

# HOUSE BILL 1143

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CF SB 903

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By: **Southern Maryland Delegation**

Introduced and read first time: February 8, 2018

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 12, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Southern Maryland – University System of Maryland Partnership Act of 2018**

3 FOR the purpose of repealing provisions that establish the Southern Maryland Higher  
4 Education Center and its governance; providing that, on a certain date, the  
5 operations, facilities, and resources of the Southern Maryland Higher Education  
6 Center shall become part of a certain regional higher education center established  
7 by the Board of Regents of the University System of Maryland; and generally relating  
8 to the Southern Maryland Higher Education Center.

9 BY repealing

10 Article – Education

11 Section 24–301 through 24–309 and the subtitle “Subtitle 3. Southern Maryland  
12 Higher Education Center”

13 Annotated Code of Maryland

14 (2014 Replacement Volume and 2017 Supplement)

15 Preamble

16 WHEREAS, The Board of Regents of the University System of Maryland and the  
17 Board of Governors of the Southern Maryland Higher Education Center have entered into  
18 an agreement to design and construct on the campus of the Southern Maryland Higher  
19 Education Center an 84,000–gross–square–foot education classroom and research facility  
20 that, under the auspices of the University System of Maryland, will attract and execute  
21 basic and applied research into the vitally important and growing field of unmanned and  
22 autonomous systems and technologies, as well as provide space for general and technical

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 education and instruction to the residents and businesses of the Southern Maryland region;  
2 and

3 WHEREAS, University System of Maryland institutions have an established  
4 presence at the Southern Maryland Higher Education Center, with five universities  
5 offering degree programs, at both the graduate and undergraduate levels in engineering,  
6 information technology, K–12 education, nursing, criminal justice, and social work; and

7 WHEREAS, The Board of Governors and other stakeholders of the Southern  
8 Maryland Higher Education Center have engaged closely with the leadership of the  
9 University System of Maryland to develop a shared vision for a more fully integrated  
10 partnership combining the strength of the University System of Maryland’s education,  
11 research, technology transfer, and student service programs with the strong array of  
12 advanced education and professional development services currently offered through the  
13 Southern Maryland Higher Education Center in order to address the workforce and  
14 economic needs and improve the quality of life enjoyed by the people and businesses of the  
15 Southern Maryland region; and

16 WHEREAS, To advance this shared vision, and create an unparalleled resource that  
17 promises to have a transformational impact on the further development of the advanced  
18 technology and innovation economy of the Southern Maryland region—and the concomitant  
19 highly skilled, highly educated workforce needed to drive such an economy—the Board of  
20 Governors of the Southern Maryland Higher Education Center and the University System  
21 of Maryland will soon have agreed through a memorandum of understanding to merge the  
22 Southern Maryland Higher Education Center and all its assets with the University System  
23 of Maryland to become the newest regional higher education center; now, therefore,

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
25 That the Laws of Maryland read as follows:

26 **Article – Education**

27 [Subtitle 3. Southern Maryland Higher Education Center.]

28 [24–301.

29 (a) In this subtitle the following terms have the meanings indicated.

30 (b) “Board” means the Board of Governors of the Southern Maryland Higher  
31 Education Center.

32 (c) “Center” means the Southern Maryland Higher Education Center.

33 (d) “Commission” means the Maryland Higher Education Commission.]

34 [24–302.

1           There is a Southern Maryland Higher Education Center that is governed by a Board  
2 of Governors.]

3 [24–303.

4           (a)    The Board consists of 13 voting members appointed by the Governor.

5           (b)    The Governor shall appoint at least two members each from St. Mary’s,  
6 Charles, and Calvert counties.

7           (c)    (1)   Each member serves for a term of 4 years and until a successor is  
8 appointed and qualifies.

9                   (2)    The terms of members are staggered as required by the terms provided  
10 for members of the Board on July 1, 1994.

11                   (3)    A member may not serve more than two full consecutive terms.

12                   (4)    A member appointed to fill a vacancy in an unexpired term serves only  
13 for the remainder of that term and until a successor is appointed and qualifies.

14           (d)    (1)    The Governor shall appoint one of the voting members to act as chair.

15                   (2)    The voting members may elect other officers and establish committees,  
16 including advisory committees, as needed.

17           (e)    In addition to the 13 voting members, the following individuals shall serve as  
18 ex officio, nonvoting members:

19                   (1)    The commanding officer of the Naval Air Warfare Center – Aircraft  
20 Division at Patuxent River, or the commanding officer’s designee;

21                   (2)    A member of the St. Mary’s County Building Authority recommended  
22 by the St. Mary’s County Board of County Commissioners; and

23                   (3)    A representative of the Tri–County Council for Southern Maryland.

24           (f)    Each member of the Board:

25                   (1)    Serves without compensation; and

26                   (2)    Is entitled to reimbursement for expenses in accordance with the  
27 Standard State Travel Regulations.]

28 [24–304.

1 (a) In addition to the other powers expressly granted and duties imposed by this  
2 title, and subject to the authority of the Commission, the Board has only the powers and  
3 duties set forth in this section.

4 (b) The Board shall:

5 (1) Exercise general control over the Center;

6 (2) Keep separate records and minutes; and

7 (3) Adopt reasonable rules, regulations, or bylaws to carry out the  
8 provisions of this subtitle.

9 (c) The Board may fix the salaries and terms of employment of the Director and  
10 other employees of the Center.

11 (d) The Board may purchase, lease, or otherwise acquire any property it considers  
12 necessary for the operation of the Center, with the approval of the St. Mary's County Board  
13 of County Commissioners.

14 (e) (1) The Board may sell, lease, or otherwise dispose of Center assets or  
15 property, with the approval of the St. Mary's County Board of County Commissioners.

