



# Monterey County

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## Board Report

Legistar File Number: BC 18-091

September 26, 2018

**Introduced:** 9/12/2018

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** Budget Committee

Receive and file a report from the Agricultural Commissioner's Office regarding unrealized Pesticide Mill Assessment.

### RECOMMENDATION:

It is recommended that the Budget Committee:

Receive and file a report from the Agricultural Commissioner's Office regarding unrealized Pesticide Mill Assessment.

### SUMMARY:

The Agricultural Commissioner receives a reimbursement annually from the Pesticide Mill Assessment according to criteria established in the California Code of Regulations (CCR) section 6393 (Attachment 1). The California Department of Pesticide Regulation (DPR) administers the Pesticide Mill Assessment Fund. For Fiscal Year (FY) 2016-17 the Agricultural Commissioner's Office failed to report the Total Annual Sites resulting in a reduction of \$352,040.50 in the amount of reimbursement received in FY 2017-18.

### DISCUSSION:

On an annual basis, the Agricultural Commissioner submits information regarding pesticide use enforcement activities conducted within the County during the fiscal year. The activities are based on a workplan with the Department of Pesticide Regulation. The amount of funding each county receives from the Mill Assessment Fund is based on several criteria for which each county receives an allocation (Attachment 1). Actual allocations are dependent on the numbers submitted for each corresponding criteria/activity in proportion to all counties and the total mill assessment funds available for reimbursement to counties.

Monterey County was one of 16 counties that committed errors with the reporting of Pesticide Mill Assessment criteria for the collection period from March 1, 2017, through February 28, 2018. One county was overpaid \$1,067,454.87 and 15 counties, including Monterey, were underpaid due to a failure to report Total Annual Sites as described in CCR 6393(b)(7).

The oversight by the Agricultural Commissioner's Office is unusual. The additional fact that the DPR also did not catch the mistake is extraordinary. There is no special process to address this situation. The Agricultural Commissioner followed the common practice of trying to get a resolution by using the least formal steps first before presenting the issue to the California Agricultural Commissioners and Sealers Association (CACASA) as the DPR directed, but was not successful. The Agricultural Commissioner sent a letter on July 18, 2018 (Attachment 2), to the Director of the DPR once more requesting to be allowed to correct the oversight and to receive the funding. The letter includes a

chronology of informal and formal attempts by the Agricultural Commissioner that preceded the letter.

The DPR responded with a letter dated August 7, 2018 (Attachment 3), denying the Agricultural Commissioner's request to be allowed to correct the oversight and receive the full funding. However, the letter states that the County of Monterey will receive an additional \$66,734.78 from the \$1,067,454.87 overpayment that was returned.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

In FY 2016-17, \$1.6 million, for FY 2017-18, and FY 2018-19 the Agricultural Commissioner budgeted \$2,000,000 in projected revenue from the Pesticide Mill Assessment. In FY 2016-17 the department received \$2,330,037.47, and in FY 2017-18 the department received \$1,974,418.59.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

- ☐ Economic Development
- ☒ Administration
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- ☐ Infrastructure
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Attachments:

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Attachment 1 - CCR Section 6393

Attachment 2 - Letter to DPR 2018-07-18

Attachment 3 - Letter from DPR 2018-08-07