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FISCAL IMPACT REPORT

SPONSOR Nava DATE TYPED 3/6/2005 HB _____

SHORT TITLE Create Next Generation Fund and Council SB 614/aSFC

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	None				

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB892

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	None			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children Youth and Families Department (CYFD)

NM Public Education Department (NMPED)

SUMMARY

Synopsis of SFC Amendment

Senate Finance Committee amendment to SB614 removes all language pertaining to making an appropriation.

Synopsis of Original Bill

Senate Bill 614 appropriates \$15 million from the general fund to the Children's Trust Fund and a new Next Generation Fund. Each fund would receive \$7.5 million. Both funds would be man-

aged by the Children's Trust Fund Board with half of the interest earned from the Fund benefiting Next Generation Fund projects and the other half to fund child abuse and neglect prevention projects (or children's projects). The Children's Trust Board will have final approval of all proposals and funding.

Significant Issues

Next Generation Fund 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.

This bill expands the Children's Trust Fund mission beyond its current mission focused on child abuse and neglect prevention. 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.

FISCAL IMPLICATIONS

The appropriation of \$15 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall not revert to the general fund.

These funds would leverage state investments to significantly expand the corpus of the Children's Trust Fund (CTF) so more monies can be distributed across the state on an annual basis.

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

ADMINISTRATIVE IMPLICATIONS

No significant administrative impact for CYFD staff.

DUPLICATION

Duplicates HB892

OTHER SUBSTANTIVE ISSUES

The Next Generation Fund (NGF) will support positive children and youth activities, which focus on improving the physical, mental and social well being of children and youths.

- The NGF will be based on principles of positive child and youth development. Funded programs would view children and youths as assets, seek to create safe places for young people, provide constructive activities, encourage service-learning and civic engagement and make connections to academic success and school performance.
- 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.

- 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).

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