

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 2016/17	Business Unit 8570	Department Food and Agriculture	Priority No. 8
Budget Request Name 8570-008-BCP-DP-2016-GB		Program 6590- GENERAL AGRICULTURAL ACTIVITIES	Subprogram

Budget Request Description
 Prevention of Animal Homelessness and Cruelty Program (AB 485)

Budget Request Summary

The California Department of Food and Agriculture is requesting \$194,000 in Prevention of Animal Homelessness and Cruelty Fund (Fund) authority to implement the provisions of Chapter 557, Statutes of 2015 (AB 485), which allows a taxpayer to designate that a specified amount in excess of their tax liability be transferred to the Fund to be distributed to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) Components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Crystal Myers	Date 9/18/2015	Reviewed By Melissa Eidson	Date 9/18/2015
Department Director <i>Kevin Masuhara</i>	Date <i>1-6-16</i>	Agency Secretary <i>Loren Ross</i>	Date <i>1/5/16</i>

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA <i>[Signature]</i>	Date submitted to the Legislature <i>1/2/16</i>
----------------------------	----------------------------------------------------

BCP Fiscal Detail Sheet

BCP Title: Prevention of Animal Homelessness and Cruelty Program Implementation (AB 485)

DP Name: 8570-008-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
Earnings - Permanent	0	6	6	6	6	6
Total Salaries and Wages	\$0	\$6	\$6	\$6	\$6	\$6
Total Staff Benefits	0	3	3	3	3	3
Total Personal Services	\$0	\$9	\$9	\$9	\$9	\$9
Operating Expenses and Equipment						
5301 - General Expense	0	1	1	1	1	1
54XX - Special Items of Expense	0	184	184	184	184	184
Total Operating Expenses and Equipment	\$0	\$185	\$185	\$185	\$185	\$185
Total Budget Request	\$0	\$194	\$194	\$194	\$194	\$194

Fund Summary

Fund Source - State Operations						
8097 - Prevention of Animal Homelessness and Cruelty Fund	0	10	10	10	10	10
Total State Operations Expenditures	\$0	\$10	\$10	\$10	\$10	\$10
Fund Source - Local Assistance						
8097 - Prevention of Animal Homelessness and Cruelty Fund	0	184	184	184	184	184
Total Local Assistance Expenditures	\$0	\$184	\$184	\$184	\$184	\$184
Total All Funds	\$0	\$194	\$194	\$194	\$194	\$194

Program Summary

Program Funding						
6590 - General Agricultural Activities	0	194	194	194	194	194
Total All Programs	\$0	\$194	\$194	\$194	\$194	\$194

Other Resources

Revenue						
8097 - Prevention of Animal Homelessness and Cruelty Fund	0	250	0	0	0	0
Total Revenue - All Funds	\$0	\$250	\$0	\$0	\$0	\$0

Personal Services Details

	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2016)	0	6	6	6	6	6
Total Salaries and Wages	\$0	\$6	\$6	\$6	\$6	\$6
Staff Benefits						
5150900 - Staff Benefits - Other	0	3	3	3	3	3
Total Staff Benefits	\$0	\$3	\$3	\$3	\$3	\$3
Total Personal Services	\$0	\$9	\$9	\$9	\$9	\$9

A. Budget Request Summary

The California Department of Food and Agriculture (CDFA) is requesting \$194,000 in Prevention of Animal Homelessness and Cruelty Fund authority to implement the provisions of Assembly Bill (AB) 485 (Williams, Chapter 557, Statutes of 2015), which allows a taxpayer to designate that a specified amount in excess of their tax liability be transferred to the fund to be distributed via grants to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness. The amount requested will be used to distribute the funding on a first-come, first-served basis to eligible recipients and fund administration activities for the grant program.

B. Background/History

Each year nearly one million healthy dogs and cats are born in California, and many of these animals find themselves without a home and are unfortunately euthanized. Studies have indicated that one way to help ease this problem is by encouraging people to spay or neuter their animals. Studies show the primary reasons people do not sterilize their pets are cost and lack of access to spay-neuter services.

AB 2291 (Mendoza, Chapter 328, Statutes of 2008) allowed a taxpayer to designate on their tax return that a specified amount in excess of their tax liability be transferred to the Municipal Shelter Spay-Neuter Fund to be distributed by CDFA to eligible municipal shelters on a first-come-first-served basis for the purposes of providing low-cost or free spay-neuter services. This designation last appeared on the California state tax return in 2009 due to a lack of annual contributions.

AB 564 (Smyth, Chapter 549, Statutes of 2011) allowed a taxpayer to designate on their tax return that a specified amount in excess of their tax liability be transferred to the Municipal Shelter Spay-Neuter Fund to be distributed by CDFA to eligible municipal shelters on a first-come-first-served basis for the purposes of providing low-cost or free spay-neuter services. This designation last appeared on the California state tax return in 2013 due to a lack of annual contributions.

AB 485 establishes a grant program within CDFA for eligible animal control agencies and municipal shelters. It requires the Prevention of Animal Homelessness and Cruelty Fund to meet a minimum contribution of \$250,000 per year to fund grants to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness. Up to 5% of the Prevention of Animal Homelessness and Cruelty Fund shall be used for the development of a mechanism to provide ongoing public awareness through activities that will promote the charitable tax deduction for the Prevention of Animal Homelessness and Cruelty Fund and seek continued contributions. The Prevention of Animal Homelessness and Cruelty Fund becomes effective starting July 1 of the following calendar year after it first appears on the tax return form and ongoing. Another contribution item on the form must be removed before the Prevention of Animal Homelessness and Cruelty Fund can be added.

