

2014-16 Strategic Plan

Marine Resources Commission [402]

Mission

The Marine Resources Commission serves as stewards of Virginia's marine and aquatic resources, and protectors of its tidal waters and homelands, for present and future generations.

Vision

To ensure a healthy sustainable stock of marine and aquatic resources in the Commonwealth, while successfully balancing the competing needs of the commercial and recreational fishing industries, conserving and improving the habitat and environment of the Chesapeake Bay and its tributaries, and providing a secure and safe environment to all who enjoy the benefits of the Commonwealth's tidal waters.

Values

As employees of the Marine Resources Commission we will exercise the highest degree of integrity and diligence in serving as stewards of Virginia's marine and aquatic resources and as protectors of its tidal waters and homelands for present and future generations.

Finance

Financial Overview

The budget for the Marine Resources Commission (MRC) for the 2014 – 2016 biennium, as approved by the 2014 Session of the Virginia General Assembly, provides funding of \$22,613,067 in year one and \$22,636,292 in year two. General Funds comprise almost 51% of the agency's budget for each fiscal year. The remaining 48% of the agency's budget is comprised of a variety of non-general funds which each contribute a part of the VMRC budget as follows: Special Funds - 27%, Commonwealth Transportation Funds - 1%, Dedicated Special Funds - 6% and Federal Funds -15% coming from the Department of Commerce, NOAA and the Department of the Interior.

Special fund revenues consist primarily of monies from the sale of Commercial Fishing Licenses and Recreational Saltwater Fishing Licenses, with a small portion of the revenue coming from indirect costs taken on federally funded projects coming into the agency and another small portion coming from monies collected when the agency sells equipment as surplus property. Commonwealth Transportation Funds are available from un-refunded motor fuel taxes for gasoline used in motor vessels. Dedicated Special Revenues are derived from the assessment of various Habitat permit fees for permitted activity within the MRC's jurisdiction and from the assessment of royalties for permitted dredging operations. The Federal Fund appropriations represent best estimates at the time the agency's budget was prepared of all federal monies that the MRC could potentially receive from several different federal programs. The agency assumes it will continue to receive some funding from the Department of Commerce, NOAA to support work on a fisheries modeling process, to continue support of existing Coastal Zone Management work, to reimburse the agency for a portion of its finfish enforcement efforts and as a result of a Joint Enforcement agreement between MRC Law Enforcement and the Law Enforcement group at the National Marine Fisheries Services. Monies from the U. S. Fish and Wildlife Service, Department of the Interior fund are used to perform mandated research on various fisheries species and these monies are basically "passed through" by the MRC to the Virginia Institute of Marine Science, Old Dominion University, and to other Virginia institutions which conduct mandatory fisheries research to allow the State to stay in full compliance with federal and interstate compact fisheries laws and regulations.

The Governor's budget proposal for MRC recommended several funding changes, all of which were completely endorsed by the 2014 Session of the General Assembly. The agency received a variety of General Funding for the 2014 – 2016 biennium as follows: \$20,575 year one and \$34,205 year two for rent increases for agency headquarters, \$7,873 per year to cover increased Automobile Insurance Liability coverage costs, (\$347) year one and \$9,713 year two for information technology and telecommunications costs, \$4,443 year 1 and \$6,042 year 2 for agency costs for new Cardinal State Accounting program, (\$2,642) both years for a reduction in Line of Duty premiums, \$1,081 per year for cost of Performance Budgeting system changes, \$255,200 each year to fund the cost of four of the agency's Marine Police positions currently held vacant due to escalating support costs for vehicles and gasoline and supplies, \$557,666 per year for Central Appropriation distributions primarily for increased personal service costs and reductions in monies appropriated for Virginia's costs of Tangier Seawall Project as the costs for 2014 – 2016 biennium are much less than the cost share paid in previous biennium.

The agency also sustained a General Fund reduction of \$144,520 from the agency's Marine Dispatch Center budget. These lost funds were replaced by Commonwealth Transportation Funds (CTF) which previously funded the base budget of the agency Artificial Reef Program. The agency Dispatch function, previously funded by both General and CTF funds is now completely funded with CTF. To maintain the Artificial Reef Program, monies were appropriated from agency revenue derived from the sale of Saltwater Recreational Fishing Licenses.

Non-general fund changes were made in several areas to include small housekeeping matters and a description of substantial adjustments follow. The agency's Oyster Replenishment program is not currently receiving federal grant dollars and this is now reflected in the programs base budget and the base budget of Habitat Management more accurately reflects the amount of yearly revenue collected from various Habitat fees. A small increase of \$30,000 per year was made to reflect increased non-general fund costs of agency licensing function, a part of the agency's Administrative program.

There were several changes to the agency budget as a result of the 2015 Session of the Virginia Assembly. Beginning in FY 2015 the agency

permanently lost an additional \$75,000 in General Funding from the Law Enforcement Division budget. \$75,000 in non-general funds from the Saltwater Recreational Fishing License Fund were transferred from the Artificial Reef Program budget to replace the lost General Funds. The Reef Program budget was reduced from \$144,520 to \$69,520 when the one remaining staff person retired. Program services are expected to continue at the same level using the expertise of several existing Fisheries Management Division employees. The Law Enforcement Division sustained a one-time General Fund reduction in FY 2015 of \$592,654. Core services were maintained by the use of a variety of Non-General Fund sources. A permanent reduction of \$550,000 in General Funding from the Law Enforcement Division budget was also proposed beginning in FY 2016. To maintain existing services an increase in the Saltwater Recreational Fishing License was proposed for calendar year 2016 and was expected to raise \$550,000 in revenue to replace the lost General Funds. The General Assembly returned \$550,000 in General Funds to the agency budget and left the purchase price of Recreational Saltwater Fishing License at 2014 levels. Lastly, the agency's Federal Fund appropriation was increased by \$365,800 and 3 new federally funded FTE were added to cover the start-up and initial operational costs of NOAA transferring the responsibilities for Virginia's portion of the existing Marine Recreational Information Program to the Virginia Marine Resources Commission.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	11,694,600	10,918,467	11,702,889	10,923,403
Changes to Initial Appropriation	-812,174	592,654	-219,520	365,800

(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

Customers

Anticipated Changes to Customer Base

Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Agriculture and Food	Commercial Fishing Piers	17	17	Stable
Agriculture and Food	Licensed Boat Rental Facilities	11	11	Stable
Agriculture and Food	Licensed Charterboat Fishing Vessels	285	300	Stable
Agriculture and Food	Licensed Commercial Watermen in Virginia	2,872	2,872	Stable
Agriculture and Food	Licensed Offshore Commercial Fishermen	271	275	Stable
Agriculture and Food	Oyster Shucking Houses	50	50	Stable
Agriculture and Food	Recreational Users of Commercial Gear	2,325	3,000	Increase
Agriculture and Food	Seafood Buyers and Processors	309	309	Stable
Agriculture and Food	Shellfish Leaseholders	2,958	3,000	Increase
Agriculture and Food	Those Employed in the Commercial Tidal Fisheries in Virginia	10,200	10,200	Stable
Agriculture and Food	Those Employed in the Recreational Tidal Fisheries in Virginia	20,977	20,977	Stable
Consumer	Applicants for Habitat Permits	1,910	2,000	Increase
Federal Agency	Federal and State agencies	20	20	Stable
Interstate Entity	Interstate Compact Organizations	2	2	Stable
Local or Regional Government Authorities	Number of Tidewater Localities	46	46	Stable
Natural Resources and Earth Science	Acres of Submerged Aquatic Vegetation Managed	1,472,000	1,472,000	Stable
Natural Resources and Earth Science	Acres of Virginia's Tidal Wetlands Managed	213,686	213,686	Stable
Natural Resources and Earth Science	Miles of Tidal Shoreline in Virginia	10,120	10,200	Stable
Natural Resources and Earth Science	Shellfish Leases	5,330	5,400	Increase
Natural Resources and Earth Science	Square Miles of the Commonwealth's Water Surface Area	2,300	2,300	Stable

State Agency(s),	Commission Board Members	9	9	Stable
State Agency(s),	Employees of the Marine Resources Commission	159	159	Stable

