

**LIFORNIA CITRUS PEST AND DISEASE PREVENTION DIVISION
FINANCE SUBCOMMITTEE MEETING**

Meeting Minutes
Tuesday, August 3, 2021

Opening:

The Finance Subcommittee webinar was called to order at 9:00 A.M. on August 3, 2021 by Subcommittee Chair Bob Felts, Jr.

Subcommittee Members Present:

Bob Felts, Jr.*	Etienne Rabe*	Dave Tomlison*
James McFarlane*		

Subcommittee Absent:

Craig Armstrong

CDFA Staff and Guests:

Karina Chu*	Amelia Hicks*	Jana Miscevic*
Paul Figueroa*	Victoria Hornbaker*	Keith Okasaki*
Alisha Garcia*	Laura Irons*	Preetika Pratap*
David Gutierrez*	Sarah Kraft*	Claudia Vazquez*

*Participated via webinar

Opening Comments

Finance Subcommittee Chairman, Bob Felts, Jr., welcomed Subcommittee members, guests and staff participating via webinar.

Review Fiscal Year 2020-21 Budget

Alisha Garcia presented the fiscal year (FY) 2020-21 budget expenditures, noting that they have increased since the previous month by approximately \$3,700,000 to a total of \$21,358,698. She noted that salaries from October 2020 to June 2021 have been allocated into the correct budget lines. June and July have not yet closed in FISCAL, financial services is working on closing both months and the State FY. Bob noted increases in several line items and inquired about the increase of \$750,000 to statewide data analysis. Alisha responded that the increase was due to funds misallocated to statewide diagnostics being reallocated to statewide data analysis. Bob noted that the remaining balance is still approximately \$20,000,000 and that the budget is not likely to be fully expended. Etienne Rabe inquired about the status of budget allocations. Bob confirmed that June has not closed in FISCAL and that manual tracking for the month of July is in progress.

Review FY 2020-21 Revenue

Alisha stated that total revenue has increased by approximately \$1,200,000 bringing the total year to date to \$13,936,664.44. The monthly total for July revenue is currently over the average projections of the last 3 years and brings the total revenue to 85 percent of the projected revenue

for FY 2020-21. Bob confirmed that while current revenue is approximately \$2,200,000 behind in comparison to the average of the past 5 years, revenue projections are still expected to be met.

Other Items

Victoria Hornbaker reminded the Subcommittee that last year due to a projected \$54 billion deficit in the state budget, two furlough days per month were instituted for all state employees, reducing employee salaries by 9.23 percent. She explained that the state instead saw a windfall of \$71 billion of one-time funding, leading to the furlough days being removed with staffs' full salaries being restored and some increases being awarded in the July pay period. Victoria further explained that the Citrus Pest and Disease Prevention Division (CPDPD) budget projections were based on the reduced salaries and that she expects to see an increase in salaries for permanent staff reflected in July, August, and September of the current budget cycle. She explained that with the addition of the restored 9.23 percent to staff salaries and 4.5-7.5 percent pay increases, there is likely to be a 10.47 percent increase over the original 20-21 budget projection, totaling approximately \$1,250,000 in salary increases. She noted that position vacancies in both permanent and seasonal staff are likely to show salary savings.

Alisha reported that she has been working with Macias, Gini & O'Connell LLP (MGO) to review expenditures and the desire of the Committee for better fiscal reporting. Victoria and David Gutierrez will be meeting with MGO later in the week to review the first draft of their proposal prior to the presentation of the proposal at the Finance Subcommittee meeting in September. Victoria added that there was a delay of the MGO project start date due to issues with data sharing.

Bob reported that because FY 2020-21 has yet to be closed, the fund condition statement (FCS) has not been released. Alisha stated that we will not have a fund condition statement until financial services closes out the State FY. Victoria reminded the Subcommittee that when the CPDPD enters into a contract the contracted budget becomes encumbered in a suspense account for future spending if needed and this will make the FCS appear artificially lower. Bob inquired if Financial Services is prioritizing the closing of June over the release of a correct fund condition statement. Victoria responded that Financial Services is prioritizing the closing of FY 2020-21 as it affects all divisions of the California Department of Food and Agriculture in addition to CPDPD. She estimates that if June closes in FISCAL, a new fund condition statement will be available to present at the September Finance Subcommittee meeting. Dr. Etienne Rabe inquired if the hand calculations show any estimated totals. Victoria responded that work is being done with MGO and filling staff positions to better assess the discrepancies previously observed in the hand calculations. Alisha confirmed that MGO have provided her suggestions for tracking, presenting information, and creating budget projections.

Victoria reminded the Subcommittee that CPDPD receives between \$12,000,000 and \$14,000,000 in Citrus Health Response Program funding from the United States Department of Agriculture (USDA) and that current agreements have focused solely on Asian citrus psyllid (ACP) and Huanglongbing (HLB) detection and prevention. She explained that USDA has recently decided that the agreement will be changing to a multi-pest survey agreement with directions to survey for sweet orange scab, citrus canker, citrus black spot, citrus leprosis, citrus variegated chlorosis, citrus yellow clearing vein virus, and yellow mosaic vein virus in addition

to ACP and HLB. Victoria said she voiced her concern to Helene Wright that these additional survey agreements may slow down HLB survey to which Helene responded that she would attempt to secure funding in addition to the baseline funding of approximately \$12,100,000. Victoria is working to submit a financial plan to USDA by September 3, 2021 and will present the results to the Subcommittee in September. Bob inquired if efforts will be prioritized to HLB survey. Victoria confirmed that staff is already performing commodity survey for multiple pests and will continue to prioritize HLB detection and prevention.

The meeting was adjourned at 9:30 A.M. The next Finance Subcommittee meeting will be held on September 7, 2021 at 9:00 A.M.