



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 4866 Introduced on January 26, 2022
Author: Chumley
Subject: Public School-Based Canneries Pilot Program
Requestor: House Agriculture, Natural Resources, and Environmental Affairs
RFA Analyst(s): Wren and Tipton
Impact Date: March 2, 2022

Fiscal Impact Summary

This joint resolution requires the State Board of Education (Board), in conjunction with the Food Systems and Safety Program of the Clemson University Cooperative Extension Service (Clemson Extension Service), to plan, develop, institute, and oversee a pilot program of three rural public school-based community canning sites where members of the general public may bring locally grown produce to be canned for their personal use.

This joint resolution will have no expenditure impact on the State Department of Education (SCDE) to oversee the pilot program as the responsibilities can be managed within existing appropriations.

The bill does not specify who will be responsible for the cost of providing or building the spaces for the canneries and procuring the necessary equipment for the sites. SCDE provided an estimate of the potential cost as did some local school districts, which vary widely. If SCDE is responsible for building the cannery sites and providing equipment, General Fund expenses of the agency could increase by \$345,000 in FY 2023-24 and \$45,000 in FY 2024-25 and FY 2025-26. Local school districts provided estimates that range up to \$828,700 if the district must build a space, purchase the equipment, and procure additional insurance. The impact will depend on the locations chosen and who is responsible for the costs.

This joint resolution will increase expenses for Clemson University Public Service Activities by an estimated \$240,000 in FY 2023-24 and \$230,000 in FY 2024-25 and FY 2025-26 to address staffing needs, including training and travel, for each cannery location. Additionally, this joint resolution could increase Other Funds revenue for Clemson University Public Service Activities by approximately \$30,000 in FY 2022-23 through FY 2025-26 if the agency charges the traditional fees for services provided by the community canneries. However, the bill does not specify if the cannery will be permitted to charge a fee. If a fee is charged, this revenue would offset part of the expenses, and Clemson would need General Fund appropriations in order to address the required staffing expenses of \$210,000 in FY 2023-24 and \$200,000 in FY 2024-25 and FY 2025-26 to offset the remaining expenses.

Explanation of Fiscal Impact

Introduced on January 26, 2022

State Expenditure

This joint resolution requires the Board, in conjunction with the Clemson Extension Service, to plan, develop, institute, and oversee a pilot program of three rural public school-based community canning sites where members of the general public may bring locally grown produce to be canned for their personal use. The pilot program will begin in 2023 and will end in 2026, and must provide community training programs for food preservation using canning. Use of the canning facilities and canning supplies must be provided to the community with limits on the amount available for each family. The Board and Clemson Extension Service must report on the performance of each cannery and make recommendations regarding whether the program should be continued and expanded through permanent legislation before January 1, 2026.

However, the bill does not specify who will be responsible for the cost of providing the space and procuring the necessary equipment for the sites. SCDE provided an estimate of the potential cost as did some local school districts, which vary widely. We have provided these estimates below. The potential impact will depend on the locations chosen and who is responsible for the costs.

State Department of Education. SCDE indicates that overseeing the pilot program will have no expenditure impact on the agency since the responsibilities can be accomplished within existing appropriations. However, if the agency is responsible for building the cannery sites and purchasing equipment and supplies, the agency would experience a \$115,000 increase in General Fund expenses for each site. Of this amount, \$100,000 would be a one-time expense per site for the building, and \$15,000 would be an ongoing expense per site for equipment. Therefore, this resolution could increase General Fund expenses of SCDE by \$345,000 in FY 2022-23 and \$45,000 in FY 2024-25 and FY 2025-26 if the agency is responsible for the building and equipment.

Clemson University. Clemson Extension Service reports that community canneries are traditionally open to the public two to three days per week during the summer and fall months of July through November when harvests are more plentiful. They are staffed by one cannery manager and two to three support staff. The manager and support staff need various skills to operate the cannery efficiently and effectively, including bookkeeping and accounting, business management, maintenance and repair of equipment, purchasing and supply, sales, public relations, and technical expertise in preparing and thermal processing acid, acidified and low acid foods, food regulation, and nutrition. Cannery staff will be required to successfully complete a Better Process Control School course for acidified and low acid foods, a basic Hazard Analysis and Critical Control Points course, and a Good Manufacturing Practices/Sanitation course.

Clemson Extension Service further reports that operating one community cannery would require 60 percent of an FTE for each employed staff member as a result of the normal cannery schedule. Clemson estimates salaries and fringe for one manager and three staff will be approximately \$70,000 annually for one cannery location. These employees will also require the

necessary specialized training to operate the cannery, which will result in a non-recurring expense of \$10,000 per cannery location. Thus, total salary, fringe, and training costs for implementing three community canneries will be approximately \$240,000 in the first year of the program. Clemson anticipates yearly training and travel expenses will total approximately \$20,000 annually among all three cannery locations in the two final years of the program. Thus, total yearly expenses will decrease to \$230,000. Therefore, this joint resolution will increase expenses for Clemson University Public Service Activities by \$240,000 in FY 2023-24 and \$230,000 in FY 2024-25 and FY 2025-26. If a fee is charged as discussed below, this fee revenue would offset part of the expenses, and Clemson would need General Fund appropriations in order to address the required staffing expenses of \$210,000 in FY 2023-24 and \$200,000 in FY 2024-25 and FY 2025-26 to offset the remaining expenses. However, if a fee is not charged, Clemson would need General Fund appropriations of \$240,000 in FY 2023-24 and \$230,000 in FY 2024-25 and FY 2025-26.

State Revenue

This joint resolution requires the Board, in conjunction with the Clemson Extension Service, to develop and oversee a pilot program of three rural public school-based community canning sites.

Clemson Extension Service reports that typically, community canneries charge a fee of \$0.35 per jar that is processed and \$0.90 per can, where the community member provides the jar and the cannery provides the can. Clemson indicates that if each community cannery proposed by this resolution processed 200 jars and 200 cans each day that they are open, yearly income would be approximately \$10,000. Therefore, three cannery locations could result in an Other Funds revenue increase for Clemson University Public Service Activities by approximately \$30,000 in FY 2022-23 through FY 2025-26 if the agency charged the traditional fees for services provided by the community canneries.

Local Expenditure

As noted above, this joint resolution requires the Board, in conjunction with the Clemson Extension Service, to develop and oversee a pilot program of three rural public school-based community canning sites.

The local school districts indicate that if they are responsible for providing the building and equipment for the cannery sites, expenses could increase by an amount up to \$828,700 over the three-year pilot program period depending on the type of building, equipment, number of employees, and additional insurance that may be required. Further, the impact will depend on the locations chosen and who is responsible for the costs.

Local Revenue

N/A



Frank A. Rainwater, Executive Director