Partners

Name	Description
Federal agencies	Compliance with National Shellfish Sanitation Requirements, Data Sharing
Federal Agencies - National Oceanic and Atmospheric Administration (NOAA), the Army Corps of Engineers, etc.	Partners in Restoration Efforts
Federal Agencies - National Oceanic Atmospheric Administration (NOAA), National Marine Fisheries Service, Department of the Interior, etc.	Data Sharing
Federal Agencies, National Marine Fisheries Service(NMFS), United States Coast Guard, etc.	Law Enforcement
Other Natural Resource Agencies - Department of Environmental Quality, Department of Game and Inland Fisheries, Department of Conservation and Recreation, Office of the Secretary of Natural Resources, etc.	Data Sharing
Other State Agencies and other Divisions within VMRC	Data Sharing
Federal, State and Local agencies	Joint Permit Application Process
Interstate Compact Organizations - Atlantic States Marine Fisheries Comm, & Potomac River Fisheries Comm.	Data Sharing/Regulatory Information
Interstate Compact Organizations, the Atlantic States Marine Fisheries Commission (ASMFC), as well as with Federal agencies such as National Oceanic and Atmospheric Administration (NOAA).	Research, Learning about Artificial Reef Activities in other States
Private Groups, (The Nature Conservancy, Chesapeake Bay Foundation, etc.) and Localities	Partners in Restoration Efforts
Recreational Fishermen, Recreational Fishing Clubs	Participants in the Annual Tournament, Data Exchange
State Agencies - Department of State Police, Department of Game and Inland Fisheries, Department of Conservation and Recreation, Department of Emergency Services, Department of Criminal Justice Services	Law Enforcement
State Agencies and Institutions	Research and Partners in Restoration Efforts
State Agencies and Institutions such as the Virginia Institute of Marine Science	Research, Marking of Reef Areas
State and Federal Agencies	Reports, Data Submission, Grants, Information Submission, etc.
Atlantic States Marine Fisheries Commission and the Potomac River Fisheries Commission, Interstate Compact Organizations	Data Sharing and Species Management
Companies, Transit Authorities, Private Manufacturing Firms, Marine Construction Firms,etc.	Donations of Materials, Structures, etc. for Placement on Permitted Reef Sites. The program is very dependent on these materials of opportunity for reef construction and augmentation.
Educational Institutions - Virginia Institute of Marine Science (VIMS), Old Dominion University (ODU), Virginia Tech	Research and Information for Fisheries Management
Tidewater Local Governments	Law Enforcement
Tourist Agencies in the Commonwealth	Promotion of Saltwater Fishing Opportunities in Virginia
Virginia Institute of Marine Science (VIMS) and Old Dominion University (ODU)	Data Exchange

Agency Goals

- **Enable a sustainable and financially viable commercial fishery in the Commonwealth**

Summary and Alignment

By managing the commercial fisheries of Virginia on a long-term sustainable basis, the economic output of the fisheries is improved. Compliance with interstate and federal fishery management plans will ensure the availability of sustainable resources for Virginia's citizens. This aligns with two of the Commonwealth's objectives – to be a national leader in the preservation and enhancement of our economy and to

protect, conserve and wisely develop our natural, historical and cultural resources.

Associated State Goal

Natural Resources: Protect, conserve and wisely develop our natural, historical and cultural resources.

Objectives

- » **Collect and analyze information on fisheries stocks, harvest, landings, and amount of fishing effort, to manage quotas and allocations for harvests and landings, and to prepare fisheries conservation plans and regulations.**

Description

To ensure that conservation and management measures promote a sustainable yield from the fisheries, that there is efficient utilization of fishery resources without overfishing, and that there is a fair and equitable allocation of harvestable resources among user groups.

Objective Strategies

- Continue to develop fishery management and conservation plans for marine and estuarine species, continue to comply with federal and interstate fishing plan mandates, and continue to develop and promulgate regulations for fish sizes, gear restrictions, season and area closures, and quota management. On a yearly basis, continue to monitor and review the amount of key finfish, crabs and clams landed in Virginia in millions of pounds as taken from state and federal landings data.

Measures

- ♦ Percentage of 8 key migratory species that are not overfished in Virginia each calendar year based on yearly quota targets and landings data

- » **Conservation, management, regulation and restoration of shellfish stocks in the Commonwealth.**

Description

Continued efforts to develop conservation measures for shellfish and continued efforts to conduct replenishment activities on public oyster grounds.

Objective Strategies

- Create and rehabilitate public oyster grounds and develop regulations to aid continued shellfish harvest.

Measures

- ♦ Acres of oyster reef construction, oyster bar reconstruction and maintenance done in a calendar year

- » **Conservation and management of sustainable commercial and recreational fisheries in Virginia**

Description

To ensure that conservation and management measures promote a sustainable yield from the fisheries, that there is efficient utilization of fishery resources without over fishing, and that there is a fair and equitable allocation of resources that may be harvested.

Objective Strategies

- Continue to develop fishery management and conservation plans for marine and estuarine species, continue to comply with federal and interstate fishing plan mandates, and continue to develop and promulgate regulations for fish sizes, gear restrictions, season and area closures, quota management, and limited entry.

Measures

- ♦ Percentage of healthy stocks of 10 selected economically important saltwater species in a calendar year - to include 7 distinct different finfish, clams, oysters and blue crabs

- **Promote a sustainable and financially viable recreational fishery in the Commonwealth**

Summary and Alignment

Promotion of a sustainable recreational fishery assists citizens in achieving a higher level of well being and improves economic outputs based on increased tourism and travel. Compliance with fishery management plans ensures the availability of abundant recreational fishery resources. This aligns with two of the Commonwealth's objectives - to be a national leader in the preservation and enhancement of our economy and to protect, conserve and wisely develop our natural, historical and cultural resources.

Associated State Goal

Natural Resources: Protect, conserve and wisely develop our natural, historical and cultural resources.

Objectives

» Promote increased saltwater recreational fishing opportunities in the Commonwealth

Description

Continued promotion of saltwater recreational fishing opportunities in the Commonwealth through an award program recognizing exceptional catches, conservation of recreational fisheries by promotion of a catch and release program and continued promotion of tourism and travel in Tidewater Virginia.

Objective Strategies

- Continuation of promotional activities of saltwater recreational fishing in Virginia by activities with sportswriters, tourist agencies, recreational angling clubs and continuation of the annual Saltwater Fishing Tournament program. Continuation of promotion, through same mediums, of catch and release fisheries in the Commonwealth.

Measures

- ◆ Number of citations issued for recorded catch of selected saltwater species as a percentage of saltwater recreational fishing trips taken in a year

» Creation and promotion of increased saltwater recreational fishing opportunities in the Commonwealth

Description

Continued creation and promotion of saltwater recreational fishing opportunities in the Commonwealth through continued construction of new reef sites, and augmentation of existing artificial fishing reef sites.

Objective Strategies

- Add materials to existing reef sites by purchasing reef materials, and seeking donations of materials of opportunity to place on reef sites.

Measures

- ◆ Tonnage of all material placed on permitted saltwater fishing artificial reef sites per year

» Conservation and management of sustainable commercial and recreational fisheries in Virginia

Description

To ensure that conservation and management measures promote a sustainable yield from the fisheries, that there is efficient utilization of fishery resources without over fishing, and that there is a fair and equitable allocation of resources that may be harvested.

Objective Strategies

- Continue to develop fishery management and conservation plans for marine and estuarine species, continue to comply with federal and interstate fishing plan mandates, and continue to develop and promulgate regulations for fish sizes, gear restrictions, season and area closures, quota management, and limited entry.

Measures

- ◆ Percentage of healthy stocks of 10 selected economically important saltwater species in a calendar year - to include 7 distinct different finfish, clams, oysters and blue crabs

• Maintain a leasing and permit review process based on public interest review process consistent with the Public Trust doctrine to fairly and timely balance private uses of State owned submerged lands and the need to preserve habitat for sustainable fisheries

Summary and Alignment

This goal is designed to balance the public and private benefits of a particular lease or permit application to ensure that the Commonwealth's Public Trust responsibilities are adequately considered while protecting, and accommodating, use of our invaluable marine and aquatic resources for and by future generations. This also aligns with two of the Commonwealth's objectives - to be a national leader in the preservation and enhancement of our economy and to protect, conserve and wisely develop our natural, historical and cultural resources.

Associated State Goal

Natural Resources: Protect, conserve and wisely develop our natural, historical and cultural resources.

Objectives

» Maintain a lease application review process based on public interest review procedures consistent with private use of State-owned subaqueous bottomland for shellfish production and pursuant to the requirements of the Code of Virginia

Description

Designed to balance the use of State-owned subaqueous bottomland for shellfish leasing while protecting and accommodating the use of the State's marine and aquatic resources for present and future generations.

