all SWCDs receive baseline TA of \$75K
 - b. Four SWCDs who have been receiving more would receive \$110K
 - c. Identify those few SWCDs who do not have enough agriculture acreage to need \$75K
 - d. Redistribute as needed to other SWCDs
 - e. Pro – more equitable overall
 - f. Con – would not emphasize WIP III implementation in some of the targeted 10 SWCDs
- IV. Option C for Baseline TA
- a. Each of the targeted 10 SWCDs for WIP implementation receive \$177K base TA
 - b. Increase over the highest FY20 base TA allocated to one SWCD of \$105K
 - c. Remainder divided between all other SWCDs at average \$75K
 - d. Identify those few SWCDs who do not have enough agricultural acreage to need \$75K
 - e. Redistribute as needed to other SWCDs
 - f. Pro – emphasizes WIP III implementation in the targeted 10 SWCDs
 - g. Pro – all SWCDs currently receiving >\$75K FY13 base TA are in the targeted 10
 - h. Pro – treats all other SWCDs equitably
 - i. Con – tbd

The subcommittee discussed the following based on staff recommendations.

- The goal is to stabilize baseline funding for District Technical Assistance (TA)
- Option B was developed to attempt to achieve greater equity across the board.
- Option C favors 10 targeted districts in the Bay region with the highest increase over the current baseline.

Mr. Wilson noted that it would be helpful to know how many employees each district was funding as well as the responsibilities of those employees. Where there is more cost share, there is a need to have more employees implementing the program.

The subcommittee discussed whether districts with less cost share needed \$75,000 in baseline funding.

Ms. Moore noted that there could be an average, while Mr. Wilson suggested that there might be a minimum and maximum amount for funding.

A member suggested at \$50K minimum, but it was noted the amount would not provide for fringe benefits for employees. It was also noted that cost of living varies across the Commonwealth.

There is a need to provide Districts with the total amount of funding they need, but the TA money is designed to support cost share.

Mr. Glover noted that the budget language requires that TA money only be spent on the VACS program. Education and other activities should come from Administration and Operations funding. He advised that the goal was to provide districts with stable baseline funding that would allow districts to hire and retain technical employees.

A question was raised about the 13% for technical assistance funding that is typically provided with the cost-share appropriation. Ms. Moore reported that the concept of 13% came from the 2012 Summer Study, which consisted of representatives from the Association of Soil and Water Conservation Districts, the Agricultural community and the Conservation community. The result of this study was the basis for the budget template.

The statute calls for 8% for technical assistance; however the budget language allows for 13%.

Mr. Baxter reiterated Mr. Wilson's proposal that adjustable baseline funding criteria be established. He asked if the Subcommittee could conceptually agree with that concept and noted that the purpose of this meeting was to explore as many as options as possible. He suggested that staff could begin developing proposals based on that concept.

Mr. Wilson asked that staff email the spreadsheets and documents presented to the Subcommittee to the members could review the information and provide additional funding options prior to the next subcommittee meeting.

Following the lunch break, Mr. Wilson noted that the subcommittee would have two more meetings. He reminded the subcommittee that the \$35 million amount was considered the baseline VACS Program funding amount.

Mr. Wilson pointed out that while there are ten targeted districts in the Bay area, there are other districts outside of the Bay area also working to get every dollar allocated on the ground.

Ms. Watlington agreed to send out the current and suggested numbers to the subcommittee. This will allow members to review the numbers and the processes and come back prepared to discuss at the next meeting.

Mr. Baxter noted that the staff may also develop an approach to present at the next meeting.

Any comments from the subcommittee should be sent to Ms. Watlington.

PUBLIC COMMENT

There was no additional public comment.

NEXT MEETINGS

- October, 2019
- November, 2019
- December 11, 2019, Norfolk Sheraton, Norfolk, Virginia
 - Subcommittee report will be presented to the Board at this meeting.

ADJOURN

There was no additional business and the meeting adjourned at 1:30 p.m.