

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill No:** SB 453

**48th Legislature, 2nd Session, 2008**

**Short Title:** Increase Next Generation Fund Corpus

**Sponsor(s):** Senators Cynthia Nava and Mary Jane M. García

**Analyst:** David Harrell

**Date:** January 31, 2008

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**Bill Summary:**

SB 453 appropriates funds to the Next Generation Fund and requires that money from this appropriation be used to increase the corpus of the fund and not be used for programs.

**Fiscal Impact:**

\$500,000 is appropriated from the General Fund to the Next Generation Fund in FY 08. Money from this appropriation shall not revert to the General Fund.

The analysis by the Children, Youth and Families Department (CYFD), which administers the fund, says that the bill is not part of the CYFD request or the Executive recommendation.

CYFD has explained that the Next Generation Fund is an endowment fund whose corpus should remain intact while program expenditures come from interest earned by the fund. According to the CYFD analysis of SB 453, the balance in the Next Generation Fund as of July 1, 2007 was \$1.5 million. Thus, this analysis continues, the appropriation in SB 453 will increase the fund balance to \$2.0 million for the current year.

As noted above, the appropriation in SB 453 is to increase the corpus of the fund, not to be used for programs. A related bill, SB 455, appropriates funds for programs.

**Issues:**

One of two funds created in the *Children's Trust Fund Act* and administered by CYFD, the Next Generation Fund, created in 2005, is used to fund projects approved by the Children's Trust Fund Board of Trustees that meet the criteria enumerated in the act, among them providing positive child and youth development activities and promoting strong, healthy families and helping to prevent child abuse and neglect. The CYFD analysis adds that the fund promotes community service, leadership and citizenship, and the coordination of programming for children and youth.

Enacted in 1986, the *Children's Trust Fund Act* has two main purposes: (1) to provide the means to develop innovative children's projects that address certain conditions of children, among them preventing abuse and neglect; and (2) to manage projects supported through the Next Generation Fund.

**Related Bill:**

SB 455 *Next Generation Fund*