

REPORT TO THE TWENTY-FIFTH LEGISLATURE  
2009 REGULAR SESSION

REQUIRING THE BOARD OF AGRICULTURE TO REPORT ANNUALLY  
ON ALL MONEYS DEPOSITED INTO AND DISBURSED FROM  
THE PESTICIDE USE REVOLVING FUND

In Response to Act 154, Session Laws of Hawaii 2000

STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE  
HONOLULU, HAWAII

October 2008

**PESTICIDE USE REVOLVING FUND  
Annual Report to Legislature for Fiscal Year 2008**

**Background**

In the Twentieth State Legislature, Regular Session of 2000, Act 154 was passed which amended Chapter 149A-13.5 to add subsection (f), which requires the Department of Agriculture to submit an annual report to the legislature on all moneys deposited into and disbursed from the pesticide use revolving fund. The following information is reported:

1. Licensing and registration fees and charges collected by the department for pesticides products and training fees;
2. Expenditures for registration and licensing, certification and education, and compliance monitoring activities;
3. Fees set for educational services and training;
4. Interest earned on the deposit or investment of the funds; and
5. Balance lapsed into the State general fund.

**Executive Summary**

This report covers the period from July 1, 2007 to June 30, 2008.

Revenue: The primary source of revenue is from licensing pesticide products. The pesticide product license fee for this period was \$270 for a three-year license. Approximately \$832,785 was collected from pesticide product licensing. A total of \$100 in training fees was collected. Most of the educational activities of the pesticides program staff are associated with other programs offered by the University of Hawaii, the Hawaii Pest Control Association, and the Landscape Industry Council of Hawaii. These organizations charge a fee and the Department's staff participate in these activities without compensation. If a special class or session is necessary to provide a certification opportunity for an individual or group, a training fee of \$25.00 per hour plus travel costs is assessed.

Interest earned from the pesticide use revolving fund was \$52,986.

Transfer of funds for vacation leave credit: \$2,206.

Total revenue for FY 2008 for the Pesticide Use Revolving Fund: \$888,077.

Expenditures: Four (4) positions in the registration and certification section are charged to this fund. Personnel costs accounted for about \$220,654 of the \$691,030 operating expenditures. Five (5) contracts and part of an audit contract were funded during fiscal year 2008, encumbering \$440,103. Funds returned to the general fund during FY 2008: \$205,104.

Funds encumbered in prior fiscal years affect the balance reported in the fund. The following summary shows all fund activity regardless of the year the funds were encumbered:

Fund balance on July 1, 2007 .....	\$815,365
Receipts .....	\$888,077
FY 2008 expenditures .....	\$691,030
Fund balance on June 30, 2008.....	\$1,012,412
All outstanding encumbrances .....	\$630,934

**A. Pesticide Use Revolving Fund Revenue:**

Licensing and registration fees and charges collected by the Department for pesticides products and training fees are the two sources of revenue for the Pesticides Use Revolving Fund. In FY 2008, \$832,785 in licensing fees was collected. Pesticide licensing fees were increased from \$225 for three years to \$270 for three years beginning on January 1, 2007.

Pesticides training fees collected by the Department for FY 2008 were \$100. A few other trainers provide fee for service training and to avoid State competition where either the University or private trainers can provide training at a reasonable cost, Department staff only provide training when there is a shortage of training opportunities, and fees of \$25.00 per hour and travel costs is charged.

**B. Pesticide Use Revolving Fund Expenditures**

Expenditures for registration and licensing, certification and education, and compliance monitoring activities for funds in fiscal years prior to FY 2008 and disbursed during FY 2008 totaled \$185,438. Funds expended or obligated in FY 2008 are as follows:

**1. Registration and Licensing**

Personnel costs for four (4) staff in the Certification and Registration Section were charged to the pesticide use revolving fund. Two (2) of these positions are vacant. Overtime has been authorized to keep up with pesticides licensing. These personnel are the section chief and registration specialists, who are most directly related to the licensing of pesticides and collecting of pesticide-licensing fees. Personnel costs were \$220,654.

The following projects were funded in this area:

<b>Project</b>	<b>Contractor</b>	<b>Amount</b>
Quality Assurance for Pesticide Residue Testing	University of Hawaii, College of Tropical Agriculture and Human Resources, Molecular Bioscience and Biochemical Engineering	\$63,920
Test Effectiveness of Potassium Bicarbonate for Coqui Frog Control	U.S. Department of Agriculture, Animal Plant and Health Inspection Services, Wildlife Damage Research Station, Hilo	\$31,250

Miscellaneous expenses for this activity area include microcomputers, office supplies, subscriptions, postage and delivery charges, and other miscellaneous expenses. Total support from the pesticide use revolving fund for pesticides registration and licensing was approximately \$323,000.

**2. Certification and Education**

The Department supported a series of pesticides drift workshops organized by the Hawaii Farm Bureau Federation. Crop Life America also supported these workshops. \$7,000 from the pesticides use revolving fund was used for these workshops.

**3. Compliance Monitoring**

Compliance monitoring expenses were related to purchasing scientific supplies, laboratory equipment, other materials and supplies and rental, repair and maintenance of equipment. In addition funding is used to pay for utility costs at the Chemical Analyses Laboratory.

The following projects were funded in this area:

<b>Project</b>	<b>Contractor</b>	<b>Amount</b>
Collection of Unwanted Pesticides	EnviroServices and Training Center	\$250,000
Testing Groundwater Samples for Pesticide Contaminants	U.S. Geological Survey (Purchase Order)	\$48,000
Testing Unknown Chemicals for Eligibility for Collection as Pesticide Waste	University of Hawaii (Purchase Order)	\$46,000

Total funds spent in compliance monitoring and other projects as about \$360,000.

**C. Training Fees Established:** A fee of up to \$25.00 per hour of educational services or training provided by the Department was established. The effective date of this fee was December 16, 2006.

**D. Interest Earned:** \$52,986.

**E. Funds returned to General Fund:** \$205,104.