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FISCAL IMPACT REPORT

SPONSOR Tallman ORIGINAL DATE 03/04/21
LAST UPDATED _____ HB _____
SHORT TITLE Emergency Food Bank Food Funds SB 370
ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$5,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act of 2021

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 370 (SB370) would appropriate \$5 million in FY22 to the Human Services Department to provide emergency food banks statewide with nonperishable food items to help combat New Mexico's increased hunger rates exacerbated by the Covid-19 pandemic.

FISCAL IMPLICATIONS

SB370 would appropriate \$5 million to the Human Services Department in FY22. Any unexpended or unencumbered balance remaining at the end FY22 would revert to the general fund.

The Human Services Department's FY21 operating budget and FY22 budget in HB2/HAFCS each include \$1.1 million to purchase fresh fruits and vegetables for food banks statewide and to also provide supplemental funding for food distribution sites serving homeless individuals.

In May 2020, the New Mexico Association of Food Banks, a collaboration of five statewide food banks, reported that due to the pandemic, there was a need for \$12.5 million to address hunger in

the state. During the second special session in November 2020, the Legislature appropriated \$5 million in nonrecurring funds to the Human Services Department to contract for services to provide emergency food bank services in the state. The food banks have reported the nonrecurring funding will be depleted in April 2021.

SIGNIFICANT ISSUES

HSD reports based on estimated food donations and estimated U.S. Department of Agriculture (USDA) commodities along with food purchases from other sources, the New Mexico food banks estimate a food shortage of approximately 6.04 million pounds of food in FY21. New Mexico is ranked fifth in the nation for food insecurity by Feeding America’s most recent Map the Meal Gap 2020 study. The study estimates because of the Covid-19 pandemic, the number of food insecure New Mexicans will grow from 315,900 individuals in 2019 to 372,490 individuals in 2020. New FY22 data on the amount of USDA food is not yet available; however, other Trade Mitigation food commodities that were previously offered to New Mexico in FY19 and FY20 are no longer available.

ADMINISTRATIVE IMPLICATIONS

HSD reports the bill proposes the department purchase nonperishable foods for distribution to food banks. HSD clarifies it does not have the mechanisms in place to purchase foods outside of those funded by the USDA, and HSD typically flows through funding to the New Mexico food banks for them to purchase of fresh fruits and vegetables and supplemental funding for food distribution sites serving homeless individuals.

RELATIONSHIP

SB370 duplicates House Bill 132, Emergency Food Bank Food Items, as introduced. However, HB132 was amended to clarify the \$5 million appropriation to HSD would be used to provide funding to foodbanks and they would then purchase nonperishable food.

TECHNICAL ISSUES

HSD suggested revising HB132 to allow HSD to provide funding to the New Mexico food banks for the purchase of nonperishable food items. HSD suggests the following amendments:

Lines 11 – 13

MAKING AN APPROPRIATION TO THE HUMAN SERVICES DEPARTMENT ~~FOR PROVIDING TO PROVIDE~~ EMERGENCY FOOD BANKS STATEWIDE WITH FUNDING TO PURCHASE NONPERISHABLE FOOD ITEMS.

Lines 18 – 19

“...services department for expenditure in fiscal year 2022 ~~for providing to provide~~ emergency food banks statewide with funding to purchase nonperishable...”

OTHER SUBSTANTIVE ISSUES

The New Mexico Association of Food Banks, a collaboration of five statewide food banks, reports that New Mexico’s federal Emergency Food Assistance Program (TEFAP) allocation

decreased from \$25 million in 2020 to \$5 million in 2021. Concurrently, the statewide food banks have experienced an increase in food and transportation costs from 12 percent to 58 percent during the Covid-19 pandemic.

RAE/sb/al