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## FISCAL IMPACT REPORT

SPONSOR Lopez ORIGINAL DATE 02/06/13  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Healthy School Lunch Rules SB 75  
ANALYST Roberts

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	\$1,440.0	\$1,440.0	\$2,880.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 76, SB 80 and HB 338

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

Department of Health (DOH)

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 75 (SB 75) would require the Public Education Department to promulgate rules for healthy and nutritional school lunches and to provide technical advice and assistance to school districts to operate a school lunch program. This would specifically require the inclusion of New Mexico grown fresh fruits and vegetables in all school lunch programs, and food that is served in school lunch programs would be purchased from New Mexico vendors where feasible.

### FISCAL IMPLICATIONS

SB 75 would require the PED to specifically require the inclusion of New Mexico grown fresh fruits and vegetables in all school lunch programs. SB 76, SB 80 and HB 338 would all address the funding requirements for this bill.

### SIGNIFICANT ISSUES

The PED cites that the state of New Mexico does not have state rules that govern the National School Lunch Program (NSLP). The state and school districts/school food authorities are

required to follow the federal U.S. Department of Agriculture (USDA) regulations pertaining to the NSLP. If school districts/school food authorities do not follow regulations, they are not eligible to receive reimbursements for lunches served.

The USDAs new meal pattern is implemented under the Healthy, Hunger-Free Kids Act of 2010. The new meal pattern requirements for school lunches went into effect on July 1, 2012. The new meal pattern requirements for lunches address total caloric content standards, fat, sodium, sugar, fiber, vitamin and mineral standards required on page 2, lines 1 through 5 of the bill.

The PED further reports, on page 2, lines 6-7 the bill requires New Mexico-grown fresh fruits and vegetables be included in school lunches. Although fresh fruits and vegetables are the most nutritious, this requirement may be problematic at times for school districts/school food authorities at certain times of the year, or may be problematic in rural areas of the state. The state currently receives approximately \$2 million annually from the USDA to administer the Fresh Fruits and Vegetables program within the school meal programs. There are no requirements under federal law restricting the origin of the produce.

### **ADMINISTRATIVE IMPLICATIONS**

The Public Education Department would be responsible for promulgating rules for healthy and nutritional school lunches more specifically requiring the inclusion of New Mexico grown fresh fruits and vegetables in all school lunch programs.

### **RELATIONSHIP**

This bill directly relates to Senate Bill 76, Senate Bill 80 and House Bill 338.

### **DISPARITIES ISSUES**

The DOH cites that obesity and overweight disproportionately affect racial and ethnic minority groups, people living in rural communities, and those with low incomes or low levels of education. The percentage of New Mexico's children who are obese is now 12.8 percent of the state's high school students and 24 percent of third grade students.

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

The state and school districts and school food authorities will continue to implement the NSLP in accordance with the USDA regulations with the exception of the requirement of New Mexico-grown produce.

MR/svb