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FISCAL IMPACT REPORT

SPONSOR Ferrary/Stansbury/ Bash/Serrato **ORIGINAL DATE** 02/02/21 **LAST UPDATED** 02/07/21 **HB** 132/aHHHC
SHORT TITLE Emergency Food Bank Food Items **SB** _____
ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$5,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Human Services Department (HSD)

SUMMARY

Synopsis of HHHC Amendments

The House Health and Human Services Committee amendments to House Bill 132 clarify the \$5 million appropriation to HSD would be used to provide funding to foodbanks and they would then purchase nonperishable food.

Synopsis of Original Bill

House Bill 132 (HB132) would appropriate \$5 million in FY22 to the Human Services Department to provide emergency food banks statewide with nonperishable food items to help combat New Mexico's increased hunger rates exacerbated by the Covid-19 pandemic.

FISCAL IMPLICATIONS

HB132 would appropriate \$5 million to the Human Services Department in FY22. Any unexpended or unencumbered balance remaining at the end FY22 would revert to the general fund.

The Human Services Department's FY21 operating budget includes \$1.1 million to purchase fresh

fruits and vegetables for food banks statewide and to also provide supplemental funding for food distribution sites serving homeless individuals.

In May 2020, the New Mexico Association of Food Banks, a collaboration of five statewide food banks, reported that due to the pandemic, there was a need for \$12.5 million to address hunger in the state. During the second special session in November 2020, the Legislature appropriated \$5 million to the Human Services Department to contract for services to provide emergency food bank services in the state.

SIGNIFICANT ISSUES

HSD reports based on estimated food donations and estimated U.S. Department of Agriculture (USDA) commodities along with food purchases from other sources, the New Mexico food banks estimate a food shortage of approximately 6.04 million pounds of food in FY21. New Mexico is ranked fifth in the nation for food insecurity by Feeding America's most recent Map the Meal Gap 2020 study. The study estimates because of the Covid-19 pandemic, the number of food insecure New Mexicans will grow from 315,900 individuals in 2019 to 372,490 individuals in 2020. New FY22 data on the amount of USDA food is not yet available; however, other Trade Mitigation food commodities that were previously offered to New Mexico in FY19 and FY20 are no longer available.

OTHER SUBSTANTIVE ISSUES

The New Mexico Association of Food Banks, a collaboration of five statewide food banks, reports that New Mexico's federal Emergency Food Assistance Program (TEFAP) allocation decreased from \$25 million in 2020 to \$5 million in 2021. Concurrently, the statewide food banks have experienced an increase in food and transportation costs from 12 percent to 58 percent during the Covid-19 pandemic.

RAE/sb