

2016-18 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 2016 – 2018 biennium, as approved by the 2016 Session of the Virginia General Assembly, provided an appropriation in year one of \$24,594,764 and \$24,317,229 in year two. General Funds comprise roughly 52% of the agency's budget in both year one and year two of the biennium. The remaining 48% of the agency's budget is comprised of a variety of non-general funds which constitute a vital part of the budget as follows: Special Funds – 27%, Commonwealth Transportation Funds – 1%, Dedicated Special Revenue – 6% and Federal Funding – 14% comprised of grants from the Department of Commerce – NOAA and the National Marine Fisheries Service (NMFS) and from the Department of the Interior.

Special fund revenues consist primarily of monies collected from the sale of Commercial Fishing Licenses, the sale of Recreational Saltwater Fishing Licenses, the collection of an Oyster Resource User fee from those that work in the various facets of the Commonwealth's oyster fishery, from the small portion of indirect costs taken on federally funded projects coming into the agency and from monies collected when the agency surpluses equipment that is no longer viably usable by the agency. The Commonwealth Transportation Funds come from un-refunded motor fuel taxes collected from the sale of 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 our best estimates during biennial budget preparation of all the federal monies that the MRC could potentially receive from federal programs. The agency currently assumes it will continue to receive funding from the Department of Commerce, NOAA to continue support of its existing Coastal Zone Management work, to reimburse the agency for a portion of its finfish enforcement efforts, to fund Sturgeon/Endangered Species work, to fund through the ASMFC the Marine Recreational Intercept Survey (MRIP) program work now done by each Atlantic Coastal State and the funding that comes as a result of a Joint Enforcement agreement that exists between the MRC Law Enforcement Division and the Law Enforcement Program at the National Marine Fisheries Service. Monies are also received from the U. S. Fish and Wildlife Service, Department of the Interior and fund mandated research on various fisheries species (primarily those that are caught recreationally). These monies are "passed through" by the MRC to the Virginia Institute of Marine Science and to the Old Dominion University Research Foundation so they may conduct mandatory fisheries research to allow the State to stay in full compliance with all federal and interstate compact fisheries laws and regulations.

The Governor's proposed budget for MRC for the 2016 Session of the General Assembly included quite a number of adjustments for the agency. General Fund monies were provided for a number of centrally funded costs as follows: \$107,170 per year for increased health insurance costs, \$160,038 per year for increased retirement costs, \$6,966 per year for centrally funded state employee post employment benefit rates, \$2,827 per year for changes in information technology costs, \$109,702 per year for compression pay adjustments for state employees, \$620 per year for internal service fund costs, \$132,964 per year a two percent salary increase for State employees, \$87,830 per year to accelerate the employer retirement contribution phase in schedule, \$9,724 the first year and \$10,231 the second year for costs of the new Cardinal financial system, \$8,004 per year for Line of Duty Act premiums for the Marine Police Officers and \$47,208 the first year and \$49,395 the second year for increased Worker's Compensation premiums,

The 2015/2016 fiscal year budget reduction exercise was made a permanent part of the agency's base budget. \$75,000 per year in General Funds was transferred to a central appropriations account from the Law Enforcement Division Budget. This loss was offset by an approved appropriation of \$75,000 in monies from the sale of Recreational Saltwater Fishing Licenses which had previously funded a portion of the agency's Artificial Reef program. As a result of this action, the base budget for the Reef program was reduced from \$144,520 to \$69,520 per year.

In addition, the agency's appropriation of the Oyster Resource User fee was increased by \$200,000 to reflect planned increased expenditures in support of the agency's oyster program, some additional non-general fund appropriations were shifted between Service Areas and the agency received two additional non-general fund FTE to support the federally funded Sturgeon Observer program. Increased general funds were provided to support several agency programs: \$5,125 the first year and \$5,638 the second year were provided to cover anticipated increases for the

State's yearly dues to the interstate compact organization – the Atlantic States Marine Fisheries Commission, \$33,140 the first year and \$36,995 the second year were provided for increased rent costs for the agency's headquarters offices, \$35,308 per year were provided to cover increased salary and fringe benefit costs for the agency's Marine Dispatch program, funding of \$318,000 the first year and \$262,000 the second year was provided to fill three vacant Fisheries Management positions for data and quota management compliance purposes and \$140,000 the first year and \$135,000 the second year were provided for a second Deputy Chief in the Fisheries Management Division and funding of \$233,000 the first year and \$2,933 the second year were provided for the State's required share of the costs for the Tangier Island Seawall project.

