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FISCAL IMPACT REPORT

SPONSOR Nava **ORIGINAL DATE** 3/1/09 **LAST UPDATED** 3/2/09 **HB** _____

SHORT TITLE School Meal Donations & Food Redistribution **SJM** 62/aSEC

ANALYST Wilson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate See Below			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging & Long Term Services Department (ALTSD)

Department of Finance & Administration (DFA)

Public Education Department (PED)

SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to SJM 62 adds faith-based organizations that work on issues concerning hunger to the list of organizations that should be part of the work group created by this memorial.

Synopsis of Original Bill

Senate Joint Memorial 62 requests public school food directors to donate excess school meals and requests state agencies to convene a work group to address food redistribution to homeless and hungry people in New Mexico.

FISCAL IMPLICATIONS

DFA states there will be some administrative impact to the state agencies that are requested to participate in the work group call for in SJM 62 but this should be able to be accommodated within current budgets.

SIGNIFICANT ISSUES

SJM 62 states:

- According to the United States Department of Agriculture, in 2005 one in six New Mexicans does not know where their next meal will come from.
- One in four children and one in eight seniors do not know where their next meals will come from.
- The National Food Insecurity rate is 11% percent. New Mexico's rate is 17% percent.
- Hunger in New Mexico is attributed to a high poverty rate. 32 of 33 counties qualify as "rural" by federal standards.
- Food costs more in rural areas than in urban areas; in addition, there are fewer food stores in rural areas than in urban areas.
- In a recent study, the average travel time to the most frequented grocery stores in New Mexico was 29 minutes. In New Mexico, there is only one food store for every 486 square miles.
- Section 41-10-3 NMSA 1978 protects food donors acting in good faith from any civil liability or criminal penalty regarding the conditions of the donated food.
- Public law 110-247, Federal Food Donation Act of 2008, encourages executive agencies and contractors of executive agencies to donate excess wholesome food to non-profit organizations to feed insecure people in the United States.
- In New Mexico, there are non-profit organizations that engage in "food rescue programs" to salvage food from restaurants, repackage it and give it to nursing homes.
- A public-private collaboration of over 30 organizations was formed to support the New Mexico Plan to End Hunger.

The memorial resolves that a work group consisting of the ALTSD, Human Services Department, Environment Department, PED, Higher Education Department, Children, Youth And Families Department and nonprofit organizations that work on issues concerning hunger convene during the 2009 interim to develop a plan for maximizing food redistribution for both public and private entities to hungry and homeless people in New Mexico.

The problem of hunger is fairly widespread in New Mexico. As reported by the New Mexico Association of Food Banks, in 2005, 238,000 people received emergency food from food pantries, shelters and soup kitchens served by New Mexico food banks.

As detailed in the various subsections of the joint memorial, the problem of hunger is fairly widespread in New Mexico. As reported by the New Mexico Association of Food Banks, in 2005, 238,000 people received emergency food from food pantries, shelters and soup kitchens served by New Mexico food banks.

Various national and state groups study the problem of hunger in the United States. One of these is the Food Research and Action Center (FRAC), a non-profit which seeks to improve public policies and public-private partnerships to eradicate hunger and promote nutrition.

The FRAC indicates that the federal government uses two main terms to describe the level of hunger faced in the United States. The first, food security, is used to describe what FRAC states our nation should be seeking for all of its people – assured access at all times to enough food for an active, healthy life, with no need for recourse to emergency food sources or other extraordinary coping behaviors to meet basic food needs. On the other hand, food insecurity

refers to the lack of access to enough food to fully meet basic needs at all times due to lack of financial re-sources.

The FRAC reports findings from a Census Bureau survey that, “those at greatest risk of being hungry or on the edge of hunger live in households that are: headed by a single woman, Hispanic or Black, or incomes below the poverty line. Overall, households with children experience food insecurity at almost double the rate for households without children.”

In a state-level summary, the FRAC reports three-year averages, (2005-2007) for households in New Mexico that 115,000 (15%) were food insecure and that an additional 37,000 (4.9%) households were very low food insecure.

ALTSD provided the following:

Possible donation of excess school meals to feed the hungry and homeless could have a very positive impact on efforts to eliminate hunger in New Mexico. The workgroup has the opportunity to identify and outline solutions to issues that need to be addressed to address certain liability issues for all parties involved, meeting governmental safety standards for storage and transport of the food, and clearance from local government sponsors or non-profit boards of senior service providers that may be involved in receiving such food. It should be noted that the aforementioned issues may not apply to established entities that have the authority to receive excess food and distribute it to the targeted populations.

The composition of the work group is extremely important. The research and fact-finding to be conducted is significant and the group’s findings and recommendations will play an important role in determining the feasibility of food redistribution. The work group must also identify organizations best suited to receive and distribute the excess food.

ADMINISTRATIVE IMPLICATIONS

The agencies and non-governmental organizations that participate in the work group called for in SJM 62 will have to absorb the costs associated with staff participation.

While there are no administrative implications to PED, public schools would have to designate staff to collect the cafeteria food that is designated as excess and either await the arrival of organizations or transport the food to donor organizations. Since these are not routine school duties, there may be overtime costs associated with these extra duties.

TECHNICAL ISSUES

While state statute (41-10-3 NMSA 1978) is cited as providing legal protection to food donors acting in good faith, Paragraph A indicates the protection applies as follows: “any person who donates food in good faith, including the good-faith donor of any perishable or canned food”.

Because the statute makes explicit reference to “any perishable or canned food,” and not “prepared meals” as indicated in SJM 62, DFA suggests the sponsor may wish to request an opinion from the Attorney General to establish the applicability of tort protection in this instance.

OTHER SUBSTANTIVE ISSUES

The 7 food banks that are members of the New Mexico Association Food Banks include:

1. ECHO Inc.- Farmington
2. Community Action Agency of Southern New Mexico – Las Cruces,
3. The Community Pantry – Gallup,
4. The Food Depot – Santa Fe,
5. Food bank of Eastern New Mexico – Clovis,
6. Roadrunner Food Bank – Albuquerque, and
7. The Salvation Army Southeastern New Mexico Food Bank – Hobbs.

Programs and operations of the Association are funded by the State of New Mexico and grants from The Daniels Fund, Altra Corporation, McCune Charitable Foundation, Boeing Company, The Presbyterian Hunger Program, The Evangelical Lutheran Church in America, and MAZON, the Jewish Response to Hunger and individual contributions.

DW/mt:mc