

**California Department of Food and Agriculture (CDFA)**  
**Minutes**  
of the Meeting/Video Conferencing  
of the Nursery Advisory Board (NAB)  
Held on Tuesday, December 14, 2021  
1220 N Street, Room 212  
Sacramento, CA 95814

**NURSERY ADVISORY BOARD (NAB)**

**Voting Members**

**Present:** David Cox, Michael Frantz, Dustin Hooper, Bruce Jensen, Jay Jensen, Janet Silva Kister, Daniel Waterhouse

**Absent:** Don Dillon, Thomas Lucas

**Non-Voting Members**

**Present:** Ha Dang, Chris Zanobini

**Absent:** Lorence Oki, Karen Suslow

**OTHER ATTENDEES\***

Sandy Elles, Katie Filippini, Joshua Kress, Juan Koponen, Lindsey Liebig, Michael Paule, Kristina Weber, Ed Williams

\*As self-reported in the Zoom application

**CALL TO ORDER AND ROLL CALL**

Board Chair Janet Silva Kister called the meeting to order at 2:04 p.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.

**CACASA PROPOSAL FOR ENHANCEMENT OF NURSERY INSPECTION PROGRAM**

Ed Williams (Ventura County Agricultural Commissioner) presented on behalf of the California Agricultural Commissioners and Sealers Association (CACASA)

(attached). Williams explained that counties only recoup a portion of their expenses with the Nursery Inspection Program, and proposed that inspection reimbursement be expanded to include retail, all types of nursery stock, and include reinspection activities.

There were no board motions or public comments related to this agenda item.

### **FUND CONDITION AND PROPOSED BUDGET FOR FY 2022/23**

Michael Paule presented a fiscal update for the Nursery Services Program (attached). The expenditures and revenue reported were up-to-date through November 2021.

The Board asked for clarification on the increase in license fee and other revenue projected for FY 2021/22, and the potential for future fee increases.

Joshua Kress explained that the increase in revenue was likely associated with small nurseries and at-home businesses selling nursery stock during the COVID-19 pandemic. Kress also noted that the program was evaluating potential fee increases for the Strawberry and Grapevine registration and certification programs.

Paule presented a proposed spending plan for Nursery Services for FY 2022/23 of \$3,028,109 (attached).

#### **Board Motion #1**

The Board recommended allocation of \$2,000 in the FY 2022/23 for out-of-state travel for attendance by program staff at the Western Horticultural Inspection Society's Annual Meeting.

Motion: David Cox

Second: Michael Frantz

#### **Details of Board Vote**

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

Against: None

Absent: Don Dillon, Thomas Lucas

Abstain: None

In reviewing the proposed spending plan of \$3,028,109, the Board identified that the External Services budget line was approximately \$5,000 higher than historical actuals, and that the Out-of-State Travel budget line was not added into the total budget request. The two recommended adjustments resulted in a decrease in the total budget request of \$3,000, to a new total of \$3,025,109.

## Board Motion #2

The Board recommended a proposed spending plan of \$3,025,109 for Nursery Services for Fiscal Year (FY) 2022/23, as amended.

Motion: David Cox

Second: Bruce Jensen

## Details of Board Vote

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

Against: None

Absent: Don Dillon, Thomas Lucas

Abstain: None

There were no public comments related to this agenda item.

## **BOARD MEMBERS VACANCIES UPDATE**

The Board had three existing vacancies. An announcement for the vacancies had been posted, with a deadline for application of March 21, 2022.

There were no public comments related to this agenda item.

## **PUBLIC COMMENTS:**

None.

## **NEXT MEETINGS/AGENDA ITEMS**

The next Board meeting was planned for Spring 2022.

Suggested agenda items for the next meeting included:

- Licensing fee revenue trends
- Allocation of UGT funds

## **ADJOURNMENT**

The meeting was adjourned at 3:21 p.m.

