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## FISCAL IMPACT REPORT

SPONSOR SPAC DATE TYPED 03/12/05 HB 61/SPACS/aSPAC/aSEC  
 /aSFI#1

SHORT TITLE School Meal Nutrition Rules SB \_\_\_\_\_

ANALYST Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			TBD	Recurring	School Districts

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 10 and SJM 2

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Agriculture (NMDA)

Department of Health (DOH)

Public Education Department (PED)

#### SUMMARY

##### Synopsis of SFI#1

Senate Floor amendment 1 to the Senate Public Affairs Committee substitute for House Bill makes a grammatical change without changing content.

##### Synopsis of SEC Amendment

Senate Education Committee amendment to the Senate Public Affairs Committee substitute for House Bill 62 adds to the end of the bill that it does not prohibit or limit the sale or distribution of food or beverages for fundraisers off the school campus.

##### Synopsis of SPAC Amendment

Senate Public Affairs Committee amendment to the Senate Public Affairs Committee substitute for House Bill 61 deletes the phrase “or distributed” so the bill only applies to food sold in public schools.

Synopsis of Original Bill

Senate Public Affairs Committee Substitute for House Bill 61 enacts a temporary provision PED, in collaboration with DOH, the New Mexico Action for Health Kids, and one representative each from parents, students, school food service directors, school boards, school administrators, agriculture, dairy producers and the food and beverage industry shall adopt rules by December 31, 2005 governing foods and beverages sold or distributed in public schools exclusive of the federal Department of Agriculture school meals programs.

Significant Issues

The following agency analyses received for the original House Bill 61 are deemed relevant to the Senate Public Affairs Committee Substitute for House Bill 61.

DOH states this legislation resulted in response to the 2004 House Memorial 28, Childhood Obesity Study. The 2004 reauthorization of the federal Child Nutrition Act requires local education authorities to establish a school nutrition policy for all foods on campus by July 31, 2006. Obesity is one of the top five priorities of DOH and the New Mexico Action for Healthy Kids is advocating nutrition and physical activity in public schools. Consumption of soft drinks has increased rapidly from 1978 to 1995 as have the nationwide rate of overweight children. Self-reported survey data indicates 10.2 percent of high school students are overweight and another 13.3 percent are at risk of being overweight. Type 2 diabetes has increased dramatically during the past 20 years.

PED states eighty percent of school districts sell food that competes with school meal programs; most of the food is low in nutrients and high in calories. The availability of food and beverages sold outside of school meal programs can decrease participation in programs that offer more nutritionally balanced foods and beverages. This can also result in reduced funding for school meals as participation declines. The New Mexico Action for Healthy Kids, the New Mexico Pediatric Society, the New Mexico Coalition to Promote Physical Activity and Nutrition and over 30 other organizations support measures to assure schools create a healthy environment where children can learn and develop lifelong habits of good nutrition and physical activity.

**PERFORMANCE IMPLICATIONS**

PED states improved physical activity and eating habits will impact public school performance measures and benchmarks regarding reading and language arts and mathematics.

**FISCAL IMPLICATIONS**

Depending on the rules adopted, this may result in reduction of earned revenues by individual schools resulting from sales for snacks and drinks.

**ADMINISTRATIVE IMPLICATIONS**

PED, in collaboration with school districts, nutritionists, dieticians other interested persons to develop the rules. PED will incur costs in this effort.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

There will be no statutory requirement to develop PED regulations on this subject.

**POSSIBLE QUESTIONS**

1. If the rules result in loss of income to individual schools, how will they be compensated?

GAC/yr:lg