



# Agriculture, Environment, and Natural Resources

## ***Contains Recommendations***

Agricultural Education

DNR State Parks and Historic Sites

## ***Contains No Recommendations***

Universal Service Fund

Georgia Agricultural Sales Tax Exemption

\*Until the follow-up review is completed, the recommendation status is based on the most recent agency update to DOAA. The status is subject to change.



## Performance Audit Division

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### Georgia Department of Education – Agricultural Education Requested Information on the Young Farmer and FFA Camp Programs

#### BACKGROUND

The Senate Appropriations Committee requested this special examination of the Young Farmer and youth camp programs within the Agricultural Education Program at the Georgia Department of Education (GaDOE). Based on this request, we reviewed the extent to which (1) the Young Farmer program has a reasonable approach to accomplish its purpose and (2) the current structure of youth camps contributes to financial and liability risks.

The Young Farmer (YF) program was created in 1951 to provide educational instruction and opportunities to adults interested or engaged in agriculture, and it seeks to increase proficiency in agricultural production, management, agribusiness, and leadership. Currently, there are 61 active YF programs across the state.

Since 1948, the Georgia Association of Future Farmers of America (FFA) and the state have partnered to operate recreational and youth camping programs (referred to in this report as FFA camps). FFA camps consist of two state-owned facilities offering overnight accommodations, dining services, meeting space, and recreational facilities available to FFA and Family, Career, and Community Leaders of America (FCCLA) members, as well as other educational groups.

#### KEY RECOMMENDATIONS

GaDOE should:

- Take steps to ensure clear, measurable goals exist for the YF program and that performance measures (including outcomes and outputs) and program requirements are tied to the goals.
- Establish a policy clarifying responsibility for monitoring the YF program and ensuring the program is monitored at a statewide level. Such monitoring should be based on meaningful information.
- Seek to clarify the status of the FFA camps as state or non-state entities in consultation with the State Office of the Attorney General.

#### KEY FINDINGS

GaDOE has established a mission with related goals and has documented program requirements for the Young Farmer (YF) program. However, the program lacks associated performance measures and the activity data collected is not consistent or complete, which limits the ability to evaluate program performance and identify services commonly delivered. Furthermore, GaDOE's role and responsibility are not defined for Future Farmers of America (FFA) camps, which operate on state-owned property.

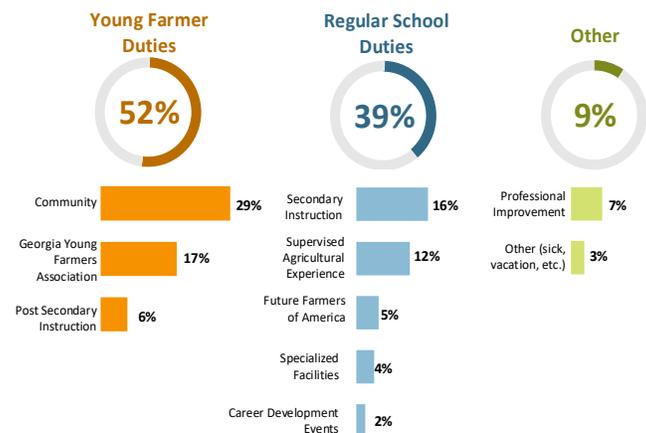
**While GaDOE has established requirements for YF teachers, the program is not designed to measure progress toward achieving goals.**

- YF teachers must annually complete a Program of Work that includes 51 standards. Based on GaDOE data, an average of 96% of standards were met from 2018-2022.

- YF program goals are related to its mission, yet most are not clearly defined or measurable. The program also lacks performance measures that would help determine progress toward achieving program goals.

- GaDOE collects program activity data; however, this information is not used to monitor the program statewide. Additionally, data limitations exist, including:

- Data is inconsistent and likely incomplete. For example, in school year 2021-22, total work hours reported by YF teachers varied from approximately 550 to 3,000 hours. In addition, teachers reported using different categories for the same services.
- Monthly activity reports lack meaningful information such as which service types are most commonly provided and to whom. According to the activity data, YF teachers on average spend approximately half of their time on YF duties and nearly 40% on regular school duties.



