

**California Department of Food and Agriculture (CDFA)
Minutes**

of the Meeting/Video Conferencing
of the Nursery Advisory Board (NAB)
Held on Thursday, December 29, 2022
1220 N Street, Room 210
Sacramento, CA 95814

NURSERY ADVISORY BOARD (NAB)

Voting Members

Present: David Cox, Michael Frantz, Dustin Hooper, Bruce Jensen, Jay Jensen, Phillip Johnson, Janet Silva Kister, Josh Puckett, Daniel Waterhouse

Absent: Don Dillon, Thomas Lucas

Non-Voting Members

Present: Ha Dang, Lorence Oki

Absent: Karen Suslow, Chris Zanobini

OTHER ATTENDEES*

Katie Filippini, Joshua Kress, Brenda Lanini, Jim Lawrence, Keith Okasaki, Nawal Sharma, Terra Walber

*As self-reported in the Zoom application

CALL TO ORDER AND ROLL CALL

Board Chair Janet Silva Kister called the meeting to order at 9:00a.m. and conducted roll call. A quorum was present for the Board.

OPENING REMARKS AND HOUSEKEEPING

Kister reviewed general meeting guidelines, including compliance with the Bagley-Keene Open Meeting Act.

BRIEF UPDATE ON ARIZONA SHIPPING REQUIREMENTS

Joshua Kress reported that CDFA sent a Pest Exclusion Advisory to all counties notifying them that the timeline for implementation of Arizona rule R3-4-203 has been extended to at least February 2023. CDFA was actively working with the Arizona Department of Agriculture (AZDA) to establish interagency agreements and

corresponding compliance agreements for the shipment of nursery stock and deciduous fruit. Regardless of other agreements, the ability to ship these commodities via a phytosanitary certificate remained, and CDFA was working with AZDA to ensure that any language for phytosanitary certificates continued to meet Arizona's requirements. Kress also noted that CDFA and AZDA were focused on notification procedures to ensure that any pest finds were able to be addressed at origin by CDFA and the county agricultural commissioner.

The Board asked for clarification and further discussed: inspection requirements, incorporation of systems approach to certification, Arizona's pest list, ongoing communication and collaboration with AZDA, and updates to the Board at the next meeting.

BRIEF UPDATE ON CITRUS YELLOW CLEARING VIRUS

Kress reported that CDFA had reached out to Georgios Vidalakis at UC Riverside to answer the Board's question of if there is a relationship between *Citrus yellow vein clearing virus* (CYVCV) and *Grapevine vein clearing virus*, and had not yet received an answer.

Kress also reported that CDFA had completed a 7-mile arc delimitation survey around the CYVCV find sites, with no additional finds, and had begun survey in a 6-mile arc.

DISCUSSION ON FAC AND THE NURSERY SERVICES PROGRAM BUDGET

Kress provided a brief description of indirect charges and Food and Agricultural Code (FAC) Section 242, and noted past Board discussions on this topic. Kress also answered questions on departmental versus division indirect costs and the indirect cost reimbursement in FAC § 224(c). Kister noted that no matter how it was calculated, the indirect costs were higher than 5% of the program's revenue, and that CDFA was obligated to comply with FAC § 242.

UPDATE ON CITRUS NURSERY STOCK PEST CLEANLINESS PROGRAM TRANSITION

Kress provided an overview of the transition of the Citrus Nursery Stock Pest Cleanliness Program activities and administration to the Citrus Pest and Disease Prevention Division (CPDPD). Kress noted that the transition was being implemented to gain efficiencies and reduce risk for citrus mother trees by have one group of staff perform all regulatory activities within citrus nurseries, both for the nursery program and quarantine compliance. Program staff had reviewed potential budgetary impacts from the transfer of revenue receipt from Nursery Services to the CPDPD, and no net impact to the Nursery Services Program's budget was anticipated.

UPDATED FUND CONDITION AND PROPOSED BUDGET FOR FY 2023/24

Brenda Lanini presented updated fund condition and proposed budget information for FY 2023/24. The Board discussed their concerns with approving a budget in conflict with FAC § 242, and sought a clear understanding of CDFA's compliance with that provision for the Nursery Services Program.

Board Motion #1

The Board recommends a proposed spending plan for fiscal year 2023/24, as follows:

- Amendment of the spending plan as presented to reduce the total indirect charges to be limited to five percent of program revenue, in accordance with Food and Agricultural Code (FAC) Section 242.

