

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. 6
Budget Request Name 8570-006-BCP-DP-2016-GB		Program <b>6570 – AGRICULTURAL PLANT AND ANIMAL HEALTH; PEST PREVENTION; FOOD SAFETY SERVICES</b> <b>6575 – MARKETING; COMMODITIES AND AGRICULTURAL SERVICES</b>	Subprogram

Budget Request Description  
 Use of Antimicrobial Drugs on Livestock (SB 27)

Budget Request Summary

The California Department of Food and Agriculture requests 8.0 permanent positions and \$1.393 million General Fund in Fiscal Year 2016-17 and ongoing for the Animal Health and Food Safety Services and Inspection Services Divisions to implement Chapter 758, Statutes of 2015 (SB 27).

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 No	Code Section(s) to be Added/Amended/Repealed	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. <input type="checkbox"/> FSR <input type="checkbox"/> 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 Kimberly McCarthy	Date 12/17/15	Reviewed By Dr. Annette Jones Rick S. Jensen	Date 12/17/2015
Department Director <i>Kevin Masuh</i>	Date <i>1-5-16</i>	Agency Secretary <i>Karen 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>1/7/16</i>
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# BCP Fiscal Detail Sheet

BCP Title: Use of Antimicrobial Drugs on Livestock (SB 27)

DP Name: 8570-006-BCP-DP-2016-GB

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	8.0	8.0	8.0	8.0	8.0
<b>Total Positions</b>	<b>0.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
Salaries and Wages						
Earnings - Permanent	0	627	627	627	627	627
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$627</b>	<b>\$627</b>	<b>\$627</b>	<b>\$627</b>	<b>\$627</b>
Total Staff Benefits	0	294	294	294	294	294
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$921</b>	<b>\$921</b>	<b>\$921</b>	<b>\$921</b>	<b>\$921</b>
Operating Expenses and Equipment						
5301 - General Expense	0	8	8	8	8	8
5302 - Printing	0	5	5	5	5	5
5304 - Communications	0	14	14	14	14	14
5306 - Postage	0	2	2	2	2	2
5320 - Travel: In-State	0	37	37	37	37	37
5322 - Training	0	2	2	2	2	2
5324 - Facilities Operation	0	24	24	24	24	24
5340 - Consulting and Professional Services - External	0	100	100	100	100	100
5342 - Departmental Services	0	260	260	260	260	260
5346 - Information Technology	0	20	20	20	20	20
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$472</b>	<b>\$472</b>	<b>\$472</b>	<b>\$472</b>	<b>\$472</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>
<b>Fund Summary</b>						
Fund Source - State Operations						
0001 - General Fund	0	1,393	1,393	1,393	1,393	1,393
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>

## Program Summary

Program Funding						
6570 - Agricultural Plant and Animal Health; Pest Prevention; Food Safety Services	0	843	843	843	843	843

6575 - Marketing; Commodities and Agricultural Services	0	550	550	550	550	550
<b>Total All Programs</b>	<b>\$0</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>	<b>\$1,393</b>

**Personal Services Details**

		<b>Salary Information</b>								
Positions		Min	Mid	Max	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
0176	- Veterinarian - Specialist (Gen) (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
0177	- Veterinarian (Gen) (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
0762	- Environmental Scientist (Eff. 07-01-2016)				0.0	0.5	0.5	0.5	0.5	0.5
5393	- Assoc Govtl Program Analyst (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
5578	- Research Scientist I (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
5587	- Research Scientist II (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
5649	- Research Scientist Supvr I (Eff. 07-01-2016)				0.0	0.5	0.5	0.5	0.5	0.5
5650	- Research Scientist Supvr II (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
8548	- Supvng Special Investigator I (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
<b>Total Positions</b>					<b>0.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

