



Financial Assistance Programs

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Financial and Technical Assistance Programs

State Conservation Commission

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State Conservation Commission Programs

- Resource Enhancement and Protection Program (REAP)
- Agriculture Linked Investment Program (Agri-link)
- Conservation Excellence Grant Program (CEG)
- Agriculture Conservation Assistance Program (ACAP)

Resource Enhancement and Protection Program (REAP)

- REAP is a first-come, first-served program that enables farmers, businesses, and landowners to earn PA income tax credits to offset the cost of implementing conservation practices.
- Tax credits provided by the REAP program helps farmers off-set the costs of implementing best management practices (BMPs) that benefit their farms and work to protect water quality at the same time
- Program is administered at the SCC, not delegated to conservation districts.
- 13 million in tax credits is allocated annually to the program
- Applications are available on line or hardcopy
 - https://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission/REAP/Pages/default.aspx

Resource Enhancement and Protection Program (REAP)

- REAP allows farmers and businesses to earn tax credits for:
 - implementation of conservation or manure management “Best Management Practices” (BMPs)
 - purchase of conservation equipment (e.g. no till equipment) for use on agricultural operations
- Development costs for Act 38 nutrient management plans, manure management plans and Ag E&S / Conservation Plans qualify for REAP tax credits

Resource Enhancement and Protection Program (REAP)

- Eligible applicants may receive between 25% and 75% of “out of pocket” project costs - up to \$250,000 per agricultural operation
- 50% reimbursement:
 - no-till planting equipment; precision nutrient application equipment; manure storage structures; cover crops; grazing practices; forested riparian buffers; others
- 75% reimbursement:
 - BMPs that reduce pollution runoff from animal concentration areas; Nutrient/Manure Management Plans; Conservation/Ag E&S Plans; others
- Projects eligible for 90% reimbursement (In a TMDL designated watershed)
 - multi-species cover crops; forested riparian buffers (50+ ft wide); livestock exclusion from streams and associated practices; others

Resource Enhancement and Protection Program (REAP)

- Eligible Costs:
 - Planning & Engineering
 - Materials
 - Labor – contractor or farmer/landowner
 - Post-construction expenses
 - 1 year of interest payments (if applicable)
- Tax Credits are awarded on a first-come, first-served basis and applications are accepted until available tax credits for the year are exhausted.

Resource Enhancement and Protection Program (REAP)

- PA tax credits are issued after the installation of a practice or purchase of eligible equipment. State or federal cost-share portions of a project are ineligible for REAP tax credits.
- Through REAP's sponsorship program, another business could help finance a project and apply for the tax credit instead of the producer.
- An accountant or other financial professional can advise farmers on the benefits of REAP for their operation.
- REAP tax credits may be sold, and there are individuals and corporations that wish to reduce their tax liability by purchasing tax credits. Several brokers in Pennsylvania help arrange tax credit sales.
- All 2022-23 REAP funding has been allocated and the Commission is not accepting 2022-23 REAP applications. The next round of the REAP program is tentatively set to begin in July 2023. The 2023-24 REAP application will be available at that time. Please contact the Commission for more details.
- https://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission/REAP/Pages/default.aspx

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Agriculture Linked (Agri-Link) Investment Program

- Provides the opportunity for low-interest loans to Pennsylvania agriculture operations implementing conservation best management practices (BMPs).
- BMPS must be included in:
 - approved Act 38 nutrient management plans,
 - Chapter 91 manure management plans,
 - agricultural Erosion and Sedimentation plans (Ag E&S)
 - conservation plans.

Agri-Link Program

- Administered by the PA Treasury, in collaboration with the Commission.
- \$25 million in loans is available through PA Treasury
 - \$2.5 million block of funds is currently available (1/2022)
- The Commission subsidizes a reduced interest rate to a borrower.
 - 3% interest rate reduction to current market rates associated with the current \$2.5 block of funds (1/2022)
- Loans can be obtained through eligible commercial lenders (an eligible state depository or Farm Credit Service)

Eligible uses:

- Conservation tillage.
- Crop rotation.
- Storm water management practices.
- Manure storage facilities.
- Barnyard and feedlot runoff abatement.
- Stream bank fencing (livestock exclusion).
- Riparian buffers.
- Pasture livestock watering systems. Nutrient application.
- Soil or Manure testing.
- Nutrient or manure management plans.
- Agricultural erosion and sedimentation plans.
- Other conservation plans.
- Odor management plan.
- Odor management BMPs.
- Any other BMP approved by the Commission.

