

DEPARTMENT OF FOOD AND AGRICULTURE

A.G. KAWAMURA, Secretary

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February 23, 2004

Cato R. Fiksdal
President
California Agricultural Commissioners and Sealers Association (CACASA)
12300 Lower Azusa Road
Arcadia, CA 91006-5872

Dear President *Cato* Fiksdal:

Per the request of the CACASA Finance Committee, listed below are the items proposed by the department to take effect in the current fiscal year.

Funding for the County/State Liaison

Based upon a prior agreement, \$89,500 of the \$179,000 gas tax allocation for the County/State Liaison function was re-allocated to the counties in the following year. The Agriculture Fund programs have been charged the amount that was re-allocated to the counties to cover the remaining expenditures of the County/state Liaison.

We propose that the entire County/State Liaison function be funded from the gas tax as intended when this function was created.

Pro Rata Costs

Beginning with the prior fiscal year, the department was assessed pro rata charges of \$955,401 based upon the local assistance agriculture fund budget, which consists of the gas tax. Pro rata charges are assessed to cover the prior year expenditures of State control agencies such as the Legislature, Department of Finance (DOF) and State Controller's Office. The department protested to the DOF regarding the amount charged against local assistance. The DOF agreed to lower the pro rata assessment to \$238,850. However, they assessed the remaining \$716,551 against the department's Agriculture Fund (industry funded) programs. After discussions with CACASA, the department assessed the entire \$955,401 pro rata to the Agriculture Fund programs.

In the current year, the assessment to the local assistance was \$729,179. The DOF has shifted \$229,179 to the Agriculture Fund programs, leaving \$500,000 in pro rata assessment against the local assistance budget.

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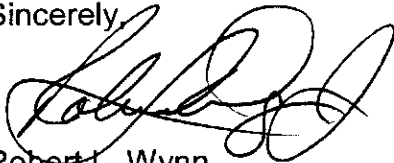
We propose that the \$500,000 in pro rata assessment remaining against the local assistance budget be paid from the unclaimed gas tax (FAC 224c). Since the pro rata was assessed to the local assistance budget based upon the unclaimed gas tax funds and the gas tax funds are generated from the industry, this is a logical step to alleviate an additional burden on the industry funded programs.

The department is in agreement with CACASA that the local assistance budget should not be assessed pro rata charges and will be lobbying DOF for the elimination of this assessment.

It is my understanding that these issues will be discussed in your area group meetings and at your interim Board of Directors meeting in March. Since the pro rata issue impacts the distribution of the unclaimed gas tax, checks will not be issued until after your March meeting. As requested, attached is a chart that can be used by your Association members for budgeting purposes. The chart outlines the gas tax distribution amounts with and without the exclusion of the pro rata expense.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert L. Wynn', written in a cursive style.

Robert L. Wynn
Statewide Coordinator

cc: Karen Johnson, Director, Division of Administrative Services
Ed Williams, County/State Liaison

