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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/09

SPONSOR Begaye LAST UPDATED \_\_\_\_\_ HB 58

SHORT TITLE Healthy & Culturally Appropriate Food Access SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
 Health Policy Commission (HPC)  
 Department of Health (DOH)  
 Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

House Bill 58 appropriates \$200.0 from the general fund to the Board of Regents of New Mexico State University for expenditure in FY2010, FY2011 by the NMDA to address infrastructure, distribution and transportation needs to enhance access to affordable, healthy and culturally appropriate foods in rural and underserved urban areas of New Mexico.

### FISCAL IMPLICATIONS

The appropriation of \$200.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2012 shall revert to the general fund.

### SIGNIFICANT ISSUES

This appropriation is not included in the LFC appropriation recommendations for Higher Education. The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008. The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects. The committee recommendation reduces from FY09 funding levels by 3 percent for statewide and other activities and by 5 percent for research projects, public service projects and P-20 pipeline projects focusing on students.

The project in HB 58 is not included in the 114 proposals for new projects and expansions advanced by higher education institutions.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The HED states that this request was not submitted by NMSU/NMDA for review and is not included in the Department's funding recommendation for FY10.

The HED states further that the proposed appropriation would be used to purchase equipment that would be leased to retail food store owners and distribution entities, to support store renovations, to provide technical assistance, research and development.

The NMDA notes that the HB 58 asks for pilot projects to address infrastructure, distribution, and transportation needs, but does not address the availability of cultural foods.

The HPC notes that inadequate access to nutritious foods has been linked to obesity, diabetes, heart disease, and other ailments. According to the Centers for Disease Control (CDC), 35.7% of New Mexicans are overweight and 25.1% are obese. In 2006, 7.4% of New Mexicans had diagnosed diabetes. American Indians are approximately twice as likely as Whites to have diagnosed diabetes, and Hispanics are 1½ times as likely. New Mexico currently ranks 4<sup>th</sup> in the nation for cardiovascular deaths on a per capita basis.

The DOH states that the New Mexico Food and Agriculture Policy Council, the New Mexico Healthier Weight Council, and other local organizations recommend increasing access to healthful food as a strategy to facilitate adequate nutrition. Many New Mexicans, particularly those living in rural areas, do not have adequate access to healthy, affordable, and culturally appropriate foods, especially fresh produce, because they lack access to grocery stores and transportation (Closing New Mexico's Rural Food Gap, Farm to Table, 2006).

GH/mt