



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 659 (Substitute S-1 as reported)
Sponsor: Senator Peter MacGregor
Committee: Families, Seniors and Human Services

CONTENT

The bill would amend the Fostering Futures Scholarship Trust Fund Act to give the State Treasurer the same authority to invest the assets of the Trust Fund as is granted to an investment fiduciary under the Public Employee Retirement System Investment Act, while requiring the State Treasurer to comply with the Divestment From Terror Act when making those investments.

The Fostering Futures Scholarship Trust Fund Act creates the Fostering Futures Scholarship Trust Fund as a charitable and educational endowment fund in the Department of Treasury. Fostering Futures Scholarships provide eligible foster care students with funds for tuition, fees, room and board, books, and supplies or equipment for enrollment at an institution of higher education.

The Department of Treasury is the administrator of the Trust Fund for auditing purposes and all powers, purposes, and duties of the Fund must be exercised by the Department. The State Treasurer has the authority to direct the investment of the Trust Fund. The bill specifies that the State Treasurer would have the same authority to invest the assets of the Trust Fund as granted to an investment fiduciary under the Public Employee Retirement System Investment Act. In making investments of the Trust Fund, the State Treasurer would have to comply with the Divestment From Terror Act.

The bill would take effect 90 days after its enactment.

(The Public Employee Retirement System Investment Act codifies the investment authority of State and local public employee retirement systems, and defines and limits the amount and type of investments that may be made by those acting as an investment fiduciary on behalf of a retirement system.)

The Divestment From Terror Act prohibits the investment of State money or other assets in companies with business operations involving countries designated as state sponsors of terror, and requires the divestment of public funds from such companies.)

MCL 722.1023

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 1-25-16

Fiscal Analyst: Cory Savino