

ATTACHMENT 2

CALIFORNIA TAHOE CONSERVANCY FISCAL YEAR 2022/23 BUDGET

The following is a summary of the California Tahoe Conservancy's (Conservancy) fiscal year (FY) 2022/23 anticipated Budget, which includes funding for Conservancy projects, operations, and grants.

Conservancy Funding Sources

Wildfire and Forest Resilience:

In February 2022, Governor Gavin Newsom announced that with a budget surplus the State is once again providing large amounts of funding for wildfire and forest resilience. The FY 2021/22 Budget allocated to the Conservancy \$1 million in early action funding and an additional \$36 million to help promote forest resilience and wildfire prevention and mitigation. The Governor proposed an additional \$5 million to the Conservancy for the same purposes in the FY 2022/23 budget. The Conservancy is implementing projects to help reduce the impact of wildfires within the Lake Tahoe Basin (Basin) through the use of this funding and to implement the Lake Tahoe Basin Forest Action Plan, which is a comprehensive, ten-year forest resilience strategy.

Climate Resilience

The FY 2021-22 Budget allocated \$5.25 million to the Conservancy to fund climate resilience, fire prevention, community access, and natural resource protection projects and programs. The Budget identified climate funding priorities for three years. The Administration's FY 2022/23 proposal includes an additional \$5.25 million to the Conservancy for nature-based solutions to increase climate resilience.

Propositions 12, 40, 50, and 84 Bonds

During the 2000s, California voters passed a series of bonds that included allocations to the Conservancy to fund Lake Tahoe Environmental Improvement Program (EIP) projects. This includes allocations of \$50 million under Proposition 12, \$40 million under Proposition 40, \$40 million under Proposition 50, and \$36 million under Proposition 84. The Conservancy spent most bond funds in prior fiscal years. The Conservancy is using any remaining balances for project planning, minor improvements, and restoration of Conservancy land. The Conservancy expects these funding sources to be fully spent within the next three fiscal years. Additionally, in FY 2020/21 the Conservancy learned of sunset dates for Propositions 12, 40, and 50 funding and thus prioritized expenditures of these sources. As of FY 2022/23, Proposition 12 and 40 funds have been expended and are no longer appropriated to the Conservancy.

Proposition 1 Bond

Proposition 1, approved in November 2014, provided \$15 million to the Conservancy to fund multiple-benefit water quality, water supply, and watershed protection and

restoration projects through the award of competitive grants. After deducting statewide, program delivery, and planning and monitoring costs, the Conservancy awarded \$12.6 million to high priority EIP projects.

Proposition 68 Bond

In June 2018, Proposition 68 passed, allocating \$27 million to the Conservancy. In addition, Proposition 68 allocated \$25 million to the Sierra Nevada Conservancy (SNC) for forest ecological restoration, of which the SNC could provide funds to the Tahoe Conservancy. The Tahoe Conservancy received a \$1.2 million Proposition 68 grant to implement the Tahoe-Central Sierra Initiative. In FY 2022/23, the Conservancy requested \$1,079,000 of Proposition 68 funds to implement Conservancy and partner priority EIP projects.

Habitat Conservation Fund (HCF)

Proposition 117 of 1990 established the HCF. The measure mandates annual appropriations totaling \$30 million statewide for wildlife and wildlife habitat projects. The Conservancy's annual appropriation is \$500,000. The Conservancy uses these funds for a variety of wildlife habitat-related purposes.

Lake Tahoe Conservancy Account (LTCA)

The Legislature established the Lake Tahoe license plate in 1993. The Conservancy uses proceeds from the plate sales to complete preservation and restoration projects, and to construct trails and provide other forms of non-motorized public access at Lake Tahoe. In the FY 2022/23 Budget, the Governor proposed \$1,070,000 for the Conservancy operations budget.

In addition, the California Department of Parks and Recreation is receiving a direct appropriation of LTCA monies to fund management activities on Conservancy beaches on the north shore. This arrangement will continue at \$120,000 in FY 2022/23.

Tahoe Conservancy Fund (TCF)

The Conservancy's enabling legislation establishes the TCF, which is funded with land bank proceeds, special use fees, lease and license revenues, asset land sales, donations, and other miscellaneous revenues. In FY 2022/23, \$689,000 is allocated for Conservancy operations.

Environmental License Plate Fund (ELPF)

In 1979, the State enacted the ELPF to fund the California Environmental Protection Program. Funding is derived from the sale of personalized motor vehicle license plates. Beginning in FY 2002/03, Conservancy funding shifted from the General Fund to ELPF to partially support the Conservancy's operations. The Conservancy anticipates receiving \$4,201,000 in FY 2022/23.

Lake Tahoe Science and Lake Improvement Account (Senate Bill [SB] 630):

In 2013, the State enacted SB 630, establishing the Lake Tahoe Science and Lake Improvement Account. The funds deposited into the account come from rental income

collected by the State Lands Commission for surface uses on Lake Tahoe (e.g., buoy and pier fees). These funds are to be expended for a bi-state science advisory council, nearshore aquatic invasive species (AIS) or public access projects, and nearshore water quality monitoring. Funding for nearshore monitoring must be matched by the Lahontan Regional Water Quality Control Board or another public entity. Funding for nearshore and public access projects must be matched by the Conservancy or another public entity. In the FY 2022/23 budget, \$320,000 is allocated to the Conservancy for AIS and public access grants.

Other Funding Sources:

In addition, an estimated carryover of \$104,000 is available for Conservancy expenditures from the Beverly Charter Trust Fund.