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FISCAL IMPACT REPORT

SPONSOR Tsosie DATE TYPED 2/2/05 HB _____

SHORT TITLE McKinley County Food Distribution SB 479

ANALYST Hadwiger

APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Indian Affairs (DIA)

Human Services Department (HSD)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 479 appropriates \$100,000 from the general fund to the Local Government Division of the Department of Finance and Administration (DFA) to contract for a program that will provide collection and distribution of free or reduced-cost food and necessities to low-income residents of McKinley County.

Significant Issues

According to the Department of Indian Affairs (DIA), the need for this appropriation originates from a high level of poverty and loss of jobs in McKinley County. In particular, DIA noted that McKinley County is a mostly rural county with the highest poverty rate in the State. McKinley

County also ranks third in the Nation for having the highest population of Native Americans. Native Americans, however, are not the only residents in the county that live in poverty-stricken conditions. In McKinley County, one of the largest employers, P & M Mine, is scheduled to close in 2008 resulting in the loss of approximately 315 high paying jobs for the county. The closure phasing will begin this year and one-third (approximately 100) of their workforce will be laid-off. The closure of this company is not only going to affect the individuals and their families employed by it, but also the local economy and community.

The Department of Finance and Administration indicated the funding will go toward operating expenses of the Community Pantry in Gallup. The Community Pantry operates in three counties: McKinley, Catron, and Cibola. With the additional \$100,000 in operating funds for the main office in Gallup, this will free up funds for the two branch offices in Catron and Cibola Counties. So all three counties will benefit, either directly or indirectly, from SB 479. DFA also noted that the Community Pantry has been operating for six years and feeds over 4,500 people per month in McKinley County alone. Community Pantry operates primarily through donations but does receive some federal funding through the New Mexico Human Services Department. HSD staff praise Community Pantry and indicate that, due to decreasing federal funding, Community Pantry has had a tougher time making ends meet.

The Human Services Department indicated that McKinley County has the highest Food Stamp participation rate in NM at over 25%.

FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

DFA indicates that this program could be administered with existing staff and resources.

DH/lg