

Frequently Asked Questions about the Conservation Excellence Grant (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.

What types of projects can be funded under the CEG Program?

The CEG Program will fund projects that implement Best Management Practices (BMPs) from a Conservation plan, Ag E&S Plan, Nutrient Management plan or a Manure Management plan that has been developed for an agricultural operation.

What funding options are available through the CEG program?

The CEG program funding options include grants, loans and tax credits, or a combination of all three. While the primary funding option under the CEG Program is a grant, applicants can use a low-interest loan such as Agri-Link loans or a commercial loan, the REAP tax credit program, federally funded programs (e.g. USDA-NRCS, FSA programs), and any other funding programs that might be available with a grant award to finance their project. A single CEG grant awarded to an eligible applicant may not exceed \$250,000. Small project grants awarded to an eligible applicant shall be less than \$25,000.

What is REAP?

The Resource Enhancement and Protection Program (REAP). REAP allows agricultural operations and businesses to earn Pennsylvania state tax credits in exchange for implementing BMPs on agricultural operations that will enhance agricultural production and protect natural resources. Eligible applicants may receive between 50% and 75% of the out-of-pocket project costs as state tax credits for up to \$250,000 per agricultural operation. The amount of tax credit available to a recipient is dependent on the type of BMP implemented.

Agricultural operations may choose to utilize the REAP program to apply for tax credits for project expenses not funded by the CEG program. Applications are available on the SCC's REAP webpage

https://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission/REAP.

What is an Agri-Link Loan?

The Agriculture Linked Investment (Agri-Link) Program is a low interest loan program for agricultural operations implementing BMPs. The SCC uses program funds to buy down the interest rates at qualified lending institution or the Farm Credit Service to provide a low-interest loan to the producer. Individual loans cannot exceed \$250,000 and shall be amortized over a term not to exceed twelve years. Operators may choose to utilize the Agri-Link Program with a CEG grant to finance their BMP project. To apply for an Agri-Link Program loan, operators should contact your local lending institution and Farm Credit Service office.

Where can a producer obtain a CEG Program application?

Applications will be available on the SCC webpage https://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission or contact the Lancaster or York County Conservation Districts.

Are Applications Scored or Ranked?

Yes, each application will be scored based on the criteria stated in the CEG Program guidelines. This may include the location of the project (priority county or watershed); type of projects you plan to implement or install; the status of the design of the project and what funding you may be considering. Each district also will have a criterion based on the individual county's priorities that may be used to rank your application.

How can I make my application score higher?

Your application will score higher based upon how well it meets the criteria stated in the CEG Program guidelines and the participating conservation district priorities.

Is Engineering a part of the eligible cost?

Yes. Engineering is an eligible cost. Engineering may be provided by the district at no cost to the applicant depending on whether the district has the resources to design your project at the time of application. For private engineering activities, the CEG Program will only cover up to a certain percentage of the construction cost for engineering. However, the remainder of the out-of-pocket expenses incurred by engineering is eligible under the REAP program.

Does prevailing wage apply to CEG?

For projects that total under \$25,000, prevailing wage does not apply. For projects over \$25,000, prevailing wages must be considered as a cost to the project. The grantee is responsible to register their project and to assure prevailing wages were applied.

Construction projects (construction, reconstruction, demolition, alteration and or repair work *other than maintenance work*) financed by a public body where the estimated cost is at least \$25,000 require Pennsylvania prevailing wages under the Pennsylvania Prevailing Wage Act (43

P.S. §§ 165-1 through 165-17). More information on Prevailing Wage can be found at this website: www.dli.state.pa.us

Prevailing Wage Determination Request: <https://www.dli.pa.gov/Individuals/Labor-Management-Relations/llc/prevailing-wage/Pages/Prevailing-Wage-App.aspx>