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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 42

SHORT TITLE: Frozen Food for Certain Communities

SPONSOR: Borrego

LAST ORIGINAL
UPDATE: _____ **DATE:** 1/23/26 **ANALYST:** Hilla

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$200.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
ALTSD	No fiscal impact	\$60.0	No fiscal impact	\$60.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
 Aging and Long-Term Services Department

SUMMARY

Synopsis of House Bill 42

House Bill 42 (HB42) appropriates \$200 thousand from the general fund to the Aging and Long-Term Services Department (ALTSD) for the department to contract for frozen food or medically tailored meals in high-food insecure areas or communities with limited access to healthy food and a subpopulation of people with medical conditions requiring special meals.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a nonrecurring expense to the

general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund. This appropriation is not included in either the LFC or the executive budget recommendations; however, both recommendations include increases to the department's operating budget for additional meal delivery costs statewide. The LFC recommendation includes an additional \$1 million in general fund revenue, whereas the executive recommendation includes \$1.5 million for additional meal delivery services.

ALTSD cites a \$60 thousand nonrecurring operating budget impact, which would be assumed by taking 30 percent of the \$200 thousand appropriation, leaving \$140 thousand for the intended services of HB42. The department states it and direct service providers would incur administrative costs with implementing these services, such as workload related to procurement, contract oversight, and compliance.

SIGNIFICANT ISSUES

ALTSD cites in its analysis that Medicare-aged beneficiaries are the most impacted by food nutrition, stating that food-insecure older adults, aged 60 and over, are more likely to suffer a heart attack, more likely to suffer from congestive heart failure, and more likely to develop asthma. The department adds that more than 50 percent of older adults are malnourished or at risk of malnutrition.

The department reports over 5,600 older New Mexicans receiving group or home-delivered meals in federal fiscal year 2025 were assessed as having high nutritional risk. ALTSD reports that area agencies on aging and direct service providers provided 4,191,156 congregate and home-delivered meals statewide in FY25.

ALTSD estimates it could provide approximately 14 thousand medically tailored meals under the appropriation under the assumption that it will be \$10 per meal after the 30 percent administrative cost reduced from the original appropriation amount.

EH/hg/sgs