**The relationship between GaDOE and FFA camps is not defined, which increases financial and liability risks.**

- FFA camps—which operate on state-owned properties and receive state funds—are not defined as units of the state. GaDOE does not centrally manage the camps (unlike other state entities with similar camps); rather they are overseen by a Camp Administrative Committee made up of representatives from GaDOE and various non-state entities (e.g., local school systems, agribusiness).
- The current arrangement creates financial and liability risks. For example, FFA camps do not follow state requirements related to financial management and instead operate under more limited requirements established by the Camp Administrative Committee. Additionally, while FFA properties are insured by the state, FFA camp employees may not be covered by the state's liability insurance program.

## Agricultural Education

### Follow-Up Review Completed June 2025

<b>Finding 1: The YF program is not designed to measure progress toward achieving program goals.</b>	
GaDOE should establish clear, measurable goals for the YF program that are re-evaluated regularly to assess their reasonableness and relevance.	Fully Implemented
GaDOE should establish performance measures that are tied to program goals. The performance measures should include outcome, as well as output, measures. Once performance measures are established, GaDOE should determine whether program requirements and activities demonstrate progress toward achieving goals.	Fully Implemented
GaDOE should evaluate the programmatic (non-administrative) POW requirements and modify those that are identified as irrelevant to the program's goals.	Fully Implemented
<b>Finding 2: While GaDOE assesses YF teachers' compliance with reporting requirements and collects information on YF activities, it does not evaluate overall program performance.</b>	
GaDOE should establish a policy regarding ongoing monitoring of YF teachers. The policy should clearly assign responsibility for ongoing monitoring activities. The policy should also document the consequences for failing to comply with program requirements and include a procedure for determining funding cuts that result from non-compliance.	Fully Implemented
GaDOE should evaluate program performance at a statewide level. This could include setting benchmarks to compare to monthly report data.	Fully Implemented
GaDOE should work with YF teachers, local school system CTAE directors, and program management to redesign the Monthly Reports to track more meaningful information such as which service types are most commonly provided and to whom. For information currently collected but not used, GaDOE should decide whether this information is needed.	Fully Implemented
GaDOE should ensure YF teachers are trained and provided sufficient guidance to ensure activity data is consistently reported.	Fully Implemented
GaDOE should consolidate the adult enrollment forms and the monthly reports to ease the administrative burden on YF teachers and increase the accuracy of reporting.	Fully Implemented
<b>Finding 3: YF services vary across the state and are based on community requests for assistance.</b>	
No recommendations	
<b>Finding 4: It is unclear whether FFA camps should be considered units of the state, which creates financial and liability risks.</b>	
GaDOE, in consultation with the Office of the Attorney General, should clarify the status of the FFA camps as state or non-state entities.	Not Implemented
If FFA camps are determined to be state entities, GaDOE should centrally manage the camps to ensure they comply with state laws, rules, and policies governing state entities.	Not Implemented
If FFA camps are determined to be non-state entities, GaDOE (in consultation with the State Properties Commission) should re-establish an agreement with the Georgia Future Farmers of America, Inc., Georgia Association of Family, Career, and Community Leaders of America, inc., or other relevant party. The agreement should outline the roles and responsibilities of each for camp operations.	Not Implemented
The FFA camps should update their policies and procedures manual (last updated in 2009) to ensure they are current and accurately reflect all financial policies and controls in place.	Not Implemented



# Performance Audit Division

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## DNR State Parks and Historic Sites

### Opportunities exist to generate additional revenue to maintain park assets

#### BACKGROUND

This audit evaluated the Department of Natural Resources State Parks and Historic Sites Division (PHSD). Specifically, we evaluated whether PHSD has an appropriate process for determining the condition of its assets, whether PHSD maximizes utilization and revenue through appropriate pricing and reservable facilities, whether PHSD golf courses are financially sustainable, the impact of the Friends of Georgia State Parks on the state parks system, and whether PHSD is able to attract and retain staff.

