



ARIZONA

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Ellis M. Jones
Acting Director

NOTICE OF PEST MANAGEMENT ADVISORY COMMITTEE MEETING

Wednesday, July 22, 2009, 10:00 A.M.

Office of Pest Management
9535 E. Doubletree Ranch Road
Scottsdale, AZ 85258

NOTICES

Comments on any item may be made to the Committee by attending the meeting to speak, or communicating with Ellis M. Jones by email: ejones@sb.state.az.us, fax: (602) 255-1281, mail: OPM office address, or phone: (602) 255-3664.

For people who need language interpretation services or a reasonable accommodation for a disability, please contact Helen Turner by email: hturner@sb.state.az.us, fax: (602) 255-1281, mail: OPM office address, or phone: (602) 255-3664.

Please quiet your cellular telephones and pagers. Do not hold telephone or other conversations in the hallway outside of the Media room, as voices carry.

Pursuant to A.R.S. § 38-431.02, notice is given to the members of the Pest Management Advisory Committee and to the General Public that the Office of Pest Management will hold a meeting open to the public, as indicated on the following agenda.

Pursuant to A.R.S. § 38-431.03(A)(3) The Committee may vote to go into Executive Session to receive legal advice for matters on the agenda. Executive Session is not open to the public.

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All items except items I, II, and V are subject to decision and vote by the Committee.

AGENDA

- I. **10:00 A.M.: Call to Order (Chairperson), Committee Roll Call (Mrs. Holmes)**
- II. **Approval of Minutes**
 - a) **June 24, 2009**
- III. **Committee Updates and Reports**
 - a) **Election of Chairperson (Chairperson)**
 - b) **Pest Management Advisory Committee (PMAC) Member Training (Mrs. Miles)**
 - c) **PMAC Mission/ Vision Statement (Mr. Jones)**

The mission of the AZ Pest Management Advisory Committee is to provide technical advice and make recommendations to the Acting Director. The Committee will act as a voice of the Pest Management Industry and inform the Acting Director of concerns as it pertains to the Business of Pest Management. The Committee will work with the Acting Director and the Office of Pest Management Staff for the betterment of Arizona's Pest Management Industry. The Committee will act in this mission through cooperation and mutual respect.
- IV. **Call to the Public (Chairperson) - Each speaker is limited to five minutes. This is the time for the public to comment. Pursuant to A.R.S. Section 38-431.01(H), action (if any) taken as a result of public comment will be limited to recommending the Acting Director study the matter, responding to any criticism, or recommend scheduling the matter for further consideration at a later date. Pursuant to A.R.S. § 38-431.02(H), the Committee may discuss, consider or make decisions only on matters listed on the Agenda...**
- V. **Summary of Current OPM Events, Activities, Notices (Mr. Jones)**
 - a) **State of the Agency Briefing (Staff)**
 - b) **Status of 2010 Applicator License Renewals (Mr. Tolton)**
- VI. **Review, Discussion, and Possible Action on:**
 - a) **Budget Reconciliation Bill (Mr. Jones)**
 - b) **Revenue Proposal (Mr. Jones)**
- VII. **Scheduling of Future Meetings (Mr. Jones)**
 - a) **August 26, 2009**
- VIII. **Adjournment**

Revenue Proposals for FY2010

| Applicator | FY2009 Applications Received | Current Fees | Revenue | Emergency Rule Package Fees* | Revenue | AzPPO Proposal | Revenue | OPM Proposal | Revenue |
|-------------------------|------------------------------|--------------|-----------|------------------------------|-----------|----------------|-------------|--------------|-------------|
| New | 1480 | \$30 | \$44,400 | No Change | \$44,400 | \$75 | \$111,000 | \$100 | \$148,000 |
| Broaden | 414 | \$10 | \$4,140 | No Change | \$4,140 | \$75 | \$31,050 | \$75 | \$31,050 |
| Renewal | 6361 | | 0 | N/A | 0 | \$75 | \$477,075 | N/A | \$0 |
| (Online) | 4804 | \$20 | \$96,080 | \$25 | \$120,100 | N/A | 0 | \$65 | \$312,260 |
| (Paper) | 1557 | \$25 | \$38,925 | No Change | \$38,925 | N/A | 0 | \$75 | \$116,775 |
| Qualifying Party | | | | | | | | | |
| New | 129 | \$150 | \$19,350 | No Change | \$19,350 | \$275 | \$35,475 | \$225 | \$29,025 |
| Broaden | 34 | \$50 | \$1,700 | No Change | \$1,700 | \$275 | \$9,350 | \$200 | \$6,800 |
| Active Renewal | 1039 | N/A | 0 | N/A | 0 | \$275 | \$285,725 | N/A | \$0 |
| (Online) | 822 | \$120 | \$98,640 | \$150 | \$123,300 | N/A | 0 | \$190 | \$156,180 |
| (Paper) | 232 | \$125 | \$29,000 | \$150 | \$34,800 | N/A | 0 | \$200 | \$46,400 |
| Inactive Renewal | 302 | N/A | 0 | N/A | 0 | None | 0 | N/A | \$0 |
| (Online) | 217 | \$20 | \$4,340 | \$25 | \$5,425 | None | \$4,340 | \$115 | \$24,955 |
| (Paper) | 70 | \$25 | \$1,750 | No Change | \$1,750 | None | \$1,750 | \$125 | \$8,750 |
| Activate | 81 | \$125 | \$10,125 | No Change | \$10,125 | None | \$10,125 | \$150 | \$12,150 |
| Temporary QP | 16 | \$25 | \$400 | No Change | \$400 | \$275 | \$4,400 | \$250 | \$4,000 |
| Temp. QP Renewal | 25 | \$25 | \$625 | No Change | \$625 | None | \$625 | \$100 | \$2,500 |
| Business | | | | | | | | | |
| New | 74 | \$75 | \$5,550 | \$100 | \$7,400 | \$500 | \$37,000 | \$300 | \$22,200 |
| Renewal | 1054 | N/A | 0 | N/A | 0 | \$500 | \$527,000 | N/A | \$0 |
| (Online) | 841 | \$70 | \$58,870 | \$100 | \$84,100 | N/A | 0 | \$290 | \$243,890 |
| (Paper) | 213 | \$75 | \$15,975 | \$100 | \$21,300 | N/A | 0 | \$300 | \$63,900 |
| Branch | 14 | \$35 | \$490 | \$50 | \$700 | \$200 | \$2,800 | \$150 | \$2,100 |
| Branch Renewal | 99 | \$35 | \$3,465 | \$50 | \$4,950 | \$200 | \$19,800 | \$150 | \$14,850 |
| Total Revenue | | | \$433,825 | | \$523,490 | | \$1,557,515 | | \$1,245,785 |
| Difference** | | | | \$89,665 | | \$1,123,690 | | \$811,960 | |

