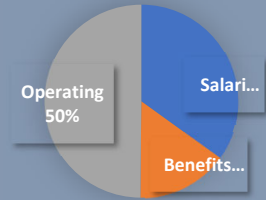


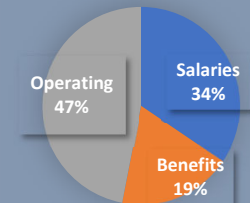
EGG SAFETY AND QUALITY MANAGEMENT BUDGET OVERVIEW

| | Actual 2021/22 Budget | Approved 2022/23 Budget | Proposed 2023/24 Budget |
|--|-----------------------------|-------------------------------|-------------------------------|
| Personnel Years | | | |
| Total Positions | | 27.37 | 28.36 |
| Personnel Costs | | | |
| Salary and Wages | 1,353,412 | 1,641,000 | 1,723,560 |
| Benefits | 609,069 | 984,612 | 930,720 |
| Temp Salary | 127,536 | 194,202 | 194,220 |
| Temp Benefits | 34,994 | 4,697 | 52,440 |
| Total Personnel Expenses¹ | 2,125,011 | 2,824,511 | 2,900,940 |
| Operating Expense | | | |
| General Expense | 49,878 | 50,000 | 50,000 |
| Printing | 572 | 4,000 | 1,200 |
| Communications ² | 3,429 | 27,185 | 27,185 |
| Postage | 5,780 | 7,800 | 6,000 |
| Travel | 77,007 | 150,000 | 150,000 |
| Out of State Travel (OOS) | 19,339 | 100,000 | 75,000 |
| Training | 2,000 | 5,600 | 3,000 |
| Facilities Operations | 53,207 | 50,000 | 70,000 |
| Attorney General's Office/Consult | 46,159 | 58,000 | 50,000 |
| Border Stations | 385,371 | 385,933 | 376,970 |
| Information Technology ³ | 5,569 | 20,684 | 20,684 |
| Vehicle Operations ⁴ | 168,227 | 192,870 | 192,870 |
| County Contracts ⁵ | 488,907 | 552,000 | 552,000 |
| UC Davis (Poultry Specialist Program) | 75,784 | 78,057 | 83,537 |
| CDFA Audit Unit (2 CDFA Staff Auditors) ⁶ | 48,723 | 100,000 | 120,000 |
| Certified Farmers Market Inspections | 1,683 | 0 | 0 |
| Total Operating Expenses | 1,431,635 | 1,782,129 | 1,778,446 |
| Distributed Expense | | | |
| Departmental Indirect | 309,657 | 312,231 | 348,407 |
| CDFA Information Technology | 112,178 | 119,636 | 126,522 |
| Division Indirect | 125,925 | 117,903 | 125,915 |
| Indirect Chg Recovery | -3,463 | -3,463 | 0 |
| Section 224C Recovery | -135,077 | -135,077 | -125,702 |
| Pension Payment (Senate Bill 84) ⁷ | 62,772 | 62,772 | 62,772 |
| State Pro-rata and Central Admin | 208,033 | 241,870 | 241,870 |
| Total Distributed Expenses | 680,025 | 715,872 | 779,784 |
| Program Expenses | | | |
| Personnel | 2,125,011 | 2,824,511 | 2,900,940 |
| Operating & Distributed | 2,111,660 | 2,498,001 | 2,558,230 |
| FY Adjustments ⁸ | | | |
| Total Program Expenses | 4,236,671 | 5,322,512 | 5,459,170 |

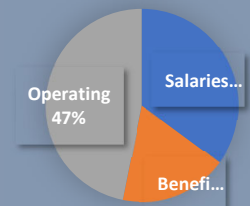
FY 2021/22



FY 2022/23



FY 2023/24



¹ Personal Services is subject to change as all BU's are in negotiations therefore salaries may increase upon new contract agreements.

² Communications includes cellphones, landlines and delivery services. Cell phone costs were absorbed by surplus funding in prior years, the expenses for 23/24 will be charged to the program.

³ Information Technology includes specific to program expenses that include the ESQM database.

⁴ Vehicle Operations projected budget includes costs of DGS Rentals, fuel, maintenance, and insurance.

⁵ County Agreements will be reevaluated throughout the year and could be subject to change.

⁶ CDFA's Audit unit is reimbursed for actual time spent performing audits for ESQM and expenses are redirected to the program on a quarterly basis.

⁷ SB 84 is a supplemental pension payment that needs to be paid back over the eight years. The intent of this supplemental payment is to reduce future unfunded pension costs that will eventually have to be funded statewide.

