

ATTACHMENT 2

CALIFORNIA TAHOE CONSERVANCY FISCAL YEAR 2026/27 ANNUAL APPROPRIATIONS

The following is a summary of the California Tahoe Conservancy's (Conservancy) fiscal year (FY) 2026/27 anticipated funding sources that the Conservancy may apply to its activities, including those described in the Program Authorization. These funding sources will be available in FY 2026/27, subject to the enactment of the Budget Act of 2026, with some carryover into the next several fiscal years. Some of the funding sources 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. Conservancy support costs for FY 2026/27 are estimated at approximately \$18.5 million. That amount includes approximately \$9 million in salaries, approximately \$5 million in forestry contracts previously authorized by the Board, \$2.5 million in operational costs (rent, utilities, fleet vehicle operations, insurance, transcriptions services, etc.), and \$1.959 million in departmental costs authorized by the requested Program Authorization. Throughout the fiscal year, Conservancy staff uses different funding sources for Conservancy activities to maximize efficiency and opportunities as they arise.

Conservancy Funding Sources

General Fund - Wildfire and Forestry Resilience

Between FYs 2020/21 and 2023/24, Governor Gavin Newsom and the Legislature allocated \$58 million from the General Fund to the Conservancy to promote forest resilience and wildfire prevention and mitigation. The Conservancy is using this funding to implement projects to help reduce the impact of wildfire 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, \$14 million is available to the Conservancy in FY 2026/27. All the funds are committed to various activities, including those described in the Program Authorization.

Proposition 4 - the Climate Bond

In November 2024, voters passed Proposition 4, the Climate Bond, allocating a total of \$54.5 million to the Conservancy for watershed improvement, forest health and restoration, biomass utilization, and workforce development designed to create career pathways for individuals from disadvantaged communities or vulnerable populations; and to reduce the risks of climate change impacts upon communities, fish and wildlife, and natural resources, and to increase public access. In April 2025, the Legislature approved and Governor Newsom signed into law Assembly Bill 100, appropriating \$23.5 million of

“Early Action” funding to the Conservancy as part of a broader state wildfire resilience effort. As part of the 2025 State Budget Act, the Legislature appropriated \$5.222 million to the Conservancy to reduce impacts of climate change and increase public access. For FY 2026/27, the Conservancy requested the Legislature appropriate an additional \$3.7 million for climate change resilience and public access purposes.

Propositions 50 and 84 Bonds

During the 2000s, California voters passed a series of bonds that included allocations to the Conservancy to fund 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 2018, voters passed Proposition 68, allocating \$27 million to the Conservancy. In FY 2026/27, the Conservancy requested \$1 million of Proposition 68 funds to implement Conservancy and partner priority EIP projects and still has approximately \$800,000 available for local assistance grants.

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 2026/27 budget includes \$752,000 for the Conservancy operations budget and \$100,000 for grants through the Tahoe for All 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 2026/27.

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 2026/27, \$600,000 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, the Conservancy's funding was 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 \$4.617 million in FY 2026/27.

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). The California Natural Resources Agency, the Lahontan Regional Water Quality Control Board, and the Conservancy expend these funds for a bi-state science advisory council, nearshore aquatic invasive species (AIS) surveillance and control projects, public access projects, and nearshore water quality monitoring. The Legislature typically appropriates approximately \$350,000 annually for the Conservancy to implement AIS control and surveillance, and public access to the shoreline of Lake Tahoe.

Other Funding Sources

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