PHSD has a mission to “protect our state’s natural beauty and historic integrity while providing opportunities for public enjoyment and education.” To this end, PHSD manages 48 state parks and 15 historic sites, many of which have cottages, campsites, and visitor centers.

In fiscal year 2025, PHSD expended \$109.2 million, including \$47 million for capital projects. Approximately half of total expenditures (\$55.5 million) was funded with self-generated revenue from sources such as park passes, campsite rentals, golf course fees, and gift shop sales. State and bond funds represented 43% (\$46.4 million), while federal funds covered 7% of expenditures (\$7.2 million).

#### KEY RECOMMENDATIONS

PHSD should:

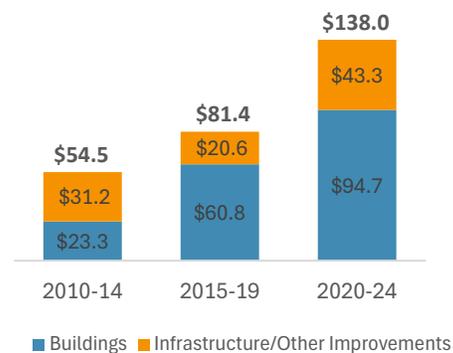
- Develop a capital improvement plan to address its capital needs
- Increase the vehicle entry fees
- Target new accommodations to parks with high demand and introduce more price variation in accommodations
- Increase certain golf-related fees and increase marketing of golf courses
- Adjust the reimbursement amount paid by Friends for park passes
- Update the park classification system.

#### KEY FINDINGS

The State Parks and Historic Sites Division (PHSD) within the Department of Natural Resources already generates significant revenue to partly fund its operations and capital costs. However, we noted additional revenue-generating opportunities related to price adjustments, marketing, and targeting future investments. Generating revenue to staff and maintain parks must be balanced with ensuring Georgians can access these public resources.

#### Investments in assets have increased, but a capital improvement plan would be useful.

- The State has significantly increased capital investments in PHSD assets such as cottages, campsites, and visitor centers over the last 15 years.
- A capital improvement plan would help document and communicate all needs to stakeholders in a formalized and transparent manner to address their greatest needs.



#### Additional revenue can be generated through various methods, including targeted fee changes and investments.

- Vehicle entry fees, which fund park maintenance, have remained unchanged since 2009. The Board of Natural Resources will soon vote on a plan to increase the daily fee from \$5 to \$10 and the annual fee from \$50 to \$70.
- Additional revenue can be generated through targeted investments in cottages, campsites, and yurts. The park system is most likely to generate new revenue when additional accommodations are targeted to parks currently unable to meet demand. In addition, the range of occupancy rates for specific accommodations suggests that greater price differentiation is warranted.
- All four golf courses we reviewed had positive net revenue. However, targeted fee increases and additional marketing could generate additional revenue.
- The Friends of Georgia State Parks provides valuable volunteer and fundraising support; however, much of its revenue results from PHSD providing significant discounts on items such as annual passes that are resold as part of a Friends membership.

#### PHSD’s classification system of parks should be updated to better align with differences across the system in visitation, revenue, and facilities.

- The park classification system, which impacts staff salaries, has not been updated in many years and lacks a documented methodology.

#### Most PHSD positions are part-time, with turnover rates above 50%.

- Employee turnover was approximately 46% in calendar year 2024. The rate was largely driven by part-time positions (58% turnover rate) that have a significant impact on park operations, such as housekeeping, maintenance, and clerks.

