

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2021-22	Business Unit 3930 & 8570	Department Department of Pesticide Regulation and California Department of Food and Agriculture	Priority No. Click or tap here to enter text.
Budget Request Name 3930-024-BCP-2021-GB 8570-040-BCP-2021-GB		Program Various	Subprogram Various

Budget Request Description
 Transition to Safer, Sustainable Pest Management

Budget Request Summary

The Department of Pesticide Regulation (DPR) requests \$16.75 million (\$8.25 million General Fund and \$8.5 million DPR Fund) and 44.0 positions in 2021-22, and the California Department of Food and Agriculture (CDFA) requests \$11.75 million General Fund in 2021-22, as part of a comprehensive proposal to support the state's transition to safer, sustainable pest management. Additionally, DPR proposes to replace the current flat-fee mill assessment on pesticide sales with a risk-based tiered mill assessment, where higher toxicity pesticides are assessed a higher fee. Once fully phased in by 2024-25, the tiered mill assessment is anticipated to generate approximately \$45 million in additional revenue annually to the DPR Fund. The additional revenue will fund various DPR and CDFA programs and will increase support to the County Agricultural Commissioners (CACs) for local pesticide use enforcement activities to accelerate the state's transition away from harmful pesticides.

Requires Legislation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Food and Agricultural Code Section 12841	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Mike Wanser	Date 12/24/2020

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. N/A

Project Approval Document: N/A

Approval Date: N/A

If proposal affects another department, does other department concur with proposal? Yes No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Karen Morrison	Date 12/30/2020	Reviewed By Maria Bueb	Date 12/30/2020
Department Director Val Dolcini	Date 1/8/2021	Agency Secretary Jared Blumenfeld	Date 1/8/2021

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

APBM Teresa Calvert	Date submitted to the Legislature 1/8/2021
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Analysis of Problem

A. Budget Request Summary

The Department of Pesticide Regulation (DPR) requests \$16.75 million (\$8.25 million General Fund and \$8.5 million DPR Fund) and 44.0 positions in 2021-22, and the California Department of Food and Agriculture (CDFA) requests \$11.75 million General Fund in 2021-22, as part of a comprehensive proposal to support the state's transition to safer, sustainable pest management. Additionally, DPR proposes to replace the current flat-fee mill assessment on pesticide sales with a risk-based tiered mill assessment, where higher toxicity pesticides are assessed a higher fee. Once fully phased in by 2024-25, the proposed tiered mill assessment is anticipated to generate approximately \$45 million in additional revenue annually to the DPR Fund. The additional revenue will fund various DPR and CDFA programs and will increase support to the County Agricultural Commissioners (CACs) for local pesticide use enforcement activities to accelerate the state's transition away from harmful pesticides.

The tiered mill assessment will be based on a product's "signal word" as determined by the United States Environmental Protection Agency (U.S. EPA) and will be phased in over four years, using phased down General Fund to support during this transition. When the tiered mill is fully implemented, products without any signal word or a "Caution" signal word will be assessed 26 mills; products with a "Warning" signal word will be assessed 40 mills; and products with "Danger" and "Poison/Danger" signal words will be assessed at 45 mills. The additional revenues will fund the following efforts:

1. Enhanced implementation of integrated pest management (IPM) practices, including:
 - a. DPR's IPM Program (\$8.25 million and 15.0 positions). In 2021-22, the General Fund will fully cover these costs; in 2022-23 \$5.75 million will be funded from the General Fund and \$2.5 million will be funded from the DPR Fund; and the DPR Fund will fully fund these ongoing costs beginning in 2023-24.
 - b. CDFA IPM Research, Education and Extension Grant Programs (\$3.75 million ongoing). This includes \$2 million for Biologically Integrated Farming Systems and \$1.75 million for Proactive IPM and IR-4 research. These programs will be funded from the General Fund in 2021-22, 2022-23, and 2023-24, and will fully shift to the DPR Fund beginning in 2024-25.
 - c. CDFA, through cooperative agreements with the California State University Agricultural Research Institute (CSU ARI) and University of California Agriculture and Natural Resources (UC ANR), to expand research, education and extension capacity for IPM (\$8 million ongoing). In 2021-22 this will be funded from the General Fund; in 2022-23 \$7 million will be funded from the General Fund and \$1 million will be funded from the DPR Fund; in 2023-24 \$6 million will be funded from the General Fund and \$2 million will be funded from the DPR Fund; and the DPR Fund will fully fund these ongoing costs beginning in 2024-25.
2. Strengthened DPR enforcement activities (\$3 million DPR Fund and 18.0 positions in 2021-22 and ongoing).
3. Increased support to the County Agricultural Commissioners (CACs) for local pesticide use enforcement activities from 7.6 mills to 10 mills (estimated to be an approximately \$9.5 million increase).
4. Enhanced Pesticide Air Monitoring Network (AMN) (\$4 million DPR Fund and 7.0 positions in 2021-22 and ongoing).
5. Increased community engagement by DPR, including with communities identified by the Community Air Protection Program (as authorized by Chapter 136, Statutes of 2017, AB 617) (\$1.5 million DPR Fund and 4.0 positions beginning in 2021-22 and \$1.5 million DPR Fund and 7.0 positions in 2022-23 and ongoing thereafter).
6. Sufficient revenues to repair the DPR Fund's structural fund imbalance and provide a prudent reserve.

