

STATE OF HAWAII
DEPARTMENT OF AGRICULTURE
HONOLULU, HAWAII

REPORT TO THE TWENTY-SECOND LEGISLATURE, 2004 REGULAR SESSION

IN RESPONSE TO ACT 154
OF THE TWENTIETH LEGISLATURE 2000, REGULAR SESSION
REQUIRING THE BOARD OF AGRICULTURE TO REPORT ANNUALLY
ON ALL MONEYS DEPOSITED INTO AND DISBURSED FROM
THE PESTICIDE USE REVOLVING FUND

January 2004

PESTICIDE USE REVOLVING FUND

Annual Report to Legislature for Fiscal Year 2003

Background

In the Twentieth State Legislature, Regular Session of 2000, Act 154 was passed which amended Chapter 149A-13.5 to add a 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, 2002 to June 30, 2003.

Revenue: The primary source of revenue is from licensing pesticide products. The current pesticide license fee is \$225 for a three-year license. Approximately \$621,075 was collected from pesticide product licensing. There are no fees charged for training. Most of the educational activities of the pesticides program staff are associated with another program such as the University of Hawaii, the Hawaii Pest Control Association, Hawaii Turf Grass Association and Crop Care Hawaii. Most of these organizations charge a fee and the Department's staff participate in these activities without compensation. Interest earned from the pesticides use revolving fund was \$21,566.11.

Expenditures: Four (4) positions in the registration and certification section are charged to this fund. Personnel costs accounted for about \$240,636 of the \$675,000 budget. Five contracts were issued during fiscal year (FY) 2003, encumbering \$165,747. Total operating expenses, including amounts paid on current contracts was \$228,021.26. The amount of cash returned to the general fund was \$128,364.47.

Funds encumbered in prior fiscal years affect the balance reported in the fund. To show all fund activity regardless of the year the funds were encumbered, the following summary is provided:

Fund balance on July 1, 2002	\$661,252
Receipts	\$658,261
FY-2003 expenditures.	\$739,558
All outstanding encumbrances	\$201,690
Fund balance on June 30, 2003	\$580,055

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 to the Pesticides Use Revolving Fund. In FY 2003, \$621,075 in licensing fees was collected. No training fees were collected.

B. Pesticide Use Revolving Fund Expenditures

Expenditures for registration and licensing, certification and education, and compliance monitoring activities are based on the amount of funds spent or encumbered for FY 2003. Funds encumbered in fiscal years prior to FY 2003 are not shown. Expenses related to Oahu office relocation from Kaheka Street to South King Street are not included in the categories below. Expenses included repairing, cleaning, painting and furnishing the new office space. Expenses charged to the pesticides use revolving fund from this move totaled \$28,868.60.

1. Registration and Licensing

Personnel costs for four staff in the Certification and Registration Section were charged to the pesticide use revolving fund. 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 \$240,636.

The following projects were funded in this area:

Project	Contractor	Amount
Identify Potential Herbicides for Ginger Production	Hawaii Agriculture Research Center	\$18,138
Conducting Field Validation of Model Used to Assess Pesticide Leaching	University of Hawaii	\$39,287

Miscellaneous expenses for this activity area include storage space for old pesticide labels and material safety data sheets, office supplies, staff development (training fees), subscriptions to reference materials, and office preparation and moving expenses. Total support from the pesticide use revolving fund for pesticides registration and licensing was approximately \$303,086.

2. Certification and Education

The following projects were funded in this area:

Project	Contractor	Amount
Printing Pesticides Newsletter	University of Hawaii	\$1,964
Consumer Education	Kapiolani Medical Center	\$50,000
Pest Control Technician Training Video	Hawaii Pest Control Association	\$8,000

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 was approximately \$60,776.

3. Compliance Monitoring

The following contract was funded in this area:

Project	Contractor	Amount
Laboratory Equipment	Agilent Technologies	\$33,347

Miscellaneous expenses in this activity area included interstate travel for training, laboratory supplies and office supplies. Total support from the pesticide use revolving fund for compliance monitoring was about \$137,680.

4. Integrated Pest Management Strategy Development:

The following contract was funded in this area:

Project	Contractor	Amount
Entomopathogens as Biocontrol Agents for Banana Aphids and Thrips	University of Hawaii	\$24,975

C. Training Fees Established: None

D. Interest Earned: \$21,566.11

E. Funds returned to General Fund: \$128,364.47