Objective Strategies

- Manage an application processing system that balances the public and private benefits of a particular lease application to ensure that the Commonwealth's Public Trust responsibilities are adequately considered while protecting, and accommodating, use of the State's marine and aquatic resources for and by future generations.

Measures

- ◆ Average number of days required to fully process a shellfish lease application

- » **Maintain a permit review process based on public interest review procedures consistent with the public trust doctrine that fairly and timely balances private use of state owned submerged lands and the need to preserve habitat for sustainable fisheries.**

Description

Manage a permit review process which is designed to balance the public and private benefits of a particular permit application to ensure that the Commonwealth's Public Trust responsibilities are adequately considered while protecting, and accommodating, use of the States' marine and aquatic resources for present and future generations.

Objective Strategies

- Continue to have a permit processing system that balances the public and private benefits of a particular permit application to ensure that the Commonwealth's Public Trust responsibilities are adequately considered while protecting, and accommodating, use of the States' marine and aquatic resources for present and future generations.

Measures

- ◆ Average number of days required to process a joint permit application

- **Ensure marine Commercial and Recreational Fisheries Enforcement at the highest level while maintaining the agency's ability to respond to Homeland Defense and Search and Rescue responsibilities**

Summary and Alignment

Conservation and protection of fishery and habitat resources is a vital element, necessary for their sustainability. Proper enforcement ensures availability of the resources on a fair and equitable basis to all user groups. Ability to respond to Homeland Defense and Search and Rescue responsibilities protects Virginia's citizens who live near, work on, or enjoy the State's marine resources and waterways. This aligns with two of the Commonwealth's goals - to protect, conserve and wisely develop our natural, historical and cultural resources, and to protect the public safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Associated State Goal

Natural Resources: Protect, conserve and wisely develop our natural, historical and cultural resources.

Objectives

- » **Ensure Marine Commercial and Recreational Fisheries Enforcement at the highest level, while maintaining the agency's ability to respond to Homeland Defense and codified Search and Rescue responsibilities.**

Description

Conservation and protection of fishery and habitat resources is vital, and necessary for their sustainability. Proper enforcement ensures availability of the resources on a fair and equitable basis to all user groups. Ability to respond to Homeland Defense and Search and Rescue responsibilities protects Virginia's citizens who live near, work on, or enjoy the State's marine resources and waterways, and ensures a fair and effective system of justice and provides a prepared response to emergencies and disasters of all kinds.

Objective Strategies

- Issue legally justifiable summons, done in full compliance with applicable state laws and regulations.
- Keep agency expenditures, per Marine Police Officer at a reasonable level, and to monitor continuously the cost of operations for the Marine Police.
- Perform Marine Commercial and Recreational Fisheries Enforcement at the highest level, while maintaining the agency's ability to respond to Homeland Defense and Search and Rescue responsibilities.

Measures

- ◆ Average cost per inspection by Marine Police Officers each fiscal year

- ◆ Average number of inspections (seafood, licenses, safety, etc.) by Marine Police Officers per fiscal year

• Maintain a high level of financial and business excellence for the agency

Summary and Alignment

Maintaining the existing high level of financial and business excellence for the Marine Resources Commission will allow for the best allocation of agency resources and will ensure that full support is given to the achievement of the goals for Fisheries Management, Habitat Management and Law Enforcement. This will align with the economic long-term objectives of the Commonwealth, and with the objective to be the best-managed state in the nation.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Government Operations

Objectives

- » **Ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements**

Description

To ensure that the Marine Resources Commission uses resources efficiently and manages programs effectively, and in a manner consistent with all applicable state and federal requirements.

Objective Strategies

- To manage agency resources well and effectively in the areas of Human Resource Management, Government Procurement, Financial Management, Technology, Performance Management, Business Management and Internal Auditing.

Measures

- ◆ Percentage of compliance with State and Federal mandates relative to finance, budgeting, grants management, accounting and other fiscal and business applications

Major Products and Services

Development of management and regulatory measures to enable both a sustainable and financially viable commercial and recreational marine fishery in the Commonwealth and to work to ensure that there is a fair and equitable allocation of all harvestable marine resources

Protection and regulation of the private use and development of the Commonwealth's coastal lands, including submerged lands, tidal wetlands and coastal primary sand dunes/beaches by maintaining a permit review process based on public interest reviews consistent with the Public Trust doctrine to fairly and timely balance private uses of State-owned submerged lands and the need to preserve habitat

Administration of a private shellfish ground lease program

Restoration of Virginia's shellfish resource through construction and maintenance of public oyster beds, transplanting of seed oysters, management of the public oyster grounds, training and promotion of hatchery-based shellfish aquaculture

Maintenance of the surveys and maps required for public oyster grounds, the Virginia-Maryland border, leased shellfish grounds, condemned shellfish areas and seed/shell plant areas, tidal waterways and shorelines, and the 28,000 acres of un-granted marshes and meadowlands

Search, rescue and public safety, including marine radio communications and dispatch services and performance of homeland security responsibilities at the ports of Hampton Roads

Enforcement of commercial and recreational fisheries regulations at the highest levels in the Commonwealth by ensuring compliance with federal, state and interjurisdictional fishery management plans for marine fisheries, providing cooperative enforcement of federal programs on offshore fisheries and enforcing state and federal health and safety laws for marine species

Promotion of recreational fishing in the Commonwealth by administering an awards program recognizing trophy catches, public access improvement and other activities, and by the construction and maintenance of artificial fishing reefs

Administration of a complex menhaden quota tracking system as required by federal law

Performance Highlights

The 2013 Virginia oyster harvest was the largest since 1989. Over the past five years, the total oyster harvest – including privately leased

oyster grounds and oyster farming operations – has grown from 95,000 bushels in 2008 to 408,000 bushels in 2013. That's an increase in dockside value from \$3.5 million to \$16.3 million in just the past five years. The total harvest is projected to increase to roughly 550,000 bushels by the end of 2015. Current estimates are that 530,000 bushels of oysters will be harvested in 2014. If this estimate is accurate, this will be the largest oyster harvest in the Commonwealth in 25 years.

The Virginia Marine Police were issued perfect marks in 2010, 2011, 2012 and 2013 by the U. S. Food and Drug Administration for its outstanding enforcement of shellfish harvesting rules and regulations ensuring that Virginia oysters meet all applicable safety laws and regulations and as such do not endanger the oysters' end consumers.

The increase in the bushel amounts of oysters being available and harvested has called for extreme vigilance by the Marine Police to deal with an epidemic of oyster poaching. In the three- year period between 2011 and 2013 the Marine Police issued 511 summonses relating to oysters, nearly three times the summons issued in the prior three years. These increased enforcement efforts will continue into this biennium, as will patrol efforts dedicated to oyster sanctuaries.

The Marine Police have a newly-established Dive Team, with eight members, comprised of two team members from each of the agency's four designated Law Enforcement areas. The team works with localities and State and Federal agencies as requested. Of special note is the teams' performance in varied search and rescue activities in Virginia's waters and missile recovery work on the Eastern Shore. Also used in these activities is the agency's second, state-of-the art, side scan sonar.

Also newly created by the Marine Police is a Critical Incident Response Team, also comprised of eight officers, who are highly trained in professional investigation techniques in areas relating to search and rescue and accidents.

The Agency is being more active in reducing the stock of non-native blue catfish in the Virginia's western shore tidal waters. In some rivers, this species accounts for 75% of the fish biomass, and has displaced or reduced many important native species such as river herring and shad. In addition, blue catfish are voracious apex predators that are also linked to predation on blue crab. The Commission is helping the commercial industry harvest and process blue catfish that measure 12 to 30 inches, as a way to reduce the proliferation of this species.

As a pro-active step, the Agency has begun work on a project to facilitate State responsibility for the collection of recreational finfish data, as part of the Marine Recreational Improvement Program (MRIP) established by the National Marine Fisheries Service. If this project is approved by the Atlantic States Marine Fisheries Commission (ASMFC) the Agency would hire and supervise field and office personnel who would collect and organize fisheries data collected from fishing trips that land in Virginia. The 2015 General Assembly session added \$365,800 in Federal Fund appropriation and 3 Federal Fund FTE to the agency base budget beginning in FY 2016 in support of this effort.

Staffing

Authorized Maximum Employment Level (MEL)	161
Salaried Employees	145
Wage Employees	2
Contracted Employees	2

Key Risk Factors

There are several agency responsibilities that remain underfunded and existing employees continue to absorb additional duties: State-owned bottomlands above the Fall Line, Eastern Shore marshes, aquaculture, finance and contracting, search and rescue, patrol work, homeland defense, emergency preparedness, interstate and quota based fisheries management, and complex conservation efforts for an ever-increasing number of finfish species. This additional workload will become more problematic as many long-term employees with much institutional knowledge are expected to retire in the next three to six years.