* The Emergency rule package is currently on hold at the Attorney General's Office and will only come into play if the Budget Reconciliation Bill (BRB) does not go through with the State budget. The Emergency Rule Package includes a raise in the TARP fees to \$15 and a raise in Late TARP fees to \$20. The Emergency Rule Package will eliminate the Excessive Late fee that is currently being assessed for TARFs submitted 181 days after the date of the action and beyond.

**Difference = The difference between the revenue generated by current fees and the potential revenue generated by the Emergency Rule Package, AzPPO, and OPM Proposals.

Revenue Proposals for FY2010

The New Applicator and New Qualifying Party license fee in the OPM Proposal will include the Background Investigation fee, which will make application submissions and processing easier on both the industry and the OPM Staff. Current policy requires an Applicant to submit an OPM License fee and a \$24 Cashier's Check or Money Order made payable to the Arizona Department of Public Safety.

The following Tables show the current TARF fee structure and the OPM Proposed TARF fee structure. The OPM Proposed TARF fee structure will eliminate the fee for timely eTARF submissions, charge a \$10 Late fee for all Late TARF submissions (per TARF), and require a \$15 TARF fee for all "Paper" TARF submissions. The proposal will also eliminate the "Excessive" Late TARF fee. There would be no change to the Final Grade TARF submission requirements, with exception of the newly proposed Late fee amount. "Paper" TARFs will require a fee because "Paper" TARF submissions require data entry and verification by OPM Staff, whereas an eTARF submissions are primarily processed by the licensee.

| Current TARF Fees | eTARF | Paper TARF | Emergency Rule Package TARF Fees | eTARF | Paper TARF | Proposed TARF Fees | eTARF | Paper TARF |
|-------------------|-------------|-------------|----------------------------------|-------|------------|--------------------|-------|------------|
| Timely | \$8 | \$8 | Timely | \$15 | \$15 | Timely | \$0 | \$15 |
| Late | \$8 | \$8 | Late | \$20 | \$20 | Late | \$10 | \$10 |
| Excessively Late | \$8 | \$8 | Total | \$35 | \$35 | Total | \$10 | \$25 |
| Total | \$24 | \$24 | | | | | | |

In order to eliminate the current TARF fee structure, the OPM needs to replace that revenue. The following proposals will replace the revenue lost by eliminating the current TARF fee structure.

| Active Applicator Service Fee Proposals | | | | | | | | | |
|---|----------------|-------------|-------------|--------------|-------------|-------------|-------------------|--|--|
| Estimated # of Active Applicants | AzPPO Proposal | # of Months | Revenue | OPM Proposal | # of Months | Revenue | FY09 TARF Revenue | | |
| 5,000 | \$25 | 12 | \$1,500,000 | \$20 | 12 | \$1,200,000 | \$1,182,000 | | |

The OPM Proposal uses the principals of the AzPPO Plan, yet reduces the amount proposed. The OPM is also considering making the the AASF due on a quarterly basis rather than monthly.

| | |
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| Estimated Additional Revenue*** | \$81,600 |
| ***Saguaro Continuing Education Conference & Expo Fee, CE Course Application Fee, Initial License Training Fee, Fingerprinting Service Fee, OPM CE Class | |

| FY2010 OPM Appropriation | FY09 OPM Operating Expenses | Total AzPPO Proposal Revenue Generated | Total OPM Proposal Revenue Generated |
|--------------------------|-----------------------------|--|--------------------------------------|
| \$2,644,000 | \$2,300,000 | \$3,057,515 | \$2,527,385 |

The revenue generating plan that was instituted in January 2009 has allowed the OPM to reduce the fees that appear in the AzPPO Proposal. Using the AzPPO Proposal's framework and OPM Proposal's fee structure, we'll generate sufficient revenue for operating expenses. The AzPPO Proposal contains language that may be used to create and/or replace existing Statutes for a more equitable dispersment of fees used to fund the OPM and for the betterment of the Pest Management Industry.