⁸ FY Adjustments include expenditures and cash adjustments that need to be redirected. These are expenses that are reconciled at the end of the year.

EGG SAFETY AND QUALITY MANAGEMENT BUDGET OVERVIEW

Fund Condition

Balanced Budget Plan

| | 2022-23 | 2023-24 | 2024-25 |
|---|----------------------|---------------------|---------------------|
| Beginning Operating Fund Balance¹ | \$ 6,095,893 | \$ 4,815,454 | \$ 3,504,619 |
| Program Revenues | \$ 3,854,567 | \$ 3,753,384 | \$ 3,753,384 |
| Other Program Revenues ² | \$ 187,506 | \$ 394,951 | \$ 394,951 |
| Total Resources | \$ 10,137,966 | \$ 8,963,789 | \$ 7,652,954 |
| Projected Expenditures | \$ 5,322,512 | \$ 5,459,170 | \$ 5,459,170 |
| Operating Fund Balance | \$ 4,815,454 | \$ 3,504,619 | \$ 2,193,785 |

Ag Trust Fund Balance

| | 2022-23 | 2023-24 | 2024-25 |
|--------------------------------------|---------------------|---------------------|---------------------|
| Ag Trust Fund Balance | \$ 440,046 | \$ 440,046 | \$ 440,046 |
| Combined Cash Reserve Balance | \$ 5,255,500 | \$ 3,944,665 | \$ 2,633,831 |

CDFA policy and FAC 233A requires a combined 35% Cash Reserve of program expenditures. Based on FY 23/24 proposed budget of \$5,459,170 the cash reserve should be \$1,910,709. In order to have a balanced budget the program should evaluate the mill fee and/or budget to ensure that the program Revenues and Expenditures are aligned.

¹Beginning Operating Fund does not include Ag Trust Fund Balance.

²Other Program Revenues include Miscellaneous Fee, Penalty Fees, Interest Income, USDA and FDA Reimbursements for cooperative agreements.

EGG SAFETY AND QUALITY MANAGEMENT BUDGET OVERVIEW

Projected Revenue for Fiscal Year 2023/24

| | |
|---|---|
| ¹Beginning Operating Fund Balance (Estimated), July 1, 2023 | \$ 4,815,454 |
| | Total Projected Fiscal Year 2023/24 |
| Estimated Fiscal Year Revenue² | |
| Projected (cases & units) | 36,064,341 |
| In-State Mill Fee Assessments | \$ 1,201,379 |
| Out-of-State Mill Fee Assessments | \$ 1,686,635 |
| Egg Product Assessments | \$ 718,420 |
| Annual Registration | \$ 146,950 |
| Miscellaneous Fees | \$ - |
| Penalties and Late Charges | \$ - |
| Interest Income ⁴ | \$ 9,058 |
| USDA Reimbursements ⁵ | \$ 150,000 |
| FDA Inspection Reimbursement ⁵ | \$ 35,893 |
| FDA Research Agreement | \$ 200,000 |
| Estimated Fiscal Year Revenue | \$ 4,148,335 |
| Total Funds Available for Expenditure | \$ 8,963,789 |
| Projected FY 2023/24 Budget | \$ (5,459,170) |
| Operating Fund Balance, June 30, 2024 (Estimated) | \$ 3,504,619 |
| Ag Trust Fund Reserve | \$ 440,046 |
| Cash Reserve, June 30, 2024 (Estimated) | \$ 3,944,665 |

Assessment ratio is estimated to be 32% in-state, 45% out-of-state, 19% Egg Products and 4% Annual Registration. Projected Assesments are based on estimated assesments to be collected in Fiscal Year 23/24.

¹ Beginning Operating Fund Balance is estimated.

² Based on \$0.10 assessment rate.

³ CDFA policy and FAC 233A requires a combined 35% Cash Reserve of program expenditures. Based on projected FY 23/24 budget of \$5,459,170 the cash reserve should be \$1,910,709. The estimated cash reserve of \$3,944,665 meets these requirements however CDFA suggests reevaluating the mill fee to balance the budget.

⁴ Based on the Surplus Money Investment Fund (SMIF) Rate of .01881% of Beginning Operating Fund Balance.

⁵ Estimated recovery for from Federal Agreements.

233 (a) The trust fund consists of moneys transferred by the director from the Department of Food and Agriculture Fund, including all income therefrom. The amount of funds, excluding interest earned thereon, contained in the trust fund shall be determined by the director, and shall be the same percentage for all agricultural programs, but shall not exceed 10 percent of the annual operating budgets of each agricultural program. Funds in excess of 10 percent of the annual operating budgets of each agricultural program that are in the trust fund, or such other lesser percentage as the director may determine, may be returned to the Department of Food and Agriculture Fund.

