



Department of Pesticide Regulation



Brian R. Leahy
Director

Edmund G. Brown Jr.
Governor

California Notice 2015-01

TO: Pesticide Product Registrants

SUBJECT: REGISTRATION FEE WORKSHOP PUBLIC COMMENT EXTENSION

The Department of Pesticide Regulation (DPR) held a Registration Fee Workshop on Wednesday, January 14, 2015, to discuss an increase in registration fees for pesticide products. During the workshop, DPR announced that it would accept written comments until Friday, February 27, 2015. DPR is extending the public comment period to **Friday, March 13, 2015**. Comments may be submitted via email to <regfees@cdpr.ca.gov>.

Enclosed you will find a document summarizing and providing answers to questions raised at the January 14, 2015, workshop. The Registration Fee Workshop presentation can be viewed on DPR's Web site at <http://cdpr.ca.gov/docs/registration/canot/2014/ca2014-14_presentation.pdf> and the meeting minutes can be viewed at <http://cdpr.ca.gov/docs/registration/canot/2014/ca2014-14_minutes.pdf>.

Please note, Food and Agricultural Code (FAC) §12812(a) states "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." Additionally, FAC §12812(c) states "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...."

If you have questions regarding the extension of the comment period, please contact me by email at <Ann.Prichard@cdpr.ca.gov> or by telephone at 916-324-3931.

Original signed by Shelley Lopez for

February 16, 2015

Ann M. Prichard, Chief
Pesticide Registration Branch
916-324-3931

Date

Enclosure



Registration Fee Workshop

Response to Comments and Questions

1. In response to questions and comments regarding pesticide registration fees at the federal level, the following is a link to U.S. EPA's website on the Pesticide Registration Improvement Extension Act (PRIA 3) of 2012: <<http://www2.epa.gov/pria-fees>>

At the federal level, fees for application for registration of a new pesticide product intended for food use containing a new active ingredient differ depending upon the type of products/division that will be reviewing the application:

- Registration Division (conventional chemicals): \$597,683
- Antimicrobial Division (food use): \$182,327 (if requesting a tolerance)
- Antimicrobial Division (outdoor non-food use): \$182,327
- Biopesticide Division (microbial or biochemical): \$48,621 (if requesting a tolerance)

2. The following is a listing of registration fees charged by states:

State	Registration Fees	Comments
Alabama	\$600/\$500	Two-year Registration; \$150 Late Fee
Alaska	\$120/\$90	Paper/Online Registration Fee
Arizona	\$110	
Arkansas	\$250	+\$50 Abandoned Pesticide Disposal Fee
California	\$750	
Colorado	\$165	
Connecticut	\$940	Five-year Registration; Late Fees increase by %
Delaware	\$140	Two-year Registration
Florida	\$350	\$25 Late Fee per month with \$250 maximum; \$315 Supplemental Registration Fee if product contains active ingredient that has a food residue tolerance as established in 40 CFR, Part 180
Georgia	\$200	
Hawaii	\$330	
Idaho	\$160	
Illinois	\$600	Two-year Registration; +\$800 Company Registration
Indiana	\$170	\$170 Late Fee
Iowa	\$250	
Kansas	\$210	\$150 Antimicrobial Registration Fee
Kentucky	\$250	
Louisiana	\$400	

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State	Registration Fees	Comments
Maine	\$160	
Maryland	\$110	
Massachusetts	\$300	\$100 Late Fee; \$750 New Active Ingredient
Michigan	\$140	\$100 Late Fee; +\$100 Specialty Ground Water Protection Fee; +\$150 Non-Specialty Ground Water Protection Fee
Minnesota	\$350	+\$50 Waste Pesticide Program Surcharge
Mississippi	\$200	\$100 rebate for products produced in state
Missouri	\$150	
Montana	\$185	
Nebraska	\$160	
Nevada	\$125	
New Hampshire	\$120	
New Jersey	\$300	\$100 Renewal Fee
New Mexico	\$100	Label, revisions, supplemental distribution forms must be electronic
New York	\$620	\$600 per product if a copy of the company's signed annual federal income tax return for the previous year is submitted, showing the company's gross annual sales were \$3,500,000 or less
North Carolina	\$150	\$200 Delinquent Fee
North Dakota	\$350	Label and MSDS must be electronic
Ohio	\$150	\$75 Late Fee
Oklahoma	\$160	Label and MSDS must be electronic
Oregon	\$160	
Pennsylvania	\$250	
Rhode Island	\$200	Renewals online only
South Carolina	\$175	
South Dakota	\$240	Two-year Registration
Tennessee	\$100	\$50 Late Fee
Texas	\$472.50	Two-year Registration
Utah	\$180	\$25 Late Fee
Vermont	\$110	
Virginia	\$160	
Washington	\$390	Two-year Registration

