



Department of Pesticide Regulation

Gavin Newsom
Governor

Jared Blumenfeld
Secretary for
Environmental Protection

California Notice 2021-03

TO: Pesticide Registrants and Other Stakeholders
SUBJECT: WEBINAR ON PROPOSED REGISTRATION FEE INCREASE,
DETAILS AND INFORMATION, MARCH 17, 2021

As previously noted in California Notice 2021-01, the Department of Pesticide Regulation (DPR) is holding a webinar to share information, answer questions, and receive feedback from registrants and other stakeholders on a proposal to increase registration fees to a level that supports the current and future business functions of the pesticide registration program. An agenda for the webinar is attached.

WEBINAR DATE AND ACCESS INFORMATION

Wednesday, March 17, 2021, from 10:00 a.m. to 12:00 p.m. PDT

The webinar may be accessed online at <https://video.calepa.ca.gov>. During and after the webinar, questions and comments may be sent to <mailto:regfees@cdpr.ca.gov>.

Individuals who intend to provide oral comment should join the webinar via Zoom with the following meeting login and password:

Webinar ID: 938 0146 5402

Password: 234169

Direct link to join from a PC, Mac, iPad, iPhone or Android device:

<https://zoom.us/j/93801465402?pwd=U3QzZ1YwWkNlODZ3WjZvMTZVc0JEZz09>

Or telephone number to join (enter the Webinar ID and Password when prompted):

888 475 4499 US Toll-free

877 853 5257 US Toll-free

The webinar facilitator will solicit questions, comments, and suggestions, and may impose time limits based on the time available and the number of people providing feedback. Comments will be accepted until April 19, 2021, at 5:00 p.m. PDT.

ADDITIONAL INFORMATION

As previously noted in California Notice 2021-01, DPR has determined the current registration fees are not sufficient to support the ongoing work of the pesticide registration program. As such, DPR has found it necessary to raise pesticide product registration fees.

In 2003, California Food and Agriculture Code (FAC) section 12812 was enacted authorizing DPR to set fees to cover the cost of the registration program. This gave DPR broad authority to adjust fees and set the fee schedule to ensure program costs are covered. FAC section 12812(a) provides that, “The director shall establish, by regulation, fees for the Department of Pesticide Regulation's registration program, as established pursuant to this division. The fees shall include, but are not limited to, the following: (1) annual fees for each product submitted for registration; (2) penalties for the late payment of registration fees; and (3) fees for amendments to registered products.” Further, FAC section 12812(c) provides that, “The fees established pursuant to this section shall be set so that the total revenue collected each fiscal year is sufficient to support the expenditure levels for the registration program....”

Currently, DPR charges a fee of \$1,150 for each application to register a new pesticide product, \$25 for each label amendment and notification, and \$1,150 for each product's annual renewal. Registration fee revenues no longer support the registration program expenditures. Starting in the 2019-20 Fiscal Year, registration expenditures exceeded revenues. The deficit between revenues and expenditures is projected to continue to grow in coming years. By statute, the registration program must collect sufficient revenue to support the expenditure levels.

The registration fees must cover the cost of the entire registration program, not just the Pesticide Registration Branch. The registration program includes registration evaluation scientists in a number of other DPR branches including the Pesticide Evaluation, Environmental Monitoring, Human Health Assessment, Worker Health and Safety, and Enforcement branches. The registration program also encompasses a number of other business and administrative functions for which fees are not charged. For example, other business functions include special local needs registrations, emergency exemptions from registration, research authorizations, adverse effects submissions, reevaluation, risk assessment, risk mitigation, ombudsman inquiries, and requests for review of products to determine if products require registration or meet the minimum risk classification are all covered by registration fees. Administrative functions include areas such as mail intake, scientific study indexing, pesticide data maintenance and storage, product licensing, label coding, and public records act requests are also covered by the registration fees.

DPR monitors revenue versus expenditures for the registration program on an ongoing basis. The increased revenue estimate in Table 1 (below) is a point-in-time estimate based on the best information available. In the years since the last fee increase, the registration budget expenditures increased by approximately \$3.864 million to accommodate statewide changes in employee compensation and retirement adjustments, and by an additional \$1.620 million for new

legislatively mandated positions in ecotoxicology and the public report program, and authorized budgetary changes. The previous fee increase no longer covers these expenses.

In addition to maintaining existing functions and addressing current expenditures, DPR is proposing to relaunch the development of an online registration system. California Pesticide Electronic Submission Tracking (CalPEST) is an integrated information and document management system that will substantially improve and streamline the current registration process for registrants. CalPEST will allow electronic submission of pesticide registration renewals and applications including labels, data, and payment. The system will also provide the public real-time access to California registered pesticide labels submitted through the system.

DPR has determined that the growth in expenditures, described above, will require an additional \$4.8 million in annual revenue. In assessing potential options for adjusting the registration fees to cover the cost of the registration program, DPR considered various factors including whether (1) the fees distribute costs across affected parties, (2) the fees might influence a registrant's decision to register a pesticide product, (3) the fees can be administered and collected in an efficient, effective, and uniform manner that avoids unnecessary registration and renewal compliance and enforcement costs and, (4) the fees generate stable revenues to support the registration program. DPR generated several different fee scenarios and narrowed them to four:

Table 1. Four Fee Scenarios for Consideration

	Current Fees	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Application Fee	\$1,150	\$1,500	\$1,150	\$2,700	\$4,750
Renewal Fee	\$1,150	\$1,500	\$1,525	\$1,400	\$1,200
All Amendments	\$25	\$25	\$25	\$25	\$25
Revenues Generated	\$15,839,149	\$20,636,812	\$20,548,887	\$20,644,112	\$20,601,312

These fee scenarios, which address the points above and maintain consistency with DPR's current fee structure, are presented for consideration and discussion during the upcoming webinar.

If you have questions regarding the upcoming webinar, please contact Ms. Chelsea Raycraft at <Chelsea.Raycraft@cdpr.ca.gov> or by telephone at 916-324-3466.

Original signed by Tulio Macedo

Tulio Macedo, Chief
Pesticide Registration Branch
916-324-3527

March 5, 2021

Date

cc: Ms. Chelsea Raycraft, Environmental Scientist, DPR

REGISTRATION FEE WEBINAR
Agenda

March 17, 2021
10:00 a.m. – 12:00 p.m. PDT

1. Introductions – DPR
2. Presentation – DPR
 - a. Overview
 - b. Registration Fee History
 - c. Registration Revenues and Expenditures
 - d. Options
3. Discussion – All
4. Next Steps

The webinar will be accessible through the remote webinar service Zoom for participants who intend to provide an oral question or comment. See California Notice 2021-03 for more details.

The webinar will also be webcast and may be accessed online at <<https://video.calepa.ca.gov/>>. During the meeting, stakeholders unable to attend via Zoom may send questions and comments to <regfees@cdpr.ca.gov>.

The webinar facilitator will solicit questions, comments, and suggestions, and may impose time limits based on the time available and the number of people providing feedback. Comments will be accepted until April 19, 2021, at 5:00 p.m. PDT.