

ATTACHMENT 1

California Tahoe Conservancy

Resolution

11-09-03

Adopted: September 15, 2011

2012-13 FISCAL YEAR BUDGET REQUESTS

"The California Tahoe Conservancy hereby approves the proposed 2012-13 fiscal year budget as discussed in the accompanying staff report and authorizes staff to take steps necessary for its adoption."

I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the California Tahoe Conservancy at a meeting thereof held on the 15th day of September 2011.

In WITNESS THEREOF, I have hereunto set my hand this 15th day of September 2011.

Patrick Wright
Executive Director

California Tahoe Conservancy
Agenda Item 8
September 15, 2011

2012-13 FISCAL YEAR BUDGET REQUESTS

Summary: Staff recommends ratification of the California Tahoe Conservancy's (Conservancy) budget proposals for the 2012-13 fiscal year.

Fiscal Summary: The proposed 2012-13 fiscal year budget includes:

- \$5,306,000 for capital outlay and local assistance for funding the Conservancy's various programs in support of the Environmental Improvement Program (EIP) for the Lake Tahoe Basin (this would include \$4,427,000 in special funds dedicated to the Conservancy, as well as reappropriation of \$879,000 in project savings under the Conservancy's Proposition 12/40/50/84 bond allocations;
- Reimbursement authority for receipt of up to \$5,000,000 in federal grants; and
- \$6,149,000 and 46.5 personnel years for ongoing support.

Recommended Action: Adopt Resolution 11-09-03 (Attachment 1).

Background

Due to the need to meet budget preparation deadlines, staff has submitted a proposed 2012-13 fiscal year budget and related materials to both the Resources Agency and the Department of Finance. Staff requests the Board approve its budget requests for the Conservancy's ongoing capital outlay and local assistance programs and related support.

The capital outlay and local assistance requests will allow the use of available program funds to continue the Conservancy's efforts in meeting the State of California's commitment and responsibilities under the EIP. While the State's current economic difficulties will not allow funding to match earlier funding levels (at or near \$20 million per year since adoption of the EIP in 1997), available funding will still allow a substantial set of activities. A total of \$5,306,000 is being requested. This includes several funding sources dedicated to the Conservancy, including \$393,000 from the Habitat Conservation Fund under 1990's Mountain Lion Initiative;

\$594,000 from the Lake Tahoe Conservancy Account, consisting of the proceeds from the Lake Tahoe license plate; and \$3,440,000 in reimbursements from the Conservancy's land bank. In addition, the Conservancy and its grantees have benefitted from a favorable construction bid market, generating significant savings on a number of site improvement projects. This will make available another \$879,000 in bond funds, spread among Propositions 12, 40, 50 and 84, that can be reappropriated for new projects.

The Conservancy continues to seek opportunities to package and leverage its limited funds with other partners, including the Federal Government. Reimbursement authority for up to \$5,000,000 in federal funds is requested. This would assist in establishing and continuing funding partnerships with the U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, U.S. Forest Service, and other federal agencies.

Additionally, continued funding of the Conservancy's support function (i.e., staff services, office operations, and management of acquired lands) is requested. Currently identified sources would fund the 2012-13 support budget at a level of \$6,149,000. Again, the State's current fiscal difficulties limit the ability to match the current year baseline of \$6,640,000. The gap largely reflects an elimination of General Funds (\$193,000); various other cost cutting measures (\$37,000); and the substantial exhaustion of bond funds available for "program delivery", or support (\$305,000). The latter can be made up, in part, through reappropriation of a 5% portion of the above-mentioned bond project savings (\$44,000) to program delivery. The request also includes a repeat of an additional \$409,000 in land bank revenues, originally included in the 2011-12 support budget on a one-time basis. Should additional bond savings be found or other funding sources identified, they could also be used to increase the proposed support budget up to a revised 2012-13 baseline level of \$6,411,000.

It should be noted that both the current year (11-12) and proposed 12-13 support budgets already incorporate a 5% reduction in funding for salaries originally included in the 10-11 support budget. The Department of Finance has instructed departments to adjust their "personnel year" (PY) figures (i.e., the number of authorized positions) to match this reduction in salary dollars. For the Conservancy, it is expected that this will result in a 2.0 PY reduction, from 48.5 PY to 46.5 PY, in 2012-13.

The reduced level of support by 12-13 will obviously present some significant challenges, sparking a need to examine the array of staff services, office operations

and property management funded by the support budget. Staff will work to identify appropriate adjustments, both in the budget process and in actual implementation of the budget, in concert with the current strategic planning process, Board direction, and other considerations to ensure the Conservancy's ongoing ability to best implement an effective and comprehensive set of programs.

List of Attachments:

Attachment 1 – Resolution 11-09-03

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