



January 29, 2007

TO: GIEC Air Workgroup

FROM: Tammy Wyles
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SUBJECT: Future Title V Fees and Air Protection Branch Funding

The EPD Permit Fee Advisory Committee (PFAC), of which GIEC is a member, has met twice in the past couple of weeks. A meeting was held with EPD Air Protection Branch (APB) staff on January 17th and a meeting was held with EPD Director Dr. Couch (Jimmy Johnston, Heather Abrams and Jim Ussery also attended) this past Friday, January 26th.

Currently, the APB is forecasting a surplus in fees of \$939K for FY07 and \$445K for FY08. Because EPD may be unable to roll the excess FY07 revenue over to FY08, those facilities that pay in installments (there are about 50 in all) will be asked to split their last installment payment in half so that the first half of the installment will be due on the normal due date of April 2, 2007 and the remaining amount will be due on August 1, 2007. This will allow about \$800K of the anticipated \$939K surplus to be reflected in FY08. Additionally, EPD plans to reduce the current \$33 per ton fee by \$4.50, to \$28.50 for FY08.

There are a number of reasons for the surplus. Most notably, the ambient air monitoring program for which EPD had been paying well over \$1 million to an outside contractor has been brought in-house. Although additional staff and vehicles will be needed, a significant decrease in expenses related to the monitoring program is projected. At the same time, fee revenue has increased, partly as a result of "fee audits" that have been and continue to be conducted by the APB. These items, along with others, have contributed to a significant projected surplus in revenue over projected expenses. In the January 26th meeting, H. Abrams told PFAC members that she will continue to try to find savings and to run an efficient organization.

During the January 26th meeting, Dr. Couch reported that EPD had recently briefed the Governor on a couple of proposed legislative changes (see attached). EPD was looking to (1) gain more flexibility in the use of fees collected through the Motor Vehicle Emission Inspection & Maintenance Act (I/M Act) and (2) receive approval to charge air permit application fees. EPD staff have expressed frustration over resources that are expended on permits for facilities that are never constructed and therefore do not pay Title V fees - application/issuance/processing fees could allow the APB to "charge-for-use". Apparently, the Governor understands that there are problems with the existing system, but he wants to hold off any legislative changes this year until he has had the opportunity to review the findings of the Department of Audits who had just completed an audit of all fees collected by state agencies. However, Dr. Couch said that the Governor is committed to address the problem in FY09 by either pursuing application fees or pursuing direct appropriations to help fund the budget. In closing, Dr. Couch committed to work with PFAC to avoid future increases in Title V fees.

For anyone interested in seeing the Department of Audits fee report (December 06), it is available at www.audits.state.ga.us/internet/pao/rpt_main.html. From that link, go to "Completed Reports" and look in the "General Government" Category under "User Fees".

If you have any questions or comments, please contact either me or Debbie Phillips (dphillips@giec.org / 770-421-3479).