

SUBSTITUTE FOR
SENATE BILL NO. 659

A bill to amend 2008 PA 525, entitled
"Fostering futures scholarship trust fund act,"
by amending section 3 (MCL 722.1023), as amended by 2014 PA 530.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) The fostering futures scholarship trust fund is
2 created in the state treasury as a charitable and educational
3 endowment fund. Money in the trust fund shall be expended only as
4 provided in this section. The department shall be the administrator
5 of the trust fund for auditing purposes and all powers, purposes,
6 and duties of the trust fund shall be exercised by the department.

7 (2) The state treasurer shall credit to the trust fund any
8 amounts received under section 9 and interest and earnings accrued
9 from the saving and investment of that money.

10 (3) The state treasurer shall direct the investment of the
11 trust fund. **THE STATE TREASURER HAS THE SAME AUTHORITY TO INVEST**

1 THE ASSETS OF THE TRUST FUND AS IS GRANTED TO AN INVESTMENT
2 FIDUCIARY UNDER THE PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT
3 ACT, 1965 PA 314, MCL 38.1132 TO 38.1141. THE STATE TREASURER SHALL
4 COMPLY WITH THE DIVESTMENT FROM TERROR ACT, 2008 PA 234, MCL
5 129.291 TO 129.301, IN MAKING INVESTMENTS UNDER THIS ACT.

6 (4) Except as provided in subsections (6) and (7), all money
7 contributed to the fund annually, plus 5% of the 12-quarter rolling
8 average of the fund, including unrealized gains and losses, shall
9 be available for disbursement upon the authorization of the
10 department as provided in section 10.

11 (5) Money in the trust fund shall be available for
12 disbursement upon appropriation.

13 (6) No money shall be expended from the trust fund until the
14 date that the deposits credited into the trust fund from all
15 sources as provided under this section equal or exceed \$500,000.00.
16 No money shall be expended from the trust fund if the amount in the
17 trust fund is less than \$500,000.00 or if the expenditure will
18 cause the amount remaining in the trust fund to be less than
19 \$500,000.00.

20 (7) No appropriations shall be made from the trust fund until
21 the date that the deposits credited into the trust fund from all
22 sources equal or exceed \$500,000.00. No money shall be appropriated
23 from the trust fund if the amount in the trust fund is less than
24 \$500,000.00 or if the appropriation will cause the amount remaining
25 in the trust fund to be less than \$500,000.00.

26 (8) All expenses authorized under this act or necessary to
27 implement this act shall only be funded by the trust fund created

1 in this section.

2 (9) Money in the trust fund at the close of the year shall
3 remain in the trust fund and shall not lapse to the general fund.

4 (10) The trust fund administrative costs shall not exceed 15%
5 of the amount in the trust fund over \$500,000.00.

6 Enacting section 1. This amendatory act takes effect 90 days
7 after the date it is enacted into law.