B. Background/History

DPR's mission is to protect human health and the environment by regulating pesticide sales and use and by fostering reduced-risk pest management. To protect all Californians, the state's policies must accelerate the transition to more sustainable agricultural practices and away from harmful pesticides while continuing to provide nutritious food through a strong agricultural economy. This transition must incorporate science; include collaboration between communities, workers, growers, and consumers; drive innovative solutions; and provide technical assistance to increase adoption of incentivized adoption of IPM practices.

DPR currently supports its work through a flat-fee mill assessment, currently capped by statute at 21 mills (\$0.021/dollar), on the sales of all registered pesticides, regardless of their toxicity. While DPR has several other funding sources, the mill assessment accounts for a majority (80 percent) of the DPR Fund revenues. Over the last several years, there has been significant growth in the scope of DPR's programs and activities without any significant change in funding. In addition, California's ambitious goals for sustainable agriculture and healthy communities require investment in key areas of IPM, enforcement, and community engagement.

Integrated Pest Management (IPM) Programs

IPM is an ecosystem-based pest management strategy focused on prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, the use of resistant varieties of plants or materials, and the judicious use of pesticides, when needed. Several agencies and institutions support this work, including DPR, CDFA, the University of California (UC) system, and the California State University (CSU) system.

DPR's IPM programs include community outreach, the Healthy Schools Act, the endangered species program, annual pesticide use report (PUR), and research and alliance grants. DPR has been expanding its community outreach program to urban areas, as about half of registered pesticide products are for consumer use, and more than half of pesticide illnesses reported to DPR involve consumer-use pesticides and occur in urban settings. DPR's School and Child Care IPM programs, mandated under the Healthy Schools Act, provide training for over 55,000 people in the appropriate use of pesticides annually. The endangered species program works with partner agencies in California to ensure grower compliance with federal and state requirements and minimize pesticide impacts for endangered species. The PUR program collects and processes more than 2.5 million records of pesticide applications, which is critical in identifying the success or failure of efforts to promote IPM. Finally, the research and alliance grants have baseline funding of \$900,000 and support six to eight grants a year. Together, these programs encourage the development and implementation of IPM systems throughout the state.

CDFA's grant programs include the Inter-Regional Research Project Number 4 (IR-4), the Proactive Integrated Pest Management Solutions (Proactive IPM), and the Biologically Integrated Farming Systems grants (BIFS) programs. IR-4 provides support for pest management on specialty crops, Proactive IPM addresses exotic pests that may be introduced to California, and BIFS provides outreach for innovative, integrated farming systems that reduce chemical pesticide inputs.

The UC and CSU systems provide research, education, and extension to develop and extend innovative, science-based pest management for California commodities. These programs conduct field-trials of IPM, train pest control managers, and work with growers to implement the use of non-chemical pest control methods. For example, the UC Division of Agriculture and Natural Resources (UC ANR) oversees the University of California Cooperative Extension (UCCE) services and the University of California Statewide Integrated Pest Management Program (UC IPM). These programs develop and extend innovative, science-based pest management for California commodities. CSU houses the Agricultural Research Institute (CSU ARI), which spans four campuses and conducts research related to the sustainability of agriculture.

Enforcement and Air Monitoring Programs

DPR oversees a multi-tiered enforcement program. U.S. EPA enacts laws establishing baseline pesticide requirements that are enforced at the state and local (county) levels through cooperative agreements. DPR's enforcement activities include approximately 100 regional and headquarters enforcement staff who conduct inspections, provide outreach, and operate the nation's largest monitoring and enforcement program on domestic and imported produce. DPR's local enforcement in California's 58 counties is largely carried out, under DPR's oversight, by the County Agricultural Commissioners (CACs) and their staff of approximately 400 inspectors and biologists. CACs regulate pesticide use to prevent misapplication or drift and possible contamination of communities or the environment.

DPR currently maintains a pesticide Air Monitoring Network to identify pollutants and support measures to mitigate human health exposures. DPR began its pesticide Air Monitoring Network (AMN) in 2011; the current Network provides air monitoring data for 31 pesticides and several breakdown products in three (3) California communities that represent the areas of highest agricultural use of some of the most potentially hazardous pesticides (e.g., fumigants and organophosphates) in the state. In FY 2016-2017, DPR received funding to permanently maintain and conduct monitoring at three (3) locations. This was temporarily expanded to eight (8) sites for two years; however, funding expired in FY 2019-20.

