

STATE OF HAWAII
DEPARTMENT OF AGRICULTURE
HONOLULU, HAWAII

REPORT TO THE TWENTY-SEVENTH LEGISLATURE, 2014 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 2014

PESTICIDE USE REVOLVING FUND

Annual Report to Legislature for Fiscal-Year 2013

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, 2012 to June 30, 2013.

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 \$ 961,880.00 was collected from pesticide product licensing. A total of \$5,562.50 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 \$3,476.71

Total revenue for FY 2013 for the Pesticide Use Revolving Fund: \$ 984,829.04.

Expenditures: Seven (7) positions in the registration and certification section are charged to this fund. Personnel costs accounted for about \$542,531.73 of the \$683,837.18 in operating expenditures. Funds returned to the General Fund during FY 2013: \$247,948.35.

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, 2012..... | \$ 1,004,862.89 |
| Receipts | \$ 984,829.04 |
| FY 2013 expenditures | \$ 1,077,103.05 |
| Fund balance on June 30, 2013 | \$ 912,588.88 |
| All outstanding encumbrances..... | \$ 414,640.53 |
| Funds returned to General Fund. | \$ 247,948.35 |

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 2013, \$ 961,880.00 in licensing fees were collected.

Pesticides training fees collected by the Department for FY 2013 totaled \$5,562.50. 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 and Obligations

Expenditures for registration and licensing, certification and education, and compliance monitoring activities for funds in fiscal years prior to and disbursed during FY 2013 totaled \$ 393,265.87. FY2013 funds expended or obligated during fiscal year FY 2013 are as follows:

Personnel costs for seven (7) staff in the Registration and Certification Section were funded by the pesticide use revolving fund. 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 Education Section. These personnel are who provide education and training services to pesticide user and administer certification examinations for applicators to apply restricted use pesticides. The Program Manager was also funded by the pesticide use revolving fund. Personnel costs were \$542,531.73.

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 \$18,129.98.

2. Certification and Education

Miscellaneous expenses for this activity include office supplies and intrastate travel associated with administering certification examinations and educational consultations on Kauai, Maui & Molokai. Total support from the pesticide use revolving fund for the certification and education program was approximately \$17,451.66.

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 was used to pay for utility costs at the Chemical Analyses Laboratory.

Total funds spent in compliance monitoring was about \$105,710.01.

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: \$3,476.71.

E. Funds returned to General Fund: \$247,948.35.