Salaries and Wages		<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
0176	- Veterinarian - Specialist (Gen) (Eff. 07-01-2016)	0	91	91	91	91	91
0177	- Veterinarian (Gen) (Eff. 07-01-2016)	0	79	79	79	79	79
0762	- Environmental Scientist (Eff. 07-01-2016)	0	28	28	28	28	28
5393	- Assoc Govtl Program Analyst (Eff. 07-01-2016)	0	62	62	62	62	62
5578	- Research Scientist I (Eff. 07-01-2016)	0	67	67	67	67	67
5587	- Research Scientist II (Eff. 07-01-2016)	0	73	73	73	73	73
5649	- Research Scientist Supvr I (Eff. 07-01-2016)	0	45	45	45	45	45
5650	- Research Scientist Supvr II (Eff. 07-01-2016)	0	107	107	107	107	107
8548	- Supvng Special Investigator I (Eff. 07-01-2016)	0	75	75	75	75	75
<b>Total Salaries and Wages</b>		<b>\$0</b>	<b>\$627</b>	<b>\$627</b>	<b>\$627</b>	<b>\$627</b>	<b>\$627</b>

Staff Benefits

5150900 - Staff Benefits - Other

**Total Staff Benefits**

**Total Personal Services**

0	294	294	294	294	294
<b>\$0</b>	<b>\$294</b>	<b>\$294</b>	<b>\$294</b>	<b>\$294</b>	<b>\$294</b>
<b>\$0</b>	<b>\$921</b>	<b>\$921</b>	<b>\$921</b>	<b>\$921</b>	<b>\$921</b>

## Analysis of Problem

### A. Budget Request Summary

The California Department of Food and Agriculture (CDFA), requests 8.0 permanent positions and \$1.393 million General Fund in Fiscal Year (FY) 2016-17 and ongoing to initiate implementation of SB 27. SB 27 introduces new limits on antibiotic use in livestock; provides for antimicrobial availability through licensed retail stores and/or new regulations that address access; requires that CDFA develop antimicrobial stewardship guidelines including antibiotic selection and administering policy for veterinarians and best management practices for veterinarians, farmers and ranchers; requires CDFA to track antimicrobial sales as well as collect information about farm practices; comprehensively sample pathogens to analyze for resistance trends; and prepare a report for the Legislature by 2019. SB 27 includes enforcement language and also allows for the use of federal mechanisms to gather data but requires CDFA to ensure adequate and specified data is collected. The required development of stewardship and best management practices do not currently exist as described in SB 27. This will be the Nation's first comprehensive model stewardship program with initiatives for each species and production type important to California.

SB 27 directs CDFA to seek funds from federal, state, and other sources to support the workload. General Fund funding will be used for initial implementation until other resources can be obtained.

### B. Background/History

The mandates of SB 27 significantly impact several of CDFA's current regulatory activities and functions within the Animal Health and Food Safety Services' (AHFSS) Animal Health Branch (AHB), the California Animal Health and Food Safety Laboratory System (CAHFS), and Inspection Services' (IS) Feed, Fertilizer, and Livestock Drugs Regulatory Services Program (FFLDRS).

#### *Animal Health and Food Safety Services Division*

In 1899, the California Legislature established the office of the California State Veterinarian to "protect the health of all domestic animals of the state." While the mission of the State Veterinarian has remained the same, changes in agriculture and public health have influenced the responsibilities and functions of AHB to diversify. AHB is the State's organized professional veterinary medical unit that protects livestock populations, consumers, and California's economy from catastrophic animal diseases and other health or agricultural problems to help ensure available, affordable, and wholesome food. The staff focuses on diseases and problems that cannot be successfully controlled on an individual animal or herd level, but rather require statewide coordinated resources and work with the CAHFS Laboratory on rapid diagnostic testing in the case of large-scale animal health outbreaks.

#### *California Animal Health and Food Safety Laboratory System*

CAHFS Laboratory is the State entity responsible for providing rapid diagnostic testing for animal health diseases, and those diseases that affect humans. The laboratory is part of the National Animal Health Laboratory Network, which has been included as a component of national surveillance efforts in President Obama's Action Plan for combating antimicrobial resistance.