Respectfully submitted by:

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

## NURSERY INSPECTION PROGRAM ENHANCEMENTS FY 22-23 & 23-24

- Ha Dang
- Ed Williams  
CACASA  
Nursery, Seed, & Apiary Committee
- Sandy Elles  
CACASA Executive Director



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## NURSERY INSPECTION

- ▶ Nursery stock – highest risk pathway for invasive pests
- ▶ Clean & healthy nursery stock:
  - Consumer confidence
  - Business continuity
  - Fair market competition
  - Sustainable environment
- ▶ California Food and Ag Code & Code of Regulations
  - Regulatory authority
  - Standards of cleanliness

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## CDFA NURSERY INSPECTION PROGRAM

### ▶ Mission:

- Prevent the introduction & spread of invasive pests
- Protect agriculture & the consumer from economic losses due to substandard nursery stock

### ▶ Responsibilities:

- Issues license to nursery stock sellers - mandated
- Coordinate the counties' nursery regulatory activities

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## COUNTY NURSERY INSPECTION PROGRAM

- ▶ Inspect all nursery stock in the county for invasive pests & diseases
- ▶ Re-inspect
- ▶ Respond to complaints
- ▶ Ensure compliance

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## NURSERY INSPECTION FUNDING

- ▶ Annual License Fee: \$150 – all licensees
- ▶ Acreage Fee: \$100 to \$900
  - Exemptions:
    - nurseries w/ 75% cut flower/foilage
    - incidental retailers

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## COUNTY CONTRACT WORKPLAN

- ▶ Counties submit anticipated inspection acreage
- ▶ Projected acreage basis:
  - Current total acreage in the county
  - Previous year's inspected acreage
  - County staffing changes

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## CONTRACT WORKPLAN

### ► Acreage types:

- Type 1 (Production Nursery)
- Type 2 (Turf/Sod or  $\geq 75\%$  Cut Flower)
- Type 4 (Cut Flower)
- *Type 3 (Retail) – no inspection*

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## CONTRACT REIMBURSEMENT

$$\text{Type 1} + \left[ \frac{\text{Type 2} + \text{Type 4}}{4} \right] \times \text{annual reimbursement rate}$$

### ► Acreage types:

- Type 1 (Production Nursery)
- Type 2 (Turf/Sod or  $\geq 75\%$  Cut Flower)
- Type 4 (Cut Flower)

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## CONTRACT REIMBURSEMENT

$$\left[ \text{Type 1} + \frac{\text{Type 2} + \text{Type 4}}{4} \right] \times \text{annual reimbursement rate}$$

### ► Reimbursement Rates:

- FY 18-19: \$15.33/acre
- FY 19-20: \$15.64/acre
- FY 20-21: \$17.35/acre (w/ UGT)
- FY 21-22: \$18.63/acre (w/ UGT)

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## UNREFUNDED GAS TAX (UGT)

### ► SB 1 - Transportation Funding

### ► Unrefunded Gas Tax (UGT)

- Tax from agricultural off-road use.
- Supplements the costs of counties' eligible Agricultural Code programs.
- Maintenance of Effort: counties are mandated to continually spend General Fund to get this funding
- For every \$1 of county General Fund spent, counties get 43 cents on average

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## COUNTY EXPENDITURES & REVENUES (REVISED)

	FY 2016/17	FY 2017/18	FY 2018/19	3 FY AVERAGE	
1. TOTAL COST	\$ 2,334,631	\$ 2,266,079	\$ 2,797,841	\$ 2,466,183	
2. CONTRACT & UGT	\$ 1,398,747	\$ 1,321,993	\$ 1,605,024	\$ 1,441,921	58% of total cost
3. NET COUNTY COSTS	\$ 935,884	\$ 944,086	\$ 1,192,816	\$ 1,024,262	42% of total cost

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## NAB APPROVED ON 9/24/2020 UGT ALLOCATION PLAN

