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BILL ANALYSIS

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Senate Bill 801 (as passed by the Senate)
Sponsor: Senator Don Koivisto
Committee: Appropriations

CONTENT

The bill would amend the Michigan Civilian Conservation Corps Act to allow a change in the investment of the Michigan Civilian Conservation Corps Endowment Fund (MCCCEF) and to require a report.

The bill would give the State Treasurer the authority to invest the MCCCEF in the same manner as the State Employees' Retirement Fund (SERF) is invested. Currently, the assets of the MCCCEF may not be invested in stocks (although up to 70% of the assets of the SERF may be invested in stocks within certain limitations).

The bill would require the State Treasurer to report annually to the Appropriations Committees and the natural resources and environment committees of the Legislature on the revenues and expenditures of the MCCCEF. The report would have to describe specifically the impact of the expanded investment options on the revenues and expenditures of the MCCCEF.

The bill is tie barred to Senate Joint Resolution T, which would amend the State Constitution to exempt certain funds from the prohibition on investment in stocks.

MCL 409.312a

FISCAL IMPACT

If the MCCCEF were invested in the same manner as the SERF is invested, and if it is assumed that the earnings rate of the SERF is similar to the earnings rate of the last 15 years, then the MCCCEF would earn approximately 6.5% more per year than currently earned. In FY 2000-01, if the MCCCEF earned at the annual average rate of the SERF, then the earnings of the Fund would be approximately \$1.4 million greater than under current investment restrictions.

Date Completed: 11-2-01

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