



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #180

### **Meat Talent Development Grant Program (Agriculture, Trade and Consumer Protection – Agricultural Assistance)**

[LFB 2023-25 Budget Summary: Page 64, #4]

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#### **CURRENT LAW**

UW System operates agriculture programs at three of its institutions: UW-Madison, UW-Platteville, and UW-River Falls. Additionally, Wisconsin Technical College System (WTCS) colleges offer a variety of agriculture- and meat industry-related courses and degree paths, including animal science, agribusiness, livestock production, and farm management. For the 2022-23 academic year, Wisconsin resident annual tuition rates (not including fees) for full-time students at public higher education institutions in Wisconsin vary from: (a) \$4,303 at WTCS colleges; (b) approximately \$8,000 at UW-Platteville and UW-River Falls; and (c) \$10,722 at UW-Madison.

The Meat Talent Development program was created in 2022 with federal American Rescue Plan Act (ARPA) funding. The Governor has allocated up to \$5 million for the program. Funding through 2022 has supported: (a) training in establishing operational plans for hazardous food processing; (b) development for meat processing education through high school agricultural education programs; (c) training in humane handling; (d) introductory courses for high school and post-secondary students considering careers in meat processing; and (e) tuition reimbursement for certain courses.

#### **DISCUSSION POINTS**

1. The Meat Talent Development grant program was created in January, 2022, with \$5 million in ARPA funding. Table 1 shows how ARPA funding was allocated for various projects, some of which are discussed in greater detail below.

**TABLE 1**

**ARPA Funding Allocations**

<u>Project</u>	<u>Allocation</u>
Technical College Program Development	\$1,901,342
Technical College Tuition Reimbursement	1,112,328
Slaughter and Fabrication School	510,000
Mobile Harvest Units	400,000
UW-River Falls Humane Handling Institute	274,953
UW-River Falls Humane Handling Institute Tuition Reimbursement	240,000
Additional Producer Education	188,000
HACCP Training Tuition Reimbursement	100,000
Meat Pathways Website	99,500
High School Meat Science Program Development	88,877
Preparing for a Career in the Meat Industry	50,000
Wisconsin Meat Processing School Tuition Reimbursement	<u>35,000</u>
Total	\$5,000,000

2. DATCP offered tuition reimbursement for Hazard Analysis and Critical Control Point (HACCP) trainings held at the UW-Madison Meat Science and Animal Biologics Discovery Center in August, 2022 and March, 2023. HACCP provides training to food manufacturers, including wholesale meat and poultry establishments, to learn about current food safety regulations, prerequisite programs, and how to design and implement HACCP plans for facilities that meet state and federal requirements. The tuition fee was \$500 to \$600 depending on the session and the time of enrollment, and participation is capped at 60 participants per session. In the first two sessions, a total of 105 students participated and were eligible for up to \$500 in reimbursement. Another session is scheduled for August, 2023.

3. In September, 2022, DATCP partnered with UW-River Falls to develop a high school meat industry curriculum. The curriculum is designed to be a 10-day program including prepared course content and hands-on laboratory activities and is taught as an agricultural education class during regular school hours. Fifteen high schools statewide piloted the curriculum, which concluded in March, 2023. DATCP reports that curriculum and course materials will be made available to all high schools who want to participate in the upcoming school year. DATCP anticipates participation from 100 schools in 2023-24.

4. Also in partnership with UW-River Falls, DATCP created the Humane Handling Institute in October, 2022, a program of 2.5-day workshops to provide hands-on training for meat industry workers in humane pre-slaughter handling, transport, stunning, and equipment. The first workshop will be held in May, 2023, and additional workshops will be provided in fall, 2023. Tuition reimbursement will be offered to 120 trainees from small slaughter establishments across the state for the two workshops that address critical regulatory challenges for these plants, but any current or aspiring staff may enroll in any of the five workshops. Participants that complete the workshop will

receive a certificate in humane handling and stunning and limited rights to use the Humane Handling Institute logo in marketing and promotional materials.

5. In November, 2022, DATCP partnered with UW-Platteville to start Preparing for a Career in the Meat Industry programming, a half-day course for college and high school students interested in careers in the meat sector. UW-Platteville hosted two free sessions on January 10, 2023, at UW-Platteville and January 17, 2023, at UW-Platteville Baraboo Sauk County. 22 students attended the sessions.