The funding for the second Deputy Chief position for the Fisheries Management Division was the only item from the Governor's proposed budget for the agency that was not approved by the 2016 Session of the General Assembly.

In anticipation of a planned General Fund budget reduction in FY 2017, the agency, using a variety of one-time internal savings strategies, was able to find \$93,000 in General Funds at fiscal year-end which were paid to the State Treasury at the end of FY 2016 to be applied to the FY 2017 General Fund reduction amount. As a result the agency sustained a General Fund reduction of \$534,100 in FY 2017 rather than the planned amount of \$627,100. The \$534,100 General Fund reduction was comprised of several components. General Fund losses were \$70,000 of turnover and vacancy savings and \$1,100 in savings by closing the Whitestone Field Office. The agency redirected monies from a variety of projects funded from Saltwater Recreational Fishing License Funds to replace lost General Funds in the Law Enforcement and Fisheries Management programs budgets. These were made possible by ending the \$75,000 telephone registration component of the Fisheries Identification Program, changing the scope of the American Eel project by \$10,000, using \$32,000 of unobligated monies, reducing the scope of the yearly Catch Assessment project by \$50,000 and using a one-time amount of \$214,000 from unobligated fund balances. Lastly the agency redirected monies from several projects funded from Commercial Fishing License Funds to replace lost General Funds in the same programs: \$10,000 from the American Eel project, \$32,000 in unobligated fund balances and the redirection of the \$40,000 in funding for the River Herring project to federal Wallop-Breaux grant funding.

The Governor's introduced budget for the 2017 Session of the General Assembly proposed the continuance of all of the Savings Strategies listed above into FY 2018. Also proposed were: using an additional amount of \$20,000 of unobligated balances in each of the two fishing license funds (total of \$40,000) were to be redirected to replace lost General Funds in the Law Enforcement and Fisheries Management program budgets, general funds of \$72,879 for a soon to become vacant Surveying position were given up and the position was not to be re-filled, the Saltwater Fishing Tournament was proposed to end 7/1/17 and the program's \$214,000 in Recreational License funding was to be used to replace an equal amount of lost General Funds and the two program FTEs were also to be lost. The agency using the authority given to it by Code proposed using the \$244,246 projected to be generated by raising Commercial License prices to replace an equal amount of lost General Funds.

In addition to the proposed reductions the Governor's budget proposed decreasing General Funding for the Tangier Island Seawall project in FY 2017 by \$217,000 and increasing General Funding by \$217,067 in FY 2018 to allow payments to conform to the Army Corps of Engineers payment schedule and restoring \$402,000 in General Fund support to the Habitat Management Program to preserve the agency's core regulatory functions.

Action by the 2017 Session of the General Assembly resulted in a number of changes to the VMRC budget as it appeared in the Governor's introduced version for the second year of the biennium. The \$244,246 proposed General Fund reduction was restored to the agency's budget and language was added into the Appropriation Act that required Commercial Fishing License prices to be held steady at rates in force as of January 1, 2016. Also restored was the \$72,879 proposed reduction of the funding for one Surveying position. An additional amount of \$100,000 was added into the agency's Surveying budget to cover the costs associated with several bills passed during the 2017 Session. The agency was directed to continue the Saltwater Sport Fishing Tournament however no funds were provided for this purpose but the two FTE were restored. The agency will look to the Saltwater Recreational Fishing License fund for this purpose and language was added to the Act to require the agency to submit a report by December 15 each year to the Chairmen of the two legislative Money Committees of all projects and expenditures funded from the Virginia Saltwater Recreational Fishing License Fund.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	12,780,995	11,813,769	12,501,990	11,815,239
Changes to Initial Appropriation	-751,100	0	144,967	503,000

(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

» 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

» 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

- **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 with other public uses while preserving 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 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

- » **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

- **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

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 marine 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

Performance Highlights

Continued efforts to restore Virginia's oyster fishery resulted in a 2015 – 2016 Virginia oyster harvest that was the largest since 1989. The total oyster harvest from public oyster grounds, privately leased oyster grounds and oyster farming operations –grew from 95,000 bushels in 2008 – 2009 to 635,000 bushels in 2015 – 2016 exceeding projections. Dockside value has increased from \$3.5 million to \$30.4 million.

The Agency plays an active role in reducing the stock of non-native blue catfish in the Virginia's tidal waters as they can account for up to 75 percent of the fish biomass in a river, displacing or reducing many important native species such as river herring and shad and preying on blue crabs.