Community Engagement

DPR is committed to continuing to build understanding and cooperation among, and providing a voice for, California's agricultural communities, workers, growers, and consumers. In 2019-2020, DPR participated in numerous community events, health fairs and pesticide safety events around the state, sharing information related to public and worker safety, laws, and regulations. DPR also hosted workshops and attended regional monthly meetings with local groups to build partnerships, seek input, and respond to concerns involving pesticide use. One key concern raised has been pesticide emissions and incidents of pesticide drift. For over 30 years, DPR and the California Air Resources Board (CARB) have collaborated to monitor pesticide concentrations through seasonal monitoring studies, pesticide application studies, operation of temporary year-round air monitoring sites, and laboratory analysis of pesticide samples, particularly for toxic air contaminants (TACs). Over the last 2.5 years, DPR has worked more closely with CARB and communities through the Community Air Protection Program (AB 617) to address community risks from pesticides in selected and similarly affected communities.

Resource History (Dollars in thousands)

Program Budget	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Authorized Expenditures	\$89,742	\$92,535	\$99,924	\$100,923	\$105,192	\$104,656*
Actual Expenditures	\$88,744	\$90,630	\$99,073	\$98,108	\$105,192	\$104,656*
Revenues	\$94,494	\$99,847	\$98,720	\$101,187	\$104,534	\$107,160†
Authorized Positions	358.7	373.2	361.3	374.3	368.2	377.2
Filled Positions	361.4	366.3	371.2	388.9	408.3	377.2†
Vacancies	-2.7	6.9	-9.9	-14.6	-40.1	0.0

*DPR reduces its expenditures by \$2.5 million due to the DPR Fund's structural fund imbalance.

†Reflects projected revenues and positions for CY.

Workload History

Workload Measure	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Integrated Pest Management						
Existing Research Grants	4	9	9	9	9	9
Existing Alliance Grants	4	4	4	4	4	5
Outreach Materials	10	10	10	15	15	15
CDFA BIFS Grants	0	0	0	0	1	1
CDFA IR-4	0	0	0	1	1	1
CDFA Proactive IPM	0	0	0	1	3	1
Enforcement						
Pesticide Use Oversight Inspections	420	398	414	369	308	300
Illegal Residue Case Review	150	150	150	150	150	150
Retail Marketplace Inspections	192	134	197	200	177	150
Case Development/Legal Administrative Actions	138	46	118	138	116	170
Statewide Pesticide Product Compliance Activities	50	50	42	50	52	60
Air Monitoring Network (AMN)						
Number of AMN sites	3	3	3	8*	8*	3
Physical samples/year	624	624	624	1,664	1,664	624
Laboratory Analysis/year	5,616	5,616	5,616	14,976	14,976	5,616
Outreach and Notification Materials	8	8	8	18	18	8
Community Engagement						
AB 617 Communities Requesting Pesticide Emissions Reductions and/or Air Monitoring	N/A	N/A	N/A	N/A	3	5
Community advisory and outreach events attended	N/A	N/A	N/A	N/A	90	150
Meetings and events with Air Districts and Community Steering Committees	N/A	N/A	N/A	N/A	55	90

* Includes 5 temporary sites funded by a 2016-2017 Budget Change Proposal.

Pesticide Mill Assessment and the DPR Fund

The mill assessment was established in 1971 to create an industry-funded structure that would support the activities of a pesticide regulatory program. A mill is 1/10 of one cent and is assessed on every dollar of pesticide sold in California. Revenues from the mill assessment are deposited into the DPR Fund. The pesticide mill assessment was last increased to 21 mills in 2004.

C. State Level Consideration

Increasing the mill will allow DPR to continue programs and activities necessary to implement all of the Department's goals. These goals are to:

1. Protect people and the environment
2. Advance reduced-risk pest management systems
3. Enforce and achieve compliance
4. Ensure environmental justice
5. Continuously improve performance, accountability and organizational effectiveness
6. Communication and outreach

Establishing and expanding DPR's IPM Program addresses Goals 1, 2, 3, 4, and 6. Enhancing DPR's enforcement and oversight addresses Goals 1, 3, and 4. Maintaining and expanding DPR's Air Monitoring Network addresses Goals 1, 2, 3, and 4. Enhancing DPR's community engagement and environmental justice work through AB 617 efforts addresses Goals 1, 4, and 6.

Increased funding to support research, education and extension of IPM practices also furthers CDFA's mission, which is to serve the citizens of California by promoting and protecting a safe, healthy food supply, and enhancing local and global agricultural trade, through efficient management, innovation and sound science, with a commitment to environmental stewardship.

D. Justification

TRANSITIONING TO SAFER, SUSTAINABLE PEST MANAGEMENT

To protect all Californians, the state's policies must accelerate the transition away from harmful pesticides and expand sustainable agricultural practices while continuing to provide nutritious food through a strong agricultural economy. DPR and CDFA received support for this transition in 2019-20 with one-time funding for a work group and research grants to support the transition from the pesticide chlorpyrifos to more sustainable pest management practices. This work has continued with the planning and convening of a successor sustainable pest management work group in 2021 by DPR and CDFA to identify system-wide, safer, sustainable, and cost-effective pest management strategies and tools for agricultural and urban uses.

DPR proposes to build on the progress of these work groups and to reform the existing mill assessment to assess higher fees on pesticides that pose greater risks. The implementation of a tiered mill assessment based on toxicity will provide a market signal to pesticide users to transition to less harmful chemicals in favor of other tools.

