

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Garcia, M.H. **ORIGINAL DATE** 01/30/14
LAST UPDATED 02/11/14 **HB** 220

SHORT TITLE New Mexico Grown Produce in School Lunches **SB** _____

ANALYST Chavez/Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$100.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 81, SB 143

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 220 appropriates \$100 thousand from the general fund to New Mexico State University (NMSU) for the New Mexico Department of Agriculture (NMDA) to purchase locally grown New Mexico fresh fruits and vegetables and to administer a program to provide fresh fruits and vegetables for public school lunch programs in the Gadsden, Las Cruces and Deming school districts.

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 FY15 shall not revert.

In FY14, a special appropriation of \$100 thousand was made to PED to distribute to school districts and charter schools for the purchase of New Mexico grown fresh fruits and vegetables for the school meal program. It is not clear how these funds were allocated, or if NMDA played a role in the purchase and distribution of fresh fruits and vegetables to NM school.

HB 2 currently includes \$240 thousand for the purchase of New Mexico grown fresh fruits and vegetables.

If signed, NMDA notes this bill would offer New Mexico farmers additional outlets for their farm products and provide their operations with additional farm income and economic development opportunities. Funding would come directly to NMDA rather than through PED.

SIGNIFICANT ISSUES

The Department of Health (DOH) notes that overall nutrition status of children and teens may improve with regular consumption of fruits and vegetables at school. HB 220 supports good nutrition in schools, and especially helps children in rural low income communities where access to low-nutrient-dense foods is high.

According to NMDA, Gadsden School district currently serves 8,500 breakfasts, 13,000 lunches, and 2,500 after school snacks, on a daily basis. Deming Public Schools is serving 3,640 breakfasts, 4,770 lunches, and 400 after school snacks on a daily basis. In 2012/2013, Las Cruces Public Schools served 14,471 lunches on a daily basis.

PED currently receives funding through the United States Department of Agriculture (USDA) to operate the National Fresh Fruit and Vegetable Snack Program in elementary schools. PED has reported the amount allocated to the Fresh Fruit and Vegetable Snack program for FY14 was approximately \$2 million and a similar amount is expected for FY15. Priority for the federally-funded Fresh Fruit and Vegetable Snack Program is limited to those elementary schools with the highest percentage of free and reduced lunch (FRL) eligibility.

Additionally, there are no restrictions under the USDA regulations preventing school districts and charter schools participating in the National School Lunch/Breakfast Program or the Fresh Fruit and Vegetable Snack Program from purchasing produce from local growers. Funding appropriated from HB 220 could supplement the federal funding allocated to schools for the purchase of fresh produce for those schools who do not meet the federal eligibility guidelines.

PERFORMANCE IMPLICATIONS

DOH notes increased consumption of fresh fruits and vegetables is one of the Centers for Disease Control and Prevention's (CDC) evidence-based obesity prevention behaviors. It is also a key strategy supported by DOH through the "Fruits & Veggies – More Matters" Program to prevent chronic diseases such as coronary heart disease, some cancers, obesity, and osteoporosis. Lack of physical activity and poor nutrition habits are believed to be the biggest contributors to overweight and obesity. Increased funding would enable schools to purchase New Mexico-grown produce and serve more fresh fruits and vegetables to school aged children, while supporting the economic development of local farmers.

ADMINISTRATIVE IMPLICATIONS

NMDA notes HB 220 would be administered similar to the funds received under similar legislation in 2007 (Laws 2007, Chapter 21), which appropriated \$85,000 to provide New Mexico grown fresh fruits and vegetables to the Valley high school cluster in the Albuquerque public school district. NMDA provides oversight to the funding and administers a contract to the

Albuquerque public school district for them to purchase New Mexico grown fresh fruits and vegetables.

RELATIONSHIP

HB 81 and SB 143 also request funds to purchase New Mexico grown fresh fruits and vegetables for New Mexico schools.

HB 271 and SB 23 expand school breakfast to all public schools with 85 percent FRL or higher.

KC/ds:svb