

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

Meeting Minutes  
Tuesday, August 25, 2020

**Opening:**

The Finance Subcommittee webinar was called to order at 10:30 A.M. on August 25, 2020 by Subcommittee Chair Bob Felts, Jr.

**Subcommittee Members Present:**

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

**Subcommittee Members Absent:**

Craig Armstrong

**CDFA Staff and Guests:**

Carl Baum*	Amelia Hicks*	Keith Okasaki*
Karina Chu*	Victoria Hornbaker*	Preetika Pratap*
Ryan Fong*	Anmol Joshi*	Michael Soltero*
Alisha Garcia*	Jana Miscevic*	Jennifer Willems*
David Gutierrez*	Alex Muniz-Chavez*	Keith Watkins*

\*Participated via webinar

**Opening Comments**

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

**Review 2020-2021 Crop Estimate**

Victoria Hornbaker presented the draft crop estimate report for fiscal year (FY) 2020-2021, which projects the number of cartons per crop of grapefruits, lemons, mandarins, navels, and valencias for the next year and is calculated by using the National Agricultural Support Service's June forecast for production of citrus fruits. Victoria stated the previous crop estimate for FY 2019-2020 was 189,000,000 cartons and the Division anticipates an estimate of 193,600,000 cartons for FY 2020-2021. Etienne Rabe suggested increasing the crop estimate for mandarins by eight percent (8%), valencias by six percent (6%), and navels by two percent (2%) to project a total of 200,600,000 cartons. The Citrus Pest and Disease Prevention Division (CPDPD) will amend the crop estimate for the next Finance Subcommittee meeting held on September 1, 2020.

**Review 2020-2021 Proposed Budget**

Victoria presented the proposed budget for FY 2020-2021. Victoria displayed the CPDPD's budgets for the last three fiscal years to demonstrate the average yearly budget needed for the Division. The total budget was \$41,326,098 for FY 2017-2018, \$40,056,601 for FY 2018-2019, and \$40,487,145 for FY 2019-2020. At the last CPDPD Finance Subcommittee meeting held on August 4, 2020, a proposed budget of \$43,654,081 for FY 2020-2021 was presented to the

subcommittee. The subcommittee discussed the possibility of a proposed budget of under \$40,000,000.

For the Division to operate with a \$35,000,000 budget, the current budget structure needs to be changed. Victoria prioritized buckets such as finding and eradicating Huanglongbing (HLB), establishing quarantine areas and artificial movement of HLB and Asian Citrus Psyllid (ACP). Victoria reduced the budget for personnel services to reflect a nine percent (9.23%) reduction of all permanent staff salaries due to mandatory furloughs that will occur for the next two fiscal years. Victoria explained that she reduced the budgets for county contracts, the California Agriculture Support Services Authority (CASS) contract, the Grower Liaison and California Research Board (CRB) data analysis that supports CASS and grove trapping. Any remaining CRB funding will only support lab diagnostics. Etienne Rabe stated by reducing the CRB budget, the program would have a difficult time determining the effectiveness of HLB and ACP detection. By reducing the budget to fit \$35,000,000 the Division would have limitations in staff conducting treatment and survey assistance. Victoria then presented a revised budget of \$42,248,157 that would fulfil the needs of the Division. She adjusted county contracts to allow for all activities. The FY 2020-2021 proposed budget is compiled of a trend analysis based on prior year CPDPD spending, budget tracking by the Environmental Program Managers in the field offices, and budget tracking from the Administrative Manager, Carl Baum. Victoria anticipates receiving an increase of \$2,000,000 for the Citrus Health Response Program funding for FY 2020-2021. CPDPD projects \$38,000,000 in reserve according to the manual tracking system. The Division typically spends \$35,000,000 a year and will utilize state and federal funding using money from reserves. Additionally, there is a mandatory indirect charge of \$3,800,000 to the program for information technology (IT), contracting, human resources (HR), and budget office support by the California Department of Food and Agriculture. Indirect charges were paid prior to the inception of the Citrus Division but at smaller amounts due to only five employees working on Citrus and Pest Detection/Emergency Projects paying a larger share of those indirect costs.

To keep federal and state funding authority, Victoria mentioned an alternative bank account with the Bank of the West to hold funds instead of the state treasurer. Jennifer Willems explained that she has experience transferring funds with alternative accounts and that the account would allow CPDPD to monthly move funds from a Bank of the West account to the CPDPD program account to pay Division expenses. Based on prior FY's, CPDPD has not exceeded authority for spending federal and state funding. All federal and general funding authority is separate from the Agricultural fund authority. CPDPD cannot go over the authority unless CPDPD submits for a budget change proposal to grant additional authority.

At the next Finance Subcommittee meeting the subcommittee will revisit the Revised Crop Estimate for FY 2020-2021, the proposed budget for FY 2020-2021, and further discuss assessment rate changes and reserves for FY 2020-2021.

The meeting was adjourned at 11:25 A.M. The next Finance Subcommittee meeting will be held on September 1, 2020 at 10:00 A.M.