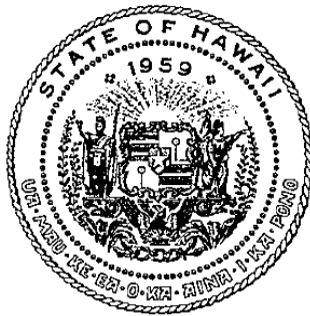


**REPORT TO THE THIRTIETH LEGISLATURE
2019 REGULAR SESSION
STATE OF HAWAII**

**REPORT ON ALL MONEYS DEPOSITED INTO AND DISBURSED FROM
THE PESTICIDE USE REVOLVING FUND**

ACT 154, SESSION LAWS OF HAWAII 2000



Prepared by:

**THE STATE OF HAWAII
DEPARTMENT OF AGRICULTURE**

DECEMBER 2018

PESTICIDE USE REVOLVING FUND
Annual Report to Legislature for Fiscal Year 2018

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 education 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, 2017 to June 30, 2018.

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 \$1,029,930 was collected from pesticide product licensing. Most of the educational activities of the pesticide program staff are associated with other programs offered by the University of Hawaii, the Hawaii Pest Control Association, Hawaii Farm Bureau, Kamehameha Schools, 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 per hour plus travel costs may be assessed.

Interest earned from the Pesticide Use Revolving Fund was \$953.51.

Total revenue for FY2018 for the Pesticide Use Revolving Fund: \$1,088,437.34.

Expenditures: Seven (7) positions in the registration and certification/education section are charged to this fund. Personnel costs accounted for about \$603,206.92 of \$804,764.91 in operating expenditures. Funds returned to the General Fund during FY2018: \$181,865.52.

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, 2017	\$ 325,809.16
Receipts	\$ 1,088,437.34
FY2018 expenditures	\$ 804,764.91
Fund balance on June 30, 2018	\$ 609,481.59
All outstanding encumbrances	\$ 177,616.07
Funds returned to the general fund	\$ 181,865.52

A. Pesticide Use Revolving Fund Revenue

Licensing and registration fees and charges collected by the Department for pesticide products and training fees are the two sources of revenue for the Pesticide Use Revolving Fund. In FY 2018, \$1,029,930 in licensing fees were collected.

The Department did not collect training fees for FY2018. Note that 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 shortage of training opportunities, and fees of \$25 per hour and travel costs may be 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 FY2018 totaled \$75,626.10. FY2018 funds expended or obligated during fiscal year 2018 are as follows:

Personnel costs for seven (7) staff in the Registration and Certification & Education Sections 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 responsible for the licensing of pesticides and collection of pesticide-licensing fees, and three (3) staff in the Certification and Education Section, who provide education and training services to pesticides users 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 \$576,185.35.

1. Registration and Technical Review

Miscellaneous expenses for this activity area include groundwater reviews and studies, 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 \$620.49.

2. Certification and Education

Miscellaneous expenses for this activity include office supplies, translation services, and intrastate travel associated with administering certification examinations and educational consultations on Oahu, Hawaii, Kauai, Maui, and Molokai. Total support from the Pesticide Use Revolving Fund for the certification and education program was approximately \$144,026.56.

3. Compliance Monitoring

Compliance monitoring expenses were related to purchasing scientific supplies, laboratory equipment, other materials and supplies, and rental, repair, and maintenance equipment. In addition, funding was used to pay for utility costs at the Chemical Analysis Laboratory (CAL). CAL use of the Revolving fund was approximately \$8,306.41.

Funds Expended for Fiscal Year 2018 (“Other” Expenditures Only)

The “Other” expenditures category comprises the activities described for items 1 (Registration and Technical Review), 2 (Certification and Education) and 3 (Compliance Monitoring) described in the paragraphs above this paragraph. The total amount spent from the Pesticide Use Revolving Fund under this “Other” category was \$152,953.46 for the State FY18.

C. Training Fees Established

A fee of up to \$25 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

\$953.31

E. Funds Returned to the General Fund

\$181,865.52