

STATE OF HAWAII
DEPARTMENT OF AGRICULTURE
HONOLULU, HAWAII

REPORT TO THE TWENTY-THIRD LEGISLATURE, 2006 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 2006

PESTICIDE USE REVOLVING FUND

Annual Report to Legislature for Fiscal Year 2005

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, 2004 to June 30, 2005.

Revenue: The primary source of revenue is from licensing pesticide products. The current pesticide license fee is \$225 for a three-year license. Approximately \$632,350 was collected from pesticide product licensing and registration. There are no fees charged for training. 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 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 \$18,723.

Expenditures: Four (4) positions in the registration and certification section are charged to this fund. Personnel costs accounted for about \$258,381 of the \$715,063 budget. Four contracts were issued during fiscal year 2005, encumbering \$162,968. Total operating expenses, including amounts paid on current contracts was \$322,221. The amount of cash returned to the general fund was \$85,308.62.

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, 2004	\$604,867
Receipts	\$651,073
FY-2005 expenditures.	\$546,694
All outstanding encumbrances	\$373,937
Fund balance on June 30, 2005	\$709,246

A. Pesticide Use Revolving Fund Revenue:

Licensing and registration fees and charges collected by the Department for pesticides products and training fees and earned interest are the two sources of revenue to the Pesticides Use Revolving Fund. In FY 2005, \$632,350 in licensing fees, and \$18,723 in interest 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 2005. Disbursement of funds encumbered in fiscal years prior to FY 2005 is not shown.

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 \$258,381.

The following projects were funded in this area:

Project	Contractor	Amount
Quality Assurance for Pesticide Registration Projects (2 years)	University of Hawaii	\$58,968
Ferric Phosphate for control of Apple Snail in Taro	Hawaii Agriculture Research Center	\$47,000
Coqui Control Research	National Wildlife Research Center, Denver, Colorado	\$7,000 (entire contract is \$60,000)

Miscellaneous expenses for this activity area include subscriptions to reference materials, postage and delivery charges, office supplies and other miscellaneous expenses. Total support from the pesticide use revolving fund for pesticides registration and licensing was approximately \$380,000.

2. Certification and Education

A consumer education project with the Hawaii Poison Center (Kapiolani Health Hawaii) was funded. This project is used to provide poison prevention information and 2,000 cabinet locks to prevent children from opening cleaner and pesticides storage cabinets. These locks were furnished to low- income households with children less than 6 years of age through pediatric clinics on Oahu, Kauai and the Big Island.

Project	Contractor	Amount
Consumer Education	Kapiolani Health Hawaii	\$50,000

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 \$60,000.

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. Total support from the pesticide use revolving fund for compliance monitoring was about \$106,694.

4. Integrated Pest Management Strategy Development:

Pesticide education staff worked with Department of Education, Facilities Management personnel, and pest control operators to continue seminars to school custodial staff and administrators on integrated pest management. Methods of controlling common school pests such as rats, mice, roaches, ants, bees and mosquitoes are discussed.

C. Training Fees Established: None

D. Interest Earned: \$18,723

E. Funds returned to General Fund: \$85,308.62. The extensive reviews and unfamiliar format associated with a contract to the Agricultural Research Services (Pacific Basin Agricultural Research Center) for fruit fly lure development resulted in a proposal for \$105,000 being unfunded, resulting in \$85,308.62 being returned to the general fund.