**DNR State Parks and Historic Sites**  
**Final Status Pending – Follow-Up Review will be completed in 2027**

<b>Finding 1: Major assets are largely in good condition, but PHSD lacks a process to determine and communicate the extent of future needs.</b>	
PHSD should develop a capital improvement plan that details all capital asset needs and is made available to the General Assembly and other decision makers as a public document.	<b>Status Pending</b>
<b>Finding 2: While processes exist to inventory and determine the condition of major assets, improvements can be made in how data is captured.</b>	
DNR should clarify processes for updating BLLIP inventories, including who is responsible for adding and removing assets.	<b>Status Pending</b>
PHSD should develop a process to track the condition of major assets, which could include documenting the condition of buildings in the BLLIP. DNR should consider the reasonableness of investing in an asset management system that could serve one or more divisions.	<b>Status Pending</b>
PHSD should develop a process to map and track underground infrastructure, including water shut-off valves.	<b>Status Pending</b>
PHSD should clarify requirements for site assessments, including the scope of single assessments and time period all assets should be reviewed.	<b>Status Pending</b>
<b>Finding 3: Opportunities exist to increase revenue and encourage the sale of annual passes.</b>	
DNR should increase daily park vehicle entry fees to recognize the impact of inflation.	<b>Status Pending</b>
DNR should ensure that any change to the annual pass price provides an improved value in relation to the daily pass.	<b>Status Pending</b>
The General Assembly should consider allowing Georgians to purchase a discounted annual park pass when paying their vehicle registrations.	<b>Status Pending</b>
<b>Finding 4: Opportunities exist to increase revenue at select state parks through additional overnight accommodations.</b>	
Opportunities exist to increase revenue at select state parks through additional overnight accommodations.	<b>Status Pending</b>
PHSD should share its prioritized list of facilities and return on investment calculations with the decisionmakers, including the General Assembly.	<b>Status Pending</b>
<b>Finding 5: Opportunities exist to increase accommodation revenue through additional pricing differentiation.</b>	
PHSD should develop a policy that permits greater variation in pricing based on the season and the demand for individual accommodation sites. To ensure affordability, the policy should limit the number of sites and the percent increase from the base rate.	<b>Status Pending</b>
<b>Finding 6: Opportunities exist to increase accommodation revenue through additional pricing differentiation.</b>	

**DNR State Parks and Historic Sites**  
**Final Status Pending – Follow-Up Review will be completed in 2027**

The FFA camps should update their policies and procedures manual (last updated in 2009) to ensure they are current and accurately reflect all financial policies and controls in place. Additional public engagement can ensure that park investments are targeted toward amenities desired by park users.	<b>Status Pending</b>
<b>Finding 7: State Park golf courses are largely financially sustainable, though varying risks exist across sites.</b>	
PHSD should include major golf lifecycle improvements, particularly related to irrigation, in its capital improvement requests to the General Assembly.	<b>Status Pending</b>
PHSD should evaluate the cost and benefits of establishing a manager in training program for golf course superintendents and/or managers.	<b>Status Pending</b>
PHSD should evaluate salaries for critical golf course positions that are difficult to fill, such as mechanics.	<b>Status Pending</b>
PHSD should evaluate whether to lease certain high use equipment or alternatively ensure there is redundant equipment across the system.	<b>Status Pending</b>
<b>Finding 8: State Park golf courses can generate additional revenue through targeted fee increases and restructuring memberships.</b>	
PHSD should increase the green fee rates for periods of peak demand (all weekend or weekend mornings) to align more closely with comparable, nearby public golf courses.	<b>Status Pending</b>
PHSD should increase the annual memberships rates to align closer to comparable public golf courses.	<b>Status Pending</b>
PHSD should establish a formal process to ensure that green and cart fees more closely align to comparable public golf courses.	<b>Status Pending</b>
PHSD should establish a plan to market annual memberships and evaluate changes to the membership structure. This could include: <ul style="list-style-type: none"> <li>• Offering a monthly payment plan for annual memberships and/or</li> <li>• Determining whether any additional benefits should be included with memberships or added as membership options.</li> </ul>	<b>Status Pending</b>
PHSD should charge a “no-show” or cancellation fee to golfers who book a tee time and fail to show up.	<b>Status Pending</b>
<b>Finding 9: Opportunities exist to enhance and expand marketing efforts for state park golf courses.</b>	
PHSD should ensure golf courses are promoted in future marketing plans. This includes marketing recent golf course improvements, stay and play packages, and membership plans.	<b>Status Pending</b>
PHSD should expand its email marketing and consider opportunities to use existing platforms.	<b>Status Pending</b>
PHSD should establish and maintain active social media accounts for each state park golf course.	<b>Status Pending</b>
DNR should work with PHSD to improve the State Parks website’s presentation and accessibility of golf course web pages.	<b>Status Pending</b>
<b>Finding 10: While PHSD has relatively low turnover in full-time positions, most positions are part-time with turnover rates above 50%.</b>	
No recommendations	

