

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 712

PRINTER NO. 845

AMOUNT

See Fiscal Impact

FUND

Various Commonwealth Funds

DATE INTRODUCED

May 31, 2019

PRIME SPONSOR

Senator Argall

DESCRIPTION

Senate Bill 712 amends the Fiscal Code providing for the authority of the Pennsylvania Office of the State Treasurer (Treasury) to invest funds according to the prudent investor standard, commonly referred to as the "Prudent Person" standard.

The authority to invest or reinvest funds in this manner is set to expire on December 31, 2019. Senate Bill 712 extends the requirement that Treasury follow the prudent investor standard through December 31, 2024.

This act shall take effect immediately.

FISCAL IMPACT

Enactment of Senate Bill 712 will have no cost to the Commonwealth and will provide the ability for the State Treasury to continue to achieve a consistent level of investment returns. As of June 30, 2018, Treasury had \$24.4 billion in assets under direct management. Treasury may not be able to maximize the Commonwealth's return on its investments if the prudent investor standard expires.