

LFC Requester:	Travis Dulany
-----------------------	----------------------

**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 1/29/2018
Bill No: HB62

Sponsor: Representative Jimmie C. Hall **Agency Code:** 924
Short Title: NM-GROWN PRODUCE IN SCHOOL MEALS **Person Writing** Debbie M. Rael
Title: _____ **Phone:** 827-1470 **Email** Debbiem.rael@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
NFI	\$400.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
NFI	NFI	NFI		

(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	NFI	See Fiscal Implications	NFI	NFI	nonrecurring	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Duplicates SB106
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 62 (HB62) appropriates \$400,000 for the purchase of New Mexico grown fresh fruits and fresh vegetables to be served in school meal programs. Funds are to be expended FY19 and subsequent fiscal years and shall not revert to the general fund.

FISCAL IMPLICATIONS

HB62 will have a minimal fiscal impact on the Public Education Department (PED). The PED will follow the New Mexico Procurement Code in executing this appropriation and will issue a Request for Application (RFA). For FY 19, the RFA will include a section requesting that a portion of the funding be used for the distribution of the produce. This will address expressed concerns from previous years by school districts and schools regarding the transportation and delivery of the produce. Some school districts and charter schools have to purchase locally grown produce from other regions of the state. The PED will review budget adjustment requests to ensure produce purchased by the school districts and schools was New Mexico grown fresh fruits and vegetables.

SIGNIFICANT ISSUES

HB62 provides an appropriation to the PED for the purchase and distribution of New Mexico (NM) Grown fresh fruits and vegetables to be utilized in school meal programs in school districts, charter schools and juvenile detention centers.

The \$400,000 appropriation is to be expended in fiscal year 2019 and subsequent years. Any unexpended funds shall not revert to the general fund. This will be beneficial for students enrolled in school districts, charter schools and juvenile detentions center that participate in the NM Grown program allowing produce to be incorporated in their school meals from the summer, fall and spring growing seasons.

In 2016, \$250,000 was appropriated by the legislature for New Mexico grown produce which provided funding for 51 districts and charter schools. The funds were awarded through a RFA for those school districts and charter schools with a vested interest in participating in the program in which \$220,700 was expended. The RFA distribution was more effective with a greater return on investment than the per pupil distribution used in the past.

New Mexico currently receives approximately \$2,300,000 from the U.S. Department of

Agriculture (USDA) for the Fresh Fruits and Vegetables Program (FFVP). FFVP is a voluntary program that provides fresh fruit and vegetable snacks to students enrolled in elementary schools only. There are no requirements by USDA to purchase locally grown produce.

Participation in the FFVP occurs through an application process and the per pupil award amounts are based upon the free and reduced priced lunch percentages for the elementary school. Funding for the NM Grown fresh fruit and vegetable program allows participation at all school grade levels. This flexibility permits any NM student to benefit from the program if they are enrolled in a participating school district, charter school or juvenile detention facility.

PERFORMANCE IMPLICATIONS

HB62 supports the PED's strategic plan, "Kids First New Mexico Wins", Ready for Success strategic lever ensuring that all students are ready to learn by reinforcing the linkage between healthy meals and lifestyles and academic success.

ADMINISTRATIVE IMPLICATIONS

HB62 will have a short-term administrative effect on PED. Limited resources will be needed to update the RFA to include the transportation and distribution of the produce and the requests for reimbursements will be handled by existing staff.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates SB106 which provides \$400,000 in FY 19 for New Mexico grown fresh fruits and vegetables.

TECHNICAL ISSUES

While the PED supports incorporation of more New Mexico-grown produce in the diets of New Mexico students, the proposed change noted below would assist PED with compliance with USDA food safety and handling requirements. Growers must hold a New Mexico food handlers certificate and be certified in the growing, authentication, handling and storage of produce. This allows authorities to track down and investigate outbreaks of contamination and food borne illnesses in order to prevent further illnesses and outbreaks.

It is recommended that on page one, line 19 after vegetables add "grown, authenticated, handled and stored by growers with a New Mexico food handlers certificate".

OTHER SUBSTANTIVE ISSUES

Many of the smaller growers in the state do not accept purchase orders. This may limit the number of growers that can benefit financially from the NM Grown program. In addition, this could provide limitations on the options available for school districts, charter schools and juvenile detention centers.

ALTERNATIVES

Since the state's agriculture department and the Human Services Department's Food and Nutrition Services (FANS) Bureau are aware of which growers are certified, it may be more appropriate to

make the appropriation to either of those agencies.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

USDA already requires a certain amount of fruits and vegetables to be included in school meal programs. Students would still be served the recommended amounts, however they may not be fresh fruits and vegetables or grown in New Mexico.

AMENDMENTS

None identified