**DNR State Parks and Historic Sites**  
Final Status Pending – Follow-Up Review will be completed in 2027

**Finding 11: PHSD should reevaluate park classifications to better align with visitation and revenue.**

PHSD should develop a formal process for classifying state parks and review classifications on a periodic basis.

Status Pending

**Finding 12: Friends of Georgia State Parks provides several benefits to the state park system; however, much of those benefits are funded by the sale of discounted PHSD passes.**

PHSD should adjust the amount of the reimbursement paid by Friends for park passes. In doing so, PHSD should ensure its indirect support of Friends remains sufficient for the organization to provide the services most beneficial to PHSD.

Status Pending



# Performance Audit Division

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## Universal Service Fund

### Requested Information on the Use of Funds

#### BACKGROUND

The House Appropriations Committee requested this review of the Universal Service Fund (USF). Based on this request, we reviewed what companies are eligible for a USF, how USF funds have been spent, changes in the end-of-year balance, and policy options to help fund natural gas expansion.

Passed in 1997, Senate Bill 215 authorized natural gas deregulation in Georgia. When natural gas is fully regulated, a local distribution company delivers and sells gas to consumers at a rate set by the state's regulatory agency (interstate supplier rates are set by a federal agency). Under deregulation, the price for the sale of gas is determined by market competition, and consumers can choose the marketer from which to purchase gas. Companies that choose to deregulate have a USF, which sets aside certain natural gas revenues to fund gas expansion projects and provide low-income assistance.

The Georgia Public Service Commission (PSC) administers the USF. Statute specifies funding sources that are to be deposited into the USF and also authorizes PSC to order other revenue sources be deposited into the USF. Statute also indicates annual deposits "shall not exceed \$25 million." The USF does not receive any state funds.

In 2022, USF disbursements totaled \$15.7 million. Most (\$14 million) was spent on expansion projects, and a small portion (\$1.7 million) was used to assist low-income consumers.

#### KEY RECOMMENDATIONS

This report is intended to answer questions posed by the House Appropriations Committee and to help inform policy decisions.

#### KEY FINDINGS

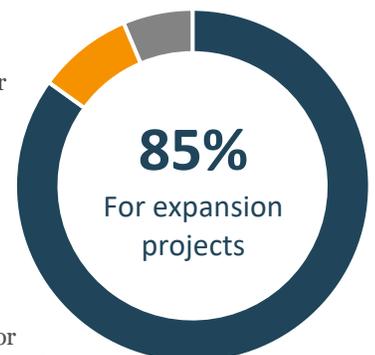
Under state law, a Universal Service Fund (USF) is established when a gas company chooses to deregulate, which currently applies to only one company. Most USF funding was spent on expansion projects, and a small portion was spent on low-income assistance. While gas providers we interviewed indicated they can adequately fund expansion projects with other sources, the General Assembly could consider programs used in other states to facilitate expansion if a need is identified.

#### A USF is only available to the one company that has deregulated.

- Under statute, the Georgia Public Service Commission (PSC) establishes a USF when a natural gas distribution company chooses to deregulate.
- Only Atlanta Gas Light (AGL) has deregulated, so it is the only company with a USF.
- Georgia's other natural gas distribution company has not deregulated, and municipal providers are not eligible for a USF.

