



# Water Quality Improvement Fund Background

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- The WQIF is the primary vehicle that has been used to provide general fund support for water quality initiatives
- Created by the 1997 Session of the General Assembly, the WQIF has, until recently, relied upon two sources of funding:
  - 10 percent of any year-end revenue surplus
  - 10 percent of any year-end unreserved general fund balance
- This funding is used to provide grants to local governments, soil and water conservation districts, state agencies, and individuals for point and nonpoint source pollution control activities
  - For Point source control funds can only be used for payment of the capital costs for improving wastewater treatment. Prior to this session, the percentage paid for was 50 percent. Passage of HB 2777, SB 1235, and SB 810 has changed this percentage to a sliding scale.
  - In the Nonpoint source area, funds can be used to purchase conservation easements, implement nutrient management plans, instruction on nutrient management techniques, pay cost share practices, and reimburse localities for water quality related tax incentives



# Funding for the Water Quality Improvement Fund

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- No deposits were made between FY 2002 and FY 2004 because there were no year-end surpluses or balances
- \$15 million in additional general fund deposits were appropriated for FY 2005 and FY 2006
  - Represents first non-surplus appropriation to WQIF
- New language requires 15 percent of any surplus to be reserved for economic downturns
- FY 2006 includes \$32.4 million from the FY 2004 surplus and \$50 million committed for improving wastewater treatment

<b>Fiscal Year</b>	<b>Surplus Deposits</b>	<b>GF Deposits</b>
1998	\$10.0	\$0
1999	\$37.1	\$0
2000	\$25.2	\$0
2001	\$10.3	\$0
2002	\$0	\$0
2003	\$0	\$0
2004	\$0	\$0
2005	\$7.7	\$15.0
2006	\$32.4	\$65.0

# Virginia Waterways Affected by Nutrient Pollution