Agri-Link Program

- Loan perimeters
 - \$250,000 maximum loan amount
 - The term of the loan may not exceed 12 years
 - The loan may be structured as a construction loan
 - The amount of the loan is based on eligible costs submitted by the farmer (borrower) for an approved project.
 - More information -
https://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission/Pages/Agriculture-linked-Low-Interest-Loan-Program-.asp
- Contact Eric Cromer, SCC
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Conservation Excellence Grant Program (CEG Program)

- What is the CEG program?
- The Conservation Excellence Grant Program, created by Act 39 of 2019 provides financial and technical assistance for the implementation of best management practices (BMPs) on agricultural operations in high-priority locations within the Commonwealth of Pennsylvania through grants, loans and tax credits, or a combination of all three.
- The CEG Program was created as part of the 2019 Pa Farm Bill initiative to support agriculture.
- The State Conservation Commission (SCC) administers the program with assistance from county conservation districts delegated certain responsibilities and duties.
 - These responsibilities include reviewing, ranking and approving applications for eligible projects and monitoring project completion.

Conservation Excellence Grant Program (CEG Program)

- Provides financial and technical assistance for the implementation of best management practices (BMPs) on agricultural operations in high-priority locations within the Commonwealth - Pa Ches Bay Phase III WIP
 - Tier 1 counties - Lancaster & York
 - Tier 2 counties – Cumberland, Franklin, Bedford, Centre, and Lebanon
- Financial assistance is available through GRANTS under the CEG Program
- Grants are given as reimbursements of actual costs
- Funding amount is based on eligible costs submitted by an approved applicant for an approved project
- A single grant awarded to an eligible applicant may not exceed \$250,000

Conservation Excellence Grant Program (CEG Program)

- When evaluating applications for eligible projects under the CEG program, a participating conservation district will give priority to complete applications based upon the following criteria:
 - Priority locations as designated in PA Department of Environmental Protection's Chesapeake Bay Phase 3 Watershed Implementation Plan.
 - Priority best management practices established by the Commission and defined in the CEG Guidelines.
 - The level of planning and technical assistance already completed by the applicant for the proposed project.
 - The extent to which an applicant is willing to accept a reasonable mix of grant, loans, tax credits or to supply non-governmental funds for the project

Conservation Excellence Grant Program (CEG Program)

- CEG Program Priority BMPs:

<ul style="list-style-type: none">• Livestock exclusion fencing.• Stream-side buffers.• Streambank restoration.• Barnyard and feedlot runoff abatement.	<ul style="list-style-type: none">• Stream crossings.• Off-stream watering.• Manure storage facilities.• Nutrient management plans and manure management plans.	<ul style="list-style-type: none">• Conservation plans or agricultural erosion and sedimentation plans.• Cover crops.• Any other priority practices approved by the Commission.
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Conservation Excellence Grant Program (CEG Program)

- Eligible costs:
 - Project design, engineering and associated planning costs.
 - Project construction or installation provided by a contractor, including labor provided by the applicant.
 - Equipment, materials and other components of eligible projects.
 - Post construction inspections

CEG Program

- Applicants can apply for a CEG Program grant at the local county conservation district
- Note: Funding is only available for agricultural operations in the participating counties!
- https://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission/Conservation_Excellence_Grant_Program/Pages/default.aspx

Program Contact information:

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Agriculture Conservation Assistance Program (ACAP)

- The Agriculture Conservation Assistance Program (ACAP) was created through the Clean Streams Fund established by the FY2022-2023 Pennsylvania State Budget. ACAP provides financial and technical assistance for the implementation of best management practices (BMPs) on agricultural operations within the Commonwealth.
- The purpose of the ACAP is to assist farmers and landowners in the design and installation of agricultural conservation BMPs that will reduce or prevent nutrient and sediment losses from their farms and improve water quality and soil health across the Commonwealth.
- The State Conservation Commission (SCC) is charged with the administration and oversight of the ACAP and may “delegate” certain portions of the program to county conservation districts, Penn State College of Agriculture and other cooperating organizations.
- Seventy percent (70%) or \$154 million of the CSF is dedicated to ACAP.
- An additional ten percent (10%) or \$22 million of the CSF is dedicated to Nutrient Management Fund for agricultural technical and financial assistance.
- This initial allocation of funds must be committed by the SCC by 12-31-24 and spent by 12-31-26.
- ACAP is administered by the State Conservation Commission and delegated to participating conservation districts for local implementation of the program.
- ACAP is funded at a total of \$154 Million with a deadline for all funds to be fully expended by **December 31st, 2026**

Agriculture Conservation Assistance Program (ACAP)

SCC ACAP Duties and Responsibilities

- The enabling legislation charges the SCC with the administration of the ACAP, and includes specific duties and responsibilities including to:
 - Develop **guidelines** to administer the program.
 - **Allocate** available ACAP **funds** to county conservation Districts.
 - **Designate** agricultural conservation Best Management Practices (**BMPs**) eligible for funding.
 - Develop a **training, education, and technical assistance** program for staff performing program work.
 - Designate a system for collecting and **reporting** ACAP project **data**.
 - Establish program evaluations and **quality control**.
 - **Delegate** certain duties and responsibilities to conservation districts, Penn State, or other entities.
 - **Report** annually to the state legislature.
 - **Carry out ACAP in counties where county conservation districts choose to not participate.**
- ACAP allows the SCC to utilize up to **4% administration** or administrative purposes, and to utilize up to an addition **4%** for **contractual services** necessary to carryout the program.

