

Chapter 392

(House Bill 871)

AN ACT concerning

Higher Education – University System of Maryland – Quasi-Endowment Funds

FOR the purpose of authorizing the Board of Regents of the University System of Maryland to transfer up to a certain amount of funds from the non-State supported fund balance to a quasi-endowment fund; limiting the use of certain proceeds to certain purposes; stating the intent of the General Assembly for the source of a certain transfer; and generally relating to quasi-endowment funds of the University System of Maryland.

BY repealing and reenacting, with amendments,
Article – Education
Section 12-104(e)(2)
Annotated Code of Maryland
(2014 Replacement Volume and 2017 Supplement)

Preamble

WHEREAS, In Chapter 266 of the Acts of 2013, the General Assembly authorized the University System of Maryland to create a quasi-endowment fund to help fund-raising and other related activities at the constituent institutions of the University System of Maryland; and

WHEREAS, The General Assembly has encouraged its institutions of higher education to raise supplemental funds from the private sector through innovative fund-raising to support Maryland citizens; and

WHEREAS, In 2017 the A. James & Alice B. Clark Foundation made an unprecedented investment of ~~\$219,000,000~~ \$219,500,000 to the State’s flagship institution, the University of Maryland, College Park Campus, for the purpose of, among other initiatives, increasing college access and affordability through need-based scholarships; and

WHEREAS, This private donation was one of the largest ever given to a public university in the nation’s history; and

WHEREAS, The Clark Challenge for Maryland Promise offers the opportunity to create a scholarship fund of ~~at least~~ up to \$100,000,000 with supplemental matching funds to support Maryland students at the University of Maryland, College Park Campus and students transferring from community college with financial need-based scholarships; now, therefore,

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

Article – Education

12–104.

(e) (2) (i) Subject to subparagraphs (ii) [and], (iii), AND (IV) of this paragraph, the Board may maintain and manage quasi–endowment funds.

(ii) The Board may only make a one–time transfer of no more than \$50,000,000 from the non–State supported fund balance held and invested by the State Treasurer to the quasi–endowment fund.

(iii) 1. Subject to the limitation under subparagraph 2 of this subparagraph, the Board may make only a one–time transfer of no more than \$50,000,000 from the State–supported fund balance held and invested by the State Treasurer to the quasi–endowment fund.

2. The Board may use the investment proceeds for facility renewal projects relating only to capital facilities used for State–supported activities.

(IV) 1. SUBJECT TO THE LIMITATION UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE BOARD MAY MAKE ONLY A ONE–TIME TRANSFER OF NO MORE THAN \$25,000,000 FROM THE NON–STATE SUPPORTED FUND BALANCE HELD AND INVESTED BY THE STATE TREASURER TO THE QUASI–ENDOWMENT FUND.

2. THE BOARD MAY USE THE INVESTMENT PROCEEDS ONLY TO MATCH A PRIVATELY FUNDED SCHOLARSHIP PROGRAM AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK CAMPUS.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, in transferring the funds authorized to be transferred under this Act, the Board of Regents of the University System of Maryland make a transfer from the fund balance held on account of and attributable to the University of Maryland, College Park Campus.

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

Approved by the Governor, May 8, 2018.