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FISCAL IMPACT REPORT

SPONSOR <u>Little/Parajon</u>	LAST UPDATED _____
	ORIGINAL DATE <u>1/24/2024</u>
SHORT TITLE <u>State Food Bank Funding</u>	BILL
	NUMBER <u>House Bill 131</u>
	ANALYST <u>Klundt</u>

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$25,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$32.0	\$32.0	\$64.0	Recurring	General Fund
		\$66.0	\$66.0	\$132.0	Recurring	Federal Funds
Total		\$98.0	\$98.0	\$196.0	Recurring	

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Duplicates Senate Bill 46

Sources of Information

LFC Files

Agency Analysis Received From
Health Care Authority (HCA)
Department of Health (DOH)

SUMMARY

Synopsis of House Bill 131

House Bill 131 appropriates \$25 million from the general fund to HCA to fund state food banks.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$25 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

HCA provided the following:

Currently, the appropriation act appropriates funds to the HCA base budget that are passed on to food banks for fresh fruits and vegetables and supplement funding for homeless feeding sites. In FY24, HCA was appropriated \$1.1 million for fresh fruits and vegetables and \$220 thousand for homeless meals from general fund revenue. In addition, through the Governor’s hunger initiative, HCA was given \$5 million in FY24 that was passed down to food banks for the purchase of perishable, non-perishable and local food.

The bill does not appropriate any additional funds to the HCA to support an FTE to contract, procure and administer funds to the state foods banks. Implementation of SB46 would require an allocation of funds for Staff-(1) FTE pay band 65 to administer funding in accordance with state procurement laws.

SIGNIFICANT ISSUES

HCA provided the following:

HCA does not have the mechanisms in place to purchase foods outside of those funded by the United States Department of Agriculture. HCA’s practice is to pass funding to the New Mexico Food Banks for the purchase of perishable and non-perishable foods, fresh fruits and vegetables and supplemental funding for homeless feeding sites.

New Mexico food banks estimate a food shortage of approximately 21 million pounds of food needed. New Mexico food banks distributed 4.2 million pounds with the \$5 million provided in SFY23. New Mexico is 5th in the nation for food insecurity by Feeding America’s most recent Map the Meal Gap 2020 Study. Estimated food donations decreased by more than 50 percent and USDA commodities have decreased over the past 3 years. USDA Commodities dropped from \$25 million in 2020 to \$14 million in 2023 and \$10 million in 2024. We estimate receiving \$8 million or less in 2025. Inflation has increased food costs by 22 percent.