

## ATTACHMENT 2

### CALIFORNIA TAHOE CONSERVANCY FISCAL YEAR 2024/25 BUDGET

The following is a summary of the California Tahoe Conservancy's (Conservancy) fiscal year (FY) 2024/25 anticipated funding sources that the Conservancy may apply to its activities, including the day-to-day operations described in the Program Authorization. These funding sources will be available in FY 2024/25 with carryover into the next several fiscal years. Governor Gavin Newsom proposed a budget for FY 2024/25 that included an estimated \$39 billion shortfall. The May Revision reduced that projected deficit to less than \$10 billion after identifying several measures to reduce spending and find efficiencies. The budget will become final when passed by the Legislature and signed by the Governor, expected between June 15 and July 1. The timing of the various funding sources described below is complex: some are one-time appropriations, such as the multiple appropriations of General Fund from recent years that carry over into the current year; others are recurring annual appropriations, such as the Environmental License Plate Fund; some are tied to income, such as the Tahoe Conservancy Fund; and each state bond has its own timing and requirements. The chart below shows which categories of funding are available and the amount of spending expected in FY 2024/25. Funding for the Program Authorization is included in the Salaries and Operations category. Throughout the fiscal year Conservancy staff use different funding sources for Conservancy activities to maximize efficiency and opportunities as they arise.

#### Conservancy Funding Sources

##### General Fund

###### Wildfire and Forest Resilience

In June 2023, Governor Newsom authorized continued funding to help promote forest resilience and wildfire prevention and mitigation. The FY 2023/24 state budget allocated \$16 million to the Conservancy from the General Fund for wildfire and forest resilience. This is in addition to allocations to the Conservancy from the FY 2022/23 budget (\$5 million), FY 2021/22 budget (\$36 million), and FY 2020/21 budget (\$1 million). 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. Across these allocations, \$31 million is available to the Conservancy in FY 2024/25. All the funds are committed to various activities, including those described in the Program Authorization.

###### Nature-Based Solutions

In June 2022, Governor Newsom authorized funding for Nature-Based Solutions. The

FY 2022/23 budget allocated \$6.125 million to the Conservancy to fund climate resilience and natural resource protection projects and programs.

#### Propositions 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 \$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 68 Bond

In June 2018, Proposition 68 passed, allocating \$27 million to the Conservancy. In FY 2024/25, the Conservancy requested \$1 million 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 Conservancy. In 2019, the Conservancy received a \$1.9 million Proposition 68 grant from SNC 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 2024/25 budget includes \$1,070,000 for the Conservancy operations budget and \$100,000 for local assistance grants through the Access Tahoe program.

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 2024/25.

#### 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 2024/25, \$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 receives an annual appropriation of ELPF and anticipates receiving \$4,547,000 in FY 2024/25.

### 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 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 aquatic invasive species and public access projects must be matched by the Conservancy or another public entity. In the FY 2024/25 budget, \$158,000 is allocated for support operations, and \$350,000 is allocated to the Conservancy for aquatic invasive species and public access grants.

### Other Funding Sources

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