Additionally, the Board requests that NAB Chair Janet Silva Kister submit a letter on their behalf to the Secretary regarding the Nursery Services Program budget and FAC § 242, including:

- The Board's previous requests for information and conversations regarding FAC § 242,
- The ongoing nature of the program's charged total indirect costs exceeding 5% of revenue,
- The importance that CDFA complies with FAC § 242, and
- That the Board declines to make a motion that conflicts with FAC § 242.

Motion: David Cox

Second: Daniel Waterhouse

Details of Board Vote

In Favor: David Cox, Michael Frantz, Dustin Hooper, Bruce Jensen, Jay Jensen, Janet Silva Kister, Phillip Johnson, Josh Puckett, Daniel Waterhouse

Against: None

Absent: Don Dillon, Thomas Lucas

Abstain: None

APPROVE MINUTES FOR DECEMBER 14, 2021 MEETING

Minutes were not available to be presented to the Board. Minutes for the September 9, 2021, December 14, 2021, and November 29, 2022 meetings were to be presented for Board review and approval at the next meeting.

DISCUSSION ON NAB COMMITTEES

Janet Kister appointed a new Nominating Committee, consisting of volunteers Janet Kister, David Cox, Michael Frantz, and Chris Zanobini to advise and support the program in recruitment of new board members and to review applicants and make recommendations to the board.

The committee will coordinate with the Program to schedule a meeting ahead of the next Board meeting.

PUBLIC COMMENT

Nawal Sharma reminded the board about ongoing exotic fruit fly quarantines in Southern California, and that nurseries shipping nursery stock into the quarantine areas should ensure that plants do not have host fruit on them to prevent any regulatory impacts and to assist quarantine staff with compliance efforts.

NEXT MEETINGS/AGENDA ITEMS

Next Board meeting will be held in May 2023.

Agenda suggestions for next meeting:

- Another update on FAC § 242 and Indirect costs not exceeding 5%

ADJOURNMENT

The meeting was adjourned at 10:15 a.m.

Respectfully submitted by:

Michael Paule, Associate Governmental Program Analyst
Nursery Services Program
California Department of Food and Agriculture

**Nursery Services Program
Budget Summary as of 12/29/2022**

updated 11/18/2022

| | PPY FY2020-21 Not Final | PY FY2021/22 Not Final | CY Secretary APPROVED FY 2022/23 | Board Proposal FY 2023/24 |
|--|-------------------------------|------------------------------|--|------------------------------|
| Permanent Salary | 903,489 | 1,059,311 | 1,107,436 | 1,151,971 |
| Temporary Salary | 283,850 | 346,614 | 89,738 | 258,578 |
| Staff Benefits (includes Unemployment Ins) | 408,973 | 621,733 | 753,666 | 746,648 |
| TOTAL PERSONNEL SERVICES | 1,596,313 | 2,027,658 | 1,950,840 | 2,157,197 |
| General Expenses | 13,823 | 42,223 | 32,300 | 32,300 |
| Printing | 25,108 | 1,563 | 5,000 | 5,000 |
| Communications | 20,273 | 14,663 | 18,200 | 18,200 |
| Postage | 5,901 | 4,655 | 8,000 | 8,000 |
| Insurance-Vehicles | 3,274 | 6,130 | 3,000 | 3,000 |
| Travel In-State | 18,267 | 24,435 | 23,860 | 16,260 |
| Travel Out-of-State | 677 | - | - | - |
| Training | 301 | 1,000 | 5,000 | 5,000 |
| Facilities | 109,391 | 138,857 | 125,000 | 122,000 |
| Utilities | 2,326 | 2,594 | 3,000 | 6,000 |
| Cons & Prof | 10,813 | 6,913 | 2,000 | 2,000 |
| Atty General Charges | - | - | 5,000 | 5,000 |
| External Services (includes web payment service) | 3,940 | 13,000 | 13,000 | 18,000 |
| Indirect Division Costs | 93,686 | 143,661 | 127,015 | 151,988 |
| Indirect Executive/Administration Costs | 162,458 | 255,994 | 197,919 | 232,789 |
| Indirect IT Costs | 68,836 | 88,286 | 90,337 | 85,122 |
| Indirect Recovery | (1,206) | - | - | - |
| Pro Rata | 134,087 | 134,087 | 134,087 | 134,087 |
| SB 84 (From FY18/19 to FY24/25) | 65,363 | 65,363 | 65,363 | 65,363 |
| IT Purchases | 14,153 | 4,479 | 18,000 | 14,000 |
| Equipment | 11,921 | - | - | - |
| Field Expenses/Agri & Lab Supplies | 15,485 | 15,501 | 31,540 | 23,540 |
| Vehicle Operations | 73,010 | 20,820 | 30,000 | 30,000 |
| Other Misc. Charges | 990 | | | |
| Subtotal Oper Exp/Equip | 852,878 | 984,223 | 937,621 | 977,649 |
| County Contracts | 705,555 | 780,000 | 680,000 | 680,000 |
| Nematode Lab Costs | 74,515 | 101,549 | 100,000 | 100,000 |
| Enhanced County contract | | | 450,000 | 450,000 |
| TOTAL OPER EXP/EQUIP | 1,632,948 | 1,865,772 | 2,167,621 | 2,207,649 |
| Recovery from other programs la\ | (405,048) | (404,140) | (418,193) | (429,100) |
| Reimbursement 224c - Admin | (74,925) | (74,927) | (74,927) | (77,079) |
| Reimbursement UGT | (450,000) | (450,000) | (450,000) | (450,000) |
| TOTAL COST RECOVERIES | (929,973) | (929,067) | (943,120) | (956,179) |
| TOTAL BUDGET w Personnel & Benefits | 2,299,288 | 2,964,363 | 3,175,341 | 3,408,667 |

