

Background

Proposition 84 of 2006 allocates \$54 million to the Sierra Nevada Conservancy for a variety of purposes consistent with the SNC's mission. After subtracting SNC administrative costs (\$ 2.7 million) and other State charges (\$1.9 million), there will be approximately \$49.4 million available for grant funding, as reflected.

Proposition 84 - SNC Allocation	\$	54,000,000
Bond Administration Costs 3.5%	\$	1,890,000
Grant Funds	\$	49,410,000
Grant Administration	\$	2,700,000

In FY 2007-08, the SNC awarded nearly \$17 million in Proposition 84 grants leaving an approximate balance of \$32.4 million in funds available for award upon appropriation by the legislature and Governor. However, while the SNC Board authorized a total of \$16,964,568 in Proposition 84 grant funds last fiscal year, two grant projects authorized by the Board were ultimately not funded, resulting in an additional \$1,038,000 of available funds.

As a result, the current grant funding balance for the SNC is approximately \$33.4 million, which will be available for future allocation upon appropriation by the legislature and Governor.

Current Status

The proposed 2008-09 Budget appropriates \$17 million in grant funding to the SNC (the budget is pending at the time of preparation of this report). At this time, the Board has allocated \$14 million among the various grant categories for the current fiscal year.

It does not appear that additional bond funding will be available until FY 2011-12 at the earliest. Therefore, under the current plan to expend Proposition 84 funds over three years, the SNC would be virtually without grant funding at the end of 2009-10. If the SNC were to limit awards to the \$14 million currently allocated for this fiscal year, it would be feasible to extend grant funding for an additional two years, at approximately \$10 million per year. This would allow grant funding to continue through FY 2010-11.

Next Steps

The staff will continue to monitor the situation relative to fund balances and potential future funding opportunities.

Recommendation

Staff recommends that the Board approve the plan to award approximately \$14 million in the current fiscal year, allowing for the future award of approximately \$10 million per year in 2009-10 and 2010-11.

Current Expenditure Plan	
2007-08	\$ 17 million (actual expenditures estimated at \$15.9 million)
2008-09	\$ 17 million (\$14 million currently allocated)
2009-10	\$ 15 million
Proposed Expenditure Plan	
2007-08	\$ 17 million (actual expenditures estimated at \$15.9 million)
2008-09	\$ 14 million
2009-10	\$ 10 million
2010-11	\$ 10 million

(Dollar amounts are approximate)