State	Registration Fee	Comments
West Virginia	\$125	
Wisconsin	\$322.80	\$265 Household Pesticides; \$315 Industrial Pesticides; \$320 Wood Preservative
Wyoming	\$75	

- In response to comments and questions regarding notifications, DPR wants to clarify that under the proposed fee, *the amendment fee will apply to all types of pesticide product amendments, including substantive label amendments, non-substantive label amendments, label changes required by the U.S. Environmental Protection Agency or any other federal or state agency, amendments to the formulation of the pesticide product, and notifications.*
- The following is a breakdown, by DPR Branch, of staff charged to the registration function:

Positions Charged to Registration Function / Funded by Registration Fees	Total Personnel Years (PYs)
Registration Branch	59.8
Enforcement Branch	0.2
Environmental Monitoring Branch	2.8
Human Health Assessment Branch	11.0
Worker Health and Safety Branch	0.97
Administrative Cost (Overhead)	23.0
Total	97.80

- In response to questions regarding the cost of transactions at evaluation stations within the Registration Branch, DPR does not track costs at the transactional level. In accordance with our governing statutes, DPR tracks total registration expenses. DPR is required pursuant to Food and Agriculture Code §12812, to set registration fees so that total revenue collected each fiscal year is sufficient to support expenditures for the total registration program.
- In response to comments and questions regarding the DPR Fund's balance and expenditures, DPR wants to note that pursuant to Food and Agriculture Code §12812, the registration program is required to be supported in full by registration fees.
- In response to questions regarding DPR expenditures, please visit the following two links:
 - DPR's summary of revenues and expenditures:
<http://www.cdpr.ca.gov/docs/legbills/reports/summaries/summaries_rev_exp.htm>
 - DPR's Program Funding Highlights:
<http://www.cdpr.ca.gov/docs/dept/progrpt/2012_14/balance.pdf>

8. In response to requests for projections beyond three years, Tables 1 and 2 list a five-year projection. DPR cautions that projections beyond three years are unreliable, as DPR cannot accurately estimate employee compensation changes the Governor and the different bargaining unions will agree to in the future. Since bargaining unit contracts are typically three-years at most and employee compensation costs account for most of the increases in program expenditures, DPR is most confident in its three-year projections. This is also the reason DPR is proposing to evaluate registration fees on a three-year cycle.

Table 1. Projections at Current Fee Level

Fiscal Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15*
Expenditures	\$9,936,000	\$10,446,000	\$10,533,000	\$10,674,000	\$11,220,000	\$13,106,000
Revenues	\$10,379,000	\$10,210,000	\$10,207,000	\$10,460,000	\$10,616,000	\$10,370,000
Surplus/Deficit	\$443,000	-236,000	-326,000	-214,000	-604,000	-2,736,000

Fiscal Year	2015-16*	2016-17*	2017-18*	2018-19*	2019-20*
Expenditures	\$15,379,000	\$15,733,000	\$14,449,000	\$14,495,000	\$14,566,000
Revenues	\$10,370,000	\$10,370,000	\$10,370,000	\$10,370,000	\$10,370,000
Surplus/Deficit	-5,009,000	-5,363,000	-4,079,000	-4,125,000	-4,196,000

*Estimated

Table 2. Projections at Proposed Fee Level

Fiscal Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15*
Expenditures	\$9,936,000	\$10,446,000	\$10,533,000	\$10,674,000	\$11,220,000	\$13,106,000
Revenues	\$10,379,000	\$10,210,000	\$10,207,000	\$10,460,000	\$10,616,000	\$10,370,000
Surplus/Deficit	\$443,000	-236,000	-326,000	-214,000	-604,000	-2,736,000

Fiscal Year	2015-16*	2016-17*	2017-18*	2018-19*	2019-20*
Expenditures	\$15,379,000	\$15,733,000	\$14,449,000	\$14,495,000	\$14,566,000
Revenues	\$15,844,990	\$15,844,990	\$15,844,990	\$15,844,990	\$15,764,990
Surplus/Deficit	\$465,990	\$111,990	\$1,395,990	\$1,349,990	\$1,198,990

*Estimated

9. Please refer to the following tables regarding Employee Compensation and the Pesticide Registration Data Management Systems (PRDMS) Budget Change Proposal (BCP) for details on expenditures contributing to rising registration costs.

