

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill No: SB 455

48th Legislature, 2nd Session, 2008

Short Title: Next Generation Fund

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

Analyst: David Harrell

Date: January 31, 2008

Bill Summary:

SB 455 appropriates funds to the Next Generation Fund to promote positive child and youth development pursuant to the *Children's Trust Fund Act*.

Fiscal Impact:

\$250,000 is appropriated from the General Fund to the Next Generation Fund for FY 09 and subsequent fiscal years. The funds shall not revert.

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. The CYFD analysis of SB 455 notes that, as of July 1, 2007, the expendable portion of the Next Generation Fund was \$82,400 and that this portion has been budgeted for the current year.

The appropriation in SB 455 is to be spent on programs. A related bill, SB 453, appropriates funds to increase the corpus of the fund.

Issues:

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.

One of two funds created in the 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.

Technical Issue:

On lines 17-18, the bill reads, "to promote positive and child youth development," whereas it should probably read, "to promote positive child and youth development."

Related Bill:

SB 453 *Increase Next Generation Fund Corpus*