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### FISCAL IMPACT REPORT

SPONSOR:	Garcia	DATE TYPED:	02/12/00	HB	
SHORT TITLE:	Next Generation Trust Fund Act			SB	47/aSFC
				ANALYST:	Eaton

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	unknown			Recurring*	Tobacco Program
	unknown			Recurring*	Next Generation

(Parenthesis ( ) Indicate Expenditure Decreases)

*\* Recurring amounts will vary depending on settlements received, less other appropriations.*

Relates to HB 110, SB 48, HB 8, SB 22, SB 70

## SOURCES OF INFORMATION

State Department of Education (SDE)

## SUMMARY

### Synopsis of SFC Amendment

The SFC amendment connects the activities of the next generation council to the tobacco settlement revenue oversight committee (proposed in Senate Bill 48). The revenue oversight committee shall oversee the youth development grant assistance program and any other youth development programs and the activities of the council.

### Synopsis of Bill

This bill establishes a council for oversight of tobacco settlement distributions made to the state for the purpose of developing comprehensive programs and strategies to support youth development statewide. The bill requires the Department of Health to provide administrative support for the council. Council members will consist of both adult and youth members that are appointed by various entities for limited terms.

Money in the next generation trust fund shall be invested by the State Investment Council and shall not be expended for any other purpose. Income earned on the investment shall be credited to the fund.

In fiscal year 2002 and 2003, the annual distribution to a newly created youth development grant fund from the next generation trust fund will be five percent of the amount appropriated to the trust fund in fiscal year 2001. Subsequent appropriations shall be 4.7% of the two year average annual balance of the prior fiscal years.

The youth development grant fund shall consist of distributions from the next generation trust fund and money from any other public or private source. Income earned on balances shall be credited to the fund. Balanced

in the fund at the end of any fiscal year shall not revert to the general fund.

## **FISCAL IMPLICATIONS**

Remaining balances in the proposed tobacco settlement program fund (currently named the tobacco settlement permanent fund), after other appropriations are made, are to be transferred to the Next Generation Trust Fund for expenditure. The legislature may make additional appropriations.

The amount of appropriation to the Next Generation Trust Fund from the tobacco settlement permanent fund is contingent upon (a) 50% of settlement proceeds received and deposited in the state treasury and distributed to the tobacco settlement permanent fund in the prior fiscal year (pursuant to Senate Bill 48 as amended, and (b) the balance of tobacco settlement funds after appropriations have been made (refer to Senate Bill 48/a).

The specific appropriations proposed by Senate Bill 48 total \$13,825.0. After amendment, Senate Bill 48 removes all language specifying appropriations.

## **ADMINISTRATIVE IMPLICATIONS**

Possible impact on the State Department of Education, Public Schools as well as the Department of Health.

## **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

House Bill 110, Senate Bill 48, House Bill 8, Senate Bill 22, Senate Bill 70.

## **TECHNICAL ISSUES**

Senate Bill 47 establishes an oversight council for developing comprehensive programs and strategies. House

Bill 8 creates the oversight committee for tobacco settlement proceeds. Neither bill provides a connection between the council and the oversight committee.

Section 4(E) states that Next Generation Council members shall receive per diem and mileage but does not specify the source of funding. Section 5(B) states that money in the next generation trust fund shall be invested, and not expended for any other purpose, with distributions to the youth development grant fund as the exception. But Section 7(C) states that no more than 10% of the money distributed to the fund in fiscal year 2002 through 2005 shall be used by the council and the department of health for administrative purposes. It appears as though Section 5(B), conflicts with 4(E) and 7(C).

JBE/gm