

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

Meeting Minutes
Tuesday, March 5, 2019

Opening:

The Finance Subcommittee webinar was called to order at 11:05 A.M. on March 5, 2019 by Subcommittee Chair Bob Felts, Jr.

Subcommittee Members Present:

Bob Felts, Jr.*	James McFarlane*	Dr. Etienne Rabe*
Dave Tomlinson*		

Subcommittee Members Absent:

Craig Armstrong

CDEA Staff and Guests:

Ryan Fong	Sara Khalid	Victoria Hornbaker
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* Participated via webinar

Opening Comments

Finance Subcommittee Chairman, Bob Felts, Jr., welcomed the Subcommittee, guests and staff participating in person and via webinar.

Expenditure Tracking Update

Ryan Fong stated that Ray Leclerc is still making progress with the new coding system. Since Ray is now at Pest Detection and Emergency Projects (PDEP), he will be able to keep a closer watch over the progress of the coding system. After rolling the codes out to the field staff, field staff have been able to distinguish what the codes mean and how to use them. Ray also said that PDEP staff is starting to identify employees that work fully with the Citrus Pest & Disease Prevention Program (CPDPP) to automate their coding, which will minimize the Exception Time Report (ETR) process.

Review 2017/2018 Budget and Expenditures

Ryan stated that the actual expenditures for Fiscal Year (FY) 2017-2018 are \$33,295,202. He noted that the Project Cost Account (PCA) code, 12069, had not been included in prior budget displays. Victoria Hornbaker explained that this code is primarily used for Citrus Research Board (CRB) billings. The code had been inadvertently left out, however, PDEP staff were able to provide an updated Budget Display which included the code. She also noted that Ryan is starting to disencumber the contracts that have expired. The subcommittee questioned the drop in expenditures. Victoria explained that employees have home program codes where their time is billed. If an employee works on a project in a different program with a different program code, expenditures will hit the home program code first and then will be redirected to the other program code through an ETR.

Review 2018/2019 Budget and Funding Sources

Ryan stated that the expenditures through FY 18-19 are \$5,791,946. The expenditures also include PCA 12069. It was suggested that a monthly budget be put together in the future to look at actuals and budgeted year-to-date numbers. Victoria stated that the CPDPP was previously able to look at each line item in detail, however, the new system does not yet have that capability.

It was asked how the program's money is expended. Victoria stated that vendors will bill the program for services rendered for a contract or an agreement. If there is a purchase, the program creates purchase orders. In regard to personnel, as previously noted, some employees' times are split between CPDPP and other programs. If CPDPP becomes a standalone department, it will be easier to track personnel costs since there will be dedicated employees working only for CPDPP.

Review 2018/2019 Revenues

Ryan stated that the total amount received for FY 18-19 was \$5,358,572.71. In February 2019, the program received a total of \$2,380,388.93 from assessment collections. Victoria asked the subcommittee if the projected number of cartons should be reduced from 200,000,000 to 195,000,000. Bob explained that the reason for the shortfall is because of the small size of the fruit and over maturity of fruit as well. There was a consensus between all subcommittee members to propose to the full committee to reduce the projected number of cartons to 195,000,000.

Victoria stated that the program received \$12,144,701 from the Federal Government and has \$12,500,000 in General Funds. The program will also receive a Citrus Commodity Survey fund of approximately \$450,000 to be used for commercial surveys looking for pests not occurring in California in addition to HLB.

Discuss Billing Cycles

Victoria noted that the program has been getting contractors to bill on a regular basis. The largest challenge for the program is internal accounting. If CPDPP becomes its own dedicated division, this will clear up some of the issues with moving salary expenditures in and out of the program.

Other Business

CPDPP's proposal to become its own division was in the governor's budget. Victoria met with the Legislative office analyst who was looking favorably at the program's proposal. She noted that one question that may arise is why the program was underspending its \$41 million budget, but this was due to the inability to treat. In March, Victoria will be going to a budget hearing and presenting on behalf of the program.

The meeting was adjourned at 11:49 A.M.