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FISCAL IMPACT REPORT

ORIGINAL DATE 01/26/11

SPONSOR Martinez LAST UPDATED HB

SHORT TITLE NM Grown Produce in School Lunches SB 123

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$1,440.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to
 Duplicates Appropriation in the General Appropriation Act
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)
 Department of Health (DOH)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 123 bill appropriates \$1,400,000 from the general fund to the board of regents of New Mexico State University. The funding would go to the New Mexico Department of Agriculture to purchase New Mexico grown fresh fruits and vegetables and administer the program for school lunch programs statewide.

FISCAL IMPLICATIONS

The appropriation of \$1,440,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2012 shall revert to the general fund.

The NMDA would incur additional operating budget impact in order to effectively administer a program in cooperation with the school lunch program, but no estimate is available at this time.

Administrative costs would reduce the amount available for purchase of fresh produce.

It is not clear to what extent this might reduce public school expenditures for food for lunches.

SIGNIFICANT ISSUES

The DOH states that increased fresh fruit and vegetable intake is one of the key strategies that it uses through the “Fruits & Veggies – More Matters” Program to prevent chronic diseases such as coronary heart disease, some cancers, obesity, and osteoporosis. Chronic diseases — cancers, diabetes, heart disease, hypertension, stroke, mental disorders, and pulmonary conditions make up five of the six leading causes of death in the U.S. and NM.

PERFORMANCE IMPLICATIONS

Senate Bill 123 relates to the PED goal to ensure students are ready to learn by providing access to healthcare, healthy foods, and physical fitness.

ADMINISTRATIVE IMPLICATIONS

The NMDA claims they are currently working with other New Mexico governmental agencies, private sector, other interested parties, and the public schools on implementing the mechanics of this bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 123 relates to Senate Bill 63, which would require state agencies and local public bodies (including public schools) to purchase food from producers or processors whose principal place of business is in New Mexico.

JCH/mew