The use of non-general fund (NGF) revenue from the sale of licenses, permit and dredge fees now replace General Fund (GF) dollars lost in budget reductions. Many key management and regulatory functions are now dependent on less stable sources of funding. This reduces the agency's ability to use these NGF for the purpose intended, such as: fishery research, surveys, monitoring, and stock assessments that provide the information to support MRC management and regulatory work that ensure Virginia's full compliance with fishery plans from the interstate regional fisheries management organizations, and for projects to remove waterways obstructions from Virginia's tidal waters.

The agency has lost federal support for oyster restoration work and has lost the federal monies that supported fisheries management and regulation work for decades, and is expecting other federal funding reductions in programs that support marine law enforcement and fisheries.

In addition, shell cultch, the basic building material for public oyster bed restoration and for private aquaculture production is becoming increasingly scarce and much more expensive. Trials are underway to see if alternate types of substrate can be used in lieu of shell cultch. Results on this are not yet available.

The agency also had a significant reduction in the Law Enforcement state budget that was not replaced with NGF support. In addition to the budget loss, the Agency's costs for fleet vehicles and gasoline have significantly increased. A Joint Enforcement Agreement (JEA) between MRC and the National Marine Fisheries Service which has been in force for approximately the last 12 years provides the only stable source of funding for the agency Law Enforcement Division to purchase equipment, primarily boats, trailers, motors, and vehicles. Reductions in JEA funding are expected to gradually take place. Coupled with other budget reductions and steadily rising support costs for our Marine Police Officers, providing and maintaining core management, regulatory and enforcement services has become much more challenging as has providing

the equipment needed to support the Law Enforcement Division.

Management Discussion

General Information About Ongoing Status of Agency

The agency places great emphasis on the review of its regulatory programs and will continue to focus on minimizing regulatory burden that inhibits normal business operations.

The Marine Resources Commission (MRC) expects increased involvement of federal and interstate organizations in the resource management process, with a trend toward increased fishery regulations and resource data collection and monitoring in a multispecies ecosystem context, which will require substantially more science and information than is currently available. Of particular interest will be new regional management guidance on the taking of menhaden, which may pose significant financial hardship for the Commonwealth, as well as recommendations on blue crabs, sturgeon, summer flounder, striped bass and sea mammals.

As Virginia's blue crab stock has declined in abundance since 2011, more efforts will be devoted to management and regulations aimed at reversing this trend. The ASMFC has established an addendum to its striped bass management plan, effective in 2015, which mandates a 25% reduction in commercial and recreational harvest amounts over 2013 harvest. In 2014, the Agency maintained the same size and possession limits for summer flounder, however an ASMFC change means that Virginia's stock will be managed with that of Maryland and Delaware.

The MRC will continue its efforts to restore Virginia's oyster resources and to work with increasing aquaculture activities for various shellfish species.

The Marine Police expect an increased responsibility for homeland defense at the Ports of Hampton Roads, as well as continued search and rescue work and 24 hour, 7 day a week coverage of the waterways served by MRC. As the Virginia's oyster resource continues to improve, there will be a growing need for the protection of that resource from poaching from public waters and condemned shellfish areas. The Virginia Marine Police placed, and will continue to place, a priority on enforcement in these areas.

With the huge success now occurring with Virginia's oyster industry, the agency expects to see an increased emphasis on regulation and enforcement, with the agency's efforts needed to comply with federal National Shellfish Sanitation Program mandates and to ensure that the State's oyster stock is safeguarded.

For Habitat Management, the number of requests for habitat permits is expected to grow commensurate with population increases and development in Tidewater, generating an increased need to balance both the public and the private interests of the marine resources of the state.

The Commission, in cooperation with the Department of Conservation and Recreation and Virginia Institute of Marine Science (VIMS), will develop integrated guidance for the management of tidal shoreline systems to provide a technical basis for the coordination of permit decisions required by any regulatory entity exercising authority over a shoreline management project.

The ASMFC has imposed a new requirement to monitor a menhaden quota implemented by ASMFC in 2013 and this represents a 20% reduction in harvest for Virginia and results in a economic loss for the industry. The agency continues its efforts to establish a take reduction plan for the endangered sturgeon and expects substantial economic impacts to the gill net fishery once the plan is finalized by the National Marine Fisheries Service.

Information Technology

The Commission has been rebuilding its suite of business applications in a web based development environment for eight years and at the beginning of 2012 completed its rebuild of all applications. Completion of application renovation tasks has provided the agency with more opportunity to offer additional citizen web access to agency data and business applications.

All agency IT activities are very modest out of financial necessity, and are always directly aligned with the agency mission, goals, and objectives. We believe our low cost approach to application development has business value primarily in operational efficiency and attainment of strategic goals of the Agency, but in doing so they also contribute to improving and maintaining constituent service levels in an era of increasing demands and relatively limited personnel.

As of March 2012, stable funding for full participation in the VITA-NG Partnership has been worked out by the addition of \$280,000 to the agency base budget. The IT changes planned for the next biennium are enhancements or desired functionality that will be added using primarily in-house staff. The agency does not anticipate any IT investments beyond in-house staff and VITA Service Fees during the upcoming 2014-2016 budget biennium.

Estimate of Technology Funding Needs

Workforce Development

The MRC has quite a number of long-term employees who have an impressive amount of institutional knowledge and understanding of agency policies and history. Approximately 52% of MRC staff are 50 years or older and 25% of the agency staff has more than 20 years of State service. About 18% of current staff are eligible for an unreduced retirement and three of these staff are top managers of agency programs. Over the next five years, 34.3% of the agency workforce will be eligible for an unreduced retirement. This percentage includes most of the top administrators of agency programs at MRC.

Staffing in the Fishery Management, Law Enforcement Division and Administration and Finance Division has been impacted by turnover and

vacancies. More competitive salaries offered by other local, state and federal positions contribute to this turnover. Budget still impedes the agency's ability to deal with these continuing compensation issues and we continue to work to find creative ways to deal with this situation.

MRC has worked diligently to ensure that succession planning is in place so that the functions done by these key management positions and long-time employees can continue without any disruption to agency staff and clients. Loss of highly competent workforce will be significant, however in most divisions there do currently exist knowledgeable and experienced staff who could, with some training, make a smooth transition into the positions of those that will be leaving.

Physical Plant

With the exception of the agency-owned Marine Police Operations Station at the Newport News Small Boat Harbor, the Commission leases all office space through a centralized state leasing program. In 2012, the Commission renewed its leasing agreement for the agency headquarters in Newport News.

Supporting Documents

Title	File Type
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Marine Life Information Services [50501]

Description of this Program / Service Area

This activity collects and analyzes biological and statistical information on both interjurisdictional and resident fishery stocks and includes harvest and fishing effort data and biological attributes of the populations. Catch quotas and allocations of harvest are tracked. Fisheries conservation plans and regulations are prepared.

Mission Alignment

The collection and analysis of biological and statistical information, tracking of harvest quotas and allocations to the user groups of that harvest, and preparation of fisheries conservation plans and regulations all serve to support the agency's mission to serve as stewards of the Commonwealth's marine and aquatic resources for present and future generations.

Products and Services

Description of Major Products and Services

Conservation and management measures for a sustainable yield of the commercial and stable opportunities for recreational fisheries.

Efficient utilization of fishery resources without overfishing. Fair and equitable allocation of harvestable resources among commercial and recreational users.

Production of the best biological, scientific, economic and sociological information to manage the marine fisheries of the Commonwealth.

Ability for the Commonwealth to comply with federal, state and interjurisdictional fishery management plans for all commercial and recreational marine fisheries.

Anticipated Changes

The agency expects that there will be an increased involvement of interstate and federal fisheries management organizations and the accompanying demand for more scientific research and analysis, to make regulatory and management decisions. There will be a greater need for quota-based fisheries management.

Factors Impacting

The most significant factors impacting the delivery of agency services will be the amount of financial and skilled personnel resources available to the agency, retention of skilled fisheries personnel, the increasing complexity of the regulatory and management actions needed for all fisheries in Virginia's tidal waters, and an increasing customer base.

