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FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/2020

SPONSOR Rodriguez LAST UPDATED 2/9/2020 HB _____

SHORT TITLE Donating School Meals to Students SM 10/aSRC

ANALYST Gaussoin

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$8.9		\$8.9	Nonrecurring	General Fund
		\$8.9		\$8.9	Nonrecurring	Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bills 10 and 75 and HM6, SB10, SM3, and HM55 from 2018.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
Children, Youth and Families Department (CYFD)
Environment Department (NMED)

No Response Received

Public Education Department (PED)
Albuquerque Public Schools (APS)
Regional Education Cooperatives (REC)
Department of Agriculture (NMDA)

SUMMARY

Synopsis of SRC Amendment

The Senate Rules Committee amendment to Senate Memorial 10 adds a representative from the New Mexico Department of Agriculture to the membership of the working group and adds the department to those agencies that would receive the report.

Synopsis of Original Bill

Senate Memorial 10 requests the Public Education Department to convene a working group to study repackaging school meals for donation to students.

The group would be composed of representatives of the Public Education, Environment, Health, Human Services, and Children, Youth and Families departments and is being asked to study food insecurity, food waste, and other issues for a report to be presented to the “appropriate interim” legislative committee by November 1, 2020.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

Memorials do not contain appropriations. However, SM10 would necessitate the use of staff time and agency resources to organize the group, conduct the research, and compose the report. It is assumed these administrative costs can be absorbed by PED and most of the agencies with representatives in the group. However, HSD estimates it would need 0.25 FTE at a cost of \$17.875 thousand, with \$8,938 from the general fund.

NMED reports a staff person could participate in no more than one four-hour meeting a month, including travel time, before the department would need an appropriation. It notes its funds are restricted by federal law and its mission does not include food insecurity.

SIGNIFICANT ISSUES

The House in 2018 requested the LESC and Legislative Health and Human Services Committee review school food programs and food waste (HM55). It is unclear what happened to this study or whether it addressed the possibility of repackaging the food for students.

In addition, HM6, which has been recommended by the House Health and Human Services Committee and is scheduled for consideration by the full House, includes an assessment of school meals among the duties of a task force on barriers to food access.

NMED reports it is currently working with the Albuquerque Public Schools and PED on an initiative, part of a nationwide effort coordinated through the U.S. Department of Agriculture, called “the shared table.” The project will allow children to request certain unconsumed food items that other students do not want. USDA “shared table” guidance also includes a provision that allows for donations off the school campus. NMED has met with representatives from APS and has developed proposed standard guidelines relating to food safety.

LFC analysis of HM55 from 2018 says the U.S. Department of Agriculture in 2012 clarified that the National School Lunch Act allows “any program food not consumed may be donated to eligible local food banks or charitable organizations.” The act defines the terms “eligible local food banks or charitable organizations” to mean any food bank or charitable organization exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)). It also extends protections against civil and criminal liability for persons or organizations when making food donations to the extent provided under the Bill Emerson Good Samaritan Food Donation Act, found in section 22 of the Child Nutrition Act.

ADMINISTRATIVE IMPLICATIONS

SM10 would necessitate the use of staff time and agency resources to organize the group, conduct the research, and compose the report. It is assumed these administrative duties can be absorbed by PED and most of the agencies with representatives in the group, although NMED and HSD have raised concerns.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB10 would appropriate \$650 thousand from the general fund to the Public Education Department to eliminate copayments for students who qualify for reduced-price meals.

HB75 would appropriate \$200 thousand in FY21 from the general fund to the Human Services Department to convene a task force to conduct a study and an assessment of hunger, malnutrition, and food production and distribution in New Mexico, and to contract for services necessary to the work of the task force.

HM6 requests the secretary of the Human Services Department (HSD) to convene a task force to study and assess hunger, malnutrition, food production and distribution; assess existing data; and identify the state's barriers to ensuring that all New Mexicans have access to a nutritious and sufficient diet.

SB10 requires school districts and charter schools to collect a completed application for reduced-price or free meals from student parents or guardians at the time of registration.

SM3 requests NMDA convene a work group to study how to best coordinate with farmers to glean unharvested produce to help alleviate food insecurity.

HM55, adopted during the 2018 legislative session, required LESC and the Legislative Health and Human Services Committee to review existing school food programs to reduce food waste and study ways to provide unused or uneaten food for hungry children.

OTHER SUBSTANTIVE ISSUES

HSD reports New Mexico has the nation's second highest food insecurity rate, with 27 percent of children without access to enough nutritious food. Food insecurity has been associated with poor physical health, obesity, and diminished growth and development in childhood.

Families with the lowest income (in the lowest 20 percent quintile) spend approximately 25 percent of their income on food for consumption at home. New Mexicans with low food security must make tradeoffs, including purchasing inexpensive, unhealthy food and choosing between buying food or paying for rent, utilities, medicine or medical care (<http://www.nmvoices.org/wp-content/uploads/2016/12/Food-insecurity.pdf>).

A recent study with data from 149 countries found poorer mental health outcomes for individuals experiencing food insecurity. This trend suggests that the “psychosocial stressors that underlie mental health indices may be amplified with increasing food insecurity” (Jones, A. D. “Food insecurity and mental health status: A global analysis of 149 countries” *American Journal of Preventive Medicine*, 2017).

ALTERNATIVES

Expand language in HM6 to not only assess school meals but address the potential of repackaging the meals for students.

HFG/al/rl