TAHOE REGIONAL PLANNING AGENCY

TRPA
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STAFF REPORT

Date: June 17, 2026

To: TRPA Governing Board

From: TRPA Staff

Subject: Approval of Fiscal Year 2027 (FY 2027) Operating Budget

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Summary and Staff Recommendation:
TRPA staff prepared the annual operating budget accompanying the agency's work plan, with guidance provided by the Governing Board at the May 2026 Governing Board retreat.

The fiscal year 2027 (FY 2027) budget reflects agency staff and Governing Board members' work to maintain revenues in support of TRPA's mission to protect Lake Tahoe. General fund revenues are expected to be flat compared to the prior fiscal year. Planning fee revenue is expected to increase due to increased permitting demand and to support cost-recovery goals in this area. The budget shows revenue increases compared to the prior fiscal year in transportation, Environmental Improvement Programs (EIP), and Aquatic Invasive Species (AIS) programs.

Multiple revenue sources fund the FY 2027 budget, including the planned use of unrestricted FY 2025 general fund surplus for identified general fund and shoreline program needs.

Staff recommends approval of the FY 2027 budget. This action approves the following items:

- Overall expenditures of the agency.
- Grant agreements
- Contract expenditures
- Staffing levels, including a merit-based average staff salary increase of 4.5 percent
- Budget assumes a 3.5 percent inflation increase to current planning fees (actual fee increase is subject to governing board review and approval in October).
- Authorization for staff to make technical corrections to the final budget

Required Motion:
In order to approve the FY 2027 budget, the Governing Board must make the following motion:

1) A motion to approve the FY 2027 budget.

For the motion to pass, an affirmative vote of any eight Board members is required.

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Background:

The budget and the associated annual work plan support the agency's strategic priorities:

- The Lake and Watershed Restoration priority is focused on protecting the lake from Aquatic Invasive Species (AIS), restoring watersheds, modernizing stormwater treatment standards, and supporting research on lake clarity.
- The Forest Health and Wildfire priority maintains momentum on forest restoration while elevating new strategies to ensure the basin is prepared for wildfire.
- The Connecting Tahoe priority focuses on improving the region's transportation system for local communities and the millions of visitors who come to the Tahoe Region each year.
- The Tahoe Living priority implements the housing and community revitalization goals of the Regional Plan, which directly support the three other strategic priorities.

The budget also covers the agency's Bi-State Compact mandates and other roles. TRPA is the Federal Metropolitan Planning Organization (TMPO) and California Regional Transportation Planning Agency (RTPA). The United States Environmental Protection Agency (EPA) has designated TRPA as the areawide planning agency under Section 208 of the Clean Water Act.

Two areas that are not budgeted are mitigation funds and California transportation funds. Mitigation funds are received when a project is acknowledged and disbursed when the receiving agency has a project ready to deploy; typically, a considerable amount of time lapses between receipt and disbursement, making the funds challenging to forecast. California transportation funds are managed and budgeted by the recipients in Placer County and the Tahoe Transportation District. TRPA coordinates the usage of these funds.

The budget is balanced, including general funds carried over from the FY 2025 general fund surplus that was determined in December 2025 as the FY 2025 audit was finalized. Staff recommends approval of the FY 2027 budget broken down by fund below:

Tahoe Regional Planning Agency

FY 2027 Proposed Budget ($ in Thousands)

General Funds	**Revenue**	**Expenses**	**Net**
General Fund	8,880	8,572	308
Permitting & Compliance Fund	4,140	5,023	(883)
Total General Funds	**13,020**	**13,595**	**(576)**
Special Funds			
Env. Improvement Program (EIP)	4,431	4,431	0
Aquatic Invasive Species (AIS)	10,596	10,596	(0)
Regional Plan (Housing and Trans)	8,049	8,049	
Science Council (TSAC)	421	420	1
Total Grants	**23,497**	**23,496**	**1**
General Fund Balance	0	(574)	574
Total Agency	**36,517**	**36,517**	**0**

Revenue Projections:
For FY 2027, total agency revenues are estimated to be $36.5 million, up $6.5 million from the FY 2026 budget.

