

**Economic Impact Statement**

LSA Document #10-336

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

The proposed rule will apply to three potential groups of pesticide applicators (private contractors, public school employees, and private school employees) working in two types of school systems (public schools and private schools). Both the private contractors and the private schools and their employees will be considered small businesses for purposes of this economic analysis. The public schools and their employees will not be considered small businesses.

The details of the economic analysis are provided below. In summary, there will be no new or additional requirements or costs under [IC 4-22-2.1-5](#) to private contractors hired by public or private schools to apply pesticides for hire. There will be only minimal new or additional requirements or costs under [IC 4-22-2.1-5](#) to private schools and their employees.

**Private Contractors Hired to Apply Pesticides at Schools:**

The proposed rule consists of five major provisions. Most of these provisions are already required by other rules or already being voluntarily implemented as a normal course of business for private contractors hired to apply pesticides at schools.

[357 IAC 1-16-4](#) and [357 IAC 1-16-5](#) will require that an individual be certified and licensed by the state chemist to apply or supervise the application of pesticides at a school. State pesticide laws and rules have required private contractors to be certified and licensed or supervised since 1976. Therefore, this requirement will not be new for private contractors.

[357 IAC 1-16-6](#) will require that pesticides not be applied at a school when children are present. Most schools adopted policies in the early part of this decade that prohibit applying pesticides in the presence of children or to areas where children are likely to come into contact with pesticide residues. As a result, private contractors will already be operating under this principle.

[357 IAC 1-16-7](#) will restrict pesticide storage at a school to secured areas separate from children, food storage, and food handling areas. Private contractors do not store their pesticides on-site at schools. Therefore, this will not affect them.

[357 IAC 1-16-8](#) will require that school corporations notify listed school parents, guardians, and staff in advance of scheduled pesticide applications. This will require that private contractors plan and coordinate their service schedules with the school. Because this has also been a provision of most school policies adopted in the early part of this decade there will be no additional impact on private contractors.

[357 IAC 1-16-9](#) will require that school corporations or their contractors keep records of the pesticide application. 1976 state pesticide rules have required private contractors, as a course of normal business operation, to keep pesticide application records. Therefore, this will not affect them.

**Private Schools and Their Employees Who Apply Pesticides at Schools:**

[357 IAC 1-16-6](#) will require that pesticides not be applied at a school when children are present. Most schools adopted policies in the early part of this decade that prohibit applying pesticides in the presence of children or to areas where children are likely to come into contact with pesticide residues. As a result, there should be no real impact to most schools.

[357 IAC 1-16-7](#) will restrict pesticide storage at a school to secured areas separate from children, food storage, and food handling areas. Almost all schools are already storing pesticides in segregated and locked facilities for liability purposes. Therefore, this will not affect them.

[357 IAC 1-16-8](#) will require that school corporations notify listed school parents, guardians, and staff in advance of scheduled pesticide applications. This activity has been a provision of most school policies adopted in the early part of this decade. In addition, modern technological advances have made mass communication in short periods of time very attainable and commonplace. Therefore, this should not create an economic impact.

**Estimated number of small businesses (private schools) subject to this rule:**

The Board estimates that there are 742 private schools that may be impacted to some degree by this rule. It is unknown how many of these private school corporations use no pesticides now or already use private contractors and may not be impacted at all by this rule, above and beyond their current level of voluntary investment. However, for purposes of calculation, the Board estimates that 300 schools may be impacted.

**Estimated average annual administrative costs that private schools will incur:**

[357 IAC 1-16-4](#) and [357 IAC 1-16-5](#) will require that an individual be certified and licensed by the state chemist to apply or supervise the application of pesticides at a school. A school employee will be required to pass

a written applicator competency exam once every five years or attend continuing education programs (approximately \$150/year) and apply for and receive an annual pesticide applicator license (\$45/year). Average annual cost to the school would be approximately \$200.

[357 IAC 1-16-9](#) will require that school corporations or their contractors keep records of the pesticide application. For schools that keep records themselves, it is estimated that a total of one day will be spent each year creating and maintaining pesticide application records. Average annual cost to the school would be approximately \$100.

**Estimated total annual economic impact on private schools:**

The Board estimates that there will be approximately \$90,000 total annual fiscal impact on private schools as a result of compliance with this rule. This total figure was calculated as (300 private school corporations) × (\$200 certification and licensing + \$100 record keeping) = \$90,000.

**Supporting data, studies, and analyses:**

The Board reviewed cost data for applicator training from the Purdue University Cooperative Extension Service (the primary pesticide applicator trainer for the state) and cost data for exams and license fees from the Office of the Indiana State Chemist (OISC) (the pesticide regulatory agency for the state). The Board also reviewed private schools data from the Indiana Department of Education website.

**Regulatory flexibility analysis of alternative methods:**

In 1999, legislation was drafted to regulate the use of pesticides in schools in Indiana. At that time, the Board worked cooperatively with the Indiana Legislature, the Indiana School Board Association, and the Indiana Non-Public Education Association to develop a model pest control in schools policy for voluntary adoption by schools in lieu of legislation or regulation. The 2000 model policy adopted by the Board includes all of the provisions contained in the proposed rule. Since 2000, the Board, the two referenced associations, the Purdue University Cooperative Extension Service, and the OISC have been encouraging and assisting schools to adopt their own pest control policies consistent with the model. To the extent that some of these schools have chosen to adopt and implement such policies, the opportunity to budget for all or part of the associated costs has been provided over the last 10 years.

**Explanation of preliminary determination:**

The Board made a determination that the rule was necessary because not all schools have successfully adopted and implemented pesticide use policies since 2000. The OISC initiated an inspection program in 2001 to assess the rate of policy adoption at schools. OISC observed that originally many schools adopted policies. Many schools when pressed could point to an adopted policy in print. However, upon closer examination, OISC learned that the level of actual implementation of those policies was significantly less. In addition, over time newer school staff members have become less and less familiar with the policies adopted by their respective administrations and school boards. This has led to challenges and confusion among parents, school administrators, pesticide users, and private contractors.

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