1 Reassess Annually As Needed						
2 UGT Allocation Plan for 5 Fiscal Years	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
4 Annual available funds	\$ 450,000	\$ 450,000	\$ 450,000	\$ 228,000	\$ 228,000	\$ 1,806,000
5 Projected expenses						
6 County Contracts		\$ 100,000	TBD	TBD	TBD	
7 Nursery Inspection Program's Reserves		\$ 350,000	TBD	TBD	TBD	
8 Total Projected Expenditures		\$ 450,000				
9 Rollover from FY 19-20				\$ 225,000	\$ 225,000	
10 Total funds available		\$ 450,000	\$ 450,000	\$ 453,000	\$ 453,000	\$ 1,806,000

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## IMPLEMENTED UGT ALLOCATION PLAN

1 Reassess Annually As Needed						
2 UGT Allocation Plan for 5 Fiscal Years	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
4 Annual available funds	\$ 450,000	\$ 450,000	\$ 450,000	\$ 228,000	\$ 228,000	\$ 1,806,000
5 Projected expenses						
6 County Contracts		\$ 100,000	\$ 100,000	TBD	TBD	\$ 200,000
7 Nursery Inspection Program's Reserves		\$ 350,000	\$ 350,000	TBD	TBD	\$ 700,000
8 Total Projected Expenditures		\$ 450,000	\$ 450,000			
9 Rollover from FY 19-20				\$ 225,000	\$ 225,000	
10 Total funds available		\$ 450,000	\$ 450,000	\$ 453,000	\$ 453,000	\$ 1,806,000

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## NURSERY INSPECTION PROGRAM ENHANCEMENTS

- ▶ Spotted lantern fly – emerging pest threat
- ▶ Support business continuity of nursery industry
- ▶ Promote consumer confidence in nursery stock purchases
- ▶ Support counties' nursery inspection activities

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## NURSERY INSPECTION PROGRAM ENHANCEMENTS

- ▶ Current FY 21-22 County Contracts:
  - CDFA approves for counties to bill
    - Re-inspections of noncompliant nurseries
      - Pest finds
      - Delinquent nursery license fee
    - Unlicensed nurseries
  - Roll-overed amount of about \$100,000 for next 2 FYs

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## NURSERY INSPECTION PROGRAM ENHANCEMENTS

- ▶ FY 22-23 & FY 23-24 County Contracts:
  - Inspections of retail nurseries
  - Inspections of Fee-exempt nurseries
  - Inspection frequency
  - Trace forward/trace back of pest finds
  - Compliance/enforcement activities
  - Changes to Report 7 and Contracts

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## PROPOSED UGT ALLOCATION PLAN FOR FYs 22/23 & 23/24

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2 UGT Allocation Plan for 5 Fiscal Years	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
4 Annual available funds	\$ 450,000	\$ 450,000	\$ 450,000	\$ 228,000	\$ 228,000	\$ 1,806,000
5 Projected expenses						
6 County Contracts		\$ 100,000	\$ 100,000	\$ 453,000	\$ 453,000	\$ 1,106,000
7 Nursery Inspection Program's Reserves		\$ 350,000	\$ 350,000	NA	NA	\$ 700,000
8 Total Projected Expenditures		\$ 450,000	\$ 450,000			
9 Rollover from FY 19-20				\$ 225,000	\$ 225,000	
10 Total funds available	\$ 450,000	\$ 450,000	\$ 453,000	\$ 453,000	\$ 1,806,000	

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Thank you



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## COUNTY EXPENDITURES & REVENUES

