



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1236

PRINTERS NO. 1777

PRIME SPONSOR: Vogel

COST / (SAVINGS)

| FUND | FY 2021/22 | FY 2022/23 |
|--------------|------------|------------|
| General Fund | \$0 | \$0 |

SUMMARY: Senate Bill 1236, Printer's Number 1777, amends various chapters in the Agriculture Code to revise PA Farm Bill grant programs currently administered by the Department of Agriculture.

ANALYSIS: This bill amends Title 3 (Agriculture) to revise various chapters related to PA Farm Bill grant programs currently administered by the Department of Agriculture.

The first change is under Chapter 101 to rename the Very Small Meat Processor Federal Inspection Reimbursement Grant Program to the Very Small Meat and Poultry Processor Reimbursement Grant Program. The purpose of the change is to support the development and expand the eligibility for grants to additional purposes with the focus on providing more livestock and poultry processing capacity to Pennsylvania producers.

Section 10104 provides for the grant program and reimbursement grants are available to very small meat and poultry processors. Grants may now be used for meeting federal food safety requirements and inspection, opening a new processing operation, expanding the capacity of an existing processing operation, or a combination of any of these purposes.

An applicant is eligible for a grant if the operation currently meets federal food safety inspection requirements or will meet them upon completion of an approved project. Applications will be evaluated by the Department of Agriculture on the basis of the ability to complete a project, the potential for a project to provide slaughter or meat or poultry processing capacity to Pennsylvania producers, and for the potential of providing Pennsylvania-produced products to consumers.

Section 10105 outlines the costs that are eligible for reimbursement, such as consulting or other technical support services; professional employee training and educational services that support the development and maintenance of programs to operate under a grant of inspection; up to 85% of the actual costs of the purchase of meat or poultry slaughter or processing equipment or supplies; and the purchase of equipment or supplies directly related to employee safety. Other changes clarify the corresponding costs, documentation and reporting necessary to be reimbursed for a project.

Additional changes made to subsequent chapters and grant programs are as follows:

Chapter 103 – Agriculture and Youth Development: The definition of “agriculture and youth organization” is changed to better reflect eligible organizations that have programs that benefit youth, and to specifically include a school district. The Agriculture and Youth Development Board must also approve recommended projects before a grant is awarded by the Department of Agriculture.

Chapter 107 – Urban Agricultural Infrastructure Grant Program: The definition of “eligible project” is revised to change the matching funding requirement from 50% to 15% which addresses other factors related to grant eligibility. This is reportedly consistent with changes made to the Very Small Meat and Poultry Processor grant program and the current Dairy Investment Program administered by the Commonwealth Financing Authority.

Chapter 109 – Farm-to-School Program: This change expands the school eligibility for schools with prekindergarten and extends up to eighth grade. The bill also allows an eligible applicant to use a grant award under this chapter to establish a school garden or pollinator habitat, as well as for the procurement of Pennsylvania foods and products or plants in the program.

This legislation would take effect immediately upon enactment.

FISCAL IMPACT: Enactment of this legislation will have no impact on Commonwealth funds. Funding for these different grant programs is currently provided through the \$4.5 million appropriation for Agricultural Business and Workforce Investment. The grant programs are currently established under the PA Farm Bill and administered by the Department of Agriculture. Additional funding for these programs is dependent upon appropriations being approved by the General Assembly.

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House Appropriations Committee (R)

DATE: June 22, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.