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To: ANR agents

**From: Steve Baertsche, Assistant Director, Ag and Natural Resources
Joanne Kick-Raack, State Pesticide Coordinator**

Cost Recovery Policy for Pesticide Applicator Training

As part of new Extension policy, the Pesticide Education Program (PEP) is implementing cost recovery for county pesticide training programs for the upcoming winter season. It is urgent to recover costs because USEPA cut fiscal 2003 federal funding to all 50 state extension services and territories for pesticide training programs, including Ohio. Following is an outline of the cost recovery program.

Standard Cost Recovery Fees: The standard cost for the normal 3-hour recertification program will be \$15. This equates to \$5 per credit hour and \$3 of this will be returned to the PEP unit and \$2 will remain in the county. If a county is running a basic winter school, this means returning \$9 per applicator to the PEP unit and \$6 remaining in the county for pesticide programming, facilities, bulletins etc. Some counties offer ongoing programs throughout the year where only partial PAT credits are given rather than one winter school. If an applicator wishes to receive PAT credit at field days, pasture walks and other workshops, they should be charged accordingly to cover the credit hour rate. This doesn't mean everyone at the field day pays, just applicators seeking credit.

Commercial applicator rates have been increased to \$15 per credit hour, or, \$75 for our full-credit, 5-hour program. ODA's policy is that commercial applicators may not attend private applicator programs for credit. In recent years local lawn and landscape companies have put pressure on agents to conduct local programming. These individuals should be encouraged to attend the regional schools or other commercial scale conferences. County commercial schools should be comparably priced at the \$15 per credit hour with \$5/credit returned to the PEP unit. The intention is that small local programs do not stretch specialist time and resources too thin and undercut existing commercial programs.

Background on budget: In addition to the state and county budget problems experienced by Extension, the Pesticide Education Programs in all 50 states were recently notified that there would be no federal funding from EPA for the fiscal year 2003. In Ohio, our allocation averages between 63,000 to 70,000 annually. The amount of this allocation has not changed since the 1970's and so actual funding in adjusted dollars has been declining. Funds from EPA are distributed a year behind. So, the work for fiscal '03 has been completed but the funds are lacking. In the last few weeks considerable pressure has been brought to bear on EPA and we hope that although '03 funds are gone, that they will restore funding at some future date. But, we cannot rely on this in the current budget climate. PEP receives no other funding from the state, Extension or OSU departments. Other funding comes only from commercial training fees and periodic grants for special projects. These monies have had to pay for all expenses, equipment and all personnel salaries and benefits. The unit has also been paying 5.8% overhead to the university on all training fees received.

All these factors, rising costs and cuts, together have led to a serious budget situation for the Extension Pesticide Education Program in Ohio and the need to revisit how the program is staffed and funded for the near future and long-term.

What has the PAT unit done to control costs? Recently, PEP has downsized by 1.5 FTE's. This represents the conference registration coordinator and the program secretary. An additional ½ FTE has been shifted to grants for WNV but this funding will end in '04. The state coordinator for the last several years has taken a voluntary salary reduction to 90% FTE. This leaves 1.4 FTE's for the pesticide program. We have also cut travel and all unnecessary expenses.

Actions to recoup costs and generate income: The Pesticide Education has been actively working with federal partners to reinstate income and also to seek support from the Ohio Department of Agriculture. The Ohio Department of Agriculture has recently agreed to provide \$30,000 for fiscal 2004. We will be working with ODA to try to negotiate an MOU for continued funding in the future. We were fortunate to obtain some smaller grants such as the WNV grant to assist with portions of some salaries and we have taken on some other smaller training projects.

How will the funds be collected for PEP? Our office will be working with the business office in the next few weeks to determine how the money should be transferred. We want to keep this as simple and painless as possible. We anticipate an annual procedure.

Cost recovery issues will be discussed at the agent in-service on January 7-8, 2004. In the meantime, we welcome your input on priorities, processes, and other issues. Please do not hesitate to contact either Steve Baertsche or Joanne Kick-Raack to discuss your questions or concerns. Your support for the pesticide education program and staff is greatly appreciated.

Talking points to address clientele concerns:

- * This is a business investment of \$15 over 3 years for an accreditation program—only \$5/yr.

- * EPA eliminated funding for this program in all states. Other states besides Ohio are charging as well or receive state funds

- * Extension has never received a portion of Ohio applicator license fees