

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

Meeting Minutes
Tuesday, July 9, 2024

Opening:

The Finance Subcommittee webinar was called to order at 9:00 A.M. on July 9, 2024, by Subcommittee Chair Bob Felts, Jr.

Subcommittee Members Present:

Bob Felts, Jr.*	James McFarlane*	Kurt Metheny*
Mark McBroom*		

Subcommittee Members Absent:

Jared Plumlee

CDFA Staff and Guests:

Price Adams*	Alex Muniz*	Michael Soltero*
Carl Baum*	Keith Okasaki*	ThuyVy Troung*
David Gutierrez*	Kahleen Loo*	Jennifer Willems*
Anmol Joshi*	Alisha Rios*	Jason Wu*
Mia Neunzig*	Cressida Silvers*	Sandra Zwall*

*Participated via webinar

Opening Comments

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

Review 2023-24 Budget and Expenditures

Jason Wu presented the Citrus Pest and Disease Prevention Division (CPDPD) Fiscal Year (FY) 2023-24 approved budget and expenditures. April 2024 closed in FISCAL with \$3,379,110 in expenditures. May 2024 closed in FISCAL with \$2,744,873 in expenditures. The FY 2023-24 YTD total is \$32,061,729 with a remaining balance of \$9,438,271. Bob noted that ACP statewide regulatory was overspent in April and then corrected in May. Alisha Rios explained due to the reallocated budget line items that were implemented this FY, some expenditures were incorrectly hitting the ACP statewide regulatory budget line. Mark McBroom asked if the increased expenditures could potentially be caused by the assistance that CPDPD is providing to the Pest Detection/Emergency Projects Branch (PDEP). Carl Baum answered that CPDPD is up to date with the redirects and reimbursements; and that the reports used to calculate the reimbursements are on a delayed basis, which could explain the difference in expenditures. Mark requests a line item showing how much CPDPD assistance is provided and how much is reimbursed.

Jason presented a funding source summary for emergency funding (E-Fund) for Huanglongbing Ventura (HLB-Ventura) and the federally funded Citrus Yellow Vein Clearing Virus Los Angeles (CYVCV-LA). The YTD expenditures for HLB-Ventura are \$247,683 with a remaining balance of \$1,379,552. CYVCV-LA YTD expenditures are \$88,810 with a remaining balance of \$161,190. The CDFA E-Fund Committee approved the extension of the HLB-Ventura E-Fund into FY 2024-25, allowing CPDPD to expend the remaining balance of \$1,379,552 through to June 30, 2025.

Review 2023-24 Revenue

Jason presented the FY 2023-24 revenue. CPDPD received \$8,294,981 in revenue from the last Finance Subcommittee meeting in May 2024, increasing the year-to-date total of revenue received to \$15,481,722. This converts to a year-to-date total of approximately 172,019,133 cartons. Bob asked why there was a large increase in revenue since the last meeting. Carl explained that the assessments must pass through the CDFA Financial Services Branch (FSB) before they are received by CPDPD, which can cause delays in presenting the revenue data.

Review 2023-24 Clean Citrus Nursery Stock Program Summary

Jason presented the FY 2023-24 Clean Citrus Nursery Stock Program summary. The approved fund balance is \$255,036. CPDPD recorded \$55,949 in revenue, \$83,543 in expenditures, and \$95,943 in reimbursements bringing the net fund balance to \$323,384.

State Budget

Carl explained that the new State budget, that came into effect July 1, 2024, will include an 8% reduction, including position sweeps. Specific details are still unknown, but there will be an impact on the amount of authority that CPDPD is allowed to spend from the Agriculture Fund. Currently, CPDPD spends \$38 million a year on average and receives \$4.8 million from the General Fund, and \$12.1 million from the United States Department of Agriculture (USDA). This leaves approximately \$21.1 million for CPDPD to cover with assessments.

David Gutierrez stated that with new funding restraints, it is a good time to reevaluate the CPDPD's mission critical operations so that it can continue to operate efficiently and cost-effectively. Those critical operations include treatment, county contracts, regulatory contracts, and outreach activities. As more information about the State budget reductions are revealed, CPDPD will present operational impacts and budgets to the Committee.

Position Sweeps

Carl explained that when positions are swept, the funding associated with that position is also swept and the position will no longer exist. To minimize CPDPD's vacant positions from being swept, the division will loan its vacant positions to other CDFA programs that can hire immediately. This will save the position and retain the funding.

Mark McBroom asked if CPDPD can leverage the County Agriculture Commissioners Offices. David replied that CPDPD welcomes all opportunities to leverage its partners in a cost-effective manner while complying with the Governor's mandate.

8% Reduction to Operations

To reach the mandated 8% budget reduction, options identified include reducing or removing trapping activities, reducing contract agreements, and absorbing treatment work from third parties. These reductions may save as much as \$3.8 million. An increase in the assessment rate will allow for additional activities, however, there is not currently discussion to increase the assessment. Mark agreed that it is a good time to look at all the operations to see where efficiencies can be made.

Price Adams asked if these budget reductions will affect the Federal Plant Protection Action 7721 (PPA 7721) funding for Outreach and Nuffer Smith Tucker (NST). Carl stated that since the funding is from the USDA, it will not be impacted by the Governor's budget cuts. It is still unknown when the budget reductions will become effective.

Other Business

Price mentioned that NST is currently updating the strategic planning documents and priorities for the Full Committee meeting scheduled for August 20 in Santa Clarita.

The meeting was adjourned at 10:08 A.M. The next Finance Subcommittee meeting will be held on October 8, 2024, at 9:00 A.M.