

**REPORT TO THE TWENTY-SIXTH LEGISLATURE
2011 REGULAR SESSION**

**ANNUAL REPORT 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 2010

**PESTICIDE USE REVOLVING FUND
Annual Report to Legislature for Fiscal-Year 2010**

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, 2009 to June 30, 2010.

Revenue: The primary source of revenue is from licensing pesticide products. The current pesticide product license fee is \$330 for a three-year license. Approximately \$942,070 was collected from pesticide product licensing. A total of \$872 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 \$16,456.

Transfer of funds for vacation leave credit: \$10,058.

Total revenue for FY 2010 for the Pesticide Use Revolving Fund: \$969,455.

Expenditures: Seven (7) positions in the registration and certification section are charged to this fund. Personnel costs accounted for about \$372,845 of the \$422,266 in operating expenditures. Funds returned to the General Fund during FY 2010: \$531,288.93.

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, 2009.....	\$1,292,634
Receipts	\$ 969,455
FY 2009 expenditures	\$1,203,823
Fund balance on June 30, 2010	\$1,058,266
All outstanding encumbrances.....	\$276,978
Funds returned to General Fund.	\$531,288

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 2010, \$942,070 in licensing fees was collected.

Pesticides training fees collected by the Department for FY 2010 were \$872. 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 and disbursed during FY 2010 totaled \$781,557. Funds expended or obligated in FY 2010 are as follows:

Personnel costs for seven (7) staff in the Registration and Certification Section were charged to the pesticide use revolving fund. One (1) of these positions is vacant. These personnel are the section chief, three (3) registration specialists of the Registration and Technical Review Unit, who are most directly related to the licensing of pesticides and collecting of pesticide-licensing fees, and three (3) staff in the Certification and Registration Section were charged to the pesticide use revolving fund. These personnel are who are most directly related to the licensing of pesticides and collecting of pesticide-licensing fees. Personnel costs were \$372,845.

1. Registration and Technical Review

Miscellaneous expenses for this activity area include 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 \$13,148.

2. Certification and Education

Miscellaneous expenses for this activity include office supplies and intrastate travel associated with administering certification tests on Kauai. Total support from the pesticide use revolving fund for the certification and education program was approximately \$13,261.

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.

Total funds spent in compliance monitoring and other projects as about \$23,012.

- 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:** \$16,456.
- E. Funds returned to General Fund:** \$531,288.93.