#### *Inspection Services Division*

CDFA's FFLDRS Program's primary focus is to ensure a clean and wholesome supply of meat, milk and eggs. FFLDRS regulates over-the-counter livestock drugs and assures that such drugs are available to livestock producers for their use in protecting the health of California's livestock population, and that such use will in turn benefit the general public by providing an abundant supply of wholesome food and fiber. This is performed through regulating the manufacturing, labeling, and use of feed and livestock drugs. A Program Registration Specialist reviews the livestock drugs for safety and efficacy based on the Federal Food and Drug Administration's (FDA) review and approval. More specifically, livestock drugs intended for food production animals shall not be used to cause a drug residue in food products derived from these animals. FFLDRS is funded by licensing and registration fees.

SB 27 prohibits the administration of medically important antimicrobial drugs to livestock unless ordered by a licensed veterinarian and would prohibit the use of such drugs for the purposes of promoting

## Analysis of Problem

weight gain or improving feed efficiency. Once the program is fully funded and implemented, the Department (in consultation and cooperation with university researchers) will develop antimicrobial stewardship guidelines and best management practices on the proper use of these drugs as well as gather information on sales and usage, antimicrobial resistant bacteria, and livestock management practice data.

### C. State Level Considerations

This proposal is consistent with the Governor's Office policy and priority of protecting the health and safety of the citizens of California and the environment. It is in accordance with the primary mission of CDFA, which is to promote and protect a safe and healthy food supply and to enhance local and global agricultural trade, through efficient management, innovation and sound science, with a commitment to environmental stewardship. This proposal is also in agreement with CDFA's strategic plan to optimize resources through collaboration, innovation, and process improvements.

### D. Justification

The overuse and misuse of antibiotics, especially antibiotics important in human medicine, contribute to antibiotic resistance which is a growing public health threat. Inappropriate antibiotic use and overuse in humans primarily drives the development of antibiotic resistance that threatens public health, but there is also a concern about antibiotic use in livestock and poultry. To address the issues of antibiotic use in livestock and poultry, SB 27 does the following: 1) Ensures veterinary oversight by requiring prescriptions or veterinary feed directives for all medically important antibiotics administered to livestock; 2) Prohibits the use of medically important antimicrobials for growth promotion and limits preventative use; 3) Requires CDFA to develop studies and gather data related to medically important antimicrobial sales and usage in livestock and poultry, different livestock management practices and health outcomes, and levels of antibiotic resistance in the environment associated with farm animals and products from animals; and 4) Requires CDFA to develop antibiotic stewardship tools and best animal management practices that mitigate the development of antibiotic resistance while maintaining health outcomes.

To meet these mandates, CDFA will need to:

- Provide outreach and enforcement of the appropriate use of all medically important antimicrobials in livestock, including those approved by FDA, for over-the-counter sales but whose use is restricted in California to include mandated veterinary oversight. The scope will include efforts targeting retailers, distributors, wholesalers, feed mills, veterinarians and the owners of the more than 75 million livestock in California. Special effort will have to be made to address animal health needs in areas where there are no veterinarians available, and to ensure uses relative to internet sales are compliant.
- Develop and participate in antimicrobial use tracking and studies that consider use, surveillance for pathogen resistance, animal husbandry and animal health outcomes. The scope includes efforts targeting the estimated 50,000 farms and 9,000 veterinarians in California and participation in existing initiatives and supplements to ensure results positively impact activities that may reduce antimicrobial resistance in California. Surveillance includes supplemental annual funding for the CAHFS Laboratory to monitor on-farm and retail pathogen resistance patterns.
- Sponsor projects or collaborate with others to promote and develop training materials and decision-making tools for veterinarians and animal owners that support good stewardship practices. Human models will be useful but are very limited considering they only apply to one species. The required development of stewardship and best management practices will be the Nation's first comprehensive model programs, and will need to be developed for each species or production type since disease threats and best practices will differ.

## Analysis of Problem

To implement the requirements of this bill in the initial year and in a limited on-going capacity, CDFA requests 8.0 positions and \$1.393 million in FY 2016-17 and ongoing. The activities required by SB 27 are new to current programs and require additional funding and positions to accomplish. The funds and positions identified will not be sufficient to carry out the entire mandate of SB 27, but will provide resources for functions to a limited extent. The functions can be broken down into four areas. Staff associated with these activities will be used to best leverage existing infrastructure.