	FY 2016/17	FY 2017/18	FY 2018/19	3 FY AVERAGE	
1. TOTAL COST	\$ 2,334,631	\$ 2,266,079	\$ 2,797,841	\$ 2,466,183	
2. CONTRACT	\$ 692,729	\$ 609,787	\$ 705,180	\$ 669,232	27% of total cost
3. COUNTY COSTS	\$ 1,641,902	\$ 1,656,291	\$ 2,092,660	\$ 1,796,951	
4. UGT (\$0.43/\$1)	\$ 706,018	\$ 712,205	\$ 899,844	\$ 772,689	31% of total cost
5. CONTRACT & UGT	\$ 1,398,747	\$ 1,321,993	\$ 1,605,024	\$ 1,441,921	58% of total cost
6. NET COUNTY COSTS	\$ 935,884	\$ 944,086	\$ 1,192,816	\$ 1,024,262	42% of total cost

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## SPOTTED LANTERN FLY

- ▶ Emerging pest threat –eastern U.S.
- ▶ A-rated
- ▶ State Exterior Quarantine
- ▶ Nursery stock - high-risk pathway for pest introductions
- ▶ Collaboration, research grants, surveys, inspections
- ▶ Industry and public outreach
- ▶ Trainings for counties

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## Nursery Services Program Budget Summary

K. Weber updated 12/16/2021

	PPY FY2019-20	PY FY2020-21	CY FY2021/22 In Process Board Approved	Board Proposal FY 2022/23
Permanent Salary	1,016,375	1,122,921	1,195,672	1,161,038
Temporary Salary	276,167	269,149	89,738	89,738
Staff Benefits (includes Unemployment Ins)	626,754	604,606	809,789	723,979
<b>TOTAL PERSONNEL SERVICES</b>	<b>1,919,296</b>	<b>1,996,676</b>	<b>2,095,199</b>	<b>1,974,755</b>
General Expenses	20647	11,823	34,000	32,300
Printing	3,472	25,108	5,000	5,000
Communications	17,192	18,933	14,000	18,200
Postage	2,109	5,901	8,000	8,000
Insurance-Vehicles	6,976	3,268	3,000	3,000
Travel In-State	35,007	23,843	23,860	23,860
Travel Out-of-State	2,318	853	4,140	2,000
Training	510	295	5,000	5,000
Facilities	114,084	114,478	152,000	125,000
Utilities	2,636	2,464	3,000	3,000
Cons & Prof	4,821	12,903	2,000	2,000
Atty General Charges	8,167	-	5,000	5,000
External Services (includes web payment service)	8,048	5,268	13,000	13,000
Indirect Division Costs	118,908	94,607	125,273	121,263
Indirect Executive/Administration Costs	191,745	158,479	208,222	190,837
Indirect IT Costs	82,317	66,603	103,629	82,024
Indirect Recovery	(5,662)	(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	29,482	6,418	14,000	18,000
Equipment	949	11,921	-	-
Field Expenses/Agri & Lab Supplies	25,277	16,950	21,000	31,540
Vehicle Operations	33,310	18,952	30,000	30,000
Other Misc. Charges	330	79,044	-	-
<b>Subtotal Oper Exp/Equip</b>	<b>902,094</b>	<b>876,357</b>	<b>973,574</b>	<b>918,474</b>
County Contracts	657,524	656,590	680,000	680,000
County Inspection Program Enhancement (UGT)		100,000	100,000	450,000
Nematode Lab Costs	89,186	79,132	100,000	100,000
<b>TOTAL OPER EXP/EQUIP</b>	<b>1,648,805</b>	<b>1,712,078</b>	<b>1,853,574</b>	<b>2,148,474</b>
Recovery from other programs	(409,900)	(404,140)	(303,934)	(573,193)
Reimbursement 224c - Admin	(106,137)	(74,927)	(202,003)	(74,927)
Reimbursement UGT	-	(450,000)	(450,000)	(450,000)
<b>TOTAL COST RECOVERIES</b>	<b>(516,037)</b>	<b>(929,067)</b>	<b>(955,937)</b>	<b>(1,098,120)</b>
<b>TOTAL BUDGET w Personnel &amp; Benefits</b>	<b>3,052,064</b>	<b>2,779,687</b>	<b>2,992,836</b>	<b>3,025,109</b>