

ASSEMBLY COMMITTEE ON WAYS AND MEANS

**JOINT SUBCOMMITTEE ON PUBLIC SAFETY,
NATURAL RESOURCES AND TRANSPORTATION
CLOSING REPORT**

TAHOE REGIONAL PLANNING AGENCY

The Joint Subcommittee on Public Safety, Natural Resources and Transportation completed its review of the Tahoe Regional Planning Agency (TRPA). The closing recommendations of the Subcommittee resulted in no change in General Fund appropriations. The Subcommittee recommended the following closing actions:

Tahoe Regional Planning Agency (101-4204) TRPA-3: As recommended by the Governor, the Subcommittee recommended approving General Fund appropriations of \$375,000 in each year of the 2015-17 biennium for Nevada's share of the TRPA's Aquatic Invasive Species Boat Inspection program for Lake Tahoe.

The Subcommittee also recommended approving General Fund appropriations of \$345,000 in FY 2016 and \$25,000 in FY 2017 for Nevada's share of costs associated with TRPA's requirement to monitor and report on environmental thresholds in the Lake Tahoe Basin as outlined in the Regional Plan Update, adopted on December 12, 2012.

In total, the Subcommittee recommended approving state support (General Fund appropriations and transfers from the DMV Pollution Control budget) of \$4.2 million over the 2015-17 biennium for the TRPA, which equals 31 percent relative to California's apportionment.

Tahoe Regional Planning Agency
General Fund Impacts of Subcommittee Closing

Page	Budget	Title	FY 2016	FY 2017
AS CLOSED BY SUBCOMMITTEE:				
TRPA-4	101-4204	*Tahoe Regional Planning Agency	-	-
			-	-
* No General Fund impact				

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W01 - GOVERNOR RECOMMENDS

Title: TAHOE REGIONAL PLANNING AGENCY
 Account: 101 - 4204

Budget Page: TRPA-3, Volume III

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
GENERAL FUND	1,118,532	1,107,532	(0.98)	1,831,166	65.34	1,511,166	(17.48)
INTERAGENCY TRANSFER	419,021	419,021		419,021		419,021	
OTHER FUND	14,191,306	14,202,306	0.08	14,918,672	5.04	14,598,672	(2.14)
Total Revenues	15,728,859	15,728,859		17,168,859	9.16	16,528,859	(3.73)

Total FTE

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total

0 0

Grand Total General Fund Impact of Closing Changes

0 0

Overview

The Tahoe Regional Planning Agency (TRPA) was formed in 1969 through a bi-state compact (the Tahoe Regional Planning Compact) between California and Nevada, which was subsequently ratified by the United States Congress. The TRPA provides a leadership and advocacy role in the regional cooperative efforts to preserve, restore, and enhance Lake Tahoe's unique natural and human environments. As a planning agency, the TRPA has the power to enact environmental controls and perform other essential functions over the water, land, air, wildlife, and development of the Lake Tahoe region. Pursuant to Article VIII of the Tahoe Regional Planning Compact (NRS 277.200), requests for state funds by the TRPA must be apportioned two-thirds from California and one-third from Nevada. In addition to state funds, the TRPA also receives funding from federal grants, fees, and transfers from local governments within the Lake Tahoe Basin.

Major Closing Issues

1. Lake Tahoe Aquatic Invasive Species Boat Inspection Program
2. Lake Tahoe Environmental Threshold Evaluation Report

Discussion of Major Closing Issues

1. Lake Tahoe Aquatic Invasive Species (AIS) Boat Inspection Program (E-225, TRPA-3 and 4): The Governor recommends General Fund appropriations of \$375,000 in each year of 2015-17 biennium to

fund Nevada's share of the TRPA's AIS Boat Inspection program for Lake Tahoe. The reduction of AIS in Lake Tahoe, as well as the prevention of new AIS from entering the lake environment, is part of the agency's core functions. The TRPA indicates that both Nevada and California have state funding recommended in their respective budgets (\$375,000 each) to replace the expiring federal funding for the 2015-17 biennium. The TRPA indicates that the total cost of the AIS Boat Inspection program at Lake Tahoe is approximately \$1.5 million annually. Costs of the program include, but are not limited to, inspection staff salaries, information technology needs, inspection and decontamination equipment and supplies. Of the total amount, 50 percent or \$750,000 is funded with the fees charged for boat inspections, decontamination of boats and for the sale of the annual stickers and the remaining 50 percent or \$750,000 is funded with federal funds in the 2013-15 biennium. According to the TRPA, federal grant revenue totaling \$750,000 through the Southern Nevada Public Lands Management Act (SNPLMA) will not be available after the 2013-15 biennium. However, the agency indicated during testimony that it continues to apply for grants and seek other funding sources for the program although to date, no other funding sources have been secured.

