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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Brantley/Boone/Ezzell/Woods</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>3/3/25</u>
<b>SHORT TITLE</b> <u>New Mexico Meat, Cheese &amp; Produce in Schools</u>	<b>BILL NUMBER</b> <u>Senate Memorial 19</u>
	<b>ANALYST</b> <u>Mabe</u>

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact					

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 229

### Sources of Information

LFC Files  
 Legislative Education Study Committee (LESC)

Agency Analysis was Solicited but Not Received From  
 Public Education Department (PED)  
 New Mexico Department of Agriculture (NMDA)  
 Regional Education Cooperatives (REC)

## SUMMARY

### Synopsis of Senate Memorial 19

Senate Memorial (SM19) requests the New Mexico Department of Agriculture (NMDA) and the Public Education Department (PED) establish a work group to develop a plan ensuring that 50 percent of beef, cheese, and milk served in public schools is sourced and processed within New Mexico. The work group must report its recommendations to legislative committees studying agriculture and education by September 1, 2025.

## FISCAL IMPLICATIONS

Memorials do not contain an appropriation nor are enforceable as state law. The costs here are connected to the time of working group members and could be considered a normal part of doing business.

## SIGNIFICANT ISSUES

SM19 details New Mexico's current agricultural landscape. Agriculture, and related industries, contributes more than 48 thousand jobs, nearly \$6 billion in revenue, and more than \$2 billion in labor income. Beef cattle ranching alone provides 16 thousand jobs, \$1.7 billion in revenue, and nearly \$450 million in labor income. There are more than 10 thousand cattle farms and ranches across the state with more than 1.4 million cattle. Seventy percent of those ranches are family-held corporations. Additionally, with over 270 thousand dairy cattle in over 100 licensed herds, New Mexico ranks ninth for milk production and fourth for cheese production in the nation.

It also details the need for schools to serve healthy and nutritious meals and proposes increasing the use of locally sourced ingredients to strengthen the state's agricultural economy and ensure a stable, locally controlled food supply for schools.

The memorial tasks a PED and NMDA-led workgroup with figuring out how to get half of all beef, cheese, and milk served in public schools to be from New Mexico. Participants should include the New Mexico Cattle Growers' Association, Dairy Producers of New Mexico, Southwest Cheese, and Tukumcari Mountain Cheese.

During the 2023 legislative session, the Legislature passed the Healthy Universal School Meals program, which mandates schools provide one breakfast and one lunch at no cost to any student, irrespective of their eligibility for the federal free and reduced lunch program. The program also encourages the use of local food sources whenever possible.

In spring 2024, PED proposed a rule establishing certification criteria and meal quality improvement requirements for schools to receive state reimbursement. Initially, this proposal included composting, school-based gardens, nutrition education, and recess scheduling. However, these were removed following feedback from schools. The final rule, published in September, outlines broader requirements that schools must meet to comply with three standards:

1. Fifty percent of weekly meal pattern components must be freshly prepared.
2. Schools must achieve minimal food waste levels, facilitated by share tables and up to 20 minutes of seat time for kindergarten-fifth grade students.
3. New Mexico-grown foods should be incorporated into meals, although the rule does not specify the required quantity of New Mexico-grown foods to be used.

Additionally, a policy brief from the Legislative Education Study Committee (LESC) in September 2024 notes not all schools have equal access to locally produced food based on location and that locally sourced ingredients tend to be more expensive.

New Mexico Grown is a program designed to support local agriculture and improve nutrition in schools, senior centers, and early childhood education sties. It was first funded by the Legislature in 2015. NMDA reports New Mexico Grown has helped 277 farmers and ranchers as well as supplied 161 institutions with 1.1 million pounds of food.

## ADMINISTRATIVE IMPLICATIONS

The memorial requires that PED partner with NMDA and report their findings by September 1.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SM19 relates to House Bill 229, which appropriates \$430 thousand for the New Mexico Grown Approved Supplier Program.

RM/hg/sgs