

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

Meeting Minutes
Wednesday August 22, 2017

Opening:

The Finance Subcommittee conference call was called to order at 10:40a.m. on August 22, 2017 by Subcommittee Chair James McFarlane.

Subcommittee Members Present:

Bob Felts, Jr.	James McFarlane	Dave Tomlinson
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CDFA Staff and Guests:

Jill Barnier*	Subas Hajeri*	Leandro Ramos
Jason Chan	Victoria Hornbaker	Debby Tanouye
Nick Condos	Paul Martinez*	Bob Wynn*

*** Participated via webinar**

Opening Comments:

Chairman, James McFarlane, welcomed the Subcommittee and staff participating in person and on the webinar.

Public Comment:

There were no public comments.

2016/2017 Budget Review

Assessment Budget

The program collected \$1,513,338 in revenues in the month of June for a total received of \$14,658,666 and a remaining balance to go of \$3,341,334. The program has received 81 percent of the projected revenue year to date. Bob Felts and Dave Tomlinson noted that the revenues may be trailing off and that it is likely that the program revenues for the year will be less than the projected amount of \$18,000,000. There has been \$1,707,210 in expenditures in the month of June for a year to date of \$12,592,564. The new budget balance is \$13,302,718 and the projected ending balance for the 2016/2017 fiscal year is \$5,571,330. Jason presented new budgets for the increased HLB response areas, these include an additional \$129,616 for Statewide Risk Survey, \$254,926 for Los Angeles County area treatments, \$469,633 for Orange County area treatments and \$281,075 for Riverside County area treatments. This would be a total increase of \$1,135,250.

CHRP Budget

To date, the program has received \$5,615,061 in funds from the CHRP agreement. In the month of June the program expended \$1,205,058 for a total of \$6,815,011 in expenditures year to date. The CHRP allocation was increased by \$2,384,470 for a new budget amount of \$12,144,701, this

new budget amount will show up in the budget displays for July, as it was executed on July 11, 2017.

Other Budgets

There was \$61,355 in expenditures in June on the Citrus Commodity Survey budget. The Citrus Commodity Survey budget is overspent by \$44,085. There was a \$5,000 credit to the HLB MAC budget, leaving a budget balance of \$249,069. Several charges to the MAC funds should have been charged to the normal biocontrol budget.

Spending Authority

Since July 1, 2016 program has spent \$18,614,309, which is 73 percent of the new budget authority of \$25,662,293.

Variance Analysis

The Assessment Revenue is down 21.56 percent for the month of June and is down 1.6 percent over the projection for the year. The expenditure variance for June is down 23.13 percent and that the overall expenditure variance year to date is lagging behind as well at -23.79 percent.

2017/2018 Budget Projections

The program prepared a draft crop estimate for the 2017/2018 fiscal year. It was noted that the estimate was based on the National Agricultural Statistics Service report dated July 12, 2017 and that these numbers will be reviewed when the September report comes out. The crop estimate is trending to be about 5 percent less than last year. The program also provided expenditure projections of \$18,273,335 in assessment funds, \$10,000,000 in general funds and \$14,144,701 for CHRP. Jason developed a spreadsheet for Target/Activity that rolls all of the County level activities into a broader budget. He also provided the County level budget amounts for each activity. The Subcommittee reviewed the projections and expressed their pleasure with the new projection displays. Jason was asked to provide a high level comparison for Target/Activity projection spreadsheet with the previous 2 years.

Other Discussion Items

The group discussed several issues that will potentially impact the budget projections. The first was the DATOC request for data that is not currently available in a digital format. This request would require staff to manually enter information into a digital format. The Subcommittee recommended that staff meet with the requesting group to determine the needs and to prepare and present a budget for the task to the CPDPC for consideration. Another issue discussed was the CDFA Lab capacity for HLB analysis. Nick Condos brought forward the idea for a pilot project for non-regulatory labs to conduct HLB screening under contract with CDFA. The Subcommittee liked the idea and asked staff to work with several labs to develop a budget for the pilot project. The final issue discussed was the Budget Taskforce evaluations of the Science Advisory Panels report. There was consensus that there is not sufficient information available to consider cutting the program activities and the Subcommittee recommended working this through the strategic planning process.

The meeting was adjourned at 12:05p.m.