- Program Administration
- Regulated Use of Antibiotics in Livestock (Food and Agricultural Code (FAC) Sections 14400 – 14403, 14406, 14408)
- Monitoring of Sales, Use, Management Practices, and Resistant Pathogens (FAC Sections 14405-14407)
- Stewardship Guidelines and Best Management Practices (FAC Section 14404)

### **Program Administration** **(2.5 Positions, \$416,000 ongoing)**

1.5 management positions (1.0 Research Scientist Supervisor II and 0.5 Research Scientist Supervisor I) will be responsible for providing operational, as well as, personnel and budgetary oversight, including soliciting Federal, State, and other funding to support program activities per the requirements of SB 27. In order to implement SB 27, 1.0 Associate Governmental Program Analyst is requested to promulgate new regulations to implement program activities and be responsible for budgetary and expenditure tracking, contract and procurement analysis, and compilation of status reports including the report for the Legislature as mandated in FAC Section 14405. SB 27 mandates other functions such as website maintenance; inspection and sampling records control; correspondence, including enforcement actions; and, answering public and industry inquiries, including potentially extensive public information requests. These and other similarly mandated administrative and support functions will not be carried out until SB 27 is fully funded.

### **Regulated Use of Antibiotics in Livestock (FAC Sections 14400 – 14403, 14406, 14408)** **(1.0 Position, \$261,000 ongoing)**

California will be the only state in the Nation that no longer allows any medically important antibiotics to be sold over-the-counter. While the Federal government is concurrently encouraging this shift for antibiotics used in feed and water, the use of oral and injectable products have not been addressed. For example, prior to SB 27, people can purchase medicated livestock feed antibiotics that can be mixed in water, and drugs like injectable penicillin or tetracycline from a retail store without the involvement of a veterinarian. SB 27 makes these sales illegal as well as changes the conditions for treatment. Because some antibiotics can still be obtained in other states without a prescription, implementation of these provisions will require extensive engagement with the tens of thousands of farmers and ranchers in the State, as well as with approximately 9,000 veterinarians. All impacted parties will need to understand the law, ensure it is followed and keep records that make compliance clear.

FAC Sections 14401 and 14402 state that beginning January 1, 2018, all medically important antimicrobial drugs be administered only under the order of a licensed veterinarian through a prescription or a veterinary feed directive for specified purposes. Allowed uses include treating or controlling the spread of a disease or infection, in relation to surgery or a medical procedure, or to prevent the contraction of a particular disease known to occur in a specific situation, and specifically prohibits use for the purposes of growth promotion and feed efficiency. FAC Section 14403 provides that medically important antimicrobial drugs may be sold by retailers with a prescription or a veterinary feed directive from a licensed veterinarian. These retailers include feed stores and livestock supply vendors that are currently licensed by CDFA to sell restricted livestock drugs. Restricted livestock

## Analysis of Problem

drugs are any livestock drugs that are sold in such form that might be administered to humans or, if improperly administered, are dangerous to the health of livestock or to humans who consume animal products. Under the authority of FAC Section 14406, CDFA has the authority to request and receive copies of veterinary feed directives from the livestock owner, veterinarian, or distributor to fully implement the provisions of this chapter. Likewise, CDFA has the authority to enforce Chapter 4.5 of the FAC through Section 14408.

While the policy initiative regarding allowable use previously described does not go into effect until 2018, limited compliance work must begin immediately (1.0 Supervising Special Investigator). CDFA must have baseline compliance data to evaluate the first in the nation policies on use when they come into effect. Therefore, the initial implementation of these requirements will require FFLDRS to gather data and conduct outreach and education related to feedmills and registered retail store antibiotic sales. Mandated compliance workload or full implementation in 2018, including outreach to veterinarians and livestock producers, inspection of regulated entities and enforcement activities will not occur until SB 27 is fully funded.

