

PESTICIDE REGULATORY PROGRAM FUNDING HIGHLIGHTS

In 2013-14, DPR employed about 366 employees. With a budget of \$80 million, DPR is funded entirely by regulatory fees, with a small amount of federal funds and reimbursements.

DPR's largest revenue source is the mill assessment, a fee levied on pesticide sales at the point of first sale into the state. The assessment is currently at the statutory maximum of 21 mills, or 2.1 percent on each dollar of sales. (A mill is equal to one-tenth of a cent). An additional three-fourths mill is assessed on agricultural and dual-use products (pesticides labeled for use in both agriculture and nonagricultural settings) to support pesticide consultation activities of the California Department of Food and Agriculture.

Other sources of revenue are:

- Annual certificates of product registration. (All pesticide products must be licensed with DPR before sale or use in California.)
- Pesticide-related licenses issued to people and businesses that sell, apply or recommend the use of pesticides.
- Civil penalties (for example, for selling unregistered or misbranded pesticide products).
- Miscellaneous fees and various reimbursements.
- Funds from the U.S. Environmental Protection Agency or the U.S. Department of Agriculture for activities DPR performs with or on behalf of these agencies.

FUNCTIONAL ACCOUNTING

Budgets of government agencies traditionally divide funds by organizational units. But, like other integrated regulatory programs, most of DPR's functions cut across organizational units. Unit-based budgeting makes it difficult to know the costs associated with each function. In 2004, DPR adopted activity-based accounting that focuses on the costs and performance of specific program functions rather than those of each organizational unit. Each program function represents a group of underlying activities, which may be performed by units in one or more branches. For example, the Risk Assessment function contains all DPR activities to conduct a risk assessment, no matter what organizational unit the activity occurs in. The information provided by functional accounting allows DPR to refine its budget and fees to accurately recover costs associated with specific activities.

Functional accounting is linked to DPR's operational plan. The plan describes activities DPR plans to complete during the fiscal year, with performance measures for each function. DPR's operational plans and performance measures are posted on our Web site, as are the functional accounting year-end reports. This allows stakeholders to review specific goals, costs associated with them, and whether goals are being met.

MAJOR BUSINESS FUNCTIONS AND KEY ACTIVITIES

14% Product Registration

A pesticide must be registered (licensed) with the state before it can be sold or used in California. Pesticide registration is the scientific, legal, and administrative evaluation process of a pesticide product before its registration. It includes: tracking submissions, certain technical and scientific evaluation, processing labels, preparing public notices, corresponding with registrants, overseeing data call-ins, maintaining label files and the pesticide data library, and providing information on registered pesticides and label instructions to pesticide enforcement agencies and the public.

6% Human Health & Environmental Assessments

Risk assessment includes hazard identification, dose-response assessment, exposure assessment, and preparation of a risk characterization document that assesses potential dietary, workplace, residential, and ambient air exposures. Also included are: activities regarding toxic air contaminants (TACs), coordinating with other agencies and scientific reviewers on risk assessment documents, preparing the environmental fate element of risk assessments, and prioritization of pesticides for risk assessment.

3% Licensing and Certification

Through licensing and certification, DPR ensures that people selling, possessing, storing, handling, applying, or recommending the use of pesticides are competent and knowledgeable in their safe use. DPR conducts exams; issues and renews licenses for commercial pest control applicators, aerial applicators, pesticide dealers' designated agents, and pest control advisers; and certifies pesticide applicators that use or supervise the use of restricted pesticides. This function also includes reviewing and accrediting continuing education courses. DPR also licenses pest control businesses, maintenance gardener pest control businesses, pesticide brokers, and pest control dealers.

1% Pesticide Use Reporting

In California, all agricultural pesticide use must be reported, as well as commercial applications to structures, landscapes and turf. The main exceptions to full use reporting are home-and-garden applications, and most industrial and institutional uses. Pesticide users submit reports to their local county agricultural commissioner (CAC) who, in turn, submits the data to DPR, which compiles and analyzes the data, and makes it available online.

15% Monitoring/Surveillance

State law requires DPR to continuously evaluate pesticides after they are in use to protect the public and the environment. Through monitoring and surveillance, DPR analyzes hazards and develops pollution prevention strategies. Activities include air, ground water, and surface water monitoring; investigation and evaluation of pesticide illnesses; and testing of fresh produce. Other activities include special monitoring projects and developing pesticide analytical methods. Exposure monitoring includes conducting studies to collect data on potential exposure patterns and to assess regulatory requirements. When products are proposed for formal reevaluation, activities include reviewing evidence that supports initiation of reevaluation.

5% Mitigation of Human Health Risks

DPR uses scientific data to develop measures to reduce human exposure to pesticides that have unacceptable risks. This may include exposures in air, the workplace, and in food and water. Activities

include reviewing data to assess worker health impact of pesticide use and developing mitigation strategies. Mitigation measures may include label changes, placing conditions on registration (for example, restricting use to situations with no exposure concerns), and preparing health and safety recommendations for incorporation into regulations, and permit conditions. For products under formal reevaluation, activities include determining health risks and identifying methods to reduce or eliminate these risks.

7% Mitigation of Environmental Hazards

Mitigation of environmental hazards involves using scientific data to develop measures to protect the environment from the potentially adverse effects of pesticides. This includes developing mitigation strategies to protect air, ground water, surface water, endangered species, and desirable (non-target) plants. Mitigation measures may include proposed label changes, placing conditions on registration, regulations, and permit conditions. For products under formal reevaluation, activities include determining environmental risks and identifying methods to reduce or eliminate these risks.

6% Pest Management

These programs assess the impacts and potential problems resulting from pesticide use, focusing on preventive solutions that incorporate integrated pest management (IPM). Activities include facilitating adoption of IPM in schools, awarding grants to encourage development and use of alternatives to pesticides, and the IPM Innovator Awards program. Other activities include technical/scientific resource services, such as evaluating pest management practices that prevent environmental and human health problems and working with industry to implement these practices.

39% Use Enforcement and Compliance

Local enforcement of pesticide use is largely carried out by CACs and their staffs. DPR headquarters personnel, with field staff in Anaheim, Fresno, and Sacramento, provide the CACs with training, coordination, and technical and legal support. Oversight includes: developing statewide enforcement priorities and guidance, evaluating CAC performance under annual work plans, and researching and analyzing compliance trends. Activities also include pesticide misuse investigations and issuing enforcement actions.

4% Product Compliance and Mill Assessment

The mill assessment and product compliance program ensures products are registered before sale and use, that they are labeled correctly, and that required fees have been paid. Activities include: inspecting products offered for sale, reviewing labels to ensure they are registered, auditing pesticide sellers to ensure they are paying sufficient assessments on their sales, and initiating enforcement actions against sellers in violation of requirements. Also, overseeing disbursement of the required percentage of mill revenues to CACs, and evaluating trends in the value of the mill.

