

LFC Requester:	Sunny Liu
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**AGENCY BILL ANALYSIS
2019 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: Date 2/21/19
 Original Amendment Bill No: HB328
 Correction Substitute

Sponsor: Paul Bandy and Nathan Small Agency Code: 924
 NEW MEXICO-GROWN Person Writing Daniel Manzano
 Short PRODUCE FOR SCHOOL Staff Analyst
 Title: MEALS Phone: 505-670-3820 Email Daniel.Manzano@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
\$350.0	\$350.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
N/A	N/A	N/A		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Duplicate
Duplicates/Relates to Appropriation in the General Appropriation Act None as of 1/28/19

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 328 (HB328) declares an emergency and appropriates \$350.0 for the purchase and distribution of New Mexico-grown fresh fruits and fresh vegetables in fiscal year 2019 and subsequent fiscal years through the Public Education Department’s (PED) school meal program

FISCAL IMPLICATIONS

The \$350.0 appropriation contained in this bill is considered an emergency for expenditure in fiscal year 2019 and subsequent years and is a recurring expense from the General Fund. Any unexpended balance would remain available for expenditure in future fiscal years.

The PED will follow the New Mexico Procurement Code and will issue a request for application (RFA). To increase the availability of local produce statewide, PED will continue to allow transportation costs for schools.

SIGNIFICANT ISSUES

In FY 19, 56 school districts and charter schools received funding to purchase New Mexico grown produce directly from local farmers for school meals; 25 districts will be created these farm to school partnerships for the first time. Although the issuance NM Grown funding is a competitive process, all schools or districts are encouraged to apply. Demand for the NM Grown program has increased every year: the current funding amount of \$425.0 was exceeded by \$125,000 in applicant requests for the 2018 - 2019 school year.

Current spending for FY19 funds is reported at 47.74%, and all grantees with unspent funds to date have submitted mandatory extension requests that clearly state each School Food Authorities’ spending plan to procure locally grown produce before May 31, 2019.

PERFORMANCE IMPLICATIONS

None as of 1/28/19

ADMINISTRATIVE IMPLICATIONS

None as of 1/18/19

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This is a duplicate of Senate Bill 115 (SB 115) which appropriates \$350.0 for Locally Grown Produce for New Mexico school food authorities that participate in the National School Lunch Program.

HB328 appropriates funds that are in addition to the \$400.0 in recurring funds requested through the PED's Executive Recommendation.

TECHNICAL ISSUES

- (1) To date, PED has relied on schools to certify the origins and food safety practices of produce purchased for school meals. A required certification system that certifies authenticity of products sold to schools through the New Mexico Grown program is currently in development through a public-private partnership between the PED and external partners. While the PED is committed to safe, clean produce in school meals, food safety standards in legislation is not recommended at this time.

OTHER SUBSTANTIVE ISSUES

None as of 1/28/19

ALTERNATIVES

None as of 1/28/19

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Although the USDA already mandates a specified meal pattern for fresh fruits and vegetables served in school meals, the produce served may not be locally grown agricultural products from the state of New Mexico. The mission of this program is to institutionalize the purchase of local produce for school meals, and a number of school districts are reporting shifting purchasing patterns as a result of the financial investment that has been made by the Legislature; 37% of FY19 grantees reported leveraging Federal USDA funds to match the State's investment.

AMENDMENTS

None as of 1/28/19