#### Most USF funds have been spent on or are set aside for natural gas expansion projects.

- Between 2018 and 2022, \$63.2 million was disbursed from the USF. Most (\$53.5 million, or 85%) was spent on the 15 expansion projects completed during this period.
- USF funds are also used to assist low-income natural gas consumers. Between 2018 and 2022, nonprofits received \$5.5 million (9%) for home energy programs for low-income consumers. Additionally, \$4 million (6%) was used to help reimburse the regulated provider for uncollectible low-income consumer accounts. State law set up the regulated provider to provide natural gas to consumers who might otherwise have difficulty obtaining service.
- Between 2018 and 2022, the end-of-year balance has grown by 62%, from \$32.3 million to \$52.3 million. However, most of the balance (\$45.1 million, or 86% for 2022) was set aside for expansion projects that PSC has already approved but have not yet been completed (partly because COVID-era issues led to project delays).



#### While gas providers are generally able to fund expansion projects, policy makers could consider other funding mechanisms if deemed necessary.

- Across the state, the gas providers interviewed indicated they do not experience funding challenges because expansion project costs are typically incorporated into consumer rates. However, gas providers identified other barriers that impact their ability to expand (e.g., changes in federal regulations).
- Generally, other southeastern states do not have statutory provisions to fund expansion projects, and none establish a USF or direct grant funding for this purpose. However, two states' laws help facilitate expansion for economically infeasible projects by establishing a dedicated project fund or using a specific cost recovery process.

# Tax Incentive Evaluation: Georgia Agricultural Sales Tax Exemption

DOAA summary of report prepared by the University of Georgia's Carl Vinson Institute of Government

## BACKGROUND

Georgia's Agricultural Sales Tax Exemption (GATE) (O.C.G.A. § 48-8-3.3) provides for exemptions on selected agricultural inputs. Exempt items fall into broad categories of machinery, equipment, and repair parts; seeds and seedlings; livestock, feed, and veterinary supplies; fertilizers and pesticides; and fuel and electricity. The GATE program is considered one of the most expansive sales tax exemptions on agricultural inputs in the southeast. Nearly every state offers some form of agricultural sales and use tax exemption.

This review was requested by the House Ways and Means Committee and performed in accordance with O.C.G.A. § 28-5-41.1. The University of Georgia's Carl Vinson Institute of Government (the Institute) prepared the report.

## ECONOMIC ACTIVITY

To determine the economic activity attributable to GATE, the Institute estimated the difference between the gate value of crop, livestock, and timber production currently projected and the gate value expected if GATE did not exist. The value was estimated to be 7.65% lower, the amount of the combined state and local sales taxes.

As noted on the right, the Institute estimated that GATE results in nearly 2,500 jobs and a contribution of more than \$95 million to the state economy.

O.C.G.A. § 28-5-41.1 requires the analysis to include net economic activity, which includes the opportunity cost of the tax expenditure. If taxes on the excluded income had been collected and expended by the state, the Institute estimated the creation of 7,960 jobs and \$395.4 million in value added to the economy.



Note: Economic activity attributable to GATE

## REVENUE

The state exemption is estimated to increase from \$155.0 million in FY 2023 to \$166.8 million in FY 2028. (Local foregone revenue is estimated at \$141.2 million in FY 2023.) In 2022, the resulting economic activity was estimated to bring in \$1.8 million in state revenue.

Finally, the Institute estimated that the alternate use of the revenue would have generated \$9.0 million in state revenue in FY 2023.



Note: 2023 estimates

## COST

The Department of Agriculture reported administrative costs of about \$500,000 annually. Cardholders pay \$150 every three years, resulting in approximately \$1.8 million annually to the state treasury.

## PUBLIC BENEFIT

The Institute cited several public benefits including encouraging production, supporting employment (especially in rural Georgia), and supporting small farmers and producers of new or emerging crops.