Attachment

JG

Comparison of Gas Tax Allocation to Counties with and without the Proposed Pro Rata Funding 2003-04 Fiscal Year ^{a/}			
County	Reimbursement to Counties without Pro Rata Assessment	Reimbursement to Counties with Pro Rata Assessment	Difference
Alameda	\$696,295.55	\$682,987.13	(13,308.42)
Alpine	524.91	524.91	0.00
Amador	205,762.30	201,829.52	(3,932.78)
Butte	384,883.23	377,526.89	(7,356.34)
Calaveras	195,501.43	191,764.78	(3,736.65)
Colusa	186,075.46	182,518.97	(3,556.49)
Contra Costa	857,343.86	840,957.29	(16,386.57)
Del Norte	69,403.45	68,076.93	(1,326.52)
El Dorado	388,117.35	380,699.20	(7,418.15)
Fresno	1,263,882.45	1,239,725.64	(24,156.81)
Glenn	271,365.85	266,179.19	(5,186.66)
Humboldt	120,505.68	118,202.43	(2,303.25)
Imperial	849,977.33	833,731.56	(16,245.77)
Inyo	51,785.42	50,795.63	(989.79)
Kern	698,281.22	684,934.85	(13,346.37)
Kings	380,276.49	373,008.20	(7,268.29)
Lake	139,348.26	136,684.87	(2,663.39)
Lassen	42,245.67	41,438.22	(807.45)
Los Angeles	1,655,480.17	1,623,838.75	(31,641.42)
Madera	163,556.11	160,430.03	(3,126.08)
Marin	381,861.08	374,562.50	(7,298.58)
Mariposa	52,408.86	51,407.16	(1,001.70)
Mendocino	228,821.45	224,447.94	(4,373.51)
Merced	745,520.69	731,271.42	(14,249.27)
Modoc	147,228.61	144,414.60	(2,814.01)
Mono	51,785.42	50,795.63	(989.79)
Monterey	1,433,623.65	1,406,222.55	(27,401.10)
Napa	560,388.19	549,677.38	(10,710.81)
Nevada	119,023.96	116,749.03	(2,274.93)
Orange	311,423.23	307,167.96	(4,255.27)
Placer	298,089.30	292,391.87	(5,697.43)
Plumas	57,266.02	56,171.48	(1,094.54)
Riverside	774,625.18	759,819.63	(14,805.55)
Sacramento	728,797.30	714,867.66	(13,929.64)
San Benito	176,154.90	172,788.01	(3,366.89)
San Bernardino	607,683.24	596,068.48	(11,614.76)
San Diego	1,949,231.86	1,911,975.84	(37,256.02)
San Francisco	100,742.99	98,817.47	(1,925.52)
San Joaquin	760,694.30	746,155.01	(14,539.29)
San Luis Obispo	1,096,424.61	1,075,468.45	(20,956.16)
San Mateo	384,272.26	376,927.59	(7,344.67)
Santa Barbara	861,849.80	845,377.11	(16,472.69)
Santa Clara	634,624.89	622,495.19	(12,129.70)
Santa Cruz	363,356.20	356,411.30	(6,944.90)
Shasta	264,299.10	259,247.51	(5,051.59)
Sierra	14,316.37	14,042.74	(273.63)
Siskiyou	348,694.85	342,030.18	(6,664.67)
Solano	435,277.85	426,958.30	(8,319.55)
Sonoma	621,879.60	609,993.50	(11,886.10)
Stanislaus	508,551.33	498,831.30	(9,720.03)
Sutter	481,774.37	472,566.13	(9,208.24)
Tehama	139,271.37	136,609.45	(2,661.92)
Trinity	61,331.40	60,159.16	(1,172.24)
Tulare	719,558.88	705,805.82	(13,753.06)
Tuolumne	126,764.55	124,341.67	(2,422.88)
Ventura	578,076.36	567,027.48	(11,048.88)
Yolo	319,208.50	313,107.41	(6,101.09)
Yuba	183,757.29	180,245.10	(3,512.19)
Total	\$26,249,272.00	\$25,749,272.00	(\$500,000.00)
^{a/} Excluding the unclaimed gas tax reimbursement from the net county cost calculation.			

Unclaimed Gas Tax
Unofficial Allocations for 2003-04 Fiscal Year

Transfer amount from Motor Vehicle Fuel Account to the Ag. Fund	\$32,278,272
Less:	
F&A Code Section 224 (a) - Administration	500,000
F&A Code Section 224 (B) - Emergency Funding	1,000,000
Budget Act Language:	
Administration	650,000
Emergency Funding	800,000
County/State Liaison	179,000
Pest Detection/Trapping Program	2,900,000
Proposed Pro Rata Funding	500,000
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Total to Counties for Distribution Using Net County Expenses - F&A Code 224 (C)	\$25,749,272 /1

/1 This amount includes an increase of \$8,437,201 over the previous year's amount that was distributed to the county ag. commissioners.