After being deemed depleted in 2014 the blue crab population has successively increased in abundance, allowing for higher commercial harvests. Regulations implemented in 2014 to reduce harvest by ten percent, have since been offset by increased harvestable stock and have added protections for juvenile crabs, as well as adult female crab spawning stock.

The Virginia Marine Police were issued perfect marks in 2010 through 2015 (2016 data not yet available) 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.

Between 2011 and 2015 the Marine Police issued 1,039 summonses relating to oysters, nearly three times the summons issued in the prior five years. The 2016 summons count was only 113 and it appears that increased enforcement activity, and Commission license actions against oyster regulation violators, may have significantly decreased violations and oyster poaching.

The Habitat Management Division implemented a general permit regulation to streamline the permitting process for certain living shoreline projects pursuant to Section 28.2-104.1 of the Virginia Code as living shoreline designs are the Commonwealth's preferred alternative for stabilizing tidal shorelines.

Two task force groups have studied and made recommendations for Code, regulatory and management changes and/or strategies to address increasingly complex issues related to the shellfish aquaculture industry in Virginia. Implementation is underway.

The agency has continued its 20 plus year history of receiving audits with no associated findings.

Staffing

Authorized Maximum Employment Level (MEL)	163
Salaried Employees	146
Wage Employees	0
Contracted Employees	8

Key Risk Factors

There are several agency responsibilities that remain underfunded requiring existing employees to continue to absorb additional duties for:

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 within the next five years or less. More complex review of shellfish aquaculture leasing and permitting issues continue to strain the current management team tasked with these issues.

The use of non-general fund (NGF) revenue from the sale of a variety of licenses, permit and dredge fees have replaced General Fund (GF) dollars lost in budget reductions. Many key management and regulatory functions are now dependent on these less stable sources of funding. This reduces the agency's ability to use these NGF for: 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.

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 to use alternate cultch for oyster spat attachment have found this to be financially viable, but the materials used are much denser, more difficult to harvest and not suitable for all of the oyster grounds where shell could be used.

New fisheries management plan addendums with potential for new regulation are expected in 2018 from the Atlantic States Marine Fisheries Commission (ASMFC) for popular recreational species like cobia, spot and croaker.

In the last 12 plus years a Joint Enforcement Agreement (JEA) between MRC and the National Marine Fisheries Service has provided the only stable source of funding for the agency Law Enforcement Division to purchase equipment, primarily boats, trailers, motors, and vehicles. Funding reductions are expected. Other budget reductions and steadily rising support costs for Marine Police Officers greatly impact how the agency provides and maintains core management, regulatory and enforcement services and supplies the variety of equipment needed to support the Law Enforcement Division.

Recent and expected continued increases in sea level present challenges for the management of tidal wetland resources. Tidal wetland vegetation exists within specific tidal elevation ranges and has the ability to trap sediments and rise and keep pace with moderate increases in sea level, but rapid increases in sea level greatly stress these valuable resources.

Agency efforts to streamline and remove regulatory hurdles coupled with technological advances in shellfish aquaculture techniques have led to a very rapid expansion of the shellfish aquaculture industry resulting in a growing number of conflicts between the shellfish growers and the public who share in common the waters and submerged lands.

Management Discussion

General Information About Ongoing Status of Agency

The agency 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, requiring substantially more science and information than is currently available. New interstate and regional management policies on the taking of menhaden, which may pose significant financial hardship for the Commonwealth, as well as federal mandates that could affect management of blue crabs, sturgeon, summer flounder, striped bass and sea turtles and sea mammals.

The MRC will continue its efforts to replenish Virginia's oyster resources and to support increasing shellfish aquaculture activities.

The ASMFC imposed a requirement to monitor a 2013 menhaden quota resulting in a 20 percent reduction in menhaden harvest for Virginia. When stock assessments showed an increasingly healthy menhaden stock, quotas were relaxed but still resulted in an economic loss for the industry over harvest levels prior to 2013. Virginia is still allocated 85 percent of the coast wide harvest quota for menhaden, but the ASMFC menhaden plan is expected to be finalized in 2017 and will determine if Virginia will maintain this share.

The agency continues its efforts to establish a take reduction plan for the endangered sturgeon and sea turtles and expects substantial economic impacts to Virginia's gill net fishery once the plan is finalized by the National Marine Fisheries Service (NMFS).

