

## Department of Planning and Budget 2021 Fiscal Impact Statement

**1. Bill Number:** SB1352

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Lewis

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:** Flood control; Department of Flood Control and Commonwealth Flood Control Board established; report.

**5. Summary:** Creates the 14-member Commonwealth Flood Control Board (the Board) as a policy board in the executive branch of state government with various duties coordinating and implementing existing and new flood control programs and measures in Virginia, including flood control components of other state agency programs. The 10 nonlegislative citizen members of the Board shall be appointed by the Governor to five-year terms, initially staggered as provided in the bill.

The bill creates the Department of Flood Control (the Department) to assist in the administration of the Board's duties and to provide other technical expertise. The bill requires the Department to provide an annual report. Funding for the Department is provided in part by funds collected from the sale of credits pursuant to the RGGI program.

**6. Budget Amendment Necessary:** Yes, to Item 57 of HB1800/SB1000

**7. Fiscal Impact Estimates:** Preliminary. See item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021			
2022	\$69,299	0.5	GF
2023	\$69,299	0.5	GF
2024	\$69,299	0.5	GF
2025	\$69,299	0.5	GF
2026	\$69,299	0.5	GF
2027	\$69,299	0.5	GF

**8. Fiscal Implications:** It is anticipated that this bill will have impact on the Office of the Attorney General and the Department of Law. As the bill creates a new state department and board, it also creates a new Client for the Office of the Attorney General Environmental Section. To serve in this capacity, it is anticipated that the costs of one half of an Assistant Attorney General position is required.

The overall fiscal implications of this bill are indeterminate. The bill creates the Department of Flood Control under the authority of the Secretary of Natural Resources to provide technical expertise in all aspects related to flood control, mitigation, abatement, and recovery. The department will have a director appointed by the Secretary of Natural Resources, who would in turn, be authorized to hire staff. The size of such staff is unknown. The bill states that funding for the department shall come from the three percent allocation the Department of Environmental Quality (DEQ) receives to administer and participate in the RGGI trading program and for climate planning and associated staffing. This legislation would require DEQ to utilize money from this allocation as necessary to administer the new Department of Flood Control, in addition to supporting administrative expenses incurred by the department in the administration of the revenue allocation, carbon dioxide emissions cap and trade program and auction (RGGI program), and implementing statewide climate change planning and mitigation activities which are currently provided for in the Code. According to DEQ, the language would require the department to fund the new department before using proceeds for their originally intended purpose, and this could impact the amount of funding that would remain available for the administration of the RGGI program as well as for climate change planning and mitigation. This three percent allocation is currently projected to be \$4.3 million in revenue in FY 2022. DEQ's current financial projection to create and fully staff a climate office is \$1.53 million annually beginning in FY 2022.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Environmental Quality; Office of the Attorney General and the Department of Law; Department of Conservation and Recreation; Secretaries of Natural Resources, Transportation, Public Safety, and Commerce and Trade.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The original allocation of RGGI proceeds directs 45 percent of the funding to the Community Flood Preparedness Fund administered by the Department of Conservation and Recreation (DCR) and the Virginia Resources Authority. The purpose of that fund is to enhance flood prevention or protection and coastal resilience. According to DEQ, the 45 percent allocation is projected to be \$64.7 million in revenue in FY 2022.