1600 hrs was citrus

less travel for citrus \$ 7,600

\$3000 citrus supplies remove

Fund Condition as 12/29/2022

**UGT Funding began*

| | PPY FY2020-21* Not Final | PY FY 2021/22 Not Final | CY FY 2022/23 NAB Approved | FY 2023/24 Proposal to NAB |
|---|--------------------------------|-------------------------------|----------------------------------|-------------------------------|
| BEGINNING RESERVE BALANCE* | 890,899 | 1,157,162 | 1,203,582 | 1,257,791 |
| REVENUE CATEGORIES | | | | |
| Nursery License Fee | 1,534,879 | 1,932,975 | 1,800,000 | 1,800,000 |
| Acreage Fee | 271,938 | 307,960 | 305,000 | 305,000 |
| Delinquent (Penalty) Fee | 45,400 | 58,350 | 40,000 | 40,000 |
| Directory Sales | 110 | 180 | 0 | 0 |
| Strawberry R&C | 522,355 | 524,465 | 810,000 | 900,000 |
| Grapevine R&C | 116,484 | 150,346 | 180,000 | 300,000 |
| Fruit , Nut and Pome | 0 | 0 | 0 | 0 |
| Avocado Reg | 0 | 0 | 250 | 0 |
| Avocado Cert | 375 | 350 | 300 | 300 |
| Seed Garlic R&C | 4,590 | 12,158 | 4,000 | 4,000 |
| Nematode Certification | 59,663 | 1,031 | 80,000 | 80,000 |
| R&C Subtotal | 703,468 | 688,350 | 1,074,550 | 1,284,300 |
| Misc Revenue, Interest & Miscellaneous Income | 9,757 | 22,968 | 10,000 | 10,000 |
| TOTAL REVENUE | 2,565,550 | 3,010,783 | 3,229,550 | 3,439,300 |
| EXPENDITURES | | | | |
| Personnel Services | 1,596,313 | 2,027,658 | 1,950,840 | 2,157,197 |
| Operating Exp & Equipment | 852,878 | 984,223 | 937,621 | 977,649 |
| County Contracts | 705,555 | 780,000 | 680,000 | 680,000 |
| Enhanced County contract | | | 450,000 | 450,000 |
| Lab Services | 74,515 | 101,549 | 100,000 | 100,000 |
| COST RECOVERIES | | | | |
| Recovery from other programs | -405,048 | -404,140 | -418,193 | -429,100 |
| Reimbursement 224c - Admin | -74,925 | -74,927 | -74,927 | -77,079 |
| Reimbursement UGT FY20/21 - FY24/25 | -450,000 | -450,000 | -450,000 | -450,000 |
| TOTAL EXPENDITURES (BUDGET) | 2,299,288 | 2,964,363 | 3,175,341 | 3,408,667 |
| ENDING RESERVE BALANCE | 1,157,162 | 1,203,582 | 1,257,791 | 1,288,424 |
| AG TRUST FUND | | | | |
| Interest | 335,661 | 337,795 | 340,795 | 343,795 |
| | 1,479 | 3,000 | 3,000 | 3,000 |
| ENDING AG TRUST FUND | 337,140 | 340,795 | 343,795 | 346,795 |