A longer term risk for Virginia's fishery stocks is environmental change caused by climate shifts. Many of the fish species targeted by Virginia fishermen are migratory, with some stocks having a center of abundance further south or north of the Chesapeake Bay. Climate change is expected to substantially affect abundance and distribution of migratory species, for popular species like summer flounder, black sea bass and croaker this will mean less fish available for harvest. In the Bay sea level rise will have many effects on habitat vital to juvenile fish, and water acidification will affect shellfish stocks.

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 to comply with federal National Shellfish Sanitation Program mandates and to ensure that the State's oyster stock is safeguarded.

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.

A marked increase in the number of applications for oyster ground leases is expected and this will result in all associated issues being handled by small existing staff.

Information Technology

Major IT investments underway include:

Commission staff manage fifteen custom business applications providing automation for most agency business processes including licensing, permitting, mapping, and many data collection and reporting features. Up through 2012 the Commission rebuilt its suite of business applications in a web based development environment. Completion of application renovation tasks has provided the agency with more opportunity to offer additional citizen web access to agency data and business applications. Agency staff also help maintain infrastructure that includes over 100 Virginia Information Technology Agency (VITA) assigned computers and 70 Virginia State Police (VSP) assigned computers for the Marine Police, three data servers, the agency public web site at mrc.virginia.gov, and the hundreds of associated devices.

Information Technology Plans/Needs:

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.

The IT changes planned for the next biennium are enhancements or desired functionality that will be added using primarily in-house staff. In particular agency staff hope to continue efforts to offer application features better suited for mobile devices.

The agency does not anticipate any IT investments beyond in-house staff and VITA Service Fees during the 2016-2018 budget biennium. Agency staff does anticipate that VITA service fees for networking and telecommunications will increase significantly to support a tentative plan to move MRC Headquarters to Ft. Monroe in 2018. Staff has also begun to consider the effects of transition away from the VITA-NG infrastructure partnership by FY19, and will be involved in activities that support the use of new IT contractual services developed by VITA during the 2016-18 biennium.

Estimate of Technology Funding Needs

Workforce Development

The Marine Resources Commission has a number of tenured staff members with an impressive amount of institutional knowledge and understanding of the agency's policies, practices, and history. Nearly 48 percent of the MRC staff is 50 years or older and 26.6 percent of the agency staff has more than 20 years of State service. About 20.7 percent of current staff is eligible for an unreduced retirement and nine of these staff are Department Managers to Executive level management. Over the next five years, 35.2 percent of the agency current workforce will be eligible for an unreduced retirement. This percentage includes all of the top administrators of the agency's programs.

The agency continues to have the most turnover in the Fishery Management and Law Enforcement Divisions. More competitive salaries and opportunities for upward mobility offered by other local, other state, federal, and private sector employers 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 dilemma.

The Marine Resources Commission continues to work diligently to ensure that succession planning is in place so that there is continuity in the delivery of services to clients as the key management positions and longtime employees exit our employ. Loss of highly competent workforce will be significant, but in most divisions and departments there currently is knowledgeable and experienced staff that could, with some additional training and experience, make a smooth transition into positions of those leaving.

Physical Plant

The 2016 Session of the Virginia General Assembly in HB 30 Reenrolled, Central Appropriations, Central Appropriations, Item C-52, B 4 (below) gave the following permission relative to leased space for the headquarters facility:

B. The Department of General Services is authorized to enter into capital leases as follows:

4. On behalf of the Virginia Marine Resources Commission, to address lease space needs for a headquarters facility to replace or renew the lease for the existing facilities in Newport News.

Currently DGS is in final negotiations with the Fort Monroe Authority on behalf of the agency and the expectation is that a lease arrangement will result and the agency headquarters expects to relocate at Fort Monroe in 2018. The agency-owned Operations Station will continue to fully function at its current location in the Newport News Small Boat Harbor.

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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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, and greater pressure from other states for higher allocations of coast wide quotas.

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 fourteen FTE. Due to budget reductions in a previous biennium, the agency permanently 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 and are now part of the agency's base budget.

Federal funds from an Interjurisdictional Fisheries grant from NOAA fund the two additional FTE that were added to the agency's base MEL count in 2016 to support agency work related to the federal sturgeon observer and other Endangered Species programs.

A federal fund appropriation of \$375,800 and three federally funded FTE are now part of the agency's base budget. Using monies supplied by NOAA, these three FTE along with five to six seasonal workers perform Virginia's portion of the work for the Recreational Access Point Angler Intercept Survey. This work was previously performed by a NOAA contractor until the responsibility was shifted to the Atlantic Coastal States two to three years ago.

