



California Notice 2024-09

TO: Pesticide Registrants and Other Stakeholders
SUBJECT: WEBINAR ON PROPOSED PESTICIDE REGISTRATION FEE INCREASE, DETAILS AND INFORMATION, APRIL 23, 2024

As previously noted in California Notice 2024-08, 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. Information on the proposal is listed below in the “additional information” section. An agenda for the webinar is also attached.

DPR’s mission is to protect human health and the environment by fostering sustainable pest management and regulating pesticides. Improving DPR’s registration and evaluation programs is a powerful strategy to facilitate availability and use of lower risk pest management products, practices, and technologies and reduce use of high-risk pesticides. The Governor’s Proposed 2024-25 Budget, released in January, includes 31.2 positions to support the department’s pesticide registration program. The proposal seeks to expand the availability of safer pest management alternatives and builds on the Fiscal Year (FY) 2023-24 budget’s addition of six positions to address the most critical needs of DPR’s registration program. The range of proposed increased registration fees listed below represents the funding necessary to meet current FY 2023-2024 baseline funding needs and the additional funding necessary to support the registration program associated with the proposed FY 2024-2025 budget, as reflected in the Budget Change Proposal (BCP). Regardless of the outcome for the 2024-2025 BCP, DPR will need to increase registration fees to support the ongoing work of the pesticide registration program.

WEBINAR DATE AND ACCESS INFORMATION

The webinar will be held on Tuesday, April 23, 2024, from 10:00 a.m. to 12:00 p.m. PDT.

The webinar may be accessed via the [California Environmental Protection Agency webcast](https://video.calepa.ca.gov) at <video.calepa.ca.gov> or the Zoom link below. During the webinar, questions and comments will be facilitated either through Zoom or e-mails to <regfees@cdpr.ca.gov> for CalEPA webcast attendees. Individuals who intend to participate in the webinar via Zoom should join with the following meeting login and password:

[Direct link to join from a PC, Mac, iPad, iPhone or Android device:](#)

<https://us02web.zoom.us/j/83671114781?pwd=SG5LRGZlcmwYVY4R2VISGRJT3Bmdz09>

Webinar ID: 836 7111 4781

Passcode: 662776

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 may impose time limits based on the time available and the number of people providing feedback.

COMMENT PERIOD

DPR is holding a 30-day public comment period, commencing the date of this notice. Interested persons may submit comments on DPR's proposed increases in pesticide registration and renewal fees. DPR will accept comments by mail and e-mail up to and including May 17, 2024. Comments submitted by U.S. mail must be postmarked no later than May 17, 2024, and mailed to the Department of Pesticide Regulation, Pesticide Registration Branch, 1001 I Street, P.O. Box 4015, Sacramento, California 95812-4015. Additionally, comments can be submitted by e-mail to regfees@cdpr.ca.gov.

ADDITIONAL INFORMATION

Under the authority of the California Food and Agricultural Code (FAC) section 12812(a), "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...."

As previously noted in California Notice 2024-08, DPR has determined the current registration fees are not sufficient to support the ongoing work of the pesticide registration program. As such, DPR finds it necessary to raise pesticide product registration, amendment, and renewal fees.

The registration fees must cover the cost of the entire registration program. The program includes the Pesticide Registration Branch, 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. Operation of the registration program also encompasses several registration-related business and administrative functions for which separate fees are not charged. Other business functions covered by registration fees 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. Administrative functions include areas such as initial application intake, scientific study indexing, pesticide data maintenance and storage, product licensing, label coding, and public records act requests.

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 \$1,525 for each product's annual renewal. Registration fee revenues do not support the registration program expenditures. The registration fees were last increased in early fall 2021, primarily to support development of California Pesticide Electronic Submission Tracking (CalPEST). CalPEST will convert DPR's current paper-based processes into a more efficient and technology-based system, which will provide several benefits to both registrants and DPR. While the costs of CalPEST were included in the 2021 registration fee increase, there were additional increases in expenditures that were not anticipated. For example, the 2021 registration fees have not covered subsequent statewide increases to employee compensation and retirement adjustments. These costs have led to registration expenditures exceeding revenues, and the deficit between revenues and expenditures is projected to continue to grow in the coming years.