The agency expects increased involvement of federal and interstate organizations in the resource management process, with a trend towards increased unfunded mandates for additional fisheries regulations, resource data collection, and monitoring. Management of resources in a multispecies ecosystem context is expected and will require substantially more science and information than is currently available.

Financial Overview

Monies in this service area come from a variety of sources – General, Special and Federal Funds - and support seven FTE. Due to budget reductions in previous biennium, the agency lost a portion of its general fund budget support and to continue core services Special funds of \$37,356 per year from the sale of commercial fishing licenses and Special funds of \$37,356 per year from the sale of recreational fishing licenses have been appropriated to substitute for the lost general funds. Federal funds from an Interjurisdictional Fisheries Statistics grant from NOAA support one of the seven FTE for work that designs modeling and statistical approaches for the management of Virginia's tidal fisheries. General Fund monies are budgeted in this Service Area for the payment of Virginia's yearly dues to two interstate compact organizations - the Potomac River Fisheries Commission and the Atlantic States Marine Fisheries Commission.

There were changes to the Service Area budget as a result of the 2015 Session of the Virginia Assembly. The Federal Fund appropriation was increased by \$365,800 and 3 new federally funded FTE were added to cover the start-up and initial operational costs of NOAA transferring the responsibilities for Virginia's portion of the existing Marine Recreational Information Program to the Virginia Marine Resources Commission.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	615,657	224,712	615,657	224,712
Changes to Initial Appropriation	0	0	0	365,800

Supporting Documents

Title	File Type
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Marine Life Regulation Enforcement [50503]

Description of this Program / Service Area

This service area is responsible for the following activities: patrolling the tidal waters and shoreline of the Chesapeake Bay, its tidal tributaries and territorial sea; enforcing marine fishery and habitat conservation laws and regulations; enforcing health laws pertaining to the harvesting of seafood from condemned areas; enforcing or assisting other agencies in enforcing laws pertaining to the removal of obstructions and abandoned vessels from the water, to boating operation and navigation, and to larceny on the water; providing for water-borne safety; conducting search and rescue activities; protecting from terrorist attack federal and state water-related installations and other water-related locations within the tidal waters of the Commonwealth as may be designated by federal or state officials as important to national security; and investigating and enforcing violations of federal laws that pertain to marine wildlife and fish, based on signed Memorandums of Understanding.

Mission Alignment

The activities listed above relate directly to the agency's mission to serve as stewards of Virginia's marine and aquatic resources for present and future generations. The agency would not be able to perform the activities described in the agency mission statement without the services of the agency Law Enforcement Division whose employees encompass slightly more than 50% of the agency FTE allocation.

Products and Services

Description of Major Products and Services

Compliance with conservation and health laws and regulations in harvesting of marine resources from the tidal waters of the Commonwealth.

Fair and equitable enforcement of conservation measures.

Search, rescue and public safety on the waterways of the Commonwealth. Safe access and boating safety enforcement on the tidal waters.

Marine radio communications and dispatching services with boaters and other agencies. Homeland security services on state waters and harbors.

Boating accident investigation and prevention efforts. Issuance of commercial and recreational fishing licenses.

Enforcement/monitoring of federal programs on offshore finfish and shellfish.

Public Safety to the citizens and visitors to the Commonwealth.

Anticipated Changes

It is expected that there will be increasing demands for homeland security work, search and rescue work, and patrol, inspection and waterborne safety enforcement. We also expect to see an increasing number of new and more complex fisheries regulations, federal fisheries management mandates and interstate management requirements which must all be followed such that we manage, enforce and protect Virginia's tidal fisheries, such as menhaden, striped bass, etc. with an increasing degree of vigilance and efficiency. There will be an increasing need to protect the State's valuable and growing amount of oyster resources from poaching efforts and an increasing need to protect and safeguard designated condemned shellfish areas. These are efforts that will require sustained and priority enforcement.

Factors Impacting

The most significant factors impacting service delivery will be the amount of financial, personnel and equipment resources available to the Marine Police so that the officers can adequately deal with ever increasing demands for a wide variety of services – both Law Enforcement and non-Law Enforcement related and an expanding customer base.

The Marine Police expect an increased responsibility for homeland defense work, particularly at the Ports of Hampton Roads, for search and rescue efforts, a need for continuous 24 hour, 7 day a-week coverage of all of the waterways served by the Marine Resources Commission and increasing responsibilities for safeguarding and managing all species found in Virginia's tidal waters.

Financial Overview

This Service Area is still primarily general funded, but the level of general fund support has decreased somewhat due to a multi-year series of general fund budget reductions. The agency has been able to replace all but one of this service area's General Fund reductions with funds from several non-general fund sources, which allowed the agency to maintain its core level of services. More information on non-general fund funding sources will be described below.

Of the 86.5 positions in this Service Area, 80.5 are considered to be general funded and the remainder are funded from Commonwealth Transportation Funds. These positions consist of 77 Marine Police Officers which include the Chief and Deputy Chief, as well as 6 Captains and 5 First Sergeants and all Marine Police positions. The Service Area also includes 1 clerical position, 2 Marine Mechanic positions, 6 Marine Dispatchers and one .5 employee who sells fisheries licenses in the Northern Neck area.

The agency had held several Marine Police positions vacant to generate the funds within the Service Areas budget needed to cover the increasing

cost of support services for the Marine Police. The 2014 General Assembly provided this Service Area with \$255,200 in additional yearly funding for FY 2015 and FY 2016. This will allow the agency to fill 4 of its previously vacant Marine Police positions.

Due to a budget reduction, this Service Area lost \$144,520 of its existing base budget General Funding support for the Marine Police Dispatcher function. The lost General Funds were replaced with \$144,520 in funding from the Commonwealth Transportation Fund, and augmented the \$169,248 in existing base budget funding from the same source, for a total budget amount of \$313,768 for the Marine Dispatch function and the associated 6 FTE from un-refunded motor fuel taxes accrued from the sale of fuel used in boats. The \$144,520 amount had previously funded the agency Artificial Reef program base budget which is now funded with monies from the sale of Saltwater Recreational Fishing Licenses.

There were several changes to the agency Law Enforcement budget as a result of the 2015 Session of the Virginia Assembly. Beginning in FY 2015 the Division permanently lost an additional \$75,000 in General Funding from its budget. To maintain core services \$75,000 in non-general funds from the Saltwater Recreational Fishing License Fund were transferred from the Artificial Reef Program budget to replace the lost General Funds. The Law Enforcement Division sustained a one-time General Fund reduction in FY 2015 of \$592,654. Core services were maintained by the use of a variety of Non-General Fund sources in the same amount. A permanent reduction of \$550,000 in General Funding from the Law Enforcement Division budget was also proposed beginning in FY 2016. To maintain existing services an increase in the Saltwater Recreational Fishing License was proposed for calendar year 2016 and was expected to raise \$550,000 in revenue to replace the lost General Funds. The General Assembly returned \$550,000 in General Funds to the Law Enforcement budget and the purchase prices of Recreational Saltwater Fishing Licenses were maintained at 2014 levels.

The agency participates in a Joint Enforcement Agreement (JEA) with the National Oceanic and Atmospheric Administration (NOAA). These federal monies have provided a stable source of funding for the MRC for approximately a decade. These funds pay for the time the Marine Police Officers who are trained and certified for federal enforcement duties by staff from the Law Enforcement Division of the National Marine Fisheries Service/NOAA, spent on federal fisheries enforcement activities. Almost all of this work is done on days these trained Marine Police are not on duty for MRC, and the JEA funding allows our Officers to be paid at an overtime rate for this work.

For at least the last decade JEA funding has provided almost the only stable source of funding for the purchase of equipment for the agency Law Enforcement Division. The agency lost all of its general funding for this purpose many years ago through a series of budget reductions. The JEA monies support both the federal enforcement activity as well as the purchase of equipment to support this activity – allowing the MRC to purchase an airplane, boats, motors, trailers, vehicles and some other law enforcement equipment.

The Division also receives a yearly grant of NOAA monies for reimbursement of the time spent on interstate finfish enforcement as overseen by the Atlantic States Marine Fisheries Commission. At the time these federal monies were first made available about 20 years ago, the agency lost an equivalent amount of general funding from the Law Enforcement budget.

The Law Enforcement Division also receives support from the recovery of indirect costs/overhead costs from several sources of federal monies that the Division receives, monies from the sale of surplus equipment, monies from forfeited assets, and a few other non-general fund sources that provide no more than \$10,000 each in non-general funding in a fiscal year.

A series of budget reductions have altered the composition of the Division's funding.

