



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5748 (Substitute H-2 as reported without amendment)
Sponsor: Representative David C. Maturen
House Committee: Financial Services
Senate Committee: Finance

CONTENT

The bill would amend Part 58 (Children and Youth with Special Health Care Needs) of the Public Health Code to require the Children with Special Needs Fund to maintain a minimum balance of \$18.0 million, and prohibit any money from being spent from the Fund if its balance were less than \$18.0 million until the balance exceeded that amount.

The bill also would require the State Treasurer to direct the investment of the Fund. The State Treasurer would have the same authority to invest assets of the Fund as granted to an investment fiduciary that was investing assets under the Public Employee Retirement System Investment Act. The State Treasurer would have to comply with the Divestment from Terror Act in making investments.

MCL 333.5861 & 333.5863

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would result in minimal administrative costs to the Department of Treasury and would have no direct impact on the Department of Health and Human Services. The Department of Treasury's methodology for calculating the cost for overseeing investment fiduciary responsibilities indicates an annual investment and administrative cost of \$10,000. This cost would be within current appropriations.

The Department of Health and Human Services would experience no direct impact as a result of the bill. Since the Children with Special Needs Fund is a payer-of-last-resort program, it supports families that are unable to get support from the State; therefore, increasing or decreasing the appropriations from this Fund would not directly affect State appropriations. However, the number of individuals who receive support could increase significantly as a result of increased return from investments. The number of individuals supported also could decrease significantly during an economic downturn or if the Fund balance fell below \$18.0 million, at which point all individuals supported by the program could be dropped.

Date Completed: 12-8-16

Fiscal Analyst: Cory Savino