In the years since the last fee increase in 2021, the registration budget expenditures increased by approximately \$4 million to accommodate statewide changes in employee compensation and retirement adjustments. The FY 2023-2024 budget authorized six permanent positions, costing an additional \$1.2 million per year. These positions will allow DPR to begin addressing critical registration program needs in reevaluation, chemistry, microbiology, ecotoxicology, and the public report program.

In addition to the above increases in authorized expenditures, the Governor's January 2024 Proposed Budget includes a Budget Change Proposal (24-25 BCP) for 31.2 new positions focused on the registration program over three years. These positions, plus general administrative support (such as contracting, hiring, or internet technology), would increase expenditures by approximately \$7.667 million. As noted in the 24-25 BCP, in order to support the proposed positions, DPR would need to raise registration fees to cover an additional \$3.2 million in FY 24/25, \$6.8 million in FY 25/26, \$7.7 million in FY 26/27, and ongoing.

The 2024-25 state budget and associated BCPs, are still being considered by the Legislature. Therefore, DPR is providing information to show the current funding needs without the 24-25 BCP and the funding needs if the full 24-25 BCP is approved.

Baseline Increase to Support the Current Registration Program Funding Needs

The current anticipated total budget for the registration program, including the cost pressures mentioned above, is \$27.4 million for FY 24/25, \$25.2 million for FY 25/26, and \$23.2 million for FY 26/27. For the purposes of determining the fees needed to support program costs, DPR is basing its projections on averaging the budget over the next 3 fiscal years, amounting to \$25.3 million per year. In order to meet the current program costs, DPR has determined that the registration program will require an additional \$4.8 million in annual revenue on average.

Fee Increase Proposals to Support Current Registration Program Funding Needs and the Proposed 2024-25 Governor’s Budget

The anticipated total funding need for the registration program, including current needs and the proposed increases in the 2024-25 BCP, is \$30.5 million for FY 24/25, \$32.0 million for FY 25/26, and \$30.9 million for FY 26/27. Due to the registration program’s varying budget for each of the next three fiscal years, DPR is basing its projections on averaging the budget over the next three fiscal years, amounting to \$31.1 million per year. DPR has determined that the growth in expenditures, described above, will require an additional \$10.6 million in annual revenue on average.

Table 1. Proposed Fee Increase

Category	Current Fees	Proposed Fee to Include Current 23/24 Program Costs	Proposed Fee Increase Associated with Current Needs and the 2024-25 Proposed Budget
New Product Application	\$1,150	\$1,400	\$1,500
Renewals	\$1,525	\$1,850	\$2,300
All Amendments and Notifications	\$25	\$300	\$300
Approximate Revenues Generated	\$20,500,000	\$25,300,000	\$31,100,000

Outcomes Associated with the Proposed FY 24/25 Budget

The 2024-25 proposed budget includes positions to expedite, improve transparency, and maintain the scientific rigor of DPR’s pesticide registration process to bring safer alternative products to the market faster. The increased pesticide registration and evaluation staffing will support the implementation of new processes to improve the consistency and predictability of processing times, transparency, and enhance the pesticide registration and evaluation processes overall. The increased staffing will also build on the six positions received in FY 23/24, in support of the outcomes below.

Anticipated outcomes associated with the proposed FY 24/25 budget include:

- By 2025, streamline the department’s registration process, including expedited pathways for alternatives to high-risk pesticides and products to fill gaps in managing urgent pest pressures.
- By 2026, eliminate backlog and initiate pesticide registration evaluations within 30 days of receiving necessary information.
- By 2027, develop framework for evaluating, and update and clarify data requirements for novel and emerging pest management technologies.

If you have questions regarding the upcoming webinar, please e-mail <regfees@cdpr.ca.gov>.

Original signed by

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

04/17/2024

Date

REGISTRATION FEE WEBINAR
Agenda
April 23, 2024
10:00 a.m. – 12:00 p.m. PDT

1. Opening Remarks – Deputy Director Karen Morrison
2. Presentation – DPR
 - a. Proposed Fee Increase Associated with Current 23/24 Baseline
 - b. Proposed Fee Increase Associated with the 24/25 BCP
 - c. Comment Period
 - d. Timeline
3. Questions – All

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