DPR proposes to use a product's "signal word" to implement the tiered mill assessment. The U.S. EPA requires signal words on most pesticide product labels. Signal words describe the acute (short-term) toxicity of the formulated pesticide product by all routes of exposure (oral, dermal, inhalation, and other effects like eye and skin irritation). DPR proposes to group signal words in three tiers based on toxicity: (1) None or "Caution", (2) "Warning" or (3) "Danger" or "Danger/Poison". Products with the "Caution" signal word are lower in toxicity, while products with the "Danger" signal word are the most toxic. Pesticide products that fall into the lowest toxicity category by all routes of exposure are not required to display a signal word.

In order to implement the tiered mill assessment, DPR proposes to assign None/Caution, Warning, and Danger and Danger/Poison products a maximum mill assessment of 26, 40, and 45 mills, respectively. The Department's Product Label database already tracks product signal words, making these label identifications the most expedient criteria for implementing a tiered mill assessment. Additionally, DPR proposes to phase in the maximum mill assessment by signal word over four fiscal years to allow businesses to adjust to the impact of changing fees, according to the following schedule on the following page.

Tiered Mill Assessment by Signal Word

Signal Word	2021-22	2022-23	2023-24	2024-25
Tier 1: None & Caution	21 mills	25 mills	25 mills	26 mills
Tier 2: Warning	30 mills	30 mills	35 mills	40 mills
Tier 3: Danger & Danger/Poison	35 mills	35 mills	40 mills	45 mills

The General Fund will provide temporary funding (\$20 million in 2021-22, \$16.5 million in 2022-23, and \$9.75 million in 2023-24) to support the program expansions proposed in this proposal until 2024-25, when mill revenues fully fund the proposal.

The transition to a tiered mill will support many of the state's priorities, detailed below.

INTEGRATED PEST MANAGEMENT PROGRAMS

DPR IPM Grants and Programs

DPR requests \$5.75 million annually to augment the IPM Grants Program (\$3.5 million for Pest Management Research Grant program and \$2.25 million for Alliance Grant program). This funding will increase the number and size of grants that DPR can fund, which will fund basic research into pesticide alternatives and promote IPM practices. Given the long-term nature of research grants and the importance of promoting IPM practices, this request will allow funding for the two grant programs to have the availability of an encumbrance period for two years.

DPR also requests \$2.5 million in funding will support the following fifteen (15.0) DPR positions:

- IPM Grants Program (4.0 positions)—Two (2.0) Senior Environmental Scientists (Specialist), one (1.0) Environmental Scientist, and one (1.0) Associate Governmental Program Analyst. These positions will manage the additional Pest Management Research and Alliance Grants, which will more than double the size of the current program.
- Community/Urban IPM Program (3.0 positions)—One (1.0) Senior Environmental Scientist (Supervisor) and two (2.0) Environmental Scientists. These positions will create targeted outreach materials (such as infographics and videos), conduct outreach in urban areas of California, serve as technical experts on Alliance Grants that affect urban communities, and expand the IPM Achievement Award Program to highlight California's IPM leaders and share their innovative work.
- School IPM Program (1.0 position)—One (1.0) Senior Environmental Scientist (Specialist). This position will analyze data from the California School Pesticide Use Reporting database to identify and prioritize projects for the School and Child Care IPM Programs. The position will also lead efforts to improve the DPR-developed online training courses.
- Endangered Species Program (1.0 position)—One (1.0) Senior Environmental Scientist (Specialist). This position will allow DPR to complete timely updates to the Pesticide Regulation's Endangered Species Custom Realtime Internet Bulletin Engine (PRESCRIBE) application and the underlying endangered species location maps it uses in order to provide accurate a timely information to growers, and conduct public outreach to ensure its use.
- Pesticide Use Reporting (1.0 position)—One (1.0) Research Scientist (Epidemiologist/Biologist) IV. This position will be responsible for increasing the speed and accuracy of DPR's pesticide use reporting data reconciliation by using advanced statistical methods to ensure reported pesticide use is accurate.
- Four (4.0) Information Technology (IT) positions will provide support to the expanded activities of the various IPM programs (Community IPM Program, School IPM Program, Endangered Species Program, Pesticide Use Reporting (PUR) Program, and IPM Grants Program). These positions are:

- Customer Support and Infrastructure (2.0 positions) – One (1.0) IT Specialist I in Network & Systems Administration, and one (1.0) IT Associate Enterprise Support Unit. These IT positions will support the additional staff requested in the BCP in providing hardware, software, account and networking administration, and ongoing necessary IT technical support. These positions will also assist in managing the overall IT infrastructure including enterprise storage, procurement, and data center administration.
- Web Support Team (2.0 positions) – One (1.0) IT Supervisor II, and one (1.0) IT Specialist I. These positions will provide support for public accessibility and usability, graphic design, and web content creation to aid in the development of public outreach efforts.
- Finally, one (1.0) Associate Governmental Program Analyst will provide Fi\$Cal budgeting and accounting support for the additional staff requested in this proposal.

