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FISCAL IMPACT REPORT

SPONSOR Feldman DATE TYPED 2-25-05 HB _____

SHORT TITLE Obesity Prevention Programs SB 794

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$750.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 61, SB 10, SJM 2, SB 595 and HB 681
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Health Policy Commission (HPC)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 794 appropriates \$750 thousand from the general fund to DOH for the purpose of providing programs that improve nutrition and physical activity in schools and communities to prevent obesity in children and teenagers.

Significant Issues

DOH indicates the federal Child Nutrition Act, reauthorized in 2004, requires local education authorities to establish policies that provide nutrition guidelines for all foods on campus, goals for nutrition education, goals for physical activity, goals for school based activities to promote student wellness, and evaluation of the policies by July 31, 2006.

DOH has identified obesity as one of its top five health priorities. Efforts are underway in exist-

ing and new school based health centers to address youth who are overweight or at risk for becoming overweight. New Mexico Action for Healthy Kids, a statewide coalition, is advocating for nutrition and physical activity policies in schools. Their School Physical Activity and Nutrition Forum (Spring 2004) resulted in a strategic plan for quality nutrition, and nutrition and physical education in the school setting. This school plan was incorporated into an overall state plan to prevent and control obesity and other chronic diseases that is coordinated by DOH's Obesity, Physical Activity and Nutrition Program (OPAN).

FISCAL IMPLICATIONS

The appropriation of \$750 thousand contained in this bill is a recurring expense to the general fund. Any expended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

DOH would use a portion of the appropriation for one FTE health educator, at a cost of \$53 thousand, to monitor related contracts, provide technical assistance to ensure age-appropriate and culturally sensitive instruction, and oversee evaluation of the youth programs.

RELATIONSHIP

Senate Bill 794 relates to House Bill 61 and House Bill 62 introduced on behalf of the Legislative Education Study Committee in response to House Memorial 28 of the 2004 legislative session. House Bill 61 addresses the nutrition standards for schools and House Bill 62 addresses physical activity. Senate Bill 794 also relates to Senate Bill, which proposes a \$50 thousand appropriation for a study of and recommendations for current nutritional offerings in New Mexico public schools, restricting the sale of junk food, developing a curriculum for promoting healthy physical activity, and assessing financial impact on public schools; Senate Joint Memorial 2, which proposes DOH and the Public Education Department make collective recommendations to increase the physical activity and improve the eating habits of youth; Senate Bill 295, which proposes to establish nutritional standards and standard portion sizes for competitive foods and beverages sold and distributed in public and charter schools; and House Bill 681 and its duplicate, Senate Bill 595, which proposes to create the Student Wellness Fund and enable the legislature to appropriate monies to the fund for school based health centers and child nutrition and wellness education activities.

OTHER SUBSTANTIVE ISSUES

DOH indicates increased weight has been seen in New Mexico's youth. At least 23 percent of New Mexican high school students are overweight or at risk for overweight. In addition, 22 percent of New Mexico's 2- to 5-year olds who participate in federally funded nutrition programs weigh too much (9 percent are overweight and 13 percent are at risk for overweight, based on direct measurements.)

Also in New Mexico, 56 percent of high school students report vigorous activity three or more days a week. Of those in the at-risk of overweight category, 41 percent of females and 38 percent of males said they exercised. The same survey showed only 17 percent of high school students reported eating 5 or more servings of fruits and vegetables a day.

DOH notes, since physical activity and nutritional habits begun in childhood are more likely to be continued into adulthood, establishing those habits early is critical. Similarly, children who are overweight or at risk for overweight are more likely to become overweight or obese as adults and there are long term serious and costly consequences.

The *Dietary Guidelines for Americans 2005* recommend that children and adolescents, in particular, should consume more whole-grain products, 2-3 cups per day of fat-free or low fat milk or milk equivalent products, increase intake of fruits and vegetables, avoid excessive amounts of calories from added sugars, and fat intake should be controlled for quantity and types of fat.

Obesity-related *pediatric* costs have tripled in the past 25 years even when inflation is taken into account. These costs are expected to increase over time, as today's overweight children become tomorrow's obese adults. The annual direct cost of adult obesity in New Mexico is now estimated at \$324 million, with more than \$84 million of that amount paid via the state Medicaid program.

Overweight children have a higher incidence of psychosocial distress, orthopedic problems, liver disease, sleep apnea, high blood pressure and asthma. In addition, the physical conditions that lead to heart disease and stroke begin in childhood. A recent study has uncovered an alarming number of adolescents with cardiovascular disease risk factors usually considered to be conditions of middle-aged adults. Twenty five percent of children ages 5 to 10 year have high cholesterol, high blood pressure, or other early warning signs for heart disease.

During the past decade, there has also been an alarming development of Type 2 diabetes (formerly called "adult onset") in adolescents and young adults, mainly those with weight problems. DOH research shows that one in three United States children born in 2000 will become diabetic unless people start eating less and exercising more. Because this younger group will be living with diabetes for a longer time period, they will also be at increased risk for diabetes complications such as heart disease, stroke, kidney failure, blindness and amputations. Many thousands of cases of diabetes in New Mexico could be prevented or postponed through diet, exercise, and attaining a healthier weight.

A national poll among 500 public school teachers and 800 parents of school children found that 81 percent of teachers and 85 percent of parents favor schools requiring students to take physical education classes every day at every grade level. Ninety percent of teachers and 86 percent of parents are convinced that physically active children are better able to learn and are better behaved in the classroom. Among New Mexican adults, 75 percent believe that sales of unhealthy food in public schools should be eliminated and 71 percent would like to eliminate advertising of unhealthy food and drinks on public school grounds according to a February 2004 survey conducted by Research America in English and Spanish with 800 New Mexico adults.

PED indicates studies show that young adults who were obese as adolescents completed fewer years of school, were less likely to be married and were more likely to live in poverty than those who were not obese as adolescents, after controlling for baseline socioeconomic status and aptitude tests.

In New Mexico, just as in the rest of the nation, drinks and snacks of low nutritional value are marketed in middle and high schools. Children who routinely eat or drink junk foods lower their

consumption of nutritive foods such as milk, fruits and vegetables. In doing so, children develop deficiencies in important vitamins, minerals, proteins and other nutrients. Iron deficiency, for instance, has been associated with shortened attention span, irritability and fatigue. Low protein intake has been associated with poor academic achievement. Poor nutrition and hunger interfere with cognitive function and may be present in underweight, normal weight and overweight children. Persons who eat at least five servings of fruits and vegetables a day are less likely to suffer from heart disease and cancer.

Additionally, PED notes chronically malnourished children, whether underweight or not, attain lower scores on standardized tests, are less likely to resist infection and are more likely to miss school, thereby impacting their school performance.

PED indicates lack of physical activity and fitness is just as crucial as poor nutrition in fostering obesity among children and adults. Numerous studies show that, on average, children today spend fewer hours engaged in physical activities, such as walking to school, riding their bikes and playing outdoors, than their parents and grandparents did. Their leisure time is more likely to be spent watching TV (on average, children watch three and one-half hours of TV on a week day).

KBC/yr