In order to preserve and continue agency core Law Enforcement functions, the agency has received permission and appropriations over a several year period to use other non-general funds to provide financial support in the agency Law Enforcement Division base budget. Of particular note is the slightly over \$1,000,000 in monies from the revenue collected from the sale of Saltwater Recreational Fishing Licenses. These monies have been appropriated in an incremental fashion to offset the impacts of a series of general fund reductions that have taken place in the agency Law Enforcement Division. We have also used some federal funds to replace lost General Funds and the Division base budget is now dependent on slightly over \$100,000 in JEA funding each fiscal year.

All but one of the general fund budget reductions in the agency's Law Enforcement Service Area have been replaced with non-general fund support. This reduction of \$237,844 was entitled "Operational Efficiencies" and unfortunately the Division was never able to implement these efficiencies and see the ensuing financial results. At the same time the cost of gasoline and the cost to lease State vehicles for use by the Marine Police Officers began to rise quite dramatically, and these support costs had to be covered with the existing agency budget.

The base budget also includes funds distributed from Central Appropriations to cover increased costs for salary and fringe benefits and monies distributed for increased State insurance plan costs.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	5,386,396	2,977,378	5,386,396	2,977,378
Changes to Initial Appropriation	-812,174	592,654	-219,520	0

Supporting Documents

Title **File Type**

Artificial Reef Construction [50506]

Description of this Program / Service Area

This activity enhances the use of fishery resources through construction of new, and augmentation of existing, artificial fishing reef sites, through a variety of methods, in the Chesapeake Bay and its tributaries, and offshore in the Atlantic Ocean. New habitat provides niches for many species in addition to providing recreational fishing opportunities.

Mission Alignment

This activity enhances recreational fishing activity in the Commonwealth for current and future generations.

Products and Services

Description of Major Products and Services

Establishment and maintenance of a network of artificial fishing reefs in marine waters for the recreational fishing public and tourists.

Promotion of an enhanced recreational fishing industry.

Promotion of increased travel and tourism in Tidewater Virginia.

Anticipated Changes

With the increased level of interest in saltwater recreational fishing in the Commonwealth, it is anticipated that there will also be an increased demand for artificial fishing reef sites to be maintained and enhanced in the Chesapeake Bay and its tributaries. Due to the condition of the state and federal economy and the strong market for recycled concrete, the "materials of opportunity" that have been donated in the past to the Marine Resources Commission (MRC) for reef construction and augmentation are no longer available. This means that the program must seek state and federal grants to fund competitively selected contractors to manufacture or to procure existing suitable materials for the maintenance and augmentation of existing reef sites instead of relying on the deployment of donated materials. As a result, both of these options present much more expensive alternatives.

Factors Impacting

Availability of donations of materials of opportunity (concrete structures, etc.) for the program to be placed on permitted artificial reef sites.

Ability to secure consistent funding that will pay for the fabrication of concrete structures or for the procurement of other suitable materials to be placed overboard to maintain and augment existing permitted reef sites.

Ability to balance the often competing needs of those who use Virginia's tidal waters so that agency Artificial Reef sites provide the maximum benefits to all users.

Financial Overview

This Service area previously received a base budget of \$144,520 in Commonwealth Transportation Funds (CTF) , which come from unrefunded motor fuel tax on gasoline used in boats. As of 7/1/14, the Service area is funded entirely from monies that come from the sale of Recreational Saltwater Fishing Licenses. A reduction of \$144,520 in General Funds from the agency's Marine Dispatch function was replaced with the addition of \$144,520 in Commonwealth Transportation Funds that previously funded the Reef Program, as the Marine Dispatch function was already partially funded from this source. \$144,520 was appropriated from the Fund containing the revenue from the sale of Saltwater Recreational Fishing Licenses for the Reef Program budget and this funding supports 1 FTE and program activity. Due to earlier budget reductions, \$30,092 in funding and one FTE were already lost from the Reef program budget. On an as-needed basis, grants from the Saltwater Recreational Fishing License fund and federal grant dollars are requested to augment this base budget amount, and allow for deployment of structures and materials of opportunity and to manufacture and deploy concrete structures on established reef sites.

There was a change to this Service Area's budget as a result of the 2015 Session of the Virginia Assembly. Beginning in FY 2015 the agency permanently lost an additional \$75,000 in General Funding from the Law Enforcement Division budget. \$75,000 in non-general funds from the Saltwater Recreational Fishing License Fund were transferred from the Artificial Reef Program budget to replace the lost General Funds. The Reef Program base yearly budget was reduced from \$144,520 to \$69,520 at the time that the one remaining staff person retired. Core program services are expected to continue at the same level using the expertise of several existing Fisheries Management Division employees.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	0	144,520	0	144,520

Changes to Initial Appropriation	0	-75,000	0	-75,000
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Supporting Documents

Title	File Type
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Chesapeake Bay Fisheries Management [50507]

Description of this Program / Service Area

This activity is responsible for management of all commercial and recreational marine fisheries in Virginia. Fishery management and conservation plans are developed for marine and estuarine species. Regulations are promulgated by the Commission for fish sizes, gear restrictions, season and area closures, quota management and limited entry.

Mission Alignment

This activity is responsible for management of all commercial and recreational marine fisheries in the Commonwealth, which is an integral part of the agency's mission to serve as stewards of the Commonwealth's marine and aquatic resources for present and future generations.

Products and Services

Description of Major Products and Services

Conservation and management measures for a sustainable yield of the commercial and stable opportunities for recreational fisheries in the Commonwealth.

Ability of the agency to ensure efficient utilization of fishery resources without over fishing.

Fair and equitable allocation of harvestable resources.

Administration of a mandatory harvest reporting system.

Ability for the Commonwealth to comply with federal, state and interjurisdictional fishery management plans for all commercial and recreational marine fisheries.

Anticipated Changes

The agency expects that there will be an increased involvement of interstate and federal fisheries management and the accompanying demand for more scientific research and analysis, to make regulatory and management decisions, greatly increasing the complexity of these decisions.

Factors Impacting

The most significant factors impacting the delivery of all types of agency services will be the amount of financial and personnel resources available to the agency, the increasing demands for services, the increasing complexity and analysis needed to support regulatory and management actions for the many fisheries species found in Virginia's tidal waters and an expanding customer base.

The agency expects increased involvement of federal and interstate organizations in the resource management process, with a trend toward increased fisheries regulations and resource data collection and monitoring. Management of resources in a multispecies ecosystem context is expected and will require substantially more science and information than is currently available.

Additionally, the agency will be expected to monitor a menhaden quota plan that was implemented in 2013 and resulted in an economic loss for the industry. The agency will continue its efforts to establish a take reduction plan for the endangered Atlantic sturgeon and once the plan is finalized by the National Marine Fisheries, the agency expects there will be substantial economic impacts to the gill net fishery. There will be changes to the State's management plan for other species such as striped bass and summer flounder, and it is anticipated that other species management plans will change as well.

Financial Overview

This Service Area receives funding from a number of different sources.

General funds support 6 FTE to include the Chief of Fisheries Management, Deputy Chief, 2 Division Support staff, and 2 Fisheries Planners.

Non-general funds support 6 FTE. This includes 5 FTE in the agency Mandatory Reporting Program, which receives funding of approximately \$725,000 per year from the sale of marine commercial registration licenses and from the sale of seafood landings licenses. A small amount of monies collected from the sale of commercial licenses may be used for projects to support commercial fishing interests as described in Section 28.2-208. This fund also pays for the charges for the Fisheries Division's computer services.

Approximately \$2.3 million dollars are currently collected annually from the sale of Recreational Saltwater Fishing Licenses. These funds support 1 FTE, and also provide funding for projects to support Virginia's recreational fisheries, as described in Section 28.2-302.3 of the Code of Virginia, and to support agency Law Enforcement and Fisheries Management functions. Due to the recent series of budget reductions and the need to preserve core agency functions the great majority of the revenues collected each year from the sale of recreational fishing licenses go to support

Marine Resources Commission (MRC) fisheries and law enforcement programs at MRC. New agency obligations include the State's cost for the telephone call-in portion of the Fisheries Registration program, for payment to DGIF for the administrative costs of selling the Recreational Saltwater Fishing License and the costs of the base budget for the Artificial Reef program. In addition, these same revenues provide matching dollars for the over \$1 million the agency receives each year from grants from the Department of the Interior. These federal Wallop-Breaux grant funds of approximately \$1.8 million dollars are received annually, and are allocated primarily to VIMS and ODU for approved research projects done on various species, such as striped bass and shad. Many of these research projects have been funded for 20 or more years.