CDFA Grant Programs (IR-4, Proactive IPM, and BIFS)

CDFA requests \$3.75 million annually to support the IR-4, Proactive IPM, and BIFS grant programs (\$2 million for BIFS and \$1.75 million for IR-4 and Proactive IPM). Adopting more sustainable agricultural pest management techniques will require a long-term investment in research and outreach. Every crop has unique pest management problems, and with over 400 crops being grown in California, there is a demand for more research and demonstration projects that implement sustainable pest management strategies.

CDFA will allocate up to 5 percent of the \$3.75 million for administrative expenses. CDFA is requesting budget bill provisions to allow funding for the grants programs to have the availability of an encumbrance period for three years. Extended encumbrance and liquidation timelines will allow sufficient time for grant recipients to finish multi-year experimental fieldwork required by most BIFS, Proactive IPM, and IR-4 projects.

UC/CSU IPM Programs

CDFA requests \$8 million annually to engage in cooperative agreements with CSU ARI and UC ANR to expand research, education and extension capacity for IPM practices. UC ANR and UC IPM play essential roles in the development of California agriculture and will be particularly important in the effort to encourage more sustainable farming practices. CSU ARI and UC ANR's pest management advice is based on extensive research and scientific field trials and is a trusted resource for growers. CSU trains many Californians working in the agricultural sector, and programs like CSU ARI have successfully conducted research and provided training to university students. These programs are also key to outreach and education opportunities to the grower community.

The report produced by Governor Newsom's Chlorpyrifos Alternatives Working Group, titled "Towards Safer and More Sustainable Alternatives to Chlorpyrifos: An Action Plan for California", recommends reinvesting in UCCE because their role in developing more sustainable agricultural strategies is critical, yet hindered by the diminished capacity. The \$8 million proposed in this BCP will help start the process of reinvigorating UCCE and UC IPM as well as CSU ARI. In addition to funding research, this funding will support both UCCE and UC IPM's goals to connect the agricultural sector to research thereby leading to an increase in outreach and education activities around sustainable farming practices. CDFA would allocate up to 5 percent of the \$8 million for administrative expenses.

ENFORCEMENT AND AIR MONITORING PROGRAMS

DPR Enforcement

DPR requests \$3 million annually and eighteen (18.0) positions to strengthen state and local enforcement of pesticide use requirements:

- Enforcement Headquarters Branch—One (1.0) Environmental Program Manager I (Supervisory). This position will provide oversight and support for the additional positions requested.
- Technical Specialists and Subject Matter Experts—Six (6.0) Senior Environmental Scientist (Specialists). These positions will perform detailed scientific analysis in specific areas of expertise, such as fumigants, and apply scientific methods and principles to identify, research, analyze, and develop science-based solutions to assure compliance with complex pesticide regulations.
- California Pesticide Residue Monitoring Program—Two (2.0) Senior Environmental Scientist (Specialists). These positions will perform comprehensive review of illegal pesticide residue investigations, identify patterns of illegal behaviors, and develop cases for referral to the DPR's Office of Legal Affairs for enforcement action.
- Compliance and Enforcement Trend Analysis—Two (2.0) Senior Environmental Scientist (Specialists). These positions will provide technical analyses of current pesticide use compliance trends and enforcement, and will recommend training and policies to address those trends. These positions will also review pesticide use enforcement cases for repeated violation patterns by individual companies and develop cases for referral to the Office of Legal Affairs for enforcement action.
- Label Interpretations—Two (2.0) Senior Environmental Scientist (Specialists). These positions will provide pesticide use label and regulatory interpretations statewide for stakeholders and will develop enforcement guidance and training to regulators statewide for consistent interpretation statewide.
- Product Compliance Program—One (1.0) Senior Environmental Scientist (Specialists), and one (1.0) Environmental Scientist. These positions will conduct statewide product sales compliance inspections in-person and online for enforcement action.
- General Compliance and Enforcement—Three (3.0) Environmental Scientists. These positions will conduct statewide pesticide product compliance activities and verify statewide uniformity of the implementation of environmental laws, regulations, and policies.

In addition, DPR anticipates taking future actions to strengthen state and local enforcement of pesticide laws and regulations, such as adding additional CAC performance measures for the protection of public health and the environment.

CAC Enforcement

Through proposed statutory changes, DPR requests to increase local assistance funding, from 7.6 mills to 10 mills, for the CACs to strengthen their compliance and enforcement activities. This increase (projected to be approximately \$9.5 million) will help address the existing gap between the cost of the work conducted by the CACs and the amount currently allowed under statute by the DPR Fund.

DPR's Air Monitoring Network (AMN)

DPR requests \$4 million and 7.0 positions to permanently expand the AMN, continue monitoring pesticide air concentrations, and collect data needed to develop mitigation measures to reduce pesticide exposures. The AMN supports DPR's environmental justice policies by providing resources for the ongoing pesticide sampling and analysis in various communities.

