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FISCAL IMPACT REPORT

SPONSOR Lujan, A DATE TYPED 2/08/05 HB 549

SHORT TITLE Americorps and Volunteer Program Support SB _____

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$725.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children Youth and Families Department (CYFD)
 NM Public Education Department (NMPED)
 Health Policy Commission (HPC)
 NM Association of Community Colleges (NMACC)

SUMMARY

Synopsis of Bill

House Bill 549 appropriates \$725,000 from the general fund to Children Youth and Families Department for expenditure in FY06 to support community volunteerism, academic scholarships and AmeriCorps programs.

Significant Issues

The bill allocates the money as follows:

- \$75,000 to support community volunteerism;
- \$250,000 for matching educational scholarships to New Mexico public post-secondary educational institutions for graduating New Mexico high school students. (Two \$1,000 CNCS Presidential Scholarships per high school in the state would be awarded to gradu-

ating seniors based on the student's community service and volunteerism in their local communities. Local schools would determine scholarship recipients based upon established criteria);

- \$200,000 to match local community funds leveraging federal funds for Americorps programs in New Mexico Each local grantee is required to provide a cash match for operation of an AmeriCorps program. AmeriCorps members receive a modest living allowance, some health benefits and earn education awards that can be used for up to seven years to complete their education. AmeriCorps members provide tutoring, mentoring, social services and focus on local community needs.
- \$200,000 to support Americorps and volunteers in service to America placements in New Mexico communities. Americorps Vista volunteers help organizations with capacity building, infrastructure development and organizational support.

HB 549 appropriates a state match of \$450 thousand for required federal funds for Americorps programs from the Corporation for National and Community Service (CNCS). Federal funds would be lost without the required state match in funding.

The bill increases support for community volunteerism which is important for people involved and the communities served. Provides needed community services that communities may not be able to afford and potentially more people to volunteer. NMACC says that the bill provides incentives for high school students who are involved in community volunteerism activities by making matching scholarship funds available. The state has been trying to increase student service learning programs at both the secondary and postsecondary levels.

PERFORMANCE IMPLICATIONS

It is well documented, according to NMACC, that real world experiences whether paid or unpaid benefit student performance and enhance educational program completion. This legislation, among other things, NMACC says would provide incentives for students to go on to college and help succeed in college by providing matching scholarship funds.

FISCAL IMPLICATIONS

The appropriation of \$725 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

CYFD and PED note that the department will lose federal matching funds without the state appropriation.

ADMINISTRATIVE IMPLICATIONS

CYFD would absorb contract development and administration associated with enacting the bill from within existing resources.

Schools currently participating would not have significant impact. New schools wishing to participate would have to assign staff, develop guidelines, etc., and identify opportunities. The bill would require PED, CHE and CYFD to collaborate to determine which students qualify. CHE would have to administer another scholarship program.

TECHNICAL ISSUES

NMACC points out that the bill is unclear in the following areas:

- The number of students that would qualify which is assumed will also determine the size of the scholarship.
- The scholarship award (same or different) for a community college student or a university student.
- The recurring or non recurring nature of the program for future students

OTHER SUBSTANTIVE ISSUES

According to the NM Commission for Community Volunteerism:

- AmeriCorps members are paid an average of \$765 a month, work at least 1,700 full-time hours in a year, and receive limited health care and child care benefits. At the end of their term of service members receive an education award worth \$4,725. The award may be used to pay for current or future college and graduate school tuition, or job training, or to repay existing student loans. Part-time AmeriCorps members (900 hours minimum) receive an award worth \$2,362.50.

In return, the state benefits in the following ways:

- Communities may gain improved math scores, restored natural resources, safer streets, and immunized infants.
- Educational awards help pay for college or pay back loans because the AmeriCorps members made a substantial commitment to their community.
- Skills learned and the civic ethic developed through service may generate a lifetime of benefits from productive, better-educated citizens with a life-long dedication to service.

WD/sb