

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/08

SPONSOR Papen LAST UPDATED _____ HB _____

SHORT TITLE Study Increased Access to Fresh Foods SB 440

ANALYST Escudero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$25.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB86

This bill is a companion bill to HB180 "Manny Herrera Access to Healthy Foods Act."

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University (NMSU)
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 440 appropriates \$25,000 to the Board of Regents at New Mexico State University for expenditure in FY09 to conduct a study to develop alternative strategies through which state funds may be used to increase means of access of New Mexicans to sources of fresh foods.

FISCAL IMPLICATIONS

The appropriation of \$25.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2009 shall revert to the general fund.

This request was not submitted by NMSU to the New Mexico Higher Education Department for review and is not included in the Departments funding recommendation for FY09.

According to NMSU, this initiative is requesting a non-recurring amount of \$25,000 to study social, economic and environmentally sustainable way to increase New Mexicans access to fresh

food. Funding will provide partial support for graduate student, data enumeration and analysis, and technical and lay report and documentation. The study will involve review of the literature and best practices, sensitive to custom and cultural differences unique to New Mexico.

SIGNIFICANT ISSUES

According to the New Mexico Food & Agriculture Policy Council, SB440 would fund research in support of the Manny Herrera Access to Health Foods Act and food access challenges in New Mexico. SB440 would build on initial research done to assess challenges and barriers and would help to provide substantive options to help guide the Healthy Food Initiative Board proposed within HB180.

As stated by NMSU, like other Americans, New Mexicans are facing a growing crisis from obesity and diabetes that if not reversed, threatens to make this generation of young people the first in our history to have a lower life expectancy than their parents. One cause of this problem is not having convenient access to healthy and affordable food outlets. Research has shown that, in general, the greater distance that one must travel to reach a high quality food store, such as a supermarket, the fewer servings of fresh fruits and vegetables they will eat. And the further that people must travel to purchase their food, the further their dollars will travel from their community. The more that local money can be reinvested in local goods and services, the stronger local economies will become.

In addition, the lack of healthy food in sparsely settled rural areas and lower income urban communities cannot be solved by the private market alone. In order to ensure that every New Mexican has adequate access to healthy and affordable food, the public sector must invest responsibly in well-run food businesses. The proposed study will investigate alternative public-private partnership that will strategically expand and create businesses, promote local prosperity, and make healthy food available to all.

TECHNICAL ISSUES

As stated by NMSU, we know that:

- Most people do not eat the recommended five servings a day of fresh fruits and vegetables, and that the actual cost of produce has risen as much as 40% over 15 years
- Obesity and diabetes are costing New Mexico an astounding \$324 million per year
- NM does not currently have a full-line grocery wholesaler for independent food stores which increases the cost of food and distance it must travel
- According to the Rural Sociological Society, NM has 12 non-metro counties with low-food access (50% of residents must go more than 10 miles to a food store) and 6 counties that are considered “food deserts” (100% of the residents more than 10 miles).
- A New Mexico 2006 market basket comparison found that food in smaller rural stores is as much as 70% more expensive than the same food purchased in large, metro-area supermarkets, and that the availability of fresh produce is considerably less
- To increase the consumption of healthy food, the Robert Wood Johnson Foundation has recommended that governments create economic stimulus programs and public-private partnerships to promote the creation and expansion of retail grocery operations

- Since the creation of the Fresh Food Financing Initiative in Pennsylvania in 2005, state funds, which have leveraged as much in private funds, have produced one million square feet of new retail food space and 2,500 new jobs in both urban and rural communities
- Modest investments of private and public funds have developed a new supermarket on the Jicarilla Apache Nation in Dulce and a co-op food store in Dixon.

NMSU College of Agriculture and Economic has the technical capacity to complete this much needed study. The \$25,000 investment in this study will provide knowledge and information that will save thousand, if not millions in “economic development trials and errors,” and more importantly in health care cost long-term.

CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP

SB440 is a companion to HB86 and related to HB156, HB164, HB403, and HB83.

PME/mt