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FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/07

SPONSOR Martinez LAST UPDATED HB 756

SHORT TITLE Next Generation Fund SB

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$10,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB242

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	\$10,000	\$0	Recurring	Next Generation Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 756 appropriates ten million (\$10,000,000) from the general fund to the next generation fund (NGF) for expenditure in fiscal year 2008 to promote positive child and youth development and prevent the abuse and neglect of children pursuant to the Children's Trust Fund Act.

FISCAL IMPLICATIONS

The appropriation of ten million (\$10,000,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2008 shall revert to the general fund.

Under the Children's Trust Fund Act, under which the Next Generation Fund operates, the FY05 enabling statute, created the fund as a non-reverting fund. Funding is added to the corpus by appropriation and interest generated off the corpus is used for program expenditure, therefore the funding should not revert to the general fund at the end of FY08.

The appropriation in this bill is not part of the Children, Youth and Families Department's request and is not included in the Executive recommendation of Children, Youth and Families Department.

SIGNIFICANT ISSUES

The next generation fund (NGF) expanded the Children's Trust Fund mission beyond its enabling mission which focused on child abuse and neglect prevention. Originally, the Children's Trust Fund was created by state statute in 1978 to provide the means to develop innovative projects which address issues such as, preventing child abuse and neglect, providing medical, psychological treatment for victims of abuse and neglect and develop community based services on child abuse and neglect.

NGF projects must provide positive child and youth development activities that support physical, mental and social well-being; promote strong and health families and help prevent abuse and neglect; promote community service, leadership and citizenship; and provide community coordination of child and youth development programming.

Interest monies generated by the fund will be distributed through a competitive grant process, targeting 0–24-year-old children and youths, administrated by the Children, Youth and Families Department and guided by the state-appointed board of the Children's Trust Fund (CTF).

PERFORMANCE IMPLICATIONS

This bill does address any specific CYFD performance measures; however, performance measures should be positively impacted by any amount of increased funding.

NGF projects can incorporate education and "High yield" out-of-school learning activities and effective instructional strategies may improve attendance, positively impacting public school performance measures and benchmarks regarding reading, language arts, math and graduation rates. Additionally, the NGF may positively impact the Pre-K initiative in terms of student readiness to enter school better prepared to learn.

ADMINISTRATIVE IMPLICATIONS

Up to ten percent of the income received from investment of the NGF may be expended for costs to administer the fund and next generation projects. Administrative costs include per diem (members of the CTF board) and mileage, staff salaries and expenses related to administration of

the fund.

CYFD administers the Next Generation Council which oversees administration of the fund. The proposal does not present significant new administrative activities for the department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates SB242

TECHNICAL ISSUES

Recent research shows that at the elementary and high school educational levels, high achievers spent more time in “high yield” out-of-school learning activities than low achievers. ”High yield” out-of-school learning activities include such diverse activities as reading, writing, studying, being tutored, watching educational TV, playing with computers, going to after-school pro-grams and clubs, volunteering, doing a hobby and participating in organized sports (Clark, 2002).

OTHER SUBSTANTIVE ISSUES

Competitive awards will support community-identified needs and innovative projects, which might include special in-school and out-of-school initiatives like family literacy projects, prevention/intervention projects, after-school programs and community service and youth leadership.

Interest monies generated by the fund will be distributed through a competitive grant process, targeting 0–24-year-old children and youths, administrated by the Children, Youth and Families Department and guided by the state-appointed board of the CTF.

Students who spend no time in extracurricular activities are 49% more likely to use drugs and 37% are more likely to become teen parents than those who spend one to four hours per week in extracurricular activities (U.S. Dept. of Education, 2002).

Recent research shows that at the elementary and high school educational levels, high achievers spent more time in “high yield” out-of-school learning activities than low achievers. ”High yield” out-of-school learning activities include such diverse activities as reading, writing, studying, being tutored, watching educational TV, playing with computers, going to after-school programs and clubs, volunteering, doing a hobby and participating in organized sports (Clark, 2002).

ALTERNATIVES

None identified

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

DL/csd