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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/13

SPONSOR Sandoval LAST UPDATED _____ HB 324

SHORT TITLE Crop Gleaning Project For Food banks

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

Department of Finance and Administration (DFA), Local Government Division

SUMMARY

Synopsis of Bill

This bill appropriates \$100 thousand from the general fund to the Department of Finance and Administration to contract for services to glean produce fields and to contract with farmers to grow produce to distribute to the state's food bank program to supply food to indigent residents of the state.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

The DFA notes that the department would have the additional responsibility of procuring and entering into contracts with local farmers to grow produce to distribute to the state's food bank program and that the process would be burdensome since multiple vendors would be needed—however the department did not quantify the expected additional administrative responsibilities. It is unclear whether the appropriation is sufficient to incentivize local farmers to grow produce for the state's food bank program.

SIGNIFICANT ISSUES

The DFA/LGD currently procures and manages an appropriation for food banks, as does the Human Services Department (HSD). Appropriations reimburse a statewide food bank (New Mexico Association of Food Banks) for the transportation and packaging costs associated with bringing fresh produce into New Mexico donated by other states.

The appropriation contained in this bill would be in conjunction with the current produce program and possibly allow for more money to be kept in New Mexico. According to the New Mexico Association of Food Banks, every year a significant amount of produce is discarded by local farmers for various reasons. For example, farmers may miss a deadline for harvesting produce for market sales due to insufficient ripeness of the produce at time of deadline; produce is often left on trees or in the ground since the farmer has no incentive to harvest.

The bill would require the DFA to procure services and enter into contracts with local farmers to glean their fields of produce. Gleaning programs in other states are often performed by non-profit organizations that network farmers (with produce to glean) with volunteers (as from church groups or Girl Scouts) who are willing to perform the work of gleaning and distribution, often to low income families.

POSSIBLE QUESTIONS

Could the part of the intent of this bill be accomplished as a non-operating appropriation to the DFA to contract with a non-profit organization that would perform the networking responsibilities of this bill? This approach could reduce the administrative burden on the DFA and spark non-profit gleaning organization(s) as found in other states.

CEB/svb