

ATTACHMENT 2

CALIFORNIA TAHOE CONSERVANCY FISCAL YEAR 2023/24 BUDGET

The following is a summary of the California Tahoe Conservancy's (Conservancy) fiscal year (FY) 2023/24 anticipated budget, which includes funding for Conservancy projects, operations, and grants.

Conservancy Funding Sources

General Fund

Wildfire and Forest Resilience:

In January 2023, Governor Gavin Newsom proposed continuing funding for wildfire and forest resilience. The proposal for FY 2023/24 allocates \$16 million in General Fund for wildfire and forest resilience. This is in addition to the FY 2022/23 budget that allocated \$5 million in General Fund, the FY 2020/21 budget that allocated \$1 million in early action funding, and the \$36 million in FY 2021/22 that the Legislature and the Governor allocated to help promote forest resilience and wildfire prevention and mitigation. The Conservancy is using this funding to implement projects to help reduce the impact of wildfires within the Lake Tahoe Basin (Basin) and to implement the Lake Tahoe Basin Forest Action Plan, which is a comprehensive, ten-year forest resilience strategy.

Climate Resilience/Nature-Based Solutions

In January 2023, Governor Gavin Newsom proposed continuing funding for Nature-Based Solutions. However, in the May Revise, the proposed funding for FY 2023/24 that would allocate \$8.375 million was cut to meet budget constraints. This reduction leaves the FY 2022/23 budget that allocated \$6.125 million and the FY 2021/22 budget that allocated \$5.25 million to the Conservancy to fund climate resilience, fire prevention, community access, and natural resource protection projects and programs.

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 restoring Conservancy land. The Conservancy expects these funding sources to be fully spent within the next three fiscal years.

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. This bond also made \$475 million available to support projects that fulfill obligations in complying with interstate compacts, such as the Tahoe Regional Planning Agency bi-state compact, although no funding from this section of the bond has yet been made available for projects at Tahoe.

Proposition 68 Bond

In June 2018, Proposition 68 passed, allocating \$27 million to the Conservancy. In FY 2023/24, the Conservancy requested \$976,000 of Proposition 68 funds to implement Conservancy and partner priority EIP projects. 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.

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. The FY 2023/24 budget includes \$1,123,000 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 2023/24.

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 2023/24, \$708,000 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 \$4,405,000 in FY 2023/24.

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 AIS and public access projects must be matched by the Conservancy or another public entity. In the FY 2023/24 budget, \$150,000 is allocated for support operations, and \$350,000 is allocated to the Conservancy for AIS and public access grants.

Other Funding Sources:

In addition, an estimated carryover of \$103,000 is available for Conservancy expenditures from the Beverly Charter Trust Fund.