

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEPT. COMM. NO. 890
DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
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December 26, 2023

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the House
of the Representatives
Thirty-second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Report on all monies deposited into and disbursed from the Pesticide Use Revolving Fund as required by Act 154, Session Laws of Hawaii 2000. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <https://hdoa.hawaii.gov/meetings-reports/legislative-reports/>.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Hurd".

Sharon Hurd
Chairperson, Board of Agriculture

Enclosures



**STATE OF HAWAII
DEPARTMENT OF AGRICULTURE
HONOLULU, HAWAII**

REPORT TO THE THIRTY-SECOND LEGISLATURE, 2024 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**

DECEMBER 2023

PESTICIDE USE REVOLVING FUND

Annual Report to Legislature for Fiscal Year 2023

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, 2022 to June 30, 2023.

Revenue: The primary source of revenue is from licensing pesticide products. The pesticide product license fee during the reporting period was \$930 for a three-year license approximately \$2,919,640 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 \$50 per hour plus travel costs may be assessed. Total fees for educational classes or sessions equaled \$1,375. Fees for certification of Restricted Use Pesticides include \$50 per exam and \$100 per printed certification; total fees for licensing and certification of Certified Applicators equaled \$56,900.

Fines from enforcement action may also be deposited into the Pesticide Use Revolving Fund. Total fines recovered for enforcement actions equaled \$16,150.

Interest earned from the Pesticide Use Revolving Fund was \$31,589.58.

Total revenue for FY2023 for the Pesticide Use Revolving Fund: \$3,025,655.58.

Expenditures: Twenty-two (22) positions in the registration, certification/education, chemical analytical lab, case prep, and program administration sections were charged to this fund in FY23. Personnel costs accounted for \$1,473,303.05 of \$1,750,649.91 in operating expenditures. Funds returned to the General Fund during FY2023: \$490,647.39.

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, 2022:	\$586,025.33
Receipts:	\$3,025,655.58
FY2023 expenditures:	\$1,750,649.91
Fund balance on June 30, 2023:	\$1,861,031.00
All outstanding encumbrances:	\$370,383.61
Funds returned to the general fund:	\$490,647.39

A. Pesticide Use Revolving Fund Revenue

Licensing and registration fees and charges collected by the Department for pesticide products is the main source of revenue for the Pesticide Use Revolving Fund. Education, outreach, and certification fees and enforcement actions are the other two large sources of revenue for the Pesticide Use Revolving Fund.

In FY 2023, \$2,919,640 in licensing fees, \$56,900 in education, outreach, and certification fees, and \$16,150 in enforcement fines were collected.

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 FY2023 totaled \$1,750,649.91. FY2023 funds expended or obligated during fiscal year 2023 are as follows:

Personnel costs for twenty-two (22) staff in the Registration, Certification & Education, Chemical Analytical Lab, Case Preparation, Enforcement and Administration Sections were funded by the Pesticide Use Revolving Fund. These personnel include:

Program Administration:

- One (1) Pesticides Program Manager responsible for the administration of the Pesticides Branch.
- One (1) Secretary responsible for administrative assistance.

Registration and certification sections

- One (1) Environmental Health Specialist V (supervisor),
- Four (4) Environmental Health Specialists (1 level IV, 3 level III); responsible for licensing of pesticides and collection of pesticide-licensing fees,

- Seven (7) Environmental Health Specialist IIIs responsible for providing education and training services to pesticides users and administer certification examinations for applicators to apply restricted use pesticides.

Chemical Analysis Laboratory

- One (1) Chemist IV responsible for quality assurance and quality control.

Case Preparation Section:

- Two (2) Environmental Health Specialist IVs responsible for reviewing inspections and drafting up official notices based on rules and regulations.

Enforcement Section:

- Five (5) Environmental Health Specialists (2 level IVs, and 3 level IIIs) responsible for pesticide inspections and complaint response.

Personnel costs totaled \$1,473,303.05.

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 \$386,554.52.

2. Certification and Education

Miscellaneous expenses for this activity include office supplies, and translation services. Total support from the Pesticide Use Revolving Fund for the certification and education program was approximately \$47,322.37.

3. Compliance Monitoring

Compliance monitoring expenses were related to enforcement inspections, purchasing scientific supplies, laboratory equipment, other materials and supplies, rent, repair, utilities and service and maintenance of equipment. Chemistry Analytic Lab (CAL) expenditures are included in the calculations for this activity area. Expenses totaled approximately \$70,330.16.

Funds Expended for Fiscal Year 2023 (“Other” Expenditures Only)

Total funds spent from the Pesticide Use Revolving Fund under the “Other” expenditures only Category includes tele-communications, office maintenance, postage, fuel, and miscellaneous projects. Expenditures for this activity area was approximately \$504,207.05.

C. Interest Earned

\$31,589.58

D. Funds Returned to the General Fund

\$490,647.39