### **Monitoring of Sales, Use, Management Practices, and Resistant Pathogens (FAC Sections 14405-14407)**

**(2.5 Positions, \$396,000 ongoing)**

FAC Section 14405 requires CDFA to gather information on antibiotic sales, antibiotic usage, antibiotic resistant bacteria and livestock management practice data. This work must include collecting representative samples from California's major livestock segments, regions with considerable livestock production and representative segments of the food production chain. CDFA will coordinate efforts with the National Antimicrobial Resistance Monitoring System and National Animal Health Monitoring System in order to leverage information and avoid duplication of effort. CDFA must report the results of the outreach activities and monitoring and advise whether participation is sufficient to the Legislature by January 1, 2019.

In order to effectively meet these mandates, CDFA must develop systems for gathering information, longitudinal studies, and mechanisms for gathering and evaluating all of the diverse variables that may be effecting the development of resistance in not just one species but in all of the livestock species and production systems. These efforts include gathering animal management and antibiotic use data from veterinarians, livestock owners and managers, feed mills, retail antibiotic sales and resistant pathogens found from animals or specimen samples submitted to the CAHFS Laboratory by CDFA program staff or animal owners. CDFA requests 2.5 positions to perform the aforementioned requirements (1.0 Research Scientist II, 1.0 Veterinarian (General) and 0.5 Environmental Scientist).

In order to implement SB 27, CDFA will contract with the CAHFS Laboratory for pathogen surveillance and antimicrobial resistance testing of samples collected under the statewide monitoring program. To initiate implementation, the funding request (\$50,000 in FY 2016-17 and ongoing) will be used as seed funding to purchase equipment for resistance testing and gain the technical expertise needed to initiate monitoring studies. Additional funds will be sought to fully support a sampling program as mandated under SB 27. Sampling is a crucial component to gathering data, as CDFA must know how the use of medically important antimicrobial drugs impacts the development of resistance in order to substantiate existence of drug resistant bacteria or suggested modifications to drug usage practices. In order to accurately represent the interpretation of data, it is important to gather samples both from pre- and post-change of allowable use going into effect.

### **Stewardship Guidelines and Best Management Practices (FAC Section 14404)**

**(2.0 Positions, \$320,000 ongoing)**

FAC Section 14404 requires CDFA to consult with the Veterinary Medical Board (VMB), the State Department of Public Health, universities, and cooperative extensions, to develop antimicrobial stewardship guidelines and best management practices for veterinarians, as well as livestock owners

## Analysis of Problem

and their employees who are involved in administering medically important antimicrobial drugs, on the proper use of medically important antimicrobial drugs for disease treatment, control, and prevention. The guidelines will include scientifically validated practical alternatives to the use of medically important antimicrobial drugs, including, but not limited to, the introduction of effective vaccines and good hygiene and management practices.

Comprehensive antibiotic stewardship programs, especially when combined with hospital best practices, have been shown to be effective when applied to human health situations, but have never been fully developed for the approximately 20 different livestock and poultry species and/or production classes in California. Stewardship and related management best practices require understanding diseases common to each species/production type, factors that influence disease status, existing resistance patterns of most common pathogens for each, actions that effectively mitigate resistance, health outcomes associated with various actions, practicality of successfully implementing certain measures in a farm setting, specific antibiotic use decision-making tools and effectiveness monitoring. Because effective guidelines and best management practices will require extensive initial investigation and development, and will need to be developed for the approximately 20 different livestock and poultry species/production types in California (which will require work from different specialists), a mix of permanent staffing (1.0 Veterinarian (Specialist) and 1.0 Research Scientist I) and \$50,000 for contracted research and development through a competitive process will be most effective and efficient. Further, a phased approach will need to be used to manage the workload at a practical pace. If additional funding cannot be attained, this funding should allow for full implementation of FAC 14404 by approximately 2025. If additional funding can be obtained, the implementation timeframe will occur sooner.

### E. Outcomes and Accountability

The requested funding will be used to fund 8.0 permanent positions and ensure compliance with SB 27.

