

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 (www.nmlegis.gov). 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 1/24/12

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE New Mexico-grown Produce in School Lunches SB 86

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$1,440.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 86 (SB86) would appropriate \$1.44 million from the General Fund to the Board of Regents of New Mexico State University (NMSU) for expenditure in FY13 for the New Mexico Department of Agriculture to purchase New Mexico-grown fresh fruits and vegetables and to administer a program ensuring that fresh fruits and vegetables are delivered to school lunch programs.

FISCAL IMPLICATIONS

The appropriation of \$1.44 million contained in this bill is a recurring expense to the general

fund. Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert to the General Fund.

Although the bill would permit the NMDA to use the appropriation for expenditures for administration, the NMDA claims that the proposed program would not affect their operating budget.

SIGNIFICANT ISSUES

According to the PED, U.S. Department of Agriculture's "The Fresh Fruits and Vegetables Program – FFVP is an important catalyst for change in the state's efforts to combat childhood obesity by helping children learn more healthful eating habits. The FFVP has been successful in introducing school children to a variety of produce that they otherwise might not have the opportunity to sample".

New Mexico receives approximately two million dollars in FY12 from the USDA to administer the Fresh Fruits and Vegetables Program in New Mexico schools. 125 elementary schools including, private schools, charter schools and Bureau of Indian Education (BIE) schools, participate in the program. The program supplies fresh fruits and vegetables to approximately 39,000 elementary students.

The NMDA expressed a concern about the availability of New Mexico grown produce in sufficient quantities to provide adequate supplies to the schools on a year round basis.

PERFORMANCE IMPLICATIONS

The HED notes that SB86 does not provide performance measures. However, if funded, NMSU, in collaboration with the New Mexico Department of Agriculture, would develop performance measures in coordination with HED.

ADMINISTRATIVE IMPLICATIONS

NMDA reports it is working with Albuquerque Public Schools to implement a similar program with the Valley Cluster Project (12 public schools ranging from elementary level to high school) in Albuquerque.

OTHER SUBSTANTIVE ISSUES

This request was not submitted by NMSU to the New Mexico Higher Education Department (NMHED) for review. NMHED has established a formal process for reviewing earmarked budget requests for higher education institutions. This process requires prior approval by the governing body of the university or college. It also provides for analysis of each request by NMHED, the Department of Finance and Administration (DFA), and the Legislative Finance Committee (LFC). NMHED recommends that requests that circumvent the formal review process not receive funding in the annual budget, but be directed to be resubmitted for funding in FY14