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. General Funds also support nine FTE that work with the Mandatory Reporting program, the Biological Sampling program and the Fisheries Plans and Statistics programs.

This Service Area lost \$25,000 in General Funds from its base as a part of a larger total budget reduction of \$70,000 related to Turnover and Vacancy savings. \$5,125 in General Funds each fiscal year was added to the agency's budget in 2016 to cover expected increased membership costs from the Atlantic States Marine Fisheries Commission (ASMFC) an interstate compact organization.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	745,131	590,512	746,343	590,512
Changes to Initial Appropriation	-25,000	0	0	0

Supporting Documents

Title **File Type**

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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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 continues to decrease due to a multi-year series of general fund budget reductions.

All but one of the General Fund reductions have been replaced with monies from the sale of Commercial and Recreational Fishing Licenses and using federal grant monies. The one reduction of \$237,844 not replaced with other funding 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 as did vessel parts, equipment, overhaul services, etc., and these costs had to be covered with the existing agency budget. The loss of these monies continues to be problematic to this Service Area.

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.

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 from the Northern Neck Office in Heathsville.

The agency continues to hold the equivalent of several General Funded Marine Police positions vacant at a time by slightly lengthening its' recruitment times. This action allows the agency to generate sufficient funds within the Service Areas budget to cover the increasing cost of salaries, fringe benefits and other support services for the Marine Police and also to fund portions of two Dispatcher position and to cover some Dispatch Center costs as well.

All of the Commonwealth Transportation Funds (CTF) appropriated in the agency budget are used to support the agency's Marine Dispatch Center to include the Dispatchers. Law Enforcement operates 24 hours a day and 7 days per week. The source of the CTF money is unrefunded motor fuel taxes used in boats.

At the beginning of the current biennium the Law Enforcement Division's base budget included an appropriation of \$1,163,703 from Saltwater Recreational Fishing License revenues. These monies replaced General Funds that were lost from the Law Enforcement budget through an incremental series of budget reductions. In FY 2017, through another round of budget reductions, an additional \$356,000 was appropriated from the Saltwater Recreational Fishing License Fund to offset an equivalent amount of lost General Funds. For the first time, a portion of the General Fund reduction was replaced in the agency's base budget with \$42,000 from the Commercial Fishing License Fund. During FY 2018, the monies appropriated from the Recreational License Fund will increase to \$376,000 such that the Law Enforcement Division base budget now contains a total of \$1,539,703 in Recreational License Fund monies. In FY 2018 reliance on the Commercial Fishing License Fund increased by \$20,000 such that \$62,000 is now part of the Law Enforcement Division base budget.

The agency participates in a Joint Enforcement Agreement (JEA) with the National Oceanic and Atmospheric Administration (NOAA). These federal monies provided a stable source of funding for the MRC for approximately a decade. Unfortunately, the yearly JEA revenue has significantly declined over the last several years. 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, spend 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 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.

Due to a budget reduction several years ago, the agency began to use \$100,000 of the yearly JEA funding as a part of the Law Enforcement Division's base budget. JEA monies have funded most of the yearly telecommunications costs for the Marine Police.

Less JEA money being available to the Marine Police means that less money is available for equipment purchases for Law Enforcement each year and the money is not available to continue to cover the costs of the Marine Police telecommunications costs. The agency is currently evaluating how it can best deal with smaller amounts of yearly JEA revenues and how to best mitigate the significant impact this will have on the agency's core services.

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 25 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 support yearly.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	5,551,980	3,307,609	5,553,468	3,308,583
Changes to Initial Appropriation	-398,000	0	-438,000	438,000

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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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. Almost all existing reef sites can benefit from added material. 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 are more limited, but are likely to remain the primary means of reef site augmentation because of the cost effectiveness. Unfortunately the program no longer has dedicated staff, but will 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 and again emphasize the need to search for outside funding sources.

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.

Reef program staff are no longer dedicated positions, so assigned staff must share reef duties with their primary roles for fisheries management. This limited staff seriously constrains reef production, and also does not allow the agency to maintain buoys that were once used to mark reef sites.

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 and relying heavily on the donation of materials of opportunity. There is one unfunded FTE still associated with this Service area.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	69,520	0	69,520
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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 continues 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 endangered or threatened sea turtles, 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 continue to be ASMFC mandated 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, such as croaker and spot, will change as well.

