

Pesticide Safety Education Program Federal Funding Outlook

American Association of Pesticide Safety Educators
Executive Committee--March 18, 2011

Historical Context

As early as the 1960's, federal funds have been used to support pesticide safety education extension programs (PSEP) and coordinators at state land grant colleges and universities. These funds were originally derived from congressional appropriations to USDA, the federal home of what was then known as the Cooperative Extension Service. After the establishment of EPA in the early 1970's, EPA became responsible for these funds. But, because EPA did not have direct relationships with land grant colleges and universities, it was decided that these funds should "**pass-through**" USDA to state extension service PSEPs to support carrying out the federal program. In order to accomplish this pass-through, EPA and USDA negotiate an "**inter-agency agreement**" (IAG) on how these funds are to be administered. The IAG has been negotiated on a year by year basis as well as on a multi-year basis for nearly 40 years. USDA continued its support for state PSEPs by funding a PSEP National Program Leader, taking no "overhead" expenses to handle the EPA pass-through funds and through other in-kind support. The formula for distributing these funds was established in the 1970's and then updated and revised in 2007.

Though much higher in the early years, in recent years the EPA pass-through funds typically hovered around \$1.7 to \$1.8 million on an annual basis. To receive these funds, state PSEP coordinators annually provide USDA with budgets and specific documentation on how the funds are expended.

Contemporary Funding Challenges

Over the years, due to budget constraints, federal government shutdown and other challenges, there has been significant shortfalls and deferrals in the amounts made available to state PSEPs. Because of the unpredictability in available funding and at times differing outlooks between USDA and EPA, these IAGs have almost always been in a state of flux. Inherent difficulties in negotiating and implementing an IAG inevitably results in funding not reaching state PSEP programs for a year or more even if congressional appropriations are made in a timely manner. Thus the funds that a state may be spending today, probably was appropriated for the previous federal fiscal year.

In addition, the very complex way the federal government tracks the use of these funds has created confusion, delays in availability and lack of transparency. As a result, EPA has had difficulty in directly matching the drawn down of the funds from EPA to the specific documentation on fund expenditures submitted to USDA by state PSEP coordinators.

Nature of Federal Funds

Until 2007, all EPA pass-through funds to state PSEPs were discretionary EPA funds. Thus if EPA was under budget constraints or if EPA had different priorities, they were under no legal obligation to pass-through funding to USDA and then on to state PSEPs. What changed in 2007 was the passage of the Pesticide Registration Improvement Act, also known as PRIA II. PRIA II is a five-year law that specifically earmarks funds for PSEP. (These funds are derived from fees paid by pesticide registrants to obtain registrations for their products.) \$500,000 is set aside annually for PSEP support via PRIA II for five years, at which time PRIA funding for PSEP will end unless renewed by Congress. EPA has chosen thus far to distribute the PRIA funds through the IAG mechanism.

Unfortunately, the injection of PRIA funds has not resulted in additional resources for state PSEPs as EPA has reduced the amount of discretionary funding for PESP. The total funding level which had been about \$1.7 to \$1.8 million annually was reduced two years ago to \$1.6 million. For the 2010 federal fiscal year total pass-through funding (PRIA and EPA discretionary funding) was reduced to \$1.3 million.

Distribution Dilemmas

At the national level, federal funding for PSEP has clearly been reduced. However, the amount of the reduction that each state faced was highly variable based on the distribution formula. States receiving a small distribution under the formula, saw a smaller reduction proportionally than states which ordinarily had a larger distribution. The formula provides all states with the same amount of base funds and the rest is calculated on applicator numbers. Thus large states like Ohio or Texas, saw actual PSEP funds reduced by 35 to 45% while relatively small states like North Dakota or South Dakota saw reductions of 20 to 30%.

In addition to real funding declines, there is the nagging problem of negotiating and implementing another IAG. A sore point over the years has been EPA's concern that funds were not being spent in a timely manner and that funds not fully expended would thus be turned back to the federal treasury and would therefore be "lost or wasted". USDA has been diligent in recent years working with state PSEPs to spend their allocations. Once again, the cumbersome and non-transparent nature of the funding mechanism resulted in some institutions not even knowing that they have unspent funds and raised concerns by EPA regarding accountability.

Which makes one wonder, why not just have EPA send these funds directly to the states and not bother with USDA and negotiating another IAG? This has been contemplated on numerous occasions. However, because of historical precedence that dates back to the 1960's, USDA has been able to compel universities and colleges to forego levying overhead or indirect charges against these funds. If those overheads were allowed, the parent university would be entitled to a slice of the funds. So the

actual amount received by the extension service in each state would be reduced by 20, 30, 40, or more than 50%, depending on the university policy. While the pass through scheme is unwieldy, it does have this salient advantage.

What you need to know

It is important for all AAPSE members (SLA, extension PSEP and associate members) and our programs' administrators and stakeholders to understand the nature of federal funding for both SLA pesticide programs and PSEP. American Association Of Pesticide Control Officials (AAPCO) is currently in an extended conversation with EPA over SLAs' ability to implementation federal pesticide programs given at best static federal funding and rapidly declining state funding and staffing.

For those AAPSE members who are PSEP coordinators, it is crucial that you have this information to effectively manage your budgets. Clearly, the fragility of federal funding for PSEP means that you need to take this into account when making program and other decisions and when working with your SLA partners and program stakeholder groups. Program commitments and staffing could be effected, especially if you are forward spending the 2011 pass-through funds, which have not yet been announced or released.

At the time of this writing, you need to know:

1. EPA pass-through funding for PSEP, other than PRIA, is discretionary
2. PRIA funding for PSEPs is only for five years and will soon discontinue unless renewed by Congress
3. Budget pressures at the federal level are strained at best, which means EPA discretionary funding for PSEP could be drastically reduced or eliminated in future years (including for the current federal fiscal year.)
4. Budget impasses between the executive and legislative branches mean that a delay in distribution of any funds is highly probable – as happened the last time the federal government shut down due to a budget impasse
5. Continuing difficulties with negotiating another IAG could mean:
 - a. EPA may choose to not distribute any funds this year or they could choose to try a different scheme to support PSEP
 - b. Both USDA and EPA are concerned that a different legal interpretation could eliminate the prohibition against the levying of indirect or overhead charges by USDA and by land grant universities. If this happens, PSEPs will see another reduction in net funds independent of how many dollars are available from EPA.
 - c. Differences in approach between EPA and USDA will likely delay any distribution of federal funds to the states
 - d. Conversion of the pass-through funds to grants

6. Based on historical precedence, the unwieldy nature of the funding mechanism, and the basic underlying scarcity of public funds, it would be prudent if all state PSEP coordinators prepare themselves now for further reductions in federal funding.

Summary

AAPSE believes continued federal funding for PSEPs to carry out its federal obligations through the traditional IAG scheme between USDA and EPA will be difficult at best and impossible at worse. Our thinking on this matter is not based on any inside knowledge or specific information regarding USDA or EPA decision making. But rather, it is founded on common sense and experience. And this tells us that all state PSEP coordinators need to work aggressively to become self-supporting and begin planning for a budgeting landscape that does not include federal funding.

Finally, we want to encourage you in your budgeting process to keep focused on the essentials of pesticide safety education. Whatever resources you have, focus them on: keeping applicators safe, keeping applicators' co-workers and the general public safe, and using pesticides to effectively manage pests while also protecting the environment.

Best regards,
APPSE Executive Committee

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