

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

Meeting Minutes
Tuesday, May 5, 2015

Opening:

The Finance Subcommittee conference call was called to order at 10:15 a.m. on May 5, 2015, by Subcommittee Chair James McFarlane.

Subcommittee Members Present:

Jim Bates*

Bob Felts, Jr.*

James McFarlane*

CDFA Staff:

Jason Chan*

Paul Martinez*

Scosha Wright*

Victoria Hornbaker*

Debby Tanouye*

*** Participated via webinar**

Opening Comments:

Chairman, James McFarlane, welcomed the Subcommittee and staff participating in the conference call.

Public Comment:

There were no public comments.

2014/2015 Budget Review

CPDPC Budget

The program collected \$6,488,046 in revenues through March for the current fiscal year. This represents 45 percent of the projected annual revenues. There has been \$2,094,580 in expenditures in February and March 2015, making the total expenditures year to date \$5,891,951. The new budget balance is \$10,509,821. Jason noted that the entire New Area Contingency budget has been reallocated in the amounts of \$396,533 to Santa Clara Treatment and Survey and \$835,817 to Central Valley Treatment and Survey. This will be represented by transfer out of the new area contingency budget and transfers into the other two budgets, but the net will be a zero. It was noted that the projected ending balance is \$10,899,962, which is down approximately \$1,071,803, due to additional funding from the reserves in the amounts of \$279,213 to Central Valley Treatment and Survey, \$263,056 to Santa Clara Treatment and Survey, \$514,664 to the CDFA Lab and \$14,870 to the Citrus Survey. It was noted that the CRB Grant should be increased as the amended grant is now in place.

CHRP Budgets

The total expected from CHRP per the original agreement is \$9,624,859. There was \$1,168,266 in expenditures in February and March, making the new total \$2,376,981. There is a new balance

to go of \$7,247,878. There will be an additional allotment from CHRP in the amount of \$1,219,842, but the program wants to consult with the committee prior to allocating these additional funds. The funds will not be displayed in the financial documents until contract with USDA is executed.

Other Budgets

The TASC Grant was executed in March, but effective February 1st in the amount of \$475,000. This fund will be used for grove trapping. To date \$44,687 has been expended with a remaining balance of \$430,313. The Citrus Commodity Survey has a beginning budget of \$230,999 with \$240,752 in expenditures and a balance remaining of -\$9,753. The HLB Mac budget remains at \$45,005, with no expenditures. There were no changes to the Nu-Psyllid budget of \$84,194.

Variance Analysis

Currently there is a -17 percent year to date variance and the program is approximately 37 percent spent. The variance is primarily due to late invoicing from the CRB. It was noted that the budget for the additional CDFA Lab funds was added to the variance and the projections were updated for Commercial grove trapping due to the execution of TASC Grant, since the TASC grant money does not carry over to next year, this money should be used first then switch back over to this one once used. Updates were also included for the Central Valley Treatment and Survey and the Santa Clara Treatment and Survey, due to the additional funds added to those budgets.

Other

The issue of the Budget authority was brought up. In 2013 the Department raised the program budget authority from \$15 million to \$18 million due to concerns that the budget amount was higher than the authority. The increased authority was for 2 state fiscal years, July 1, 2013-June 30, 2015. As of July 1, 2015 the authority will go back to \$15 million, this will limit the amount that the Committee can expend to \$15 million, but the current budget is \$16 million. The Committee will need to decide to increase the authority again, or amend the budget to be in line with the authority.

The Department did not receive an allocation for the Citrus Commodity Survey. This will impact the programs ability to maintain a “free from” status for pest and diseases that are not known to occur in California, which may impact relationships with trading partners. This will also impact the SOS regulated areas, as the program will not have funding to continue to survey the regulated areas. The normal allocation is approximately \$350,000, would the committee consider funding this activity?

Meeting adjourned 11:18 a.m.