Total revenue from general funds is expected to be relatively flat to FY 2026 at $13.0 million. The two states' appropriations make up 59 percent of the general fund revenues. Both states' contributions are flat to the FY 2026 budget. The California to Nevada funding ratio is 1.8 to 1.0. Permitting revenue strength continues in FY 2027. Permitting fees have been trending upward, driven by permit activity and prior-year inflation adjustments. Permitting fees are estimated to be $3.6 million or 27 percent of the general fund revenue. This is a $0.3 million increase driven by 3.5 percent inflation, plus any additional pass-through costs for project permit monitoring. Permitting is not at full cost recovery but continues to make progress through process improvements and inflation price adjustments. Shoreline fees are based on known moorings plus additional moorings and structures capped by shoreline regulations.

Grant revenue is based on cost reimbursement, where revenues match expenses, and both may fluctuate depending on associated expenditures and timing. Grant revenue is expected to be $23.5 million, up $6.3 million versus FY 2026. Environmental Improvement Program (EIP) and Aquatic Invasive Species (AIS) program revenues are up $2.4 million and $1.9 million, respectively, versus FY 2026, as Lake Tahoe Restoration Act (LTRA) programs are ramping up. Regional Planning revenue is anticipated to increase by $1.8 million, driven by California State Transportation Agency (CalSTA) and PROTECT grants.

The following table compares revenue for the FY 2027 budget to the FY 2026 budget:

Tahoe Regional Planning Agency

FY 2027 Proposed Budget ($ in Thousands)

Revenues	**FY 27**	**FY 26**	**Change**
General Fund	8,880	8,989	(109)
Permitting & Compliance Fund	4,140	3,865	275
Total General Funds	**13,020**	**12,854**	**166**
Special Funds			
Env. Improvement Program (EIP)	4,431	2,032	2,399
Aquatic Invasive Species (AIS)	10,596	8,745	1,852
Regional Plan (Housing and Trans)	8,049	6,260	1,788
Science Council (TSAC)	421	148	273
Total Grants	**23,497**	**17,186**	**6,311**
Total Agency Revenues	**36,517**	**30,040**	**6,477**

Budgeted Expenditures:
For FY 2027, the agency is requesting $37.1 million for the expense budget, up $6.3 million from the FY 2026 budget driven exclusively by grant implementation. General fund expenditures will remain flat year over year. The budget funds the work plan's strategic priorities.

The budget continues to deliver on critical facility maintenance projects. The budget includes a total of 78 positions, 77 full-time and one part-time, plus five seasonal boat crew members and seven summer interns. Total compensation and benefits expenses are $10.5 million, 28 percent of the total budgeted expenditure. $2.2 million is covered by grants. Compensation and benefits include an average 4.5 percent merit increase and a turnover assumption. The merit increase will be based on performance, not a flat increase for all. This increase is in line with the Western Region consumer price index (CPI). The increased compensation is offset by cost control and general fund contract efficiency.

Contracting expense is projected to be $24.5 million, 66 percent of the budget. This is an increase of $5.6 million versus the FY 2026 budget, driven by increased funding across all grant funds. A list of contracts over $100 thousand is attached.

The remaining $2.1 million is 6 percent of the budget and includes $639 thousand for debt and principal payments, $485 thousand for systems, software, and infrastructure, and $188 thousand for insurance, utilities, and property tax.

The following table compares the requested expenditure for the FY 2027 budget to the FY 2026 budget by fund:

Tahoe Regional Planning Agency
FY 2027 Proposed Budget ($ in Thousands)

Expenditures	**FY 27**	**FY 26**	**Change**
General Fund	8,572	8,751	(178)
Permitting & Compliance Fund	5,023	4,852	171
Total General Funds	**13,595**	**13,602**	**(7)**
Special Funds			
Env. Improvement Program (EIP)	4,431	2,032	2,399
Aquatic Invasive Species (AIS)	10,596	8,745	1,852
Regional Plan (Housing and Trans)	8,049	6,260	1,788
Science Council (TSAC)	420	148	272
Total Grants	**23,496**	**17,186**	**6,310**
Total Agency Expenditures	**37,091**	**30,788**	**6,303**

Major Program Areas:

Permitting and Compliance Program

Permitting and compliance are the agency's core competencies. This program includes more than 20 staff members from project review, customer service, code enforcement, and shoreline permitting and enforcement. In addition to the Reporting and Accountability (R&A) team established to further strengthen the focus on compliance, the agency plans to increase resources applied to the shoreline program in FY 2027.