DPR requests 7.0 full-time positions (\$1.2 million) to support the permanent expansion of the AMN to eight sites. These positions include one (1.0) Environmental Program Manager I (Supervisory), one (1.0) Senior Environmental Scientist (Supervisor), one (1.0) Senior Environmental Scientists (Specialist), three (3.0) Environmental Scientists, and one (1.0) Staff Services Analysts. These resources will provide continuous year-round monitoring at eight permanent sites. These resources will also support seasonal and application-site studies throughout California to monitor and assess pesticide exposures. The senior staff will also analyze data generated from AMN sites to determine trends, and develop strategies to

reduce emissions of pesticide air contaminants in burdened communities as a part of its ongoing mission.

DPR also requests \$2.8 million in ongoing costs to support equipment purchases, sampling at remote locations, and contracting with CDFA for laboratory analysis and method development, and to conduct specialized studies such as seasonal pesticide air monitoring studies, application-site monitoring studies, or temporary pesticide monitoring in areas near disproportionately burdened communities.

COMMUNITY ENGAGEMENT

DPR requests \$1.5 million and 7.0 positions to enhance its community engagement resources and facilitate the transition to more sustainable pest management. DPR is committed to building understanding and cooperation among California's agricultural communities, workers, growers, and consumers. Pesticide emissions and drift are a key concern for communities and other stakeholders, and a key focus of DPR's enforcement efforts. In order to assess risks at the local community level, propose additional measures, and take action to address these concerns, additional resources are needed. Although DPR is not statutorily required to participate in the AB 617 community engagement process, selected AB 617 communities' inclusion of pesticides in their plans have necessitated DPR's participation in the development of community emissions reduction plans and monitoring systems. In addition to engagement with AB 617 communities, additional community engagement resources will support the state's policies of transitioning to safer pest management practices.

DPR requests seven (7.0) permanent position to bolster its community engagement efforts:

- One (1.0) Senior Environmental Scientist (Supervisory). This position will provide oversight of section environmental scientists, coordinate of outreach events, and serve as a liaison with other state agencies.
- Four (4.0) Environmental Scientists. These positions will develop estimates of pesticide emissions; provide expert advice to CARB, local air districts, and the public
- One (1.0) Information Technology Specialist. This position will create, operate, maintain, and support at Geographic Information System web portal to provide pesticide use and emission data in support of community engagement work.
- One (1.0) Associate Governmental Program Analyst. This position will provide contract and procurement support in Fi\$Cal for all the positions requested in this proposal.

ADDRESS THE DPR FUND'S STRUCTURAL IMBALANCE

The mill assessment has remained at the statutory cap (21 mills) for the last 16 years and the revenues generated by the mill assessment are not sufficient to cover DPR's existing programs as required by statute. This compromises DPR's ability to effectively support existing programs and activities, and prevents it from assuming additional functions. This proposal will repair the DPR Fund's structural imbalance, allow DPR to meet its supplemental pension payment obligations under Chapter 50, Statutes of 2017 (SB 84), and provide a prudent reserve.

E. Outcomes and Accountability

DPR and CDFA will assess the effectiveness of this proposal by:

- IPM Program—This proposal will support the transition to safer, more sustainable practices and the reduction in use of high toxicity products. DPR and CDFA will track various grants (Research, Alliance, BIFS, IR-4, and Proactive IPM), with a focus on increasing the number, size, and breadth of programs in order to strengthen research and application of IPM practices. Additionally, DPR and CDFA will: track access to various IPM resources (including dedicated outreach materials and events) to ensure needed distribution, use retention, and attendance; track pesticide-

related illnesses and other adverse effects to determine if community outreach and market signaling are decreasing illnesses; and analyze school PUR and regular PUR data to determine if users are shifting to lower-risk products.

- UC and CSU Programs—This proposal will support campus-based and field staff and provide assistance to farmers and ranchers through research projects and education efforts to implement IPM strategies throughout California. This includes evaluation of at least 10 farms per year on the economic benefits of using IPM strategies, and developing case studies highlighting stories from the field. CDFA will track whether funding support replaces hazardous pesticides with agroecological practices that also allow growers to maintain profitable businesses.
- Enforcement—This proposal will support strengthened enforcement, reductions in harmful pesticide exposures, and improvements in public health and environmental protection. DPR will track enforcement cases identified and investigated for possible enforcement action to determine if additional enforcement oversight is leading to higher compliance and greater consistency throughout evaluation. DPR will also track local funding to and support for CACs.
- Air Monitoring Network (AMN)—This proposal will result in a reduction of harmful pesticide exposure and improvement in public health and environmental protection. DPR will permanently maintain eight sites for the AMN and track results obtained from monitoring to ensure that mitigation measures and current enforcement reduce ambient air concentrations of hazardous pesticides. If needed, DPR will develop additional mitigation measures to address elevated reading detected by the AMN.
- Community Engagement—Communities are increasingly interested in having DPR work on local measures to track and monitor for pesticides and reduce the use of high-toxicity pesticides. DPR will track and perform additional analysis of pesticide use data to supplement development of local state implementation plans and other local actions.

