

LFC Requester: Liu



**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 03/04 /25
Bill No: SM19

Agency Name and Code: PED - 924

Sponsor: Brantley, Boone, Ezzell, Woods

PED Lead Analyst: -

Phone: - Email: -

Short Title: NEW MEXICO MEAT, CHEESE & PRODUCE IN SCHOOLS

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: The [House Appropriations and Finance Committee Substitute for House Bill 2](#) appropriates approximately \$42.2 million for universal free meals from the general fund to the Public Education Department, and \$5 million from the general fund to the Public Education Department for universal free school meals contingent upon a budgetary shortfall in FY26 due to growth in participation or meal rates. It also proposes an appropriation of approximately \$3 million to address a prior-year budgetary shortfall, and \$7.8 million for a FY25 shortfall in the provision of universal school meals pursuant to the act.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Memorial 19 (SM19) would request the New Mexico Department of Agriculture (NMDA) and the Public Education Department (PED) to convene a working group to design a plan in which fifty percent of the beef, cheese, and milk served to students in public schools originates from and is processed by New Mexico producers. SM19 also requests that representatives from the New Mexico Cattle Growers' Association, Dairy Products of New Mexico, Southwest Cheese, and Tucumcari Mountain Cheese be invited to participate in the work group.

FISCAL IMPLICATIONS

This memorial does not contain an appropriation.

SIGNIFICANT ISSUES

Funding for New Mexico grown products is incentivized through the [Healthy Hunger-Free Students' Bill of Rights Act](#). School food authorities can receive grants to buy New Mexico-grown, raised, or processed food, with at least 75 percent spent on unprocessed or minimally processed items and up to 25 percent on value-added processed products. The grant amount is either \$1,000 or an amount equal to \$0.10 per federally reimbursed free lunch served the previous year, depending on which is greater, and which is to be distributed annually by August 1, subject to available funding. In school year 2021-2022, school districts purchased \$1.2 million of New Mexico grown fruits and vegetables.

The potential implementation of local beef-, cheese-, and milk-purchasing requirements may impact school budgets since school food authorities would need to trace the source of the items to ensure it is purchased from within the geographic boundaries of the state, from New Mexico farms and production facilities.

A detailed analysis has yet to be done to determine if local producers can meet the expected need based on increasing numbers of school meals being served in NM schools due to the Healthy Universal Free Meals program.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

Senate Memorial 19 would request the PED to collaborate with the NMDA to convene a working group to develop a plan for fifty percent of beef, cheese, and milk in school meals to be locally sourced, and to submit a report to the appropriate legislative committees regarding agriculture and public education by September 1, 2025. This may require the PED and NMDA to produce a comprehensive evaluation of the agricultural industry as well as the costs of adjusting to additional food service providers.

Depending upon any policy or legislation that may arise from the working group's efforts, PED would likely need to amend its Rule 6.12.16 NMAC, Healthy Universal School Meals.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 229, NM-Grown Approved Supplier Program, which proposes a reverting appropriation of \$460 thousand from the general fund to the Board of Regents of the New Mexico State University for the New Mexico Department of Agriculture for expenditure in FY26 for the approved supplier program.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.