

LFC Requester:	Liu
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**AGENCY BILL ANALYSIS
2023 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 01/20/2023
Bill No: SB4

Sponsor: Sen. Padilla & Sen. L. Jaramillo
Short HEALTHY UNIVERSAL
Title: SCHOOL MEALS

Agency Name and Code 924
Number: _____
Person Gregory Frostad
Phone: (505) 470-5752 **Email** Gregory.Frostad@ped.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$30,000.00	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 4 (SB4) would enact the Healthy Universal School Meals Act to expand free meals to all students in the state, regardless of family income. Participating school food authorities would offer one breakfast and one lunch at no cost to students during each school day to any student, with a maximum of one free meal for each meal service period.

FISCAL IMPLICATIONS

SB4 would appropriate \$30 million from the general fund to DFA, in collaboration with the Public Education Department (PED), for FY24 and subsequent fiscal years, to implement the provisions of the Healthy Universal School Meals Act. Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert to the general fund.

SB4 is part of the executive budget recommendation for the Food Initiative, which includes more than \$75 million to build a food system that grows, transports, and serves food to New Mexicans who need it the most. Also included in this recommendation is \$2 million for New Mexico-produced foods and \$20 million for school kitchen renovations and equipment to assist with the transition to healthy, freshly prepared meals in schools statewide.

SIGNIFICANT ISSUES

SB4 would require school districts and charter schools, and allow Bureau of Indian Education (BIE) schools, tribally controlled schools, and private schools, to participate.

PED would be required to award funding to school food authorities that meet the meal quality improvement requirements. The department would be required to distribute to each school food authority an amount that is equal to the federal free meal reimbursement rate multiplied by the total number of eligible meals served during the applicable budget year, minus an amount equal to the federal paid meal reimbursement for eligible meals served during the applicable budget year.

For school food authorities that do not meet the meal quality improvement requirements established by PED rule, the department would be required to distribute to each school food authority an amount that is equal to the paid meal rate multiplied by the total number of eligible meals served during the applicable budget year.

By August 1 of each year, PED would be required to inform eligible school food authorities of the amount of program funding they will receive during the upcoming school year. When calculating the amount of program funding that is due to a school food authority, the department would be required to assume that student participation will remain at the same level as the previous school year.

School food authorities would be required to use the money received to purchase commodities necessary to improve meal quality, including food and other consumables, equipment, staffing, labor needs or training and technical assistance.

Through an incentive grant, school food authorities would be eligible to procure New Mexico grown, raised or processed food products. A minimum of 75 percent of such funds would be required to be used for the purchase of minimally processed products. Up to twenty-five percent of funds would be allowed to be used for value-added processed products.

School food authorities would be required to seek to minimize food waste by requiring at least 20 minutes of seated mealtime for grades kindergarten through fifth grade each day, utilization of shared tables, and the redistribution and donation of excess and rescued foods.

PED is committed to fostering healthy school environments and increasing market access for New Mexico growers through the New Mexico Grown Farm to School Program. Specifically, farm to school includes procurement, school gardens and outdoor classrooms, and food education. PED works to strengthen K-12 public, private, BIE, and tribally-controlled schools and school districts' connection to fresh, healthy food and the local food producers by changing purchasing and education practices across New Mexico.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

PED would be required to promulgate rule to establish the meal quality improvement requirements schools must meet to qualify.

PED anticipates it would need an additional 1 FTE for fiscal management and additional staff or contractual support for implementation of the healthy meal requirement provisions of the bill. These costs are included in the executive budget recommendation for the Food Initiative.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

In 2020, the Governor permanently eliminated student co-pays for reduced-price breakfast and lunch and increased access to free meals for an additional 63,421 students. Still, one in three students are paying full-price for meals.

Through the state's investment in New Mexico Grown, more than 168 farmers, ranchers, and food businesses sell hundreds of local produced products to schools across the state. Nearly 244 thousand students benefit from the New Mexico Grown program.

SB4 would increase demand for a wide diversity of products, which would support the long-term financial success of New Mexico agriculture.

According to the Centers for Disease Control and Prevention, studies have shown providing more time for lunch is associated with:

- Increased consumption of food and key nutrients;
- Increased selection of a fruit;
- Increased consumption of fruits and vegetables, lunch entrée, and milk; and
- Decreased plate waste.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS

The provisions of SB4 may conflict with the provisions of other, current sections of law that address student meals and issues of student hunger. Section 22-13-13.2 NMSA 1978 establishes the "Breakfast after the Bell" program to provide free breakfast after the bell to all students in a public school where at least 85 percent of students were eligible for free or reduced-price lunch under the National School Lunch Act. While portions of this section address scheduling and logistics, the majority of the law deals with fiscal issues and disbursements no longer required if SB4 is enacted.

Article 13C of the Public School Code (22-13C-1, et seq. NMSA 1978) establishes the Hunger-Free Students' Bill of Rights Act. This Act addresses issues of hunger and food availability, and requires public schools to provide meal applications in every school enrollment packet, and further requires students to provide United States Department of Agriculture reimbursable meals to students who request on, under most circumstances. The Act includes provisions to combat poverty-related stigma and discrimination. Many of the Act's provisions may be obviated by the proposed Healthy Universal School Meals Act.

The sponsor may wish to consider reviewing these two areas of school law to determine if the provisions of SB4 would require amendment or permit repeal of the Breakfast after the Bell program and the Hunger-Student's Bill of Rights.