

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
ANIMAL HEALTH AND FOOD SAFETY SERVICES (AHFSS)
MEAT, POULTRY AND EGG SAFETY BRANCH (MPES)
SHELL EGG ADVISORY COMMITTEE (SEAC)
SHELL EGG ADVISORY COMMITTEE BUDGET SUB-COMMITTEE
MEETING MINUTES
February 8, 2018**

Item
No.

(1) CALL TO ORDER

Glenn Hickman, Chair, called the SEAC Budget Sub-Committee meeting to order at 9:17 a.m. and a quorum was established.

(2) ROLL CALL

Mr. Tony Herrera, Egg Quality Manager, Egg Safety and Quality Management (ESQM) took roll call.

Committee Members Present:

Glenn Hickman, Chair
David Will
Michael Gemperle

CDEA:

Tony Herrera
Penny Arana
Rosie Chadaris

(3) BUDGET DISCUSSION

Mr. Herrera began by giving an overview of the laws and regulations, regarding appropriation of industry assessments to counties for joint authority shell egg inspections. Specifically, the Food and Agricultural Code, Division 2, Chapter 2, Section 2282 which states:

(a) Except as provided in Section 2282.5, and to the extent funds are appropriated in the annual Budget Act, the Secretary of Food and Agriculture or the Director of Pesticide Regulation may allocate annually to each county an amount determined by the secretary or the director not to exceed one-third of the amount expended by the county during the previous fiscal year for the programs of joint responsibility under the jurisdiction of the secretary or director, as applicable. The allocations shall be made from funds appropriated to the secretary or the director for purposes of carrying out activities of joint responsibility with the commissioners at the local levels.

He recommended revisiting and updating the language in the future.

Mr. Herrera provided an overview of the Projected Revenue and Fund Balance for Fiscal Year 2017/18:

- Beginning Operating Fund Balance
- Current Estimated Fiscal Year Revenue
- Total Estimated Fiscal Year Revenue
- Total Funds Available for Expenditure
- Cash Reverse, June 30, 2018

Mr. Herrera provided an overview of the Proposed Spending Plan for Fiscal Year 2018/19:

- Personnel Cost
Total Personnel Expenses
- Operating Expenses
Total Operating Expenses
- Distributed Expense
Total Distributed Expense
- Program Expense
Total Program Expenses

Mr. Herrera provided an overview of the County Contract Formulas for the 100 Egg Samples:

- New Wholesale/Production Contracts Formulas
Production and Wholesale
Mileage
- New Retail Contracts Formulas

Mr. Herrera provided an overview of the Projected Revenue and Fund Balance for Fiscal Year 2018/19:

- Beginning Operating Fund Balance
- Current Estimated Fiscal Year Revenue
- Total Estimated Fiscal Year Revenue
- Total Funds Available for Expenditure
- Cash Reverse, June 30, 2019

Mr. Herrera provided an overview of the Personnel Costs for Fiscal Year 2018/19:

- Classification within ESQM
Estimated Personnel Expenses
- Fractional Temporary Help Classifications
Estimated Temporary Services

After explanation and reviewing the materials provided some points of discussion were:

- Hiring additional personnel, specifically Environmental Scientists, Fruit and Vegetable Quality Control Inspectors, and Agricultural Technicians.

- Offer currently contracted counties (Alameda, Del Norte, Los Angeles, Monterrey, Riverside, San Bernardino, San Francisco, Santa Cruz, Shasta, Siskiyou, and Sonoma) new contracts for 2018/19.
- Additional personnel to inspect at farmer's markets.
- Higher level of compliance is needed at distribution facilities.

Some items to be discussed at the next Budget Subcommittee are:

- A report offering a plan to reduce the budget reserve amount by the required 35%.
- Add a Small Producer Workshop line item to budget.
- Adjust the travel costs.
- Ms. Arana to provide scenarios for county contracts at budgets of 11%, 13%, and 18.75%
- Provide a new Personnel Costs, Schedule 4 (a) to reflect additional positions, relocate partial permanent positions (Environmental Program Manager, Supervising Special Investigator, etc.) to estimated personnel expense portion.
- Update budget materials to reflect corrected figures.
- Update UC Davis figure on budget.
- Ms. Arana to provide a county contracts compliance rate report.

Some items to be discussed at the next Shell Egg Advisory Committee meeting are:

- Egg tracking options when entering the state.
- Any suggestions from Paul Roos, Special Investigator
- Revisit Egg Clearing House registration issue, get recommendation from CDFA's Legal Office.
- Provide improved/additional training for border station personnel.
- Possible mill fee reduction in the future.

The next budget subcommittee meeting will be held in Sacramento, date to be determined.

(4) ADJOURN

Chair Hickman asked for a motion to adjourn the meeting.

Motion #1: Mr. Will made a motion to adjourn the meeting. Mr. Gemperle seconded. The motion passed unanimously.

Respectfully submitted:

Rosie Chadaris