C. State Level Considerations

The goal of AB 485 is to appeal to a wider selection of contributors by expanding the use of the contributions to include animal cruelty prevention and investigation. Supporters of the expanded program believe that due to recent animal cruelty cases in California there is an increased confidence that adding cruelty funding and response to the voluntary check off will draw new donors. Additionally, many states, including Colorado, Georgia, Illinois, Maine, Massachusetts, New York, Rhode Island, Utah, and Virginia have statewide pet programs (i.e. spay and neuter) funded by voluntary check-off contributions on personal income tax forms.

D. Justification

The Prevention of Animal Homelessness and Cruelty Fund grant program will be structured the same way as CDFA's Municipal Shelter Spay-Neuter Fund grant program, which last appeared on the California state tax return in 2013. Because both these programs were established to receive revenues

from contributions on individuals' state tax returns, CDFA is requesting an equivalent level of expenditure authority for the Prevention of Animal Homelessness and Cruelty Fund grant program as it had for the Municipal Shelter Spay-Neuter Fund grant program. CDFA will redirect ten percent of one existing Associate Governmental Program Analyst (AGPA) to update the grant application process and forms, solicit and evaluate on average 25 grant applications received annually on a first-come, first-served basis, distribute on average twelve disbursements annually to eligible animal control agencies and municipal shelters, and process invoice payments.

According to the American Society for the prevention of Cruelty to Animals, it is impossible to determine how many stray dogs and cats live in the United States; it is estimated to be around 70 million for cats alone. The average number of litters a fertile cat produces is one to two a year; the average number of kittens is four to six per litter. The average number of litters a fertile dog produces is one a year; the average number of puppies is four to six. Only 10% of the animals received by shelters have been spayed or neutered, while 83% of pet dogs and 91% of pet cats are spayed or neutered. The Prevention of Animal Homelessness and Cruelty Fund grant program will help the lower the statistics by allocating monies for the distribution of grants to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness.

E. Outcomes and Accountability

The outcome is to ensure that the voluntary contributions are used in accordance with Revenue and Taxation Code Section 18901. CDFA's Prevention of Animal Homelessness and Cruelty Fund grant program will distribute funds to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness. Prior to awarding funds, CDFA will ensure the animal control agencies and shelters are current on reporting requirements with the California Department of Public Health (CDPH), Veterinary and Public Health Section.

Projected Outcomes

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
Grant applications received	0	25	25	25	25	25
Grants awarded	0	12	12	12	12	12

F. Analysis of All Feasible Alternatives

Alternative 1: Provide \$194,000 in Prevention of Animal Homelessness and Cruelty Fund authority to implement the provisions of AB 485, which allows a taxpayer to designate that a specified amount in excess of their tax liability be transferred to the fund to be distributed via grants to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness.

Pro: This alternative would allow CDFA to meet the requirements of AB 485.

Con: This alternative increases CDFA expenditure authority and requires redirecting existing resources.

Alternative 2: Do not provide \$194,000 in Prevention of Animal Homelessness and Cruelty Fund authority to implement the provisions of AB 485 to be distributed via grants to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness.

Pro: This alternative would not increase CDFA expenditure authority.

Con: The objective for qualifying animal control agencies and shelters to support prevention and elimination of cat and dog cruelty and homelessness would not be accomplished as CDFA would not be able to disburse funds that were collected. CDFA would not be in compliance with the requirements of AB 485.

Alternative 3: Shift Responsibility to CDPH.

Pro: Since CDPH maintains the list of eligible municipal shelters and already has established relationships with them through their Veterinary Public Health Section, this program may fit into CDPH's structure and mission. This shift in responsibilities could be done through an Interagency Agreement.

Con: CDPH may not have resources to effectively implement the program.

Alternative 4: Shift Responsibility to Franchise Tax Board (FTB).

Pro: FTB processes returns for each tax year starting January of the year filed. FTB is responsible for tracking the annual contribution amount and notifying and transferring funds to the State Controller's Office. This shift in responsibility could be done through an interagency agreement.

Con: FTB may not have the resources to effectively implement the program.

G. Implementation Plan

CDFA will redirect ten percent of one existing AGPA to update the grant application process and forms, solicit and evaluate on average 25 grant applications received annually on a first-come, first-served basis, distribute on average twelve disbursements annually to eligible animal control agencies and municipal shelters, and process invoice payments starting July 1 of the following calendar after the contribution first appears on the tax return form.

H. Supplemental Information

None

I. Recommendation

CDFA recommends approval of Alternative 1, provide \$194,000 in Prevention of Animal Homelessness and Cruelty Fund authority to implement the provisions of AB 485, which allows a taxpayer to designate that a specified amount in excess of their tax liability be transferred to the fund to be distributed via grants to eligible animal control agencies and shelters for the sole purpose of supporting spay and neuter activities that would result in the prevention and elimination of cat and dog cruelty and homelessness. This would allow CDFA to implement the requirements of AB 485.