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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED _____ **HB** _____

SPONSOR Ortiz y Pino

SHORT TITLE Obesity & Physical Fitness in School Children **SB** 248

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to: HB 330, HB 218, SB 219

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$6.6	\$6.6	\$13.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)
Public Education Department (PED)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 248 appropriates \$250,000 from the general fund to the PED for expenditure in FY 2007 to fund a pilot program in five public elementary schools, collaborating with a nonprofit organization, directed at health education and physical fitness to fight obesity and promote physical fitness.

FISCAL IMPLICATIONS

Typically, pilot programs cannot be concluded in a single year and this appropriation will become a recurring expense to the general fund.

PED would be required to develop an RFP, write, and monitor contract at an estimated additional cost of \$6,600.

Any unexpended or unencumbered balance remaining at the end of FY 2007 shall revert to the General Fund.

SIGNIFICANT ISSUES (HPC)

Prevalence of Obesity Among New Mexico Children

According to the Health Policy Commission's (HPC's) 2006 *Quick Facts* report, 24% of New Mexican high school students are overweight or at risk of becoming overweight. In addition, 22% of New Mexico's 2 to 5 year olds who participate in federally funded nutrition programs are overweight.

Physical Fitness among New Mexico Children

Fifty six percent of high school students report vigorous activity three or more days a week. Of those in the "at risk of overweight" category, 41% of females and 38% of males said they exercised.

Risks Associated with Obesity

According to the Centers for Disease Control and Prevention (CDC), overweight and obese individuals are at increased risk for many diseases and health conditions, including the following:

- Hypertension
- Dyslipidemia (for example, high total cholesterol or high levels of triglycerides)
- Type 2 diabetes
- Coronary heart disease
- Stroke
- Gallbladder disease
- Osteoarthritis
- Sleep apnea and respiratory problems
- Some cancers (endometrial, breast, and colon)

Further, according to the New England Journal of Medicine, researchers estimated that current patterns of overweight and obesity in the US could account for 14% of all deaths from cancer in men and 20% of those in women.

Cost of Obesity in NM

An estimated \$324 million per year is spent on adult obesity in New Mexico. The cost of obesity among children is not available at this time.

New Mexico Action

According to the CDC, New Mexico's Obesity, Physical Activity, and Nutrition Program is working to develop a comprehensive state plan for preventing obesity through improved nutrition and

increased physical activity. Recently, the state program:

- Held five regional workshops to get information on existing resources and to identify community needs, gaps, and barriers regarding physical activity and nutrition;
- Convened a steering committee to develop the structure of the state plan as well as goals and objectives specific to New Mexico;
- Held a statewide forum (March 22, 2005); the 58 participants provided additional ideas for the state plan; and
- Helped plan the 3rd Annual University of New Mexico Obesity Symposium, “Overweight in Children: It’s a Family Affair” (March 11, 2005).

ADMINISTRATIVE IMPLICATIONS

Senate Bill 248 does not identify which five public elementary schools or the nonprofit agency for the pilot program. It is not clear whether the selected schools would be located in areas where there is a high prevalence of obesity. SB248 could identify the five public schools as well as their needs for physical fitness programs.

RELATIONSHIP

House Bill 330 makes an appropriation to the Department of Health for expenditure in FY07 for an anti-obesity, nutrition education, self-esteem and fitness dance program for low-income, at risk children in public schools.

House Bill 218 and Senate Bill 219 provide for a Diabetes Education & Prevention Network

BMC/nt