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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/08

SPONSOR Nava LAST UPDATED _____ HB _____

SHORT TITLE Increase Next Generation Fund Corpus SB 453

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$500.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB0455 “Next Generation Fund”

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 453 appropriates five hundred thousand (\$500,000) from the general fund to the next generation fund for expenditure in FY08. Money from this appropriation shall be used to increase the corpus of the fund and shall not be used for programs.

FISCAL IMPLICATIONS

The appropriation of five hundred thousand (\$500,000) contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall not revert to the general fund.

This bill is not part of the CYFD request and it is not part of the executive recommendation.

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.

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. As of July 1, 2007, the interest income generated off of the Next Generation Fund was \$82.4 thousand. The expendable portion has been budgeted in the current year.

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).

As of July 1, 2007, the Next Generation Fund balance was \$1,500.0. This bill will increase the total fund balance to \$2,000.0 in the current year.

PERFORMANCE IMPLICATIONS

”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 Next Generation Fund may positively impact the Pre-K initiative in terms of student readiness to enter school better prepared to learn.

SB 453 supports multiple children's cabinet priority areas.

ADMINISTRATIVE IMPLICATIONS

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

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to: SB0455 “Next Generation Fund”
Relates to Appropriation in the General Appropriation Act

OTHER SUBSTANTIVE ISSUES

Recent research shows the following (In School and Out of School Factors, 2008):

- High-achieving students spend more time engaged in academic lessons in the classroom than low-achieving students, and they spend more time engaged in structured literacy-enhancing activities out of school.
- Conversely, low-achieving students spend less total time engaged in structured learning activities (which include combined in-school and out-of-school time).
- At the elementary and high school levels, high achievers spent more time in out-of-school, high-yield learning activities than low achievers.
- High-yield, out-of-school learning includes such diverse activities as leisure reading, writing, studying, getting tutored, participating in community and school youth clubs and programs, working on the computer, watching educational television, volunteering, doing hobbies and playing organized youth sports.
- The time students spent in these activities is an indicator of the extent of their learning opportunities outside of school.
- In particular, better readers spent more out-of-school time involved in powerful, high-impact (high-yield), language-enriched activities that promotes successful acquisition and expansion of developmentally appropriate reading skills. These activities included:
 1. Weekly time dialoguing with adults, youth club enrichment activities, hobby and volunteer activities, organized sports and educational television.
 2. Regular study/homework routines, often with adult or peer monitoring and support.
 3. Reading and writing practices in the home, sometimes including composing text on the computer.

Reference:

North Central Regional Educational Laboratories, *In-School and out-of-school factors that built student achievements*, Retrieved January 28, 2008, from <http://www.ncrel.org/gap/clark/student.htm> .

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

DL/bb