Table 3. Breakdown for the Increasing Registration Program Cost

	Adjustment	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	2014-15 Budget Base	\$12,452,000	\$12,452,000	\$12,452,000	\$12,452,000	\$12,452,000	\$12,452,000
1	2014-15 2% Salary Increase	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000
2	2014-15 \$1,000 Bonus	\$52,000					
3	Like Work-Like Pay	\$357,000	\$357,000	\$357,000	\$357,000	\$357,000	\$357,000
4	2015-16 2.5% Salary Increase		\$103,000	\$103,000	\$103,000	\$103,000	\$103,000
5	2015-16 3% CAPS¹ Increase		\$113,000	\$113,000	\$113,000	\$113,000	\$113,000
6a	5% CAPS (16-17)²			\$206,000	\$206,000	\$206,000	\$206,000
6b	5% CAPS (17-18)²				\$206,000	\$206,000	\$206,000
6c	5% CAPS (18-19)²					\$206,000	\$206,000
7a	2014-15 Retirement (3.1%)³	\$172,000	\$172,000	\$172,000	\$172,000	\$172,000	\$172,000
7b	2015-16 Retirement (2.5%)³		\$151,000	\$151,000	\$151,000	\$151,000	\$151,000
7c	2016-17 Retirement (2.4%)³			\$145,000	\$145,000	\$145,000	\$145,000
7d	2017-18 Retirement (1.1%)³				\$71,000	\$71,000	\$71,000
7e	2018-19 Retirement (1.2%)³					\$77,000	\$77,000
7f	2019-20 Retirement (1.2%)³						\$71,000
	PRDMS BCP		\$1,958,000	\$1,961,000	\$400,000	\$163,000	\$163,000
	Total	\$13,106,000	\$15,379,000	\$15,733,000	\$14,449,000	\$14,495,000	\$14,566,000

¹California Association for Professional Scientists

²Estimate. It is difficult to project the costs of future employee compensation costs resulting from bargaining between the Governor and employee unions. DPR feels five percent is a good estimate based on the Governor's desire to prefund retiree health care.

³Projected based on CalPERS' assumptions.

Table 4. Breakdown for Employee Descriptions

	Description	Classifications	Details/Notes
1	2% salary increase for SEIU and Excluded employees 43 Employees	SEIU employees	22 for \$28,000
		Excluded employees	
		Environmental Program Manager II	2 for \$5,000
		Environmental Program Manager I	7 for \$16,000
		Senior Environmental Scientist (Supervisory)	10 for \$20,000
		Senior Toxicologist	1 for \$2,000
		Senior Industrial Hygienist	1 for \$2,000
2	\$1,000 bonus for CAPS rank and file 75 Employees	Associate Industrial Hygienist	2 for \$2,000
		Associate Toxicologist	45 for \$36,000
		Environmental Scientist	5 for \$1,000
		Research Scientist III	17 for \$11,000
		Senior Environmental Scientist (Specialist)	5 for \$2,000
3	Like Work-Like Pay Salary Parity Adjustment 20 Employees	Career Executive Assignments	2 for \$17,000
		Environmental Program Manager II	2 for \$29,000
		Environmental Program Manager I	7 for \$126,000
		Senior Environmental Scientists (Supervisory)	10 for \$184,000
		Senior Industrial Hygienist	1 for \$1,000
4	2.5% salary increase for SEIU and Excluded Employees No. Employees TBD	SEIU employees	Projected at \$103,000 per year
		Environmental Program Manager II	
		Environmental Program Manager I	
		Senior Environmental Scientist (Supervisory)	
		Senior Toxicologist	
5	3% salary increase for CAPS rank and file No. Employees TBD	Associate Industrial Hygienist	Projected at \$113,000 per year
		Associate Toxicologist	
		Environmental Scientist	
		Research Scientist III (Various)	
		Senior Environmental Scientist (Specialist)	
		Staff Toxicologist (Specialist)	
6 (a-c)	Estimated 5% increase per year for CAPS rank and file No. Employees TBD	Associate Industrial Hygienist	Projected at \$206,000 per year
		Associate Toxicologist	This amount factors in the Governor's proposal to pre-fund retiree health care
		Environmental Scientist	
		Research Scientist III (Various)	
		Senior Environmental Scientist (Specialist)	
		Staff Toxicologist (Specialist)	
7 (a-f)	Contributions to fund employee retirement All Employees	All	Changes annually, but is a function of investment retirements and CalPERS' actuary calculations

10. Please refer to the following pie chart in response to questions about the breakdown of increasing costs over the next five years:

