



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 895 (Substitute S-1 as reported)
Sponsor: Senator Goeff Hansen
Committee: Appropriations

CONTENT

The bill would amend the Michigan Trust Fund Act to create the Detroit Public Schools (DPS) Trust Fund within the State Treasury, and allow the State Treasurer to receive money or other assets from any source for deposit into the Fund. The Treasurer would be required to direct the investment of the Fund, and credit to it any interest and earnings from the Fund's investments.

The bill specifies that money in the DPS Trust Fund at the close of a fiscal year would remain in the Fund and not lapse to the General Fund. The Department of Treasury would be the administrator of the Trust Fund for auditing purposes.

The bill would direct the Department of Treasury to spend money from the DPS Trust Fund upon appropriation, as provided by law.

MCL 12.252 et al.

FISCAL IMPACT

The bill does not include any appropriations to the proposed Fund, and therefore there would be no fiscal on the State for simply creating the Fund. If an appropriation later were made to the Fund, then there would be a fiscal impact on the State. The Governor's recommended proposal for Detroit Public Schools would earmark annually \$72.0 million from Tobacco Settlement revenue to the proposed DPS Trust Fund for a period of 10 years, resulting in a total deposit of \$720.0 million into the Fund if enacted.

Date Completed: 5-19-16

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