The 2012 General Assembly Session approved a loss of \$16,500 in general funding in this Service Area which was offset by a non-general fund appropriation in the same amount. These non-general funds represent a small portion of the commercial fisheries gear license monies collected by the MRC. Based on language found in the Appropriation Act and in the Code, the MRC is required to transfer, monthly, a specified portion of this gear license revenue to the Marine Products Board, which is a part of the Department of Agriculture and Consumer Services.

The budget contains monies from Central Appropriations for increased salary and fringe benefit costs.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	459,982	4,852,240	459,982	4,857,176
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Oyster Propagation and Habitat Improvement [50508]

Description of this Program / Service Area

This activity is responsible for developing conservation measures for shellfish, and conducting replenishment/restoration activities on public oyster grounds.

Mission Alignment

As this area is responsible for oyster conservation and restoration programs in the Commonwealth, it directly relates to the agency's mission to serve as stewards of the Commonwealth's marine and aquatic resources for current and future generations.

Products and Services

Description of Major Products and Services

Restoration of shellfish habitat (historic rocks and shoals) through construction and maintenance of public oyster beds, transplanting of seed oysters, management of public oyster grounds.

Construction, maintenance and reseeding and reshelling of oyster beds and shoals.

Transplanting of seed oysters.

Maintenance of oyster harvest areas and sanctuaries.

Conserving, managing and regulating Virginia shellfish stocks for sustainable harvest.

Pursuing additional available shell resources or other economically viable substrate materials to be used for oyster spat attachment and subsequent growth into a marketable oyster.

Yearly stock assessment of Virginia's oyster resources.

Training and promotion of hatchery-based shellfish aquaculture.

Manage and regulate shellfish harvest practices to protect public health, based on U. S. Food and Drug Administration and Interstate Shellfish Sanitation Conference guidelines.

Anticipated Changes

The agency will continue to seek available federal grants and partnerships (which often come with heavy matching requirements as well as sanctuary requirements, making the grants currently unpalatable to the Commonwealth) and monies from the State, private groups and other governmental bodies as well as partnerships with other entities such as The Nature Conservancy and the federal Army Corps of Engineers, to sustain and enlarge Virginia's important oyster resources. The agency believes there will be continued growth in shellfish aquaculture efforts in the Commonwealth which will contribute to increased levels of oyster harvests.

Factors Impacting

The most significant factor impacting the delivery of oyster restoration and replenishment activities will be the amount of financial and personnel resources available to provide this service.

Currently there is a finite amount of oyster shell available in the State and it is critical that we identify other suitable substrate that will support the attachment of oyster spat and subsequent oyster grow out.

Much of the success in the growth of Virginia's oyster population is a result of aquaculture efforts undertaken by private citizens and companies. It will be critical to continue to nourish and manage Virginia's public oyster resources as well as providing support for the Commonwealth's growing oyster aquaculture industry.

Financial Overview

The Marine Resources Commission (MRC) currently has a General Fund appropriation of \$2 million in its base budget for oyster restoration efforts in the Commonwealth. This level of funding support began in FY 2014, increasing the General Fund base budget for oyster restoration efforts from \$500,000 per year to \$2 million per fiscal year.

Until the State and the federal granting agencies can agree on the methodology to be used for oyster restoration work in the Commonwealth, there will be no federal grant dollars for oyster replenishment work available to MRC. There are, however, opportunities that continue to exist for the State to work in conjunction with federal partners, such as the Army Corps of Engineers, or with local or State groups.

As there are no federal monies currently coming to the MRC to support oyster restoration efforts there will be no Indirect Cost Recovery monies for the program. These monies had also been used to support oyster program activities.

Action taken by the 2014 Session of the Virginia General Assembly established an Oyster Resource User fee (ORF) effective July 1, 2014. The 2014 Session also abolished the collection of all oyster taxes. Oyster tax revenues varied significantly (i.e. \$73,000 collected in FY 2011 and \$175,000 collected in FY 2013) from year to year and did not provide a stable amount of revenue each year to cover program support costs and a small oyster amount of restoration effort. The new ORF is expected to generate \$250,000 - \$300,000 in revenue each year. These monies will be used solely to support the operating costs of the Department, to support the annual oyster stock assessment, to provide funding for industry related projects including seed oysters, alternative cultch experiments and other small industry projects in response to developing issues.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	2,311,745	1,429,014	2,311,745	1,429,014
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title File Type

Coastal Lands and Bottomlands Management [51001]

Description of this Program / Service Area

This service area has responsibility for the implementation of a regulatory review process and permitting program in state waters, state-owned submerged or bottom lands (both tidal and non-tidal), coastal primary sand dunes/beaches and tidal wetlands. It also has responsibility for the ballast water discharge program, and the ungranted marshes and meadowlands lying on the Eastern Shore. The Coastal Lands Management service area serves as the central clearinghouse for the receipt and distribution of the Joint Permit Application (JPA) used throughout the Commonwealth by numerous federal, state and local agencies.

Mission Alignment

This service area directly relates to the agency's mission to serve as stewards of the Commonwealth's marine and aquatic resources for present and future generations, by protecting the Commonwealth's valuable state-owned submerged lands, state-owned riverbeds, coastal primary sand dunes/beaches, tidal wetlands and state waters.

Products and Services

Description of Major Products and Services

Preservation of the critical shallow water and intertidal habitats as vital spawning and nursery areas for many of the Commonwealth's commercially valuable finfish and shellfish resources.

Protection and regulation of the private use and development of the Commonwealth's invaluable coastal lands and natural resources (i.e. submerged lands, tidal wetlands and coastal primary sand dunes/beaches).

Serve as stewards of the Commonwealth's publicly owned submerged lands.

Ensure the protection and wise use of the coastal lands and natural resources held in trust for all the citizens of the Commonwealth.

Issuance of permits for work done on or over State bottomlands, tidal wetlands and coastal primary sand dunes.

Anticipated Changes

The number and complexity of requests for habitat permits is expected to grow, generating an increased need to balance both the public and the private interests of the marine resources of the Commonwealth.

Legislation approved in 2011 encourages the use of "living shoreline alternatives" for shoreline protection when appropriate. The review and permitting of these alternatives will require increased coordination with other regulatory programs including the Chesapeake Bay Preservation Act and the recently approved stormwater regulations.

Factors Impacting

The most significant factors impacting the delivery of services will be the amount of financial and personnel resources available. For the Habitat Management Division, the number of requests for habitat permits is expected to grow, commensurate with population increases and development in Tidewater, generating an increased need to balance both the public and the private interests of the marine resources of the Commonwealth. In addition, the agency has seen an increasing complexity of issues that must be resolved and mediated during the permitting process. Due to State General Fund budget reductions, and because the agency felt it must maintain its core Habitat regulatory and management services, the agency replaced the lost General funds of \$421,000 with a Non-General fund appropriation of monies from the Waterways Improvement Fund (WIF). The use of this non-general fund was only intended to be a short-term solution. Based on the fluctuating yearly revenues deposited into this fund and by reducing the yearly agency obligations on the fund by roughly 25% the agency projects that only enough revenue is currently available to sustain this level of support from the WIF for 3 – 4 years.

Financial Overview

The Service Area receives yearly general fund support of \$433,305, which covers a portion of the personal service costs and the support costs for 11 FTE. In addition, non-general fund monies are received from a federal Coastal Zone Management grant, which has been level funded at \$182,000 for quite a number of years. This grant supports 3 FTE. The budget also includes monies of \$776,103 from the Waterways Improvement Fund (WIF). The WIF receives monies from Habitat permit and dredging fees, and totally supports 4 FTE, as well as providing \$421,000 yearly to cover the personal service costs of the 11 FTE that are also partially supported with General Funds. Previously those 11 FTE were totally supported with General Funds. Due to State general fund budget reductions, this program lost \$421,000 per fiscal year in General Funding and in an effort to maintain MRC's core function in the short term, monies were appropriated from the Waterways Improvement Fund to take the place of the lost General Funds. Revenue into the WIF fluctuates from year to year, and as a result it is not considered by the agency to be a long-term, permanent solution to replace the lost general funds. In addition, yearly obligations on the fund still exceed yearly fund collections and so we expect that this level of non-general fund support will only be able to support this core regulatory function for another 3 - 4 years. The agency has also implemented some cost saving measures to reduce yearly agency obligations on the WIF.

