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## FISCAL IMPACT REPORT

**SPONSOR** Matthews/Sariñana/ Trujillo      **ORIGINAL DATE** 1/25/2022  
**LAST UPDATED** \_\_\_\_\_ **HM** 15  
**SHORT TITLE** Healthy Children’s Meals Beverage Options      **SB** \_\_\_\_\_  
**ANALYST** Chilton

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 22	FY 23	FY 24	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
<b>Total</b>	\$239.24	\$239.24	\$239.24	\$717,72.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Early Childhood Education and Care Department (ECECD)

### SUMMARY

#### Synopsis of Memorial

House Memorial 15 asks the Department of Health to encourage restaurants to make healthy beverage options available to children, through marketing by DOH and its diabetes prevention and control program within DOH to restaurants about the importance of healthy beverages. It also requests that the diabetes program make a presentation to the Legislative Health and Human Services (LHHSC) interim committee by December 1, 2022.

### FISCAL IMPLICATIONS

There is no appropriation in House Memorial 15.

DOH estimates its expenses to implement the program requested in House Memorial 15 would require three FTE employees, as follows:

- Health educator – pay band 65. \$23.00/hr X 2080 hours X 1.42 = \$67,932.8.
- Epidemiologist/evaluator - pay band 75. \$29.00/hr X 2080 hours X 1.42 = \$85,654.
- Health Communications Professional pay band 75. \$29.00/hr X 2080 hours X 1.42 = \$85,654.

## SIGNIFICANT ISSUES

The memorial makes the following points in requesting the actions it desires:

- 1) The U.S. contains many obese people (17 percent of 331 million is 56.3 million); New Mexico has an even higher rate of poor health at 20 percent.
- 2) Health disparities show worse health for New Mexicans of all racial/ethnic groups other than white.
- 3) Eleven percent of New Mexicans have diabetes, and diabetes is the sixth-leading cause of death in New Mexico.
- 4) Poverty and food insecurity are very common in New Mexico.
- 5) Thirty-two percent of New Mexico teens across all racial/ethnic groups are obese.
- 6) Fast food establishments sell children's meals to include a beverage, often sugar-laden.
- 7) Sugar-laden beverages are associated with heart disease, diabetes, and obesity.
- 8) Healthy beverages such as low-fat milk, water, or small servings of sugar-laden beverages would be preferable to those commonly available.
- 9) DOH encourages the prevention of obesity.
- 10) The state restaurant association works to encourage members to offer healthy beverages.

In a 2007 statement on prevention of obesity, the American Academy of Pediatrics (AAP) notes that

The majority of U.S. youth are of healthy weight, but the majority of U.S. adults are overweight or obese. Therefore, a major health challenge for most American children and adolescents is obesity prevention—today, and as they age into adulthood. In this report, we review the most recent evidence regarding many behavioral and practice interventions related to childhood obesity, and we present recommendations to health care providers. Because of the importance, we also suggest approaches that clinicians can use to encourage obesity prevention among children, including specific counseling strategies and practice-based, systems-level interventions. In addition, we suggest how clinicians may interact with and promote local and state policy initiatives designed to prevent obesity in their communities.

The AAP, the American Heart Association, the American Academy of Nutrition and Dietetics, and the American Academy of Pediatric Dentistry provided recommendations to parents on child beverage choices in a 2019 joint statement, as follows:

- **Encourage young children to drink primarily water and plain milk.** Early childhood offers an opportunity to establish healthy habits and taste preferences. Water is important for hydration, and plain milk offers many key nutrients including calcium, vitamin D, vitamin A, zinc and protein. Fortified soy milk is nutritionally equivalent to cow's milk and is an acceptable alternative. Water can be introduced as early as 6 months, ideally in an open cup or sippy cup. This helps infants develop cup-drinking skills and familiarity with water. The report includes a table with water and milk intake recommendations.
- **Limit 100 percent juice.** Per 2017 AAP recommendations, parents should avoid giving any juice to children younger than 1 year of age. Children ages 1-3 years should have no more than 4 ounces a day, and children ages 4-5 (technically through age 6 years) should have no more than 4-6 ounces per day. Ideally, children will consume whole fruit rather than fruit juice, but if whole fruits are not available, small amounts of juice can provide some nutritional benefit.