Agriculture Conservation Assistance Program (ACAP)

- Under the enabling legislation, SCC is required to allocate ACAP funding to participating county conservation districts based on written apportionment criteria developed by the SCC that is focused on preventing nutrient and sediment pollution. The SCC's apportionment criteria must consider:
 - Agriculturally Impaired Stream Miles
 - Number of Cropland Acres
 - Number of Farms
 - Number of Livestock and Poultry
 - Other criteria established by SCC

Agriculture Conservation Assistance Program (ACAP)

- The enabling legislation outlines conservation district duties and responsibilities including to:
 - **Carryout** county ACAP **consistent with SCC guidelines**
 - Enter into **delegation agreement** if you choose to participate
 - The Commission will require conservation districts to **opt-in or opt-out** in a timely fashion to allow the Commission staff the ability to identify any districts opting-out, and to formulate a plan to provide ACAP services in these counties.
 - Accept and review complete applications within **90 days**
 - Enter into **agreements with successful applicants**
 - **Oversee agreements** for the design and installation process
 - **Verify** completion and certification of **BMP**
 - **Reimburse** participants
 - Districts **MAY** form an **advisory committee** to advise the county program and identify local priorities and opportunities to complement other programs. At a minimum, the committee shall include one district representative, one NRCS representative, and up to three other local representatives who are knowledgeable of agricultural operations and conservation.

Agriculture Conservation Assistance Program (ACAP)

- Conservation districts may use ACAP funds for:
 - Providing **financial and technical assistance** to ACAP participants.
 - Establishing procedures for submission, review, ranking and approval of applications.
 - Entering into agreements with applicants.
 - Ensuring applicants fully comply with BMP maintenance and other contractual requirements

Agriculture Conservation Assistance Program (ACAP)

- **ACAP Funding Constraints for Conservation Districts**
- The enabling legislation places several constraints on conservation district funds, including:
 - Funds allocated to conservation districts **may roll over** into following year.
 - Funds allocated to conservation districts must be **spent within 2 years of receipt**.
 - SCC shall **redistribute unspent funds** after 2 years based on their written allocation criteria.
 - Districts may utilize up to **6%** of ACAP funds received for **administrative expenses**. This administrative spending cap does not include any funds used for technical assistance.
 - District may use up to **14%** of ACAP funds **for technical service** provided by the conservation districts.

Agriculture Conservation Assistance Program (ACAP)

Criteria for Evaluation of ACAP Applications

- The enabling legislation outlines specific **criteria that must be considered** by conservation district (or SCC) in the **review and approval of ACAP applications**, including:
 - BMP(s) funded meets the goals of any applicable **WIP or CAP plan**
 - **BMP is part of** a conservation **plan** or AG E&S plan and a manure management or nutrient management plan. Development of such plans shall be included in the application if not yet developed prior to the application.
 - **Priority given** to BMPs that implement best management practices for control of **nitrogen or phosphorus or sediment**.
 - All Animal Concentration Areas (**ACAs**) on the farm **must be treated** to abate storm water runoff, loss of sediment, loss of nutrients from the ACA, or the implementation of such BMPs shall be included in an application for funds.
 - **Proximity to surface waters, public drinking water sources or karst geology with underground drainage systems or open sinkholes**.
 - The project **must meet the design and construction standards** established by the commission.
 - Any other criteria considered by the conservation district, as applicable, and approved by the commission.

Agriculture Conservation Assistance Program (ACAP)

Eligible applicants for program funding

"Eligible applicant." Any person or other legal entity that has legal or financial responsibility for one of the following:

- (1) an the agricultural operation in which they are engaged; or
- (2) property on which an agricultural operation takes place.

"Agricultural operation." The management and use of farming resources for production of crops, livestock or poultry.

Agriculture Conservation Assistance Program (ACAP)

Eligible BMPs for program funding

- The project implements best management practices included in a conservation plan, agricultural erosion and sediment control plan, manure management plan or nutrient management plan.
- For purposes of this paragraph, the conservation district or commission shall give priority to projects that implement best management practices for control of nitrogen or phosphorus or sediment.
- An agricultural operation with an animal concentration area shall have implemented best management practices necessary to abate storm water runoff, loss of sediment, loss of nutrients and runoff of other pollutants from the animal concentration area, or the implementation of such best management practices shall be included in an application for funds.

Agriculture Conservation Assistance Program (ACAP)

Funding Projects

- Applications are ranked and accepted for contracting by the District Board
- The district enters into an agreement with the agriculture operation
- The district may choose to advance up to 50% of the contract amount
- The applicant determines if they will do the work themselves or contract the project
- If over \$250,000 and work will be contracted, it must be bid publicly
- If project is over \$25,000, all contracted labor must be paid prevailing wage