This area shares 2 FTE with the Service Area for Coastal Land Surveying and Mapping. Costs for 1 of these FTE is budgeted with this Service Area and the costs for the 2nd FTE is budgeted in the Surveying and Mapping service area.

The Commonwealth is in partnership with the Army Corps of Engineers for the construction of a Seawall for Tangier Island. The Commonwealth's yearly cost share varies by fiscal year and is a pass through item in the MRC budget. The Commonwealth's share of the project cost is paid yearly to the Army Corps of Engineers, based on language found in the MRC portion of the Appropriation Act.

In FY 2014, the MRC passed through \$96,000 for the Commonwealth's yearly share of the project costs. The MRC budget has been reduced for FY 2015 as the Commonwealth's share has been brought down to \$23,000 and is further reduced to \$6,000 for FY 2016. The Commonwealth's cost share is expected to increase to over \$300,000 in the final year of the project which is expected to be in the 2016 – 2018 biennium.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	433,305	958,103	416,305	958,103
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Marine Resources Surveying and Mapping [51002]

Description of this Program / Service Area

This service area administers the Commonwealth’s shellfish (oyster/clam) ground leasing program, maintains the surveys and maps of the public (i.e. “Baylor”) oyster grounds, as well as numerous other surveys and maps of the Commonwealth’s tidal waterways, shorelines, and sea/shell plant areas. It also has responsibility for the surveying and identification of ungranted marsh and meadowlands on the Eastern Shore.

Mission Alignment

This service area directly relates to the agency’s mission to serve as stewards of the Commonwealth’s marine and aquatic resources for present and future generations, by administering the Commonwealth’s shellfish leasing program, protecting ungranted marsh and meadowlands and providing survey and mapping services for the tidal waterways.

Products and Services

Description of Major Products and Services

Administration of the Commonwealth’s private shellfish leasing program.

Management of the Constitutionally protected public oyster grounds.

Maintenance of the survey and maps required for the public oyster grounds, the Virginia-Maryland border, all leased shellfish planting grounds, condemned shellfish areas and seed/shell plant areas, the Commonwealth’s tidal waterways and shorelines, and the 28,000 acres of ungranted marshes and meadowlands.

Anticipated Changes

None are expected.

Factors Impacting

None are expected.

Financial Overview

This service area is entirely general funded, and general funds support 7 FTE. This area also shares 2 FTE with the Coastal Lands service area, with costs for 1 of the 2 FTE budgeted in each service area.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	508,473	0	508,473	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Virginia Saltwater Sport Fishing Tournament [53601]

Description of this Program / Service Area

This activity promotes saltwater recreational fishing opportunities and conservation ethics in Virginia through a yearlong Saltwater Fishing Tournament which recognizes exceptional catches and releases through an angler citation awards program, and benefits Virginia's economy through travel and tourism promotion.

Mission Alignment

Promotion of saltwater recreational fishing and conservation ethics in the Commonwealth, directly relates to the agency's mission to serve as stewards of the Commonwealth's marine and aquatic resources for current and future generations.

Products and Services

Description of Major Products and Services

Promotion of an enhanced recreational fishing industry through an awards program recognizing exceptional catches.

Promotion of catch and release fisheries.

Promotion of increased travel and tourism in Tidewater Virginia.

Anticipated Changes

Increasing service levels are not anticipated.

Factors Impacting

Ability of anglers to continue to undertake recreational saltwater fishing trips such that fishing is done within Tournament rules.

Health of the stocks fished by recreational saltwater anglers, such that citation program continues to exist.

Financial Overview

This service area is fully funded from monies received from the sale of Saltwater Recreational Fishing Licenses, and supports two FTE.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	0	220,000	0	220,000
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Administrative and Support Services [599]

Description of this Program / Service Area

This service area contains the areas of finance, budgeting, grants management, administration, procurement, business management, human resources, information technology for agency business systems, and licensing services. It also supports the agency head and the advisory board of the Marine Resources Commission (MRC).

Mission Alignment

The Administration and Support Services area provides support to the other agency divisions that regulate and manage the tidal fisheries and their habitat. Financial, business, information technology and human resource management are critical to agency performance.

Products and Services

Description of Major Products and Services

License Sales and administration.

Financial stewardship – to include accounts payable and receivable, budgeting preparation and execution, financial analyses and projections, grants management, internal auditing, financial reporting and reconciliation.

All aspects of agency business management.

Procurement.

Human Resources services.

Compliance with all State and federal laws and regulations.

Computer business applications and security.

Risk management.

Leasing services.

Internal controls and internal auditing.

Preparation and execution of agency Strategic Plan.

Anticipated Changes

None are known at this time.

Factors Impacting

There are continuously new state and federal accountability requirements in the areas overseen by this service area, however no additional resources are available to assist with implementation and maintenance. In addition, there are increased demands within the agency for services from the employees of this particular service area. In FY 2015, the agency will become full users of Cardinal, the State's new Accounting System while continuing to maintain all financial records in the State's existing financial system – CARS.

Financial Overview

This Service Area is primarily general funded and supports 16 FTE to include staff in the Administration and Finance Division and associated support costs, the Commissioner and his staff and agency business systems applications. A small amount of money is received each year from the sale of commercial fishing licenses to support 1 FTE in Accounting who works with commercial licensing, and a small amount of funding is received from the Saltwater Recreational Fishing Fund, to support work done to administer projects whose monies come from this fund. Monies are budgeted in this Service Area for the entire General Fund portion of the Marine Resources Commission for: telecommunications services, for the rent fees for the agency's headquarters facility which houses all agency employees except those field personnel whose homes serve as their base points and also contains all of the General Fund monies budgeted for the agency's assessed Virginia Information Technology Agency (VITA) in-scope services monthly charges. The agency had sufficient General Funds added to its base budget in the previous biennium to fully fund all General Fund associated VITA costs as this point in time. General Fund monies were added in the 2014 – 2016 biennium budget to cover increased rent costs for the agency's Headquarters space in downtown Newport News, for several types of central service costs and to cover employee salary and benefit increased costs. An additional appropriation of \$30,000 in Non-General Fund monies from the sale of commercial fishing licenses was made part of the Service Area base budget, to cover increased costs for administration of the sales effort.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	1,979,042	112,500	2,004,331	112,500
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

General Management and Direction [59901]

Description of this Program / Service Area

his service area contains the areas of finance, budgeting, grants management, administration, procurement, business management, human resources, information technology for agency business systems, and licensing services. It also supports the agency head and the advisory board of the Marine Resources Commission (MRC).

Mission Alignment

Products and Services

Description of Major Products and Services

License Sales and administration.

Financial stewardship – to include accounts payable and receivable, budgeting preparation and execution, financial analyses and projections, grants management, internal auditing, financial reporting and reconciliation.

All aspects of agency business management.

Procurement.

Human Resources services.

Compliance with all State and federal laws and regulations.

Computer business applications and security.

Risk management.

Leasing services.

Anticipated Changes

None known at this time.

Factors Impacting

There are continuously new state and federal accountability requirements in the areas overseen by this service area, however no additional resources are available to assist with implementation and maintenance. In addition, there are increased demands within the agency for services from the employees of this particular service area. In FY 2015, the agency will become full users of Cardinal, the State’s new Accounting System while continuing to maintain all financial records in the State’s existing financial system – CARS.

Financial Overview

This Service Area is primarily general funded and supports 16 FTE to include staff in the Administration and Finance Division and associated support costs, the Commissioner and his staff and agency business systems applications. A small amount of money is received each year from the sale of commercial fishing licenses to support 1 FTE in Accounting who works with commercial licensing, and a small amount of funding is received from the Saltwater Recreational Fishing Fund, to support work done to administer projects whose monies come from this fund. Monies are budgeted in this Service Area for the entire General Fund portion of the Marine Resources Commission for: telecommunications services, for the rent fees for the agency's headquarters facility which houses all agency employees except those field personnel whose homes serve as their base points and also contains all of the General Fund monies budgeted for the agency's assessed Virginia Information Technology Agency (VITA) in-scope services monthly charges. The agency had sufficient General Funds added to its base budget in the previous biennium to fully fund all General Fund associated VITA costs as this point in time. General Fund monies were added in the 2014 – 2016 biennium budget to cover increased rent costs for the agency’s Headquarters space in downtown Newport News, for several types of central service costs and to cover employee salary and benefit increased costs. An additional appropriation of \$30,000 in Non-General Fund monies from the sale of commercial fishing licenses was made part of the Service Area base budget, to cover increased costs for administration of the sales effort.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	1,979,042	112,500	2,004,331	112,500
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**