- **Encourage families to mostly avoid:**

- *Flavored milks.* While previous AAP recommendations for school-age children have allowed for flavored milk as a strategy to help encourage milk intake, flavored milk is best avoided in children younger than 5 years of age. Young children generally are willing to drink recommended amounts of plain milk if not given an alternative. Avoiding flavored milk helps minimize added sugar intake and prevent establishing a preference for sweet taste.
- *Plant milks.* Few plant milks (other than fortified soy) are nutritionally equivalent to cow's milk and are not recommended for exclusive consumption in place of dairy or soy milk, unless medically indicated.
- *Toddler milks.* Toddler milks or “transitional formulas” are unnecessary for most children and provide no nutritional benefit over a healthy, balanced eating plan.
- *Sugar-sweetened beverages.* Sugar-sweetened beverages are detrimental to child health. In addition, early exposure to sugary drinks may cause a young child to prefer sweet tastes.
- *Beverages with low-calorie sweetener.* The health implications of young children consuming artificial sweeteners are not well-understood. Given this uncertainty and that early childhood is a critical developmental period, it is best to err on the side of caution and avoid sweetened drinks, even if they have low or no calories.
- *Caffeinated drinks.* Caffeine may cause adverse effects in young children, including poor sleep, irritability, nervousness, headaches and difficulty concentrating. There is no established safe level of caffeine for children.

DOH presents evidence on the connection between drinking sugar-sweetened beverages and adverse health outcomes:

In 2018, New Mexico had the 9<sup>th</sup> highest diabetes death rate in the United States ([https://www.cdc.gov/nchs/pressroom/sosmap/diabetes\\_mortality/diabetes.htm](https://www.cdc.gov/nchs/pressroom/sosmap/diabetes_mortality/diabetes.htm)) and, in 2019, over 12 percent of New Mexicans had diabetes and diabetes was the 6<sup>th</sup> leading cause of death (<https://www.americashealthrankings.org/explore/annual/measure/Diabetes/state/NM>) and (<https://www.cdc.gov/nchs/pressroom/states/newmexico/nm.htm>).

Sugar-sweetened beverages are a leading source of added sugars in the American diet and are associated with weight gain and obesity, type 2 diabetes, heart disease, kidney disease, non-alcoholic liver disease, and tooth decay and cavities. Children take in almost twice as many calories when they eat a meal at a restaurant as when they eat at home and kids' meals typically come with a soda, sugared fruit drink, or sweetened, flavored milk, all which are full of calories from sugar, and typically have little to no nutrition. Studies have shown that reducing the intake of sugary drinks can lower the prevalence of obesity and obesity-related diseases ([https://www.healthyfoodamerica.org/kids\\_meals\\_policies](https://www.healthyfoodamerica.org/kids_meals_policies)).

California and Hawaii were the first two states to require restaurants to offer healthy beverages as a default option for children's meals.

ECECD notes that “Children who are overweight and/or sedentary are at higher risk of developing diabetes. It is possible to prevent or delay the onset of Type 2 Diabetes by

maintaining a normal weight, eating healthier, and exercising (<https://www.cdc.gov/diabetes/basics/risk-factors.html>).

#### **ADMINISTRATIVE IMPLICATIONS**

According to DOH, “If HM15 is passed, the Diabetes Prevention and Control Program would have to allocate staff time and program resources to engage in marketing to restaurants regarding the importance of providing healthy beverage options in children’s meals and present results to the Interim Legislative Health and Human Services Committee by December 1, 2022.”

#### **TECHNICAL ISSUES**

The memorial does not specify the contents of the desired presentation to LHHSC by the diabetes prevention and control division.

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