Financial Overview

This Service Area receives funding from a number of different sources and supports fourteen FTE.

General funds support nine FTE to include the Chief of Fisheries Management, Deputy Chief, one Division Support staff, three Fisheries Planners and three positions handling Data and Quota Management responsibilities to ensure Virginia's compliance with ASMFC guidelines.

Non-general funds support five FTE. This includes four 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. Based on budget reduction exercises each year of the 2016 – 2018 biennium much of the unobligated balance in this fund has been directed to replace General Fund reductions in the Fisheries Management and Law Enforcement service areas.

Approximately \$2.4 million dollars are currently collected annually from the sale of Recreational Saltwater Fishing Licenses. However total revenue collected has decreased in each of the last two fiscal years and is currently \$150,000 less than two years ago. These funds support one

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.

As a result of Budget Reductions in FY 2017 the agency redirected monies from a variety of projects funded from Saltwater Recreational Fishing License Funds and used these funds to replace lost General Funds in the Law Enforcement and Fisheries Management programs budgets by: ending the \$75,000 telephone registration component of the Fisheries Identification Program, changing the scope of the American Eel project by \$10,000, using \$32,000 of unobligated monies, reducing the scope of the yearly Catch Assessment project by \$50,000 and using what was expected to be a one-time amount of \$214,000 from unobligated fund balances. Lastly the agency redirected monies from several projects funded from Commercial Fishing License Funds to replace lost General Funds in the same programs: \$10,000 from the American Eel project, \$32,000 in unobligated fund balances and changing the \$40,000 in funding for the River Herring project to federal Wallop-Breaux grant funding.

The Governor's introduced budget for the 2017 Session of the General Assembly proposed the continuance of all of the Savings Strategies listed above into FY 2018 with the following exceptions proposed: an additional amount of \$20,000 of unobligated balances in each of the two fishing license funds (total of \$40,000) were to be redirected to replace lost General Funds in the Law Enforcement and Fisheries Management program budgets, The Saltwater Fishing Tournament was to end 7/1/17 and the program's \$214,000 in Recreational License funding was to be used to replace an equal amount of lost General Funds and the two FTE associated with the program were to be lost and the agency using the authority given to it by Code proposed using the \$244,246 projected to be generated by raising Commercial License prices to replace an equal amount of lost General Funds.

Action by the 2017 Session of the General Assembly resulted in a number of changes to the VMRC budget as it appeared in the Governor's introduced version for the second year of the biennium. The \$244,246 proposed General Fund reduction was restored to the agency's budget and language was added into the Appropriation Act that required Commercial Fishing License prices to be held steady at rates in force as of January 1, 2016. The agency was directed to continue the Saltwater Sport Fishing Tournament however no funds were provided for this purpose. The two FTE were restored so the agency will look to the Saltwater Recreational Fishing License fund for this purpose and language was added to the Act to require the agency to submit a report by December 15 each year to the Chairmen of the two legislative Money Committees of all projects and expenditures funded from the Virginia Saltwater Recreational Fishing License Fund. As a result, the agency estimates that only \$200,000 to \$250,000 will be available yearly of the revenue from Recreational Licenses for allocation for projects that benefit the Recreational Fishing Industry in the Commonwealth.

The 2017 Session approved a loss of \$25,000 in General Funds per year to this Service Area as part of a larger \$70,000 reduction for Turnover and Vacancy. The 2016 Session of the General Assembly approved General Funds in the amount of \$318,000 in the first year and \$262,000 in the second year to so that the agency could fill three vacant positions in Fisheries Management to enhance the agency's capabilities for Quota Monitoring and Data Management. The Governor's proposed funding for a second Fisheries Management Deputy Chief was not approved in the 2016 Session.

The two license funds provide matching dollars for the federal monies 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 that impact several fisheries 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. Language in the Appropriation Act also requires that each fiscal year the agency must transfer \$50,000 of the revenues collected from the sales of Commercial Fishing Licenses to VIMS.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	777,982	4,859,666	721,982	4,859,666
Changes to Initial Appropriation	-90,000	0	-65,000	65,000

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 activities on public oyster grounds, and assisting with restoration efforts.

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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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 reselling 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 standing 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 high 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, as well as improvements in water quality.

Factors Impacting

The most significant factor impacting the delivery of oyster 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 Virginia's shellfish leasing program, as well as 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. In addition, the State provides General Funds to cover the salary and fringe benefit costs of the five program FTEs.

