

LFC Requester:	Sunny Liu
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**AGENCY BILL ANALYSIS
2018 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 02/09/18
Bill No: SJM16

Sponsor: Sen. Michael Padilla
Rep. G. Andrés Romero

Agency Code: 924

Person Writing Debbie M. Rael

Short Title: PED TO STUDY SCHOOL MEAL FUNDING

Email Debbiem.rael@state.nm.us

Phone: 827-1822

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
N/A	N/A		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
N/A	N/A	N/A		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See fiscal implications	See fiscal implications	NFI			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None
Duplicates/Relates to Appropriation in the General Appropriation Act: None

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Joint Memorial 16 (SJM16) requires the Public Education Department (PED) to identify additional federal programs, including program funding, to improve health and nutrition and provide training. The PED is required to complete an analysis of the impact of increased application completion for school meals on school lunch debt.

FISCAL IMPLICATIONS

SJM16 has a minimal fiscal impact on the PED in FY 18 and FY 19 since the PED, school districts and charter schools are already participating in the majority of the health and wellness programs offered by the United States Department of Agriculture (USDA) Food Nutrition Services (FNS) Child Nutrition Programs (CNP) including School Breakfast Program, National School Lunch Program, Fresh Fruits and Vegetables Program, Summer Food Service Program (Seamless Summer Option) and the After School Snack Program. New Mexico, like most other states, does not participate in the special milk program.

An analysis is to be completed on the impact of the increased number of applications completed and how the applications completed effect the school meal debt. States only receive funding from USDA for school meals based on the number of claims submitted for free, reduced and paid meals. Even though additional qualifying students would be fed school meals, those funds provided to the school districts and schools cannot be used to pay meal debt. Additional information is available under significant issues.

Findings are to be reported to the Legislative Education Study Committee by October 1, 2018.

SIGNIFICANT ISSUES

The PED continues to provide free or reduced cost school meals to many New Mexico students enrolled in public, private and Bureau of Indian Education schools. Recently, New Mexico was ranked number three in the nation for having a high number of school districts and schools participating in the Community Eligibility Provision (CEP) which provides all students breakfast and lunch at no cost to the student or family without the burden of proving eligibility or completing paperwork. The table below highlights the PED and school district's efforts in qualifying and providing free and reduced price meals for those New Mexico students who qualify under the federal parameters and guidelines.

	Total Students	Free Students	Reduced Students	Paid Students	FRL %	Free %	Reduced %	Paid %
SY 14-15	335890	174862	17924	143104	57.40%	52.06%	5.34%	42.60%
SY 15-16	350101	226555	15249	108297	69.07%	64.71%	4.36%	30.93%
SY 16-17	338350	223508	12368	102474	69.71%	66.06%	3.66%	30.29%
SY17-18	333055	224701	11216	97138	70.83%	67.47%	3.37%	29.17%

In the summer of 2017, the PED and school districts and schools provided a little over 900,000 breakfast, lunches and snacks to New Mexico students.

PERFORMANCE IMPLICATIONS

None identified.

ADMINISTRATIVE IMPLICATIONS

SJM16 would have a minimal administrative impact on the PED in meeting the October 1, 2018 timeline since PED already participates in the majority of the USDA health and wellness programs with the exception of the special milk program. In addition, annually in October PED collects the number of applications completed for those schools that do not participate in the CEP or Provision 2 school meals programs. Application completion does not reduce the debt burden of unpaid meal charges since federal funds cannot be used for debt relief.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None known.

TECHNICAL ISSUES

SJM16 is requesting PED to analyze the number of increased applications for free and reduced proceed meals impact on school meal program debt. Federal law strictly prohibits the use of federal funds for the payment of debt.

OTHER SUBSTANTIVE ISSUES

None identified.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The PED, school districts and schools will continue to administer the federal and state school meal programs and provide free and reduced cost meals to all qualifying students.

AMENDMENTS

None proposed.