16 (2) The Director of the Center or the chair of the Board may execute a  
17 conveyance or other legal document under an appropriate resolution of the Board.

18 (f) The Board shall ensure that all academic programs and policies of the Center  
19 are in compliance with the policies of and approved by the Commission.

20 (g) The Board shall submit an adopted mission statement to the Commission  
21 subject to the policies and guidelines of the Commission.

22 (h) The Board may enter into contracts or other agreements with any institution  
23 of higher education for the provision of upper division undergraduate and graduate  
24 programs to meet the higher education needs of Southern Maryland, subject to the approval  
25 of the Commission.

26 (i) The Board may apply, accept, and expend any gift, appropriation, or grant  
27 from the State, county, or federal government or any other person.

28 (j) (1) The Board shall ensure that the tuition and fees charged to students by  
29 any participating institutions are reasonable.

30 (2) The Board may also charge reasonable fees to cover the overhead costs  
31 associated with providing these programs.

32 (k) The Board may sue and be sued.

1 (l) The Board may make agreements with the federal, State, or county  
2 governments or any other person, if it considers the agreement advisable for the operation  
3 of the Center.

4 (m) The Board may adopt a corporate seal.

5 (n) In addition to other reports that may be required by the Commission, the  
6 Board shall:

7 (1) Keep records that are consistent with sound business practices and  
8 accounting records using generally accepted accounting principles;

9 (2) Cause an audit by an independent certified public accountant to be  
10 made of the accounts and transactions of the Center at the conclusion of each fiscal year;  
11 and

12 (3) For any State moneys, be subject to an audit by the Office of Legislative  
13 Audits, in accordance with §§ 2-1220 through 2-1227 of the State Government Article.

14 (o) The Board shall enter into an agreement with St. Mary's County to establish  
15 guidelines for the use and operation of the Center.]

16 [24-305.

17 (a) The Board shall appoint a Director of the Center.

18 (b) The Director shall:

19 (1) Report directly to the Board;

20 (2) Recommend the appointment by the Board of employees necessary for  
21 the efficient administration of the Center;

22 (3) Recommend the discharge of employees for good cause and in  
23 accordance with applicable laws and policies;

24 (4) Be responsible to the Board for the conduct of the Center and for its  
25 administration and supervision;

26 (5) Attend all meetings of the Board, except those involving the Director's  
27 personal position;

28 (6) Subject to the policies and guidelines of the Commission:

29 (i) Develop a mission statement;

1 (ii) Submit the mission statement to the Board of Governors of the  
2 Center; and

3 (iii) Upon the direction of the Board of Governors, update the mission  
4 statement every 4 years; and

5 (7) Perform other duties as assigned by the Board.]

6 [24–306.

7 (a) The budget of the Center, as developed by the Board, shall:

8 (1) Be submitted to the Commission for informational purposes; and

9 (2) Include personnel detail.

10 (b) Requests for appropriations for operating expenses from St. Mary's, Calvert,  
11 or Charles counties shall be made to the appropriate Board of County Commissioners in  
12 accordance with:

13 (1) Applicable county procedures and requirements; or

14 (2) An agreement with the Board of County Commissioners.

15 (c) Requests for State appropriations for specific projects shall be submitted to  
16 the Commission.

17 (d) Proposals for capital projects, either new or substantial changes to existing  
18 projects, shall be submitted to the State Department of Budget and Management through  
19 the Commission.

20 (e) The major functions established by the Commission shall generally conform  
21 to those contained in the current College and University Industry Audit Guide issued by  
22 the American Institute of Certified Public Accountants.]

23 [24–307.

24 (a) The Boards of County Commissioners of St. Mary's, Calvert, and Charles  
25 counties may appropriate money to pay the cost of establishing and operating the Center,  
26 including the establishment of a reserve fund for maintenance and repair.

27 (b) The expenditure of appropriated funds shall be consistent with all relevant  
28 State laws.]

29 [24–308.

1 (a) If the Board of Governors of the Center conveys any real property in whole or  
2 in part, the proceeds of the disposition shall be shared between St. Mary's County and the  
3 State in such proportions as each has contributed to the capital investment in the property.

4 (b) That disposition shall be in accordance with all terms and conditions of the  
5 original conveyance of the property to St. Mary's County Board of County Commissioners  
6 and the Board of Public Works shall enter into an agreement providing for the calculation  
7 of the amount due to each party under this section.

8 (c) The payment to the State shall be made by the county within 90 days of the  
9 date of receipt of any proceeds.]

10 [24-309.

11 (a) (1) The Board may carry comprehensive liability insurance to protect the  
12 Board, its agents, and employees.

13 (2) The purchase of the insurance is for an educational purpose and is a  
14 valid educational expense.

15 (b) (1) The Board may adopt standards for the policies, including a minimum  
16 liability coverage that may not be less than \$100,000 per occurrence.

17 (2) Any policy purchased after the adoption of these standards shall  
18 conform to them.

19 (c) The Board complies with this section if it is self-insured, for at least \$100,000  
20 and not more than \$500,000 per occurrence, under the rules and regulations of the State  
21 Insurance Commissioner.

22 (d) This section does not prevent the Board, on its own behalf, from raising the  
23 defense of sovereign immunity to any amount of a claim in excess of the limit of an  
24 insurance policy or in excess of \$100,000 in the case of self-insurance.]

25 SECTION 2. AND BE IT FURTHER ENACTED, That the Southern Maryland  
26 Higher Education Center, as set forth in Title 24, Subtitle 3 of the Education Article, will  
27 cease to exist on the effective date of this Act and its operations, facilities, and resources  
28 shall become part of a regional higher education center established by the Board of Regents  
29 of the University System of Maryland in accordance with § 12-104(f) of the Education  
30 Article.

31 SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October July 1, 2018.