Federal grant monies for oyster replenishment work are no longer available to the agency. 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. The agency is currently partnering with the Corps for a restoration effort in the Piankatank River.

As there are no federal monies currently coming to the MRC to support oyster restoration efforts there will be no new Indirect Cost Recovery monies coming into this program. These monies had also been used to support oyster program activities. The program has received grants from The Nature Conservancy for the last several years to fund oyster restoration projects on the Seaside of the Eastern Shore.

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 amount of oyster restoration effort. The ORF is expected to generate \$250,000 - \$300,000 in revenue each year. While there is a balance in the Fund, there is a chance that less revenue will be generated each year due to recent regulatory restrictions placed on entry into the State's oyster fishery. The ORF monies are 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. Beginning with the 2016 – 2018 biennium additional appropriation allows the agency to expend the balance in the ORF on a variety of small projects that benefit the State's oyster fishery.

General Funds of \$172,879 which were provided by the 2017 Session of the General Assembly for the Engineering/Surveying Department were placed in this Service Area's budget in FY 2018 in error. The agency will do an internal transfer to move these monies to the Engineering/Surveying Service Area budget and this will be corrected during the next cycle of budget development.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	2,332,665	1,629,014	2,332,665	1,629,014
Changes to Initial Appropriation	0	0	172,879	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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

Title 62.1. Waters of the State, Ports and Harbors

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 until sometime in FY 2018.

Financial Overview

The Service Area receives yearly general fund support 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 \$777,000 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. In addition the Waterways Improvement Fund (WIF) also covers the costs of travel and several other costs associated with operating this Service Area. 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 it was projected that sometime in Fiscal Year 2018 there would no longer be sufficient WIF available to support this core regulatory function for an additional year, even though the agency had also implemented some cost saving measures to reduce yearly agency obligations on the WIF.

The Governor's introduced budget for the 2017 Session of the Virginia General Assembly recommended that \$402,000 in General Funds be added back to the agency's base budget beginning 7/1/17 as the WIF could no longer continue such a high level of support for this Service Area. This funding was endorsed by the General Assembly and the eleven FTE that were previously funded from both General and WIF monies will now solely be funded with General Funds.

This area shares two FTE with the Service Area for Coastal Land Surveying and Mapping. Costs for one of these two FTE are budgeted with this Service Area and the costs for the second 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.

Based on a different payment schedule being presented to the Commonwealth monies of \$217,000 in General Funds were shifted from year one to year two of the biennium with an additional amount of \$67 added in the second year, such that the agency would have sufficient budgeted funds to pass through the Commonwealth's yearly cost share when billed by the Corps.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	649,305	989,608	419,238	989,608
Changes to Initial Appropriation	-217,000	0	619,067	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. This service area also assists with Law Enforcement cases providing field locations, mapping of violations and court testimony. This service area also assists with the location of fixed fishing devices and mapping of such devices, for permitting by the Fisheries Division. This service area also assists with location information of leases, public grounds, and other information related to permitting by the Habitat Management Division.

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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

Products and Services

Description of Major Products and Services

Administration of the Commonwealth’s private shellfish leasing program and management of the Constitutionally protected public oyster grounds to include the maintenance of surveying and mapping required for the public oyster grounds, the Virginia-Maryland border, all leased shellfish planting grounds, condemned shellfish areas, seed/shell plant areas, the Commonwealth’s tidal waterways and shorelines, the 28,000 acres of ungranted marshes and meadowlands, fixed fishing devices, channels, management areas, and other natural resources information. This service area creates maps for court cases and provides expert testimony concerning violations of marine environmental laws and regulations. This service area also provided field bottom evaluation assistance to the Habitat Management permitting program when proposed projects may impact existing leases and/or shellfish resources.

Anticipated Changes

As has already been occurring in recent years, the Marine Resources Surveying and Mapping service area will likely continue to be confronted with increasingly complex shellfish industry user conflict issues requiring both considerable manpower requirements and adept management personnel skills and strategies. New management schemes are being implemented to meet these challenges.

Factors Impacting

None are expected.

Financial Overview

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

As part of last year’s General Fund reduction plan, the agency closed its Whitestone Field Office which was in an old building at the foot of the Rappahannock River Bridge that belonged to VDOT. Savings were generated of \$1,100 per year and this reduction in funding has now been made a part of the Service Area’s base budget. The Governor’s introduced budget for the 2017 Session of the Virginia General Assembly included the loss of General Funding in the amount of \$72,879 which would be generated in FY 2018 by not refilling a Surveying position left vacant by a retirement.

