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FISCAL IMPACT REPORT

SPONSOR: Nava DATE TYPED: 02/25/03 HB _____

SHORT TITLE: Create Next Generation Council SB 618

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$2,000.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$2,000.0	\$2,000.0	Non-Recurring	Next Generation Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

Commission on Higher Education (CHE)

Department of Finance and Administration (DFA)

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 618 appropriates \$2,000.0 from the general fund to the Next Generation Fund for the purpose of funding programs of the Next Generation Council. CYFD, with the assistance of the council, will establish grant assistance through a competitive proposal process to communities, public schools, not-for-profits and post-secondary educational institutions for youth development programs and activities. Priority will be given to proposals that involve youth in positive physi-

cal and mental health activities, promote community service, leadership and citizenship or provide training and assistance to youth workers in the area of youth development.

The Next Generation Council will consist of ten adults and five student members. One adult and one student enrolled at a post-secondary education institution will be appointed each by the Governor and by the Commission of Higher Education. One adult and one high school student will be appointed each by the Legislature (selected by the Speaker of the House and the President pro tempore of the Senate), Secretary of Health and the State Board of Education. Five adult members will be selected by CYFD upon recommendation of the New Mexico Community Foundation.

Significant Issues

CYFD and DFA indicate that the bill does not specify if council members are entitled to mileage and per diem to attend council meetings. Additionally, DFA states that the term "adult" is not defined in the bill.

None of the responding agencies expressed an opinion on whether they supported the provisions of the bill.

FISCAL IMPLICATIONS

The appropriation of \$2,000.0 contained in this bill is a recurring expense to the general fund for the Next Generation Fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the general fund. CYFD may use not more than three percent of the money in the fund in any fiscal year for expenses in administering the program.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

TECHNICAL ISSUES

The amount that maybe used for administrative expenses will be difficult to determine as the fund balance will vary considerably during the fiscal year. It is recommended that page 3, lines 14-16 be changed to read: "The department may use an amount equaling up to three percent of the total expenditures from the fund in each fiscal year for administrative purposes."

OTHER SUBSTANTIVE ISSUES

There is no reporting required of how the funds are allocated in grants and results from the grants. It is recommend that the following be added to page 2, line 25: "The department shall report on the uses and results from expenditures from the next generation fund on a fiscal year basis to the governor, the interim legislative health and human services committee and the legislative education study committee not later than August of each year."

POSSIBLE QUESTIONS

1. How will success of this program be measured?
2. What criteria will be used to evaluate requests for grants?
3. Should an income-earning permanent fund be created so that grants can be paid out of the earnings of the fund so that recurring appropriations will not be needed in the out-years?

GAC/njw