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**BILL ANALYSIS**

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

Date Completed: 5-18-16

**CONTENT**

The bill would amend the Michigan Trust Fund Act to create the Detroit Public Schools (DPS) Trust Fund. Specifically, the bill would create the 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 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 into the Fund, and therefore there would be no fiscal to the State for simply creating the Fund. If an appropriation is later made to the Fund, there would then be a fiscal impact to 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.

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