Projected Outcomes

Workload Measure	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Integrated Pest Management						
Research Grant Awards	5	10.5	18	18	18	18
Alliance Grant Awards	2	3.75	6	6	6	6
DPR Outreach Materials (Pamphlets, videos, etc.)	15	30	30	30	30	30
CDFA BIFS Grants	1	2	2	2	2	2
CDFA IR-4	1	1	1	1	1	1
CDFA Proactive IPM	1	1-2	1-2	1-2	1-2	1-2
Enforcement						
Pesticide Use Oversight Inspections	300	375	375	375	375	375
Illegal Residue Case Review	150	220	220	220	220	220
Retail Marketplace Inspections	150	150	200	200	200	200
Case Development/Legal Administrative Actions	170	170	250	250	250	250
Statewide Pesticide Product Compliance Activities	60	60	65	65	65	70
Air Monitoring Network						
Number of permanent sites	3	8	8	8	8	8
Physical samples analyzed	624	1,664	1,664	1,664	1,664	1,664
Laboratory Analyses	5,616	14,976	14,976	14,976	14,976	14,976
Outreach and Notification Events	8	18	18	18	18	18
Community Engagement						
AB 617 Communities Requesting Pesticide Emissions Reductions and/or Air Monitoring	5	5	5	5	5	5
Community advisory and outreach events	150	150	150	150	150	150
Coordination and support events with Air Districts and Community Steering Committees	90	90	90	90	90	90

F. Analysis of All Feasible Alternatives

Alternative 1: Approve DPR's requests \$16.75 million (\$8.25 million General Fund and \$8.5 million DPR Fund) and 44.0 positions in 2021-22, and the CDFA's request of \$11.75 million General Fund in 2021-22, as part of a comprehensive proposal to support the state's transition to safer, sustainable pest management.

Pro: This proposal will incentivize the use of safer, sustainable pest management practices and accelerate the transition away from harmful pesticides

Con: This alternative would require temporary expenditures from the General Fund and permanently raise the pesticide mill assessment, which will permanently increase fees paid by mill fee payers.

Alternative 2: Statutorily increase the mill assessment DPR may assess from 21 mills to 23 mills for all pesticide products, regardless of their toxicity (signal words). A flat increase to 23 mills would generate an additional estimated \$8 million in revenue and would address the DPR Fund's current structural imbalance.

Pro: Providing the statutory authority to increase the mill assessment to 23 mills would likely only allow DPR to address its current structural imbalance.

Con: This increase will not be sufficient to support programs essential to transitioning the state to safer, more sustainable pesticide tools and practices. Support for pesticide use enforcement, air monitoring, and community engagement will remain at currently authorized levels.

Alternative 3: No action. Maintain the flat-fee mill assessment at its current level (21 mills).

Pro: This proposal will not require any additional resources.

Con: Without a tiered mill assessment, the market for pesticide products will no signal the transition away from toxic pesticides to safer pest management tools and practices. Support for pesticide use enforcement, air monitoring, and community engagement will remain at currently authorized levels. Additionally, DPR may have to take future expenditure reductions, which may limit support for transitioning away from toxic pesticides enforcement activities, and community engagement.

G. Implementation Plan

DPR will begin recruitment efforts in Spring 2021 to fill new positions and initiate contract and procurement procedures for the expanded programs.

H. Supplemental Information

None.

I. Recommendation

Approve Alternative 1 as requested.

BCP Fiscal Detail Sheet

BCP Title: Transition to Safer, Sustainable Pest Management

BR Name: 3930-024-BCP-2021-GB

Budget Request Summary

Personal Services	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
Positions - Permanent	0.0	44.0	47.0	47.0	47.0	47.0
Total Positions	0.0	44.0	47.0	47.0	47.0	47.0
Salaries and Wages Earnings - Permanent	0	4,013	4,253	4,253	4,253	4,253
Total Salaries and Wages	\$0	\$4,013	\$4,253	\$4,253	\$4,253	\$4,253
Total Staff Benefits	0	2,364	2,504	2,504	2,504	2,504
Total Personal Services	\$0	\$6,377	\$6,757	\$6,757	\$6,757	\$6,757

Operating Expenses and Equipment

Operating Expenses and Equipment	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
5301 - General Expense	0	138	144	144	144	144
5302 - Printing	0	45	48	48	48	48
5304 - Communications	0	88	94	94	94	94
5308 - Insurance	0	7	7	7	7	7
5320 - Travel: In-State	0	230	230	230	230	230
5322 - Training	0	45	48	48	48	48
5324 - Facilities Operation	0	526	562	562	562	562
5340 - Consulting and Professional Services - External	0	1,060	1,125	1,125	1,125	1,125
5340 - Consulting and Professional Services - Interdepartmental	0	1,258	1,264	1,264	1,264	1,264
5346 - Information Technology	0	404	215	215	215	215
5368 - Non-Capital Asset Purchases - Equipment	0	670	95	95	95	95
539X - Other	0	5,902	6,161	6,161	6,161	6,161
Total Operating Expenses and Equipment	\$0	\$10,373	\$9,993	\$9,993	\$9,993	\$9,993

Total Budget Request

Total Budget Request	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
Total Budget Request	\$0	\$16,750	\$16,750	\$16,750	\$16,750	\$16,750