According to the TRPA, increasing boat inspection fees to replace lost federal funding would negatively impact recreational boating and the economy of the Lake Tahoe Basin. Since 2009, fees have increased twice, and decreased once in the early years of the program. The TRPA completes annual reviews of the boat inspection program and fees. The Tahoe boat inspection website indicates the prices for the 2015 stickers will follow the 2014 fee chart until further notice. The agency notes that fee revenue has been relatively consistent over recent years and that fee increases are set by weighing a potential increase against the negative effects to the Tahoe tourist. The TRPA advises that continual fee increases could inadvertently create a disincentive to boaters and actually result in fewer boaters on the lake with a resulting decline in fee revenues. The TRPA further notes that boater support is critical to protecting Lake Tahoe from aquatic invasive species, so any fee adjustments are carefully analyzed. The agency provided testimony that fee increases were not anticipated for the 2015 boating season. Further, according to the TRPA Governing Board's March 25, 2015, meeting agenda, TRPA staff recommends that the board adopt a proposed resolution which maintains the 2014 fee schedule for the 2015 season.

Does the Subcommittee wish to approve General Fund appropriations of \$375,000 in each year of the 2015-17 biennium for Nevada's share of the TRPA's Aquatic Invasive Species Boat Inspection program for Lake Tahoe?

The Subcommittee recommended approving the Governor's recommendation to fund Nevada's share of the TRPA's Aquatic Invasive Species Boat Inspection program for Lake Tahoe with General Fund appropriations totaling \$375,000 in each year of the 2015-17 biennium.

2. Lake Tahoe Environmental Threshold Evaluation Report (E-226, TRPA-4): The Executive Budget recommends General Fund appropriations of \$345,000 in FY 2016 and \$25,000 in FY 2017 for Nevada's share of costs associated with TRPA's requirement to monitor and report on environmental thresholds in the Lake Tahoe Basin. The TRPA has requested the same amounts from California for this purpose.

In accordance with the Regional Plan Update, adopted on December 12, 2012, a Threshold Evaluation Report is required every four years to provide a progress report on achieving and maintaining over 150 indicators of environmental conditions for the Lake Tahoe region. The TRPA indicates the funding recommended would allow the agency to contract for services totaling \$690,000 (Nevada's share - \$345,000) in FY 2016 and \$50,000 (Nevada's share - \$25,000) in FY 2017. The contracted services would provide for the collection of data where reporting measures require data collection only every four years; for analysis and reporting when environmental threshold standards require technical and scientific experts to analyze and interpret the data collected; and for an optional independent scientific

peer review of the Threshold Evaluation Report's technical analysis and conclusions. The funding requirements decrease in FY 2017 because the bulk of the work required to complete the Threshold Evaluation Report will be completed in FY 2016. At the February 13, 2015, Joint Subcommittee on Public Safety, Natural Resources and Transportation budget hearing, the agency testified that the funding for the Threshold Evaluation Report would only be requested by TRPA every four years, and in the intervening three years the request would be for \$25,000.

Does the Subcommittee wish to approve General Fund appropriations of \$345,000 in FY 2016 and \$25,000 in FY 2017 for Nevada's share of costs associated with TRPA's requirement to monitor and report on environmental thresholds in the Lake Tahoe Basin as outlined in the Regional Plan Update, adopted on December 12, 2012?

The Subcommittee recommended approving the Governor's recommendation for Nevada's share of costs associated with TRPA's requirement to monitor and report on environmental thresholds in the Lake Tahoe Basin as outlined in the Regional Plan Update, adopted on December 12, 2012, funded with General Fund appropriations of \$345,000 in FY 2016 and \$25,000 in FY 2017.

Other Closing Items

There are no other closing items.

Other Information - No Action Necessary

California/Nevada Funding Split: According to Article VIII of the Tahoe Regional Planning Compact (NRS 277.200), requests for state funds by the TRPA must be apportioned two-thirds from California and one-third from Nevada. While funding requests from the TRPA must follow the one-third/two-thirds apportionment, the states are not required to approve funding in accordance with the split. Through the 2007-09 biennium, the Nevada Legislature had historically approved funding to meet its one-third contribution; however, since the 2009-11 biennium, the Legislature has approved funding for the TRPA at a level that is less than one-third when compared to California's funding level. For the 2015-17 biennium, the Governor recommends General Fund appropriations of \$3.3 million in support of the TRPA, an increase of 50 percent when compared to the \$2.2 million of General Fund appropriations approved by the 2013 Legislature for the 2013-15 biennium. In addition, the Governor also recommends continuing the transfer of \$419,021 in each year of the 2015-17 biennium from the DMV Pollution Control account to support preservation and improvement of air quality in the Lake Tahoe Basin.

As shown in the following table, total funding from Nevada in support of the TRPA is recommended at \$4.2 million for the 2015-17 biennium. Given California's recommended funding of \$9.4 million over the 2015-17 biennium, Nevada's recommended funding from all sources represents 30.9 percent of the total state-funded portion of TRPA revenues for the 2015-17 biennium.

TRPA Governor Recommends Budget	Nevada	California	Total
Base Funding (2015-17 Biennium)	\$3,060,374	\$8,244,000	\$11,304,374
AIS Program Enhancement	\$750,000	\$750,000	\$1,500,000
Threshold Evaluation and Monitoring Enhancement	\$370,000	\$370,000	\$740,000
TOTAL	\$4,180,374	\$9,364,000	\$13,544,374
Percent of Total	30.9%	69.1%	100%

Fiscal staff requests authority to make technical adjustments, as necessary.

The Subcommittee recommended approving Fiscal staff's request to make technical adjustments as necessary.