

**DEPARTMENT OF FINANCE BILL ANALYSIS**

**AMENDMENT DATE:** June 22, 2010  
**POSITION:** Neutral, note concerns

**BILL NUMBER:** SB 1138  
**AUTHOR:** G. Cedillo

**BILL SUMMARY: Horsemeat and Pet Food: Rendering Advisory Board**

This bill would establish a Rendering Industry Advisory Board (Board), as specified, with appointments by the Secretary of Food and Agriculture. This bill would provide that the Board shall advise the Secretary and would make recommendations on all matters relating to rendering, including (but not limited to) the inspection and enforcement program, the annual budget, necessary fees to provide adequate services, and regulations.

**FISCAL SUMMARY**

This bill would specify that Board members shall receive no salary, but are entitled to payment of necessary traveling expenses that shall be paid out of the appropriations made to the California Department of Food and Agriculture (CDFA). Although the CDFA anticipates that the traveling expenses likely would be negligible, the CDFA also indicates that administrative support for the Board may be burdensome because of the level of detail described related to program oversight. This may increase workload for the CDFA. To the extent that additional resources are needed, we note that such expenditures would not require an appropriation because the resources would be industry-funded and would not flow through the CDFA's budget. We also note that this measure would require the Board to be audited annually, as provided. However, it is not clear how the cost of the audit would be paid. Should the cost be paid for by the CDFA, this may increase the need for additional resources.

**COMMENTS**

The Department of Finance is neutral on this bill. However, we note concerns that this bill could increase workload for the CDFA and impose a cost pressure on existing funding levels.

Current law establishes CDFA's authority to regulate persons engaged in the businesses of rendering, pet food processing, dead animal hauling, and transporting inedible kitchen grease.

This bill would establish a Board, as provided, to help increase communication between the CDFA and members of the rendering industry.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
		LA	PROP	2010-2011			2011-2012		
	CO	98	FC	FC	FC	FC	FC	FC	
8570/Food & Ag	SO	No		----- See Fiscal Summary -----					0111
<u>Fund Code</u>	<u>Title</u>								
0111	Department of Agriculture Account, Ag Fd								

Analyst/Principal (0222) J. Fitzpatrick	Date	Assistant Program Budget Manager Nona Martinez	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)