The figures below reflect a combination of the Planning Fund and the Shoreline Fund. Increases in contracts for expediting cycle time are aligned with associated revenue. The team continues to implement process improvements, helping to reduce the required general fund support by $100 thousand compared to FY 2026.

Permitting and Compliance Program

Combined Planning Shoreline Funds

FY 2027 Proposed Budget ($ in Thousands)

	FY 27	FY 26	Change
Revenue			
Fees for Service	4,136	3,865	271
Expenditures			
Contracts	1,250	1,226	24
Compensation	2,480	2,374	106
Other	1,293	1,252	41
	5,023	4,852	171
Net Permitting and Compliance	(887)	(987)	100

Aquatic Invasive Species (AIS) Program

The AIS budget is seeing a $1.9 million increase versus the prior year budget, driven by LTRA project implementation. The AIS program represents almost one-third of the total agency budget. This program is supported by four full-time equivalents, with most of the expenditures in the contracts area. Fees for service revenues are from the watercraft inspection and decontamination program. Both states contribute $375K in dedicated spending for the AIS prevention program.

AIS Program

FY 2027 Proposed Budget ($ in Thousands)

Revenue	FY 27	FY 26	Change
Grants	9,166	6,795	2,371
Fees for Service	681	1,200	(519)
State Revenues	750	750	0
Total Revenue	10,596	8,745	1,852
Expenditures			
Contracts	9,909	8,247	1,661
Compensation	463	420	43
Other	225	78	147
	10,596	8,745	1,852
Net AIS	(0)	(0)	0

Environmental Improvement Program (EIP)

EIP revenue is expected to be $4.3 million. Grants in this fund align with the Lake and Watershed restoration and Forest Health and Wildfire priorities. Expected revenues are up $2.4 million versus last year, mainly driven by LTRA forest health and watershed grants. Most of these funds are awarded to implementing partners, with approximately two equivalent agency resources applied to this program. It is also important to recognize that the EIP is broader than TRPA, and many partners engage in this program.

EIP Program

FY 2027 Proposed Budget ($ in Thousands)

	FY 27	FY 26	Change
Revenue			
Grants	4,333	1,904	2,429
Expenditures			
Contracts	4,033	1,818	2,215
Compensation	216	58	158
Other	83	27	56
	4,333	1,904	2,429
Net EIP	(0)	0	(0)

Regional Plan Program

The Regional Plan program supports the Connect Tahoe and Tahoe Living priorities, including the traditional Transportation Overall Work Program (OWP), California State Transit Assistance (CalSTA) funding, and grants in the housing area that are continuing from prior fiscal years. Compensation is up due to staff time applied to these grants and accounts for eleven full-time equivalents. Contracting changes from year to year depending on priorities and funding availability. This budget includes over $1.1M in housing-related contracts and $0.6M for the United States Forest Service (USFS) Highway 89 corridor environmental study. This program also includes $0.4 million for the PROTECT grant.

Regional Planning (Housing & Transportation) Program

FY 2027 Proposed Budget ($ in Thousands)

	FY 27	FY 26	Change
Revenue			
Grants	8,049	6,260	1,788
Expenditures			
Contracts	6,104	4,777	1,327
Compensation	1,428	1,027	401
Other	516	456	60
	8,049	6,260	1,788
Net Regional Planning	(0)	0	(0)

Contact Information:

For questions regarding this agenda item, please contact Chad Cox at (775) 589-5222 or ccox@trpa.gov.

Contributing Public Comment:

- Written**:** Please submit comments by 3 p.m. the day before the meeting.
- Email: You may email comments to publiccomment@trpa.gov. Include meeting details and agenda item in the subject line or write "General Comment" for non-agenda items.
- You may also send by mail, fax to (775) 588-4527, or drop off in person at 128 Market Street.

Attachment:

A. Major Contracts included in the Fiscal Year 2027 Budget.

Attachment A

Major Contracts included in the Fiscal Year 2027 Budget.