6. DATCP also used funding to develop and operate an online, interactive platform called Meat Pathways intended to assist interested individuals in identifying potential career paths and training opportunities within the meat industry. Since the website launched in August, 2022, it has been viewed approximately 2,000 times by 541 users. The most viewed webpages include meat processing, allied industry, food safety, and business.

7. Assembly Bill 43/Senate Bill 70 would provide DATCP \$1,237,000 beginning in 2024-25 to provide ongoing funding for the Meat Talent Development grant program. Tuition assistance grants would be provided to individuals pursuing meat processing programming at any higher education institution in Wisconsin. Tuition reimbursement grants would cover up to 80% of the first \$9,375 in tuition costs, or \$7,500 per grant. In addition, the bill would authorize grants to support curriculum development for meat processing programs.

8. Based on DATCP's most recent survey of higher education programs in Wisconsin, perhaps 400 to 500 students in Wisconsin are currently seeking a degree in meat processing-related fields. DATCP anticipates that \$1,118,400 would be made available for tuition reimbursement with the remaining \$119,100 allocated for curriculum development at educational institutions. The bill does not specify prioritization criteria, although DATCP reports that grant prioritization for tuition reimbursement will be based on a participant's selected program. DATCP reports that eligible programs would be the UW-Madison Master Meat Crafter program, technical college certificate programs, HACCP training, and Humane Handling Institute training. DATCP reports that these programs have been selected based on feedback from meat processors regarding which programs have the largest impact on the industry. All applicants would be required to be Wisconsin residents attending one of the listed programs. Table 2 shows DATCP's anticipated funding allocation and estimated tuition for each eligible program.

**TABLE 2**

**Anticipated Tuition Reimbursement Allocations**

<u>Program</u>	<u>Total Students</u>	<u>Estimated Tuition</u>	<u>Reimbursable Amount (80%)</u>	<u>Total Amount</u>
Technical College Programs	222	\$3,000	\$2,400	\$532,800
UW-Madison Master Meat Crafter Program	23	9,000	7,200	165,600
UW-River Falls Humane Handling Institute	79	5,000	4,000	316,000
HACCP Training	<u>130</u>	1,000	800	<u>104,000</u>
Total	454			\$1,118,400

9. The majority of student financial aid provided in Wisconsin annually is need-based. The proposal does not specify need-based criteria, and DATCP did not report an intention to impose such criteria for recipients. In general, need-based aid is provided based on the expected contribution of a student and their family towards educational costs, and students with lower financial ability to pay receive a relatively higher tuition award. Allocation of funding based on need would enable students to pursue post-secondary education related to meat processing in situations where other post-secondary education may be cost-prohibitive. Thus, allocation of funding based on need would be expected to further increase the pool of students pursuing meat processing education relative to the initially proposed program.

10. In general, the per-dollar effect of a financial incentive declines as additional funding is provided. That is, each additional dollar awarded in tuition grants to encourage students to pursue meat processing education is expected to generate less increased enrollment than the initially invested funding. For example, while a larger incentive might encourage a reluctant biology-focused student to enroll in a meat processing program, the same incentive split in half could capture the interest of two agriculture-focused students that are undecided on their specialization. Thus, a lower funding amount could capture the interest of students already likely to consider coursework related to meat processing at a lower annual cost.

11. The Higher Educational Aids Board (HEAB) is the primary state agency responsible for the management and oversight of the state's financial aid system, and HEAB administers most state-funded student financial aid programs. DATCP has limited experience providing tuition grants to support agriculture-related higher education. In 2017-18, the Department offered scholarships for individuals that had experience related to, or were pursuing education in, dairy farming. At that time, DATCP contracted with HEAB to administer the tuition grants funding. Directing administration of the tuition grant program to HEAB could allow for more effective administration of the program.

12. DATCP contends that a shortage of skilled staff lengthens slaughter wait times, and imposes a bottleneck on activity in Wisconsin's meat industry. DATCP says that large and small meat processing plants are limited by employee shortages, leading to processing fewer animals and shortening retail hours. Anecdotally, DATCP staff report that cases of farmers who elect not to increase their livestock herd or poultry flock due to wait times of several months for slaughter appointments at processing facilities; however, there are no immediate estimates of the prevalence of such an occurrence. DATCP reports that many meat processors are currently booked through the end of 2024 for processing appointments. It may be that increased financial assistance for meat processing education and training may increase meat processing staff capacity, reduce wait times for slaughter, and allow for additional growth in Wisconsin's meat industry.

