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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/06

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE School District Wellness Policy Development SB 78

ANALYST Lewis

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 367

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 78 appropriates \$200,000 from the general fund to the Public Education Department for expenditure in fiscal year 2007 to assist school districts in developing phase 1 wellness policies based on department rules.

FISCAL IMPLICATIONS

The appropriation of \$200,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

According to the Public Education Department (PED), local school districts are required by the federal Child Nutrition and WIC Reauthorization Act of 2004 to establish and implement school wellness policies by the beginning of the 2006-2007 school year.

The PED has proposed a wellness rule, public hearings have been held and the rule should be in effect at the end of February 2006. The proposed rule requires that:

- By the beginning of the 2006-2007 school year, district school health advisory councils (SHACs) will be formed to assist in the development, implementation, monitoring and evaluating of the wellness policies.
- By the beginning of the 2006-2007 school year, districts will have physical activity and nutrition components in their wellness policies.
- By the end of January 2007, school districts will include health services, social and emotional well-being, family, school and community partnerships, staff wellness, health education and life skills' components in their wellness policies.
- Phase 1 of the rule would include development, implementation, monitoring and evaluating the school district's local wellness policy in the areas of SHAC development, nutrition policies and physical activity policies.

ADMINISTRATIVE IMPLICATIONS

If SB 78 is enacted, PED staff will need to set up flow-through accounts for the appropriation and develop a delivery system, as well as provide technical assistance and fiscal monitoring of the funds. PED will distribute the money to school districts based on a competitive request for application (RFA) process. Additional staff time will be required to coordinate funding for all 89 New Mexico school districts. It is estimated that it would take approximately 80 hours of technical assistance by an Education Administrator A ($\$25.495 \times 80 \text{ hrs} + 30\% \text{ benefits} = \$2,651.48$). This can be accomplished with existing staff.

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