

California Tahoe Conservancy
Agenda Item 11b
September 12, 2012

2013-14 FISCAL YEAR BUDGET REQUESTS

Summary: Staff recommends ratification of the California Tahoe Conservancy's (Conservancy) budget proposals for the 2013-14 fiscal year.

Fiscal Summary: The proposed 2013-14 fiscal year budget includes:

- \$5,930,000 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:
 - \$930,000 in special funds dedicated to the Conservancy
 - Reimbursement authority for receipt of up to \$5,000,000 in federal grants and assistance; and
- \$6,057,000 and 41.0 personnel years (PY) for ongoing support. This would include:
 - \$5,757,000 in continuing "baseline" funding from various special funds and revenue sources dedicated to the Conservancy; and
 - \$300,000 in AB 32 "cap and trade" monies in support of the Conservancy's efforts to develop overall policy and coordinate the State of California's climate change and sustainability efforts in the Tahoe Basin

Recommended Action: Adopt Resolution 12-09-04 (Attachment 1).

Background

Due to the need to meet budget preparation deadlines, staff has submitted a proposed 2013-14 fiscal year budget and related materials to both the Natural 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 \$5,930,000 is being requested. This includes several funding sources dedicated to the Conservancy, including \$390,000 from the Habitat Conservation Fund under 1990's Mountain Lion Initiative; \$100,000 from the Lake Tahoe Conservancy Account, consisting of the proceeds from the Lake Tahoe license plate; and \$440,000 in reimbursements from the Conservancy's land bank. 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 available sources would fund the 2013-14 baseline support budget at a level of \$5,757,000. This is \$578,000 less than the budgeted amount in the current fiscal year (2012-13), and reflects the loss of \$83,000 in bond funds no longer available for "program delivery" purposes, and the need to replace one-time allocations of \$409,000 in land bank revenues and \$86,000 in lease revenues. (The Conservancy retains significant support funding from state special funds including the Environmental License Plate Fund and the Habitat Conservation Fund; from the proceeds of the sale of the Lake Tahoe license plate, leases on Conservancy lands, and the proceeds of the land bank; and reimbursement authority for staff services performed in support of capital outlay and federally-funded or -assisted activities.)

The Conservancy will need to identify some combination of personnel adjustments and operating expense reductions during the development of the Governor's Budget this fall to address this \$578,000 shortfall. Staff has addressed a \$300,000 portion of this shortfall through submittal of a proposal for \$300,000 in AB 32 "cap and trade" funding for staff activities to develop basin-wide climate change and sustainability policy.

Pursuant to Board direction, staff is also proceeding with pre-sale activities on up to four Conservancy asset parcels. It is anticipated that the sale of two properties could be brought to the board for consideration in December 2012 and March 2013 respectively. Targeted minimum bids suggest that these sales could generate over

\$1.5 million for land management needs. A portion of these proceeds could also be used to fund additional capital outlay activities. Based on the timing of these sales, however, the proceeds may not be able to be included in the Governor's Budget to be proposed in January 2013, but could be included as part of the finance letter process or the May Revision during the Legislature's budget review in Spring 2013.

List of Attachments:

Attachment 1 – Resolution 12-09-04

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ATTACHMENT 1

California Tahoe Conservancy
Resolution
12-09-04
Adopted: September 12, 2012

2013-14 FISCAL YEAR BUDGET REQUESTS

"The California Tahoe Conservancy hereby approves the proposed 2013-14 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 12th day of September 2012.

In WITNESS THEREOF, I have hereunto set my hand this 12th day of September 2012.

Patrick Wright
Executive Director