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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/08

SPONSOR Taylor LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE NMSU Food Service Program SB 301

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$85.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
New Mexico State University (NMSU)

### SUMMARY

#### Synopsis of Bill

Senate Bill 301 appropriates \$85.0 from the general fund to the Board of Regents of New Mexico State University to support the New Mexico Department of Agriculture's Food Service Program.

### FISCAL IMPLICATIONS

The appropriation of \$85.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The HED states that this request was submitted by NMSU to the New Mexico Higher Education Department for review and is not included in the Department's funding recommendation for FY09.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "would not oppose if funding available" project. Reasons for this classification decision are not provided. (LFC Report 07-20, Higher Education Department Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p75.)

**SIGNIFICANT ISSUES**

NMSU states that:

- The New Mexico food processing industry is experiencing rapid growth and looking to establish and expand market share in regional and national markets.
- The New Mexico Department of Agriculture (NMDA) provides support in the form of development, advertising, promotion, and trade show assistance.
- There exists a demand to increase sales and market share of New Mexico food products to hotels, restaurants, casinos, and other markets where New Mexico suppliers have had minimal participation.
- NMDA is currently working with major food service distributors such as Sysco, Zanios, Shamrock foods, Aramark, and others to establish distribution for New Mexico food products to the food service industry.
- The demand for services addressing the food service industry has reached beyond the current resources/capabilities of NMDA. A new FTE is needed to work with agricultural producers and food manufacturers to establish market share in restaurants, hotels, casinos, and other markets. NMDA has support from industry, infrastructure, and momentum to establish a new FTE and generate success in the form of sales and market share.

GH/bb