Workload activity and hours will be tracked through a web-based Task Tracker which provides detail on the activities of staff and will make it possible to more accurately allocate work, balance workloads, and assist in the program budget development process. The requested resources will be managed through monthly budget projections, expenditure forecasting, and the California State Accounting and Reporting System.

The contractual agreement between CDFA and the CAHFS Laboratory and universities will prescribe the terms of use for requested resources and outline the authorities responsible for execution and oversight of the scope of work.

### F. Analysis of All Feasible Alternatives

**Alternative #1:** Approve 8.0 permanent positions and \$1.393 million General Fund in FY 2016-17 and ongoing to ensure CDFA's compliance with SB 27.

**Advantages:** This will provide CDFA with the inspection, scientific, enforcement and administrative staff necessary to meet the beginning steps of its mandate of developing guidelines and training materials on the proper use of medically important antimicrobial drugs, to gather information on antimicrobial drug sales and usage, antimicrobial resistance bacteria and livestock management practices data and enforce the provisions of this language. This will also help to protect both human and animal health from the risks associated with antimicrobial resistance.

**Disadvantages:** This alternative increases the obligation to the General Fund. In addition to this, the mandated workload of SB 27 is not fully funded and will need to be addressed in future proposals.

**Alternative #2:** Do not increase CDFA's General Fund authority to ensure compliance with SB 27.

## Analysis of Problem

**Advantages:** There will be no obligation to the General Fund.

**Disadvantages:** If CDFA's General Fund authority is not increased, CDFA will not have the resources necessary to implement the mandates outlined in SB 27 putting both human and animal health at continued risk from antimicrobial resistance to medically important drugs. Without the critical regulatory oversight of antimicrobial drug usage including, but not limited to, enforcement of allowable drug sales and use provisions, ongoing monitoring of antibiotic resistance in livestock and food production systems, and science-based outreach efforts to mitigate drug resistance through modifications in drug use practices, both humans and animals will be at growing risk of antimicrobial resistant bacterial infections.

**Alternative #3:** Pursue industry funding.

**Advantages:** There will be no obligation to the General Fund.

**Disadvantages:** Generally, industry pays fees to CDFA for services rendered. This bill is intended to gather information to make educated and informed decisions about future recommendations on this topic. It is unlikely that the industry will support raising government fees for a program that does not provide a direct service to industry needs.

**Alternative #4:** Pursue funding from the Federal government.

**Advantages:** There will be no obligation to the General Fund.

**Disadvantages:** The current proposal reflects the assumption of fully seeking federal support and leveraging federal programs. Currently, there are no additional federal funding opportunities available.

### G. Implementation Plan

Effective July 1, 2016, CDFA will recruit to fill 8.0 permanent positions required to implement the initial phases of SB 27 that focus on antibiotic use monitoring and the initial development of model antibiotic stewardship practices. CDFA will also contract with the CAHFS Laboratory to begin to develop the capability for resistant pathogen monitoring and seek competitive contracts for research related to the initial stewardship module. CDFA will also continually re-evaluate program needs and funding opportunities, and seek funding to support full implementation before January 1, 2018.

### H. Supplemental Information

This proposal requests \$100,000 in FY 2016-17 and ongoing for CDFA to contract with the CAHFS Laboratory and to fund competitive research grants to other entities to gain the technical expertise needed to initiate monitoring studies and lay the foundation for the stewardship program. This proposal also includes one-time costs for communication equipment, computers, and software.

### I. Recommendation

CDFA recommends approval of Alternative #1 for 8.0 permanent positions and \$1.393 General Fund in FY 2016-17, and ongoing to protect both human and animal health from the risks associated with antimicrobial resistance and enforce the appropriate use of all medically important antimicrobials in livestock under the direction of a veterinarian, including those approved by FDA, for over-the-counter sales. This will provide CDFA a baseline number of administrative, scientific, inspection, and enforcement support staff to initiate the mandates set forth in SB 27 ensuring the protection of both human and animal health from the risks associated with antimicrobial resistance.