EGG SAFETY AND QUALITY MANAGEMENT PERSONEL BUDGET OVERVIEW
Personnel Costs for FY 2023/2024

| Classification¹ | PY | BU | GSI Percent Increase⁵ | ¹Monthly Salary | Annual Salary | Monthly Benefits² (54%) | Annual Benefits | Total Salary & Benefits |
|--|---------------|-----------|---|---------------------------------------|--------------------------|---|----------------------------|--|
| Environmental Program Manager I (33.3%) | 0.333 | M10 | | \$ 4,293 | \$ 51,516 | \$ 2,318 | \$ 27,816 | \$ 79,332 |
| Senior Environmental Scientist (Supervisory) | 1 | S10 | | \$ 11,250 | \$ 135,000 | \$ 6,075 | \$ 72,900 | \$ 207,900 |
| Senior Environmental Scientist (Specialist) | 1 | R10 | | \$ 8,231 | \$ 98,772 | \$ 4,445 | \$ 53,340 | \$ 152,112 |
| Ag Program Supervisor II | 1 | S01 | | \$ 7,522 | \$ 90,264 | \$ 4,062 | \$ 48,744 | \$ 139,008 |
| Ag Program Supervisor I | 2 | S01 | | \$ 13,691 | \$ 164,292 | \$ 7,393 | \$ 88,716 | \$ 253,008 |
| Supervising Special Investigator II (33.3%) | 0.333 | S07 | | \$ 3,353 | \$ 40,236 | \$ 1,811 | \$ 21,732 | \$ 61,968 |
| Special Investigator | 1 | R07 | | \$ 6,595 | \$ 79,140 | \$ 3,561 | \$ 42,732 | \$ 121,872 |
| Environmental Scientist ⁴ | 7 | R10 | | \$ 42,249 | \$ 506,988 | \$ 22,814 | \$ 273,768 | \$ 780,756 |
| FVQC Inspector | 5 | R01 | | \$ 22,180 | \$ 266,160 | \$ 11,977 | \$ 143,724 | \$ 409,884 |
| Staff Services Manager I (33.3%) | 0.333 | S01 | | \$ 2,601 | \$ 31,212 | \$ 1,405 | \$ 16,860 | \$ 48,072 |
| Associate Governmental Program Analyst | 2 | R01 | | \$ 12,426 | \$ 149,112 | \$ 6,710 | \$ 80,520 | \$ 229,632 |
| Research Data Analyst | 0.333 | R01 | | \$ 1,653 | \$ 19,836 | \$ 893 | \$ 10,716 | \$ 30,552 |
| Office Technician | 2 | R04 | | \$ 7,586 | \$ 91,032 | \$ 4,096 | \$ 49,152 | \$ 140,184 |
| Estimated Personnel Expense (22 PY) | 23.332 | | | \$ 146,658 | \$ 1,723,560 | \$ 82,051 | \$ 930,720 | \$ 2,654,280 |

| Fractional/ Temp Help Classification | PY | BU | Personal Services | Benefits | Total Salary & Benefits |
|---|-------------|-----------|--------------------------|------------------|--|
| Agriculture Technician III (72%) 1 Staff | 0.72 | R01 | \$ 28,980 | \$ 7,825 | \$ 36,805 |
| Agriculture Technician II (72%) 6 Staff | 4.32 | R01 | \$ 165,240 | \$ 44,615 | \$ 209,855 |
| Estimated Temp Services (5.04 PY) | 5.04 | | \$ 194,220 | \$ 52,440 | \$ 246,660 |

¹Based on Mid Salary Range

²Benefits are based on programs current average for the program. The current average is 54% for permanent staff and 27% for seasonal staff.

³Percentage of a full time position. The maximum hours seasonal staff work is 72% of a full time PY therefore seasonal salary are calculated at maximum of 1500 hours.

⁴Additional ES has been hired for 2 year LT to complete the duties for the FDA agreement.

⁵ General Salary Increase (GSI) as follows.

Bargaining Units 01 (BU 01)

Current agreement expires June 30, 2023. There is not a new agreement for this BU and the salaries are subject to change when a new agreement is in place.

Bargaining Units 04 (BU 04)

Current agreement expires June 30, 2023. There is not a new agreement for this BU and the salaries are subject to change when a new agreement is in place.

Bargaining Units 07 (BU 07)

Current agreement expires July 1, 2023. There is not a new agreement for this BU and the salaries are subject to change when a new agreement is in place.

Bargaining Units 10

Agreement expired June 30, 2020. There is not a new agreement for this BU and the salaries are subject to change when a new agreement is in place.