Fund Summary

Fund Source

Fund Source	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
State Operations - 0001 - General Fund	0	8,250	5,750	0	0	0
State Operations - 0106 - Department of Pesticide Regulation Fund	0	8,500	11,000	16,750	16,750	16,750
Total State Operations Expenditures	\$0	\$16,750	\$16,750	\$16,750	\$16,750	\$16,750
Total All Funds	\$0	\$16,750	\$16,750	\$16,750	\$16,750	\$16,750

Program Summary

Program Funding

Program Funding	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
3540046 - Monitoring and Surveillance	0	6,251	6,251	6,251	6,251	6,251
3540073 - Pest Management	0	8,250	8,250	8,250	8,250	8,250
3540082 - Enforcement	0	1,800	1,800	1,800	1,800	1,800
3540091 - Mill Assessment	0	449	449	449	449	449
Total All Programs	\$0	\$16,750	\$16,750	\$16,750	\$16,750	\$16,750

Personal Services Details

Positions

Positions	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
0756 - Environmental Program Mgr I (Supvry)	0.0	2.0	2.0	2.0	2.0	2.0
0762 - Environmental Scientist	0.0	13.0	14.0	14.0	14.0	14.0
0764 - Sr Envirnal Scientist (Supvry)	0.0	3.0	3.0	3.0	3.0	3.0
0765 - Sr Envirnal Scientist (Spec)	0.0	18.0	18.0	18.0	18.0	18.0
1401 - Info Tech Assoc	0.0	1.0	1.0	1.0	1.0	1.0
1402 - Info Tech Spec I	0.0	2.0	3.0	3.0	3.0	3.0
1404 - Info Tech Supvr II	0.0	1.0	1.0	1.0	1.0	1.0
5157 - Staff Svcs Analyst (Gen)	0.0	1.0	1.0	1.0	1.0	1.0
5393 - Assoc Govtl Program Analyst	0.0	2.0	3.0	3.0	3.0	3.0
5609 - Research Scientist IV	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	44.0	47.0	47.0	47.0	47.0

Salaries and Wages

Salaries and Wages	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
0756 - Environmental Program Mgr I (Supvry)	0	288	288	288	288	288
0762 - Environmental Scientist	0	1,036	1,116	1,116	1,116	1,116
0764 - Sr Envirnal Scientist (Supvry)	0	375	375	375	375	375
0765 - Sr Envirnal Scientist (Spec)	0	1,652	1,652	1,652	1,652	1,652
1401 - Info Tech Assoc	0	74	74	74	74	74
1402 - Info Tech Spec I	0	180	270	270	270	270
1404 - Info Tech Supvr II	0	97	97	97	97	97
5157 - Staff Svcs Analyst (Gen)	0	58	58	58	58	58
5393 - Assoc Govtl Program Analyst	0	140	210	210	210	210
5609 - Research Scientist IV	0	113	113	113	113	113
Total Salaries and Wages	\$0	\$4,013	\$4,253	\$4,253	\$4,253	\$4,253

Staff Benefits

Staff Benefits	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
5150900 - Staff Benefits - Other	0	2,364	2,504	2,504	2,504	2,504

Staff Benefits	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
Total Staff Benefits	\$0	\$2,364	\$2,504	\$2,504	\$2,504	\$2,504

Total Personal Services

Total Personal Services	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
Total Personal Services	\$0	\$6,377	\$6,757	\$6,757	\$6,757	\$6,757

BCP Fiscal Detail Sheet

BCP Title: Transition to Safer, Sustainable Pest Management

BR Name: 8570-040-BCP-2021-GB

Budget Request Summary

Operating Expenses and Equipment

Operating Expenses and Equipment	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
5340 - Consulting and Professional Services - Interdepartmental	0	8,000	8,000	8,000	8,000	8,000
54XX - Special Items of Expense	0	3,750	3,750	3,750	3,750	3,750
Total Operating Expenses and Equipment	\$0	\$11,750	\$11,750	\$11,750	\$11,750	\$11,750

Total Budget Request

Total Budget Request	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
Total Budget Request	\$0	\$11,750	\$11,750	\$11,750	\$11,750	\$11,750

Fund Summary

Fund Source

Fund Source	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
State Operations - 0001 - General Fund	0	8,000	7,000	6,000	0	0
State Operations - 0106 - Department of Pesticide Regulation Fund	0	0	1,000	2,000	8,000	8,000
Total State Operations Expenditures	\$0	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Local Assistance - 0001 - General Fund	0	3,750	3,750	3,750	0	0
Local Assistance - 0106 - Department of Pesticide Regulation Fund	0	0	0	0	3,750	3,750
Total Local Assistance Expenditures	\$0	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
Total All Funds	\$0	\$11,750	\$11,750	\$11,750	\$11,750	\$11,750

Program Summary

Program Funding

Program Funding	FY20-21 Current Year	FY21-22 Budget Year	FY22-23 BY+1	FY23-24 BY+2	FY24-25 BY+3	FY25-26 BY+4
6590 - General Agricultural Activities	0	11,750	11,750	11,750	11,750	11,750
Total All Programs	\$0	\$11,750	\$11,750	\$11,750	\$11,750	\$11,750