13. DATCP reports that in recent years, there has been increasing attention towards careers in the meat industry and anticipates sufficient demand for the program. Developing the meat industry workforce could serve as a supplement to the existing meat processor grant program, which has provided grants in recent years to Wisconsin meat processors to increase the capacity of their facilities.

14. The provision of additional funding in 2024-25 under AB 43/SB 70 would have the effect of appropriating additional state funding as allocated federal funding provided through ARPA is expiring. States must fully obligate their discretionary allocations under ARPA by December 31,

2024, and the funds must be fully expended by December 31, 2026. Any funds that have not been obligated or expended by those dates must be returned to the U.S. Treasury Department. With federal funding no longer allocable as of January 1, 2025, the Committee could consider providing funding for the Meat Talent Development program.

15. Given the existing program framework following ARPA allocation in 2022 and a demonstrated need in the meat industry for additional skilled employees, the Committee could consider providing \$1,237,000 GPR beginning in 2024-25 for tuition assistance grants to individuals pursuing meat processing programming at higher education institutions in Wisconsin and for curriculum development grants [Alternative 1].

16. Given uncertain uptake for the program due to its first-time nature, the Committee could consider providing a lesser amount of funding for grants in 2024-25. This could allow DATCP to fully assess demand for the program and seek additional funding during the 2025-27 biennium if appropriate. Using DATCP's estimate of 454 participating students, the Committee could consider providing \$678,300 for grants for tuition reimbursement, enough to cover reimbursement to half of Wisconsin students enrolled in a meat processing program. This amount also includes DATCP's allocation of \$119,100 for curriculum development grants to educational institutions [Alternative 2].

17. Similarly, the Committee could consider lowering the specified tuition reimbursement rate from 80%, to provide grant funding to all 454 enrolled students without allocating the full amount provided in AB43/SB70. The Committee could consider specifying that tuition can be reimbursed up to 40% of total costs. Given anticipated enrollment in each eligible program identified by DATCP, providing \$678,300 annually for meat talent development tuition grants would provide each student 40% tuition reimbursement. This amount also includes DATCP's allocation of \$119,100 for curriculum development grants to educational institutions [Alternative 3]. For each of Alternatives 1, 2, and 3, the Committee could provide funding on a one-time basis [Alternative 4].

18. If the Committee wished to ensure broader impact or increased access to tuition grants, it could consider prioritizing allocation of tuition grants to students with the highest need [Alternative 5]. Further, considering HEAB's experience administering financial aid programs, the Committee could create and fund the program under HEAB, and direct HEAB to collaborate with DATCP in establishing and conducting outreach for the program [Alternative 6].

## ALTERNATIVES

1. Create an annual appropriation and provide \$1,237,500 GPR in 2024-25 for tuition grants to students pursuing education in meat processing and to educational institutions for curriculum development.

ALT 1	Change to Base
GPR	\$1,237,500

2. Create an annual appropriation and provide \$678,300 GPR in 2024-25 for primarily tuition grants to students pursuing education in meat processing and to educational institutions for

curriculum development. Tuition reimbursement grants would cover up to 80% of the first \$9,375 in tuition costs, or \$7,500 per grant.

<b>ALT 2</b>	<b>Change to Base</b>
GPR	\$678,300

3. Create an annual appropriation and provide \$678,300 GPR in 2024-25 for primarily tuition grants to students pursuing education in meat processing and to educational institutions for curriculum development. Tuition reimbursement grants would cover up to 40% of the first \$9,375 in tuition costs, or \$3,750 per grant.

<b>ALT 3</b>	<b>Change to Base</b>
GPR	\$678,300

4. Provide funding on a one-time basis in 2024-25. (This alternative could be selected in addition to Alternatives 1, 2, or 3.)

5. Require that tuition grants be provided with consideration to student financial need, with larger awards provided to higher-need students. (This alternative could be selected in addition to any of Alternatives 1, 2, or 3.)

6. In addition to providing funding under Alternatives 1, 2, or 3, create the tuition grant program under the one of the following:

a. Department of Agriculture, Trade and Consumer Protection, and direct the Department to collaborate with HEAB in administration of the program; or

b. the Higher Educational Aids Board, and direct the Board to collaborate with DATCP in establishing and conducting outreach related to the program.

7. Take no action.

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