

CALIFORNIA CITRUS PEST AND DISEASE PREVENTION COMMITTEE FINANCE SUBCOMMITTEE MEETING

Meeting Minutes
Tuesday, October 8, 2024

Opening:

The Finance Subcommittee webinar was called to order at 9:00 A.M. on October 8, 2024, by Subcommittee Chair Keith Watkins.

Subcommittee Members Present:

Keith Watkins* James McFarlane*

Subcommittee Members Absent:

Kurt Metheny Mark McBroom

CDFA Staff and Guests:

Carl Baum*	Kahleen Loo*	ThuyVy Troung*
Natalie DeAngelo*	Alex Muniz*	Nilan Watmore*
Paul Figueroa*	Mia Neunzig*	Jennifer Willems*
David Gutierrez*	Alisha Rios*	Jason Wu*

*Participated via webinar

Opening Comments

Chairman, Keith Watkins, 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. June 2024 closed in FI\$Cal with \$3,649,128 in expenditures. July and August 2024 incurred expenditures for FY2023-24 and closed in FI\$Cal with \$889,689 in expenditures. The FY 2023-24 year-to-date (YTD) total is \$36,599,982 with a remaining balance of \$4,900,018. Additional expenditures incurring within the next couple of months will reflect in FY 2023-24. James McFarlane asked if it was routine for the fiscal year-end process to disencumber a large amount such as \$7,951,329 at the close of July & August 2024. Carl Baum confirmed it is routine and explained that encumbrances are placeholders for potential expenditures that get submitted after the close of the FY. The disencumbered amount reflects the completion of agreements, confirming that some potential expenditures will not get realized, thus creating savings to CPDPD. Carl also stated that CPDPD anticipates disencumbering an additional \$300,000. As more agreements get disencumbered, the final FY numbers become more solidified.

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 \$248,246 with a remaining balance of \$1,378,989. CYVCV-LA YTD expenditures are \$118,522 with a remaining balance of \$131,478. The CDFA E-Fund Committee approved the extension of the HLB-Ventura E-Fund through to June 30, 2025.

Review 2023-24 Revenue

Jason presented the FY 2023-24 revenue. CPDPD received \$2,254,290 in revenue since the last Finance Subcommittee meeting in July 2024, increasing the year-to-date total of revenue received to \$17,736,012. This converts to a year-to-date total of approximately 197,066,800 cartons. Carl stated that growers have until the end of November 2024 to submit assessments for September 2024, meaning the final revenue numbers will not be confirmed until after November 2024. Keith noted that the revenue and cartons surpassed the crop season projection. Keith and James anticipate that the incoming crop season could total more than 200 million cartons.

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. Carl mentioned the Plant Division has identified expenditures that will be redirected to CPDPD. Keith asked if there will be any additional revenue to offset the redirects. Carl answered there will not be revenue to offset since the costs come from the Plant Division lab. The amount has not been confirmed, but it will be reviewed before the redirect is processed to transfer the charges.

Review 2024-25 Budget and Expenditures

Jason presented the CPDPD FY 2024-25 approved budget and expenditures. July 2024 closed in FI\$Cal with \$1,725,495 in expenditures. August 2024 closed in FI\$Cal with \$2,090,248 in expenditures. The FY 2024-25 YTD total is \$3,815,743 with a remaining balance of \$34,539,062. Keith noted that expenditures increased from July to August and asked if that was due to the timing of billings. Jason confirmed that July is the first month of the new FY and usually has lower expenditures than the rest of the FY. Carl added that the FI\$Cal system is shut down until the State Controller uploads the approved budget into FI\$Cal, which causes a delay in all financial processes and results in some expenditures not being reflected until the August report. James noted that the YTD total is higher than the prior YTD total amount. David Gutierrez and Carl agreed that this is due to the timing of invoices being paid and processed. Carl added that these reports are based on when the invoices are paid, not when the work is performed.

Other Business

Keith asked if CPDPD had a better understanding of the carry-in fund balance for FY2024-25. Carl answered that CPDPD does have a clearer picture of the carry-in fund balance which is currently at negative \$2.5 million. There are still approximately \$600k in encumbrances and it is anticipated that majority of them will be disencumbered. The

other factor is the lab's portion of the federal agreement. The lab is currently underspent and if they do not expend their budget, it will lead to CPDPD expending the lab's portion and realizing additional savings towards the fund balance. Carl does not anticipate the lab expending their budget and estimates approximately \$1 million in credit to the balance. In conclusion, the final fund balance will remain at negative \$2.5 million until the federal fund factors mentioned are finalized.

David and Carl explained that the governor has approved salary increases for the California Association of Professional Scientists employees, which will impact CPDPD. These salary increases will be retroactive from July 1, 2024. The amount is still being finalized, but CPDPD estimates approximately \$1 million in additional personnel expenditures. It is unclear how this will be absorbed by CPDPD and will be discussed at the Strategic Planning meeting.

The meeting was adjourned at 9:27 A.M. The next Finance Subcommittee meeting will be held on November 12, 2024, at 9:00 A.M.