

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

Meeting Minutes
Tuesday, January 4, 2022

Opening:

The Finance Subcommittee webinar was called to order at 9:00 A.M. on January 4, 2022 by Subcommittee Chair Bob Felts, Jr.

Subcommittee Members Present:

Bob Felts, Jr.* James McFarlane* Dave Tomlinson*

Subcommittee Absent:

Etienne Rabe Craig Armstrong

CDFA Staff and Guests:

Carl Baum*	Laura Irons*	Lydia Rodriguez*
Alisha Garcia*	Anmol Joshi*	ThuyVy Truong*
James Gorden*	Jana Miscevic*	Jennifer Willems*
David Gutierrez*	Alex Muñiz-Chavez*	Jason Wu*
Victoria Hornbaker*	Keith Okasaki*	

*Participated via webinar

Opening Comments

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

Review 2020-21 Budget and Expenditures

Alisha Garcia presented the Fiscal Year (FY) 2020-21 expenditures. Alisha noted that September 2021 has closed in the Financial Information System of California (FI\$Cal) bringing the FY to a final close. September 2021 closed with a total of \$2,357,172 in expenditures, bringing the total year-to-date expenditures to \$29,926,990. Alisha explained that significant overages originally charged to the Administration budget have been re-allocated to their correct budget line items. Bob Felts, Jr. inquired about the change in September 2021 expenditures last presented at the December 7, 2021 Finance Subcommittee meeting to the new total presented. Alisha explained that September 2021 expenditures increased by \$551,943 with the close of the month. The amount presented at the previous meeting was an estimate and subject to change upon the close of September 2021 in FI\$Cal. Bob asked about the \$9 million difference in total expenditures for FY 2020-21 compared to FY 2019-20. Carl Baum answered that when FI\$Cal closes the year, they create placeholders for reasonably anticipated expenditures that may be realized after the FY is closed. This placeholder creates a “maximum” number for the program’s spending for that FY. However, if those expenditures are not materialized, they are released and the “maximum” number for total expenditures for the FY is lowered. Victoria Hornbaker added that staffing

levels for Citrus Pest and Disease Prevention Division (CPDPD) were much lower last FY compared to this FY, because CPDPD was still in its early stages of being its own division.

Review 2020-21 Revenue

Alisha presented the FY 2020-21 revenue. For September 2021, CPDPD received \$19,938 bringing the annual total to \$15,548,341. This is 96 percent of the projected revenue for the year, leaving an outstanding balance of \$659,658. Alisha added that CPDPD will most likely not receive a significant amount of the outstanding balance. The annual total is \$3 million below the prior year annual total largely due to the reduced assessment rate from nine cents (\$0.09) per carton to eight cents (\$0.08) per carton. However, the annual total is on par with the past three-year average.

Review 2021-22 Budget and Expenditures

Alisha presented the FY 2021-2022 expenditures. Alisha stated that October 2021 through December 2021 are not closed in FISCAL, the totals are estimates and are subject to change. Expenditures have increased by \$2,050,387 from the December 7, 2021 meeting bringing the year-to-date total to \$5,268,647. December 2021 expenditures of \$579,062 do not reflect staff salaries and benefits.

Review 2021-22 Revenue

Alisha presented the FY 2021-22 revenue. For November 2021, CPDPD received \$996,061 bringing the year-to-date total to \$1,417,282. The year-to-date total is 10 percent of the projected revenue leaving a remaining balance of \$11,494,217. Bob requested that the projected number of cartons be presented with the revenue metrics. James McFarlane suggested that staff present the original projected revenue along with the actual revenue to date, to create an adjusted projection based off revenue received moving forward.

Discussion on Moving Committee Fiscal Year to State Fiscal Year

Carl Baum explained that all financial reports CPDPD receives from Financial Services and FISCAL follow the State FY (July-June). These reports include total annual expenditures, management of funding sources, the Fund Condition Statement, and internal budget drills. CPDPD currently converts those reports to the Federal FY to present to the Finance Subcommittee and Full Committee, however this takes extra resources. Although CPDPD receives federal funds on the Federal FY, FISCAL has a built-in system specifically created for this exception. By moving to the State FY, staff will be able to provide a more accurate fiscal representation using FISCAL resources to diligently monitor CPDPD spending to then present to the Finance Subcommittee. Bob mentioned that the main reason for the current Committee FY is to be able to set an appropriate assessment rate based on crop projections for the next FY. Carl clarified that although they will be on the State FY, the Committee can choose to leave the assessment determination process unchanged. CPDPD has a healthy reserve fund, should there be any concerns during a FY, the reserve has the capability to carry CPDPD through to the next FY. Dave Tomlinson mentioned that it is important to tell packing houses the assessment rate for the year before the crop season. Victoria agreed and added that it is not fair to growers and packing houses to change the rate mid-season. Dave asked if there was any legislative procedure to change the FY. Bob answered that there is nothing in the legislation that would prohibit this

change. The present Subcommittee members agreed to forward this discussion item to the next Full Committee Meeting scheduled for January 12, 2022.

The meeting was adjourned at 9:40 A.M. The next Finance Subcommittee meeting will be held on February 1, 2022 at 9:00 A.M.