Attachment A

Tahoe Regional Planning Agency

Fiscal Year 2027 Contract in excess of $100,000

Purpose	Recipient	Gen Fund	Grants	Fees	Other
Environmental Improvement					
USFS LTRA BMP Watershed	CA Dept of Parks and Recreation		200,000		
USFS LTRA BMP Watershed	CA Tahoe Conservancy		143,000		
USFS LTRA BMP Watershed	Nevada Tahoe Conservation District		100,000		
USFS LTRA Forest Health	CA Dept of Parks and Recreation		300,725		
USFS LTRA Forest Health	CA Tahoe Conservancy		143,000		
USFS LTRA Forest Health	LVFPD & CA State Parks		171,000		
USFS LTRA Forest Health	STR Wisewood Biomass		171,000		
USFS LTRA Forest Health	Tahoe Resource Conservation District		284,000		
USFS LTRA Forest Health	CHIPS		245,000		
USFS LTRA Forest Health	TRCD (AIS)		212,750		
USFS LTRA Forest Health	NTCD (AOP)		200,000		
AIS Control	Environmental Science Associates		148,197		
AIS Control	LT AIS Rapid Response		109,000		
AIS Control	TBD - Lake Tahoe Monitoring		200,000		
AIS Control	TBD - Lake Tahoe WIS Program		400,000		
AIS Control	TBD - AIS Rapid Response		582,991		
AIS Control	TBD - Tahoe Keys & Lake Tahoe AIS Control		3,885,188		
AIS Control	TBD - Lake Tahoe Marina Redesign		206,229		
AIS Control	Marine Taxonomic Services (LT AIS Monitoring)		181,274		
AIS Control	Tahoe RCD		181,274		
AIS Control	Inventive Resources Inc		300,000		
AIS Control	Zephyr Collaboration LLC		110,000		
AIS Prevention	Tahoe RCD (Watercraft Inspection Program Operations)			896,686	
AIS Prevention	Tahoe RCD (Watercraft Inspection Program Operation - Alpi		100,000		
AIS Prevention	TBD - Meyers & Spooner WIS		500,000		
AIS Prevention	TBD - Perm WIS Design & Planning		750,000		
AIS Prevention	TBD - LT WIS Program		379,916		
Total Envoironmental Improvement Contracts > $100 thousand		**-**	**10,204,544**	**896,686**	**-**

Regional Plan (Housing and Transortation)					
Long Range Planning	NCE	100,000			
Tahoe Housing	Alta	287,649			
Tahoe Housing	Alta/Raimi and Associates Inc.		559,000		
USFS Emeral Bay Corridor Enviro Study	Ascent		600,000		
WE104.1 (CA-PL) Regional Transportation I	Regional Planning Tech Svcs		117,500		
WE104.2 (CA-PL) Complete Streets, Modal	Modal Planning		141,500		
WE105 (CA-PL) Data Collection & Forecasti	Data and Forecasting System Svcs		219,979		
WE108.8 (CA-SB1) Sustainable Communitie	Sustainable Funding Initiative		167,700		
WE108.9 (CA-SB1) Sustainable Communitie	Sustainable Funding Initiative		167,700		
WE108.10 (CA-SB1) Sustainable Communit	Sustainable Funding Initiative		164,000		
SB125 CalSTA	Placer County		1,181,598		
SB125 CalSTA	TTD		1,944,624		
SB125 CalSTA	LSC-Comprehensive Operational Analysis		142,033		
PROTECT	ICF Consulting Group		323,792		
Total Transportation Contracts > $100 thousand		**387,649**	**5,729,426**	**-**	**-**

Permitting and Compliance					
Heavenly Mitigation and Monitoring	Stantec Consulting			450,000	
Land Capability Verification Support	Terra Science			120,000	
On-call contract	Arlo Stockham			100,000	
Project Reviews	Wells Barnett Associates			200,000	
Total Permitting and Compliance Contracts > $100 thousand		**-**	**-**	**870,000**	**-**

Reporting and Acountability / Data Science					
Annual Monitoring	UC Davis - Transparency/Atmos Dep/ Tributa	221,337	150,000		
Annual Monitoring	UC Davis -Nearshore Algae monitoring - NDEP DEPS 23-008		120,000		
Annual Monitoring	USGS - LTIMP	317,718			
Process Improvement	Sitka on-call	125,000			
Total Reporting and Accountability / Data Science Contracts > $100 thousand		**664,055**	**270,000**	**-**	**-**

Other Contracts over $100K					
Outsource IT Support	Managed Services Provider/DTS	240,000			
Total Other Contracts > $100 thousand		**240,000**	**-**	**-**	**-**

Subtotal of Contracts > $100 thousand	**1,291,704**	**16,203,970**	**1,766,686**	**-**