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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/10

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE NM Grown Fresh Fruit and Vegetables for School Lunches SB 199

ANALYST Escudero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	\$1,440.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Public Education Department (PED)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 199 (SB199) would appropriate \$1,440,000 from the General Fund to the Board of Regents of New Mexico State University for expenditure in Fiscal Year 2011 and subsequent fiscal years for the New Mexico Department of Agriculture to purchase New Mexico-grown fresh fruits and vegetables and to administer a program ensuring that the fresh fruits and vegetables are delivered to school lunch programs statewide. Any unexpended or unencumbered balance remaining at the end of fiscal year 2011 shall not revert to the General Fund.

FISCAL IMPLICATIONS

The appropriation of \$1.4 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2011 shall revert to the general fund.

The appropriation Public Education Department states that preliminary planning and notification of school food authorities would be necessary prior to the fiscal year 2011.

SIGNIFICANT ISSUES

Department of Health indicated as follows:

Increased fresh fruit and vegetable intake is a key Department of Health (DOH) program strategy to prevent chronic diseases, such as coronary heart disease, some cancers, obesity, and osteoporosis. Lack of physical activity and poor nutritional habits are believed to be the biggest contributors to overweight and obesity. Funding provided for in SB199 would enable schools to utilize New Mexico-grown produce and serve more fresh fruits and vegetables to school aged children, while supporting the economic development of local farmers.

The US Department of Agriculture (USDA) has piloted a similar program, entitled the USDA Fruit and Vegetable Pilot Program (FVPP) nationally. Most schools participating in USDA's FVPP consider the program to be very successful and would like the pilot to continue. The Nutrition Title of the 2002 Farm Act provided \$6 million to the FVPP for the 2002-2003 school years to improve fruit and vegetable consumption among the nation's school children. The FVPP provided fresh and dried fruits and fresh vegetables free to children in 107 elementary and secondary schools, including seven schools in the Zuni Indian Tribal Organization (ITO) in New Mexico. The intent of the pilot was to determine the feasibility of such a program and its success as assessed by the students' interest in participating. Of the 105 schools reporting on feasibility, 100 believe that it is feasible to continue the pilot if funding were made available. The pilot provided ample funding, averaging about \$94 per student. Schools reported that 80% of students were very interested in the pilot, and 71% reported that students' interest had increased during the pilot period. Many schools reported that the 10% cap on nonfood costs for labor out of each grant was too restrictive.

Public Education Department indicated as follows:

The Department of Agriculture's Food and Nutrition Service administers the Fresh Fruit and Vegetable Program (FFVP) at the national level. This program 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. Currently, 66 schools participate in the FFVP, representing 42 school districts.

Higher Education Department indicates the following:

Farm to School connects schools (K-12) and local farms with the objectives of serving healthy meals in school cafeterias, improving student nutrition, providing agriculture, health and nutrition education opportunities, and supporting local and regional farmers. According to the Farm to School national organization, there are 43 states implementing statewide programs that purchase locally grown produce for distribution through school lunch programs throughout the U.S.

Since 2007, New Mexico has participated in the growing movement of providing fresh fruits and vegetables to students through the school lunch program. In 2007, the Legislature authorized an \$85,000 recurring appropriation to 12 schools in Albuquerque's North Valley district. The appropriation serves 6,000 students by providing Albuquerque Public Schools the funds to purchase locally grown apples, melons, carrots and other produce. Today, there are 809 schools in the state that are using funds from their school budgets to purchase locally grown produce to distribute to their students.

According to the Farm to School program, \$1.44 million would provide an extra 10 cents per plate of two school meal portions of fruits and vegetables (New Mexico grown when possible) for all school children in the state.

PERFORMANCE IMPLICATIONS

Department of Health states that SB 199 relates DOH FY11 Strategic Plan Goal 2, Improving Community Health; Objective 3: Reduce Obesity and Diabetes.

Higher Education Department states that SB 199 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 NMHED

Public Education Department indicated as follows:

The NSLP provides school children with 1/3 or more of their Recommended Daily Allowance (RDA) for key nutrients. Research shows that students who eat nutritionally balanced meals are better prepared to learn and retain information in school.

Passage of this bill might help decrease the number of remedial courses New Mexico students have to take; it might increase the high school graduation rate. Studies show that hungry children have lower test scores and an increased likelihood of repeating a grade and that behavioral, emotional and academic problems are more prevalent among hungry children. In addition, hungry children are more likely to be absent and tardy.

ADMINISTRATION ISSUES

Higher Education Department states that NMSU and the New Mexico Department of Agriculture administer this program.

PME/mt