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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**53rd Legislature, 1st Session, 2017**

**Bill Number** SB379                      **Sponsor** Woods

**Tracking Number** .207068.1              **Committee Referrals** SEC/SFC

**Short Title** NM-Grown Fresh Produce in School Meals

**Analyst** Bedeaux                                      **Original Date** 2/13/17  
**Last Updated** \_\_\_\_\_

**BILL SUMMARY**

Synopsis of Bill

Senate Bill 379 (SB379) appropriates \$1.4 million from the general fund for the purchase and distribution of fruits and vegetables grown in New Mexico, to be used in meals in school districts, charter schools, and juvenile detention centers statewide. The bill also provides for the creation of one FTE position at the Public Education Department (PED) for the administration of this program.

**FISCAL IMPACT**

SB379 appropriates \$1.4 million from the general fund to PED for expenditure in FY18 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of FY18 shall not revert to the general fund.

**Appropriated, Spent, and Unspent Funding for NM-Grown Fruits and Vegetables since FY15**

	FY15		FY16		FY17 (to date)		
Appropriation in General Appropriations Act (GAA)	\$	240,000	\$	364,300	\$	250,000	
NM-Grown Funds Allocated	\$	87,125	\$	232,455	\$	154,868	
Students in School Districts and Charter Schools with Allocations		167,471		239,897		192,987	
Appropriation Unspent	\$	152,875	64%	\$ 131,845	36%	\$ 95,132	38%
Students in School Districts and Charter Schools without Allocations		172,495	51%	99,327	29%	144,756	43%

Source: LESC Files

The table above, which summarizes the attachment, shows the funding allocated to school districts and charter schools over the past three fiscal years, as well as the number of students in school districts and charter schools served and not served by this funding. SB379's \$1.4 million appropriation in the bill is almost six times the appropriation made in FY17. Beginning in FY15, funding to subsidize New Mexico-grown fruits and vegetables was appropriated in the General Appropriation Act (GAA) to PED as a portion of the department's support for public schools.

The appropriation was \$240 thousand in FY15, \$364 thousand in FY16, and \$250 thousand in FY17.

Allocations listed in the State Human Resources Accounting Reporting system (SHARE) show that school districts and charter schools only received a portion of the allocated funding each year. PED analysis on SB379 notes it is unclear why districts are not using all of their allocated funding. In FY15, 64 percent of the appropriated \$240 thousand went unspent. In FY16, 36 percent of the appropriated \$364.3 thousand went unspent. Although PED has budgeted spending all of the \$250 thousand FY17 appropriation, to date, 38 percent remains unspent.

It is likely that districts choose to focus their allocations on specific schools. Without detailed data showing which schools received funding, it is difficult to estimate the actual number of students who are served, and therefore the statewide cost of providing New Mexico-grown fruits and vegetables to all schools.

### **SUBSTANTIVE ISSUES**

Identical versions of SB379 have been introduced since 2013; each year, these bills die in committee, but are consolidated into the GAA with significant reductions. Such reductions have compelled PED to make decisions about where and how to allocate funding. The methodology for allocations has changed yearly. For example, the department used a competitive application process in FY15, then determined allocations would go to school districts participating in the National School Lunch Program in FY16. The result has been a largely fragmented program that is not used to the extent that it is funded and does not reach every school.

Funding allocated in SB379 has the purpose of creating a new position at PED to administer the program. PED analysis of HB208, a duplicate of SB379, notes this has not been done in previous years. Centrally coordinating the program as opposed to allocating the funding sporadically to districts may increase the availability and coverage of New Mexico-grown fruits and vegetables, potentially providing the program to more schools and students. However, PED notes that a fully functioning system would require provisions for farmers, staff, and transportation for New Mexico-grown produce. The \$1.4 million appropriation in SB379 may be enough to implement such a program, but it is difficult to estimate the cost of providing the program to every school.

The more substantial the investment in the program, the more pronounced its impact. If effectively administered, the program could positively impact the economy of New Mexico's farming communities. Additionally, an analysis by the Department of Health (DOH) notes, providing nutritional options for elementary school students can impact obesity rates and improve student performance in the classroom. However, due to reduced oil and gas revenues, state funds are limited and legislators have been forced to cut spending statewide. The FY18 Executive Budget Recommendation does not include funding for New Mexico-grown fruits and vegetables.

### **RELATED BILLS**

Duplicates HB208, NM-Grown Produce in School Meals

**SOURCES OF INFORMATION**

- LESC Files
- PED
- DOH

**TCB/rab**