



June 3, 2021

Re: Department of Pesticide Regulation: \$100 million GF Needs Accountability

The organizations above represent a broad array of stakeholders responsible for paying the State's mill tax on pesticide products. While pesticides play a part in protecting the State's \$50 billion agricultural industry, it is also important to note that registered pesticides also include pet care, lawn & garden care, home pest products, material preservatives, sanitizers and disinfectants; the last of which have been a cornerstone to the pandemic response.

UNPRECEDENTED GROWTH

The Senate and Assembly budget agreement will direct \$108 million in general fund to the Department of Pesticide Regulation over 2 years. **An increase of this size would grow DPR's budget by 58% in the first year and create 44 new permanent positions.** Furthermore, we believe the legislature's proposal has double counted the \$16.75 million allocated to transition to safer pest management. DPR's BCP

included this funding in the \$45 million annual total they requested, which the legislature would also provide for 2 years.

We appreciate the elimination of the tiered mill tax from the legislature's budget compromise. However, the proposal is still problematic as it provides DPR with a substantial one-time funding increase for only two years. When the general fund allocation expires, DPR will be left with a significantly higher potential to fall into a deficit without a significant increase in the mill tax or continued general fund support. **This outstanding liability will be paid by taxpayers in the future.**

ACCOUNTABILITY MEASURES

We urge the legislature to include language in the budget bill holding DPR accountable. DPR should be required to:

- Established an electronic payment system for registration by July 2022.
- Establish publicly available registration timelines and conduct stakeholder meetings to evaluate how to implement mandatory pesticide registration timelines and associated registration fee needs.
- Provide the appropriate budget committees in the Assembly and Senate a report on its plan, including a detailed timeline for completing the online registration project, CalPEST, and post on its public website a quarterly report detailing the progress it has made in completing CalPEST, including what funds have been spent and cost projections to complete the project.

In two-years, the potential for a tax increase to continue funding for DPR at this level, will impact a broad swath of Californians - farmers, manufacturers, food processors, retailers, grocers, hospitals, schools, day care centers, nursing homes and consumers which make and use products subject to this program.

Thank you for the opportunity to share these comments and we look forward to our on-going engagement in this important issue.

Sincerely,

Agricultural Council of California
Almond Alliance of California
American Chemistry Council
American Pistachio Growers
Animal Health Institute
California Agricultural Aircraft Association
California Apple Commission
California Blueberry Association
California Blueberry Commission
Olive Growers Council of California
California Association of Pest Control Advisers
California Association of Wheat Growers
California Association of Winegrape Growers
California Chamber of Commerce
California Cherry Growers and Industry Association
California Citrus Mutual

California Cotton Ginners and Growers Association
Western Agricultural Processors Association
California Farm Bureau Federation
California Fresh Fruit Association
California League of Food Producers
California Pear Growers Association
California Seed Association
California Strawberry Commission
California Walnut Commission
California Warehouse Association
California Women for Agriculture
California Manufacturers and Technology Association
Chemical Industry Council of California
Far West Equipment Dealers Association
Household & Commercial Products Association
Milk Producers Council
Nutrien
RISE (Responsible Industry for a Sound Environment)
Treated Wood Council
Western Growers Association
Western Plant Health Association
Western Wood Preservers Institute