This proposed reduction was not endorsed by the General Assembly and these monies were returned to the agency effective 7/1/18. In addition the General Assembly provided another \$100,000 in General Funding to be added to the agency’s base budget beginning 7/1/18 to assist with the fiscal impacts of several new legislative mandates applicable to this Service Area.

The General Funds of \$172,879 which were discussed in the previous paragraph were provided by the 2017 Session of the General Assembly for the Engineering/Surveying Department were placed in the Oyster Program’s Service Area’s budget in FY 2018 in error. The agency will do an internal transfer to move these monies to the Engineering/Surveying Service Area budget once FY 2018 begins and the agency’s base budget will be corrected during the next cycle of budget development.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	541,749	26,740	541,749	26,740

Changes to Initial Appropriation	-1,100	0	-73,979	0
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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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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 the citation program continues to exist. In recent years, reduced abundance in several key finfish species has reduced the number of citations issued.

Financial Overview

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

The Governor's budget for the 2017 Session of the General Assembly proposed the elimination of the Tournament and the two associated FTE. This was not approved by the General Assembly and language was added into the agency's section of the Appropriation Act which required the Tournament to continue. The two program FTEs were returned to the agency, but no funding was provided. As a result the agency will look to the Saltwater Recreational Fishing License Fund to provide full funding for the Tournament and the two associated FTE. Funding is available however it will use up much of the unobligated balance in the Fund that was previously available for funding a variety of projects that benefited the State's Saltwater Recreational Fishery.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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 performance and accountability requirements that impact all of the wide-ranging areas of responsibility overseen and performed by the staff in this service area, however no additional resources are available to assist with implementation, performance, records maintenance, training, continuity of performance standards etc. In addition, there are increased demands within the agency for services from the employees of this particular service area as demands made by our constituents. In FY 2015, the agency became full users of Cardinal, the State's new Accounting System.

Financial Overview

This Service Area is primarily general funded and supports seventeen FTE and their associated support costs to include staff in the Administration and Finance Division, the agency's Human Resources Department, the Commissioner and his staff, the agency Policy Manager and the agency business systems applications staff. 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 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 of \$35,508 were added to the agency's base budget each year in the 2016 – 2018 biennium to cover the increased rent costs for the agency's headquarters space in downtown Newport News based on the rates included in the current lease agreement, for several types of central service costs and to cover employee salary and benefit increased costs. Central Service costs are often deposited in this Service Areas and

dispersed out according to Service Area budget demands.

One of the agency's FY 2017 budget reduction strategies was to save a total of \$70,000 per fiscal year through turn-over and vacancy strategies. \$20,000 of the \$70,000 amount was assessed to MRC and has now been made part of the base budget of this Service Area.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	2,182,183	121,100	2,186,545	121,596
Changes to Initial Appropriation	-20,000	0	-70,000	0

Supporting Documents

Title **File Type**

General Management and Direction [59901]

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.

Title 28.2 - Fisheries and Habitat of the Tidal Waters

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 known at this time.

Factors Impacting

There are continuously new state and federal performance and accountability requirements that impact all of the wide-ranging areas of responsibility overseen and performed by the staff in this service area, however no additional resources are available to assist with implementation, performance, records maintenance, training, continuity of performance standards etc. In addition, there are increased demands within the agency for services from the employees of this particular service area as demands made by our constituents. In FY 2015, the agency became full users of Cardinal, the State's new Accounting System.

Financial Overview

This Service Area is primarily general funded and supports seventeen FTE and their associated support costs to include staff in the Administration and Finance Division, the agency's Human Resources Department, the Commissioner and his staff, the agency Policy Manager and the agency business systems applications staff. 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 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 of \$35,508 were added to the agency's base budget each year in the 2016 – 2018 biennium to cover the increased rent costs for the agency's headquarters space in downtown Newport News based on the rates included in the current lease agreement, for several types of central service costs and to cover employee salary and benefit increased costs. Central Service costs are often deposited in this Service Areas and

dispersed out according to Service Area budget demands.

One of the agency's FY 2017 budget reduction strategies was to save a total of \$70,000 per fiscal year through turn-over and vacancy strategies. \$20,000 of the \$70,000 amount was assessed to MRC and has now been made part of the base budget of this Service Area.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	2,182,183	121,100	2,186,545	121,596
Changes to Initial Appropriation	-20,000	0	-70,000	0

Supporting Documents

Title File Type