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By: **Senator Van Hollen**

Introduced and read first time: February 2, 2001

Assigned to: Economic and Environmental Affairs and Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Geography Education Fund - Establishment**

3 FOR the purpose of requiring the State Board of Education to contract with a certain  
4 organization to establish and administer a certain endowment fund to increase  
5 geographic literacy in the State; requiring the contract to include certain  
6 provisions; establishing financing for the fund; requiring and authorizing a  
7 certain organization to perform certain functions related to the fund; requiring  
8 the State Board to develop and submit certain grant proposals to a certain  
9 organization; requiring a certain organization to review the proposals and select  
10 certain proposals for implementation; requiring a certain organization to submit  
11 certain information to the State Board; requiring the Governor to include  
12 certain funds in the State budget to establish the fund; defining a certain term;  
13 and generally relating to the establishment of an endowment fund to increase  
14 geographic literacy in the State.

15 BY adding to  
16 Article - Education  
17 Section 5-216  
18 Annotated Code of Maryland  
19 (1999 Replacement Volume and 2000 Supplement)

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

22 **Article - Education**

23 5-216.

24 (A) IN THIS SECTION, "ELIGIBLE ORGANIZATION" MEANS A NONPROFIT,  
25 FEDERALLY TAX-EXEMPT ORGANIZATION IN THE UNITED STATES THAT PROMOTES  
26 EDUCATION ABOUT AND DISTRIBUTES GRANTS FOR THE STUDY OF GEOGRAPHY.

27 (B) (1) THE STATE BOARD SHALL CONTRACT WITH AN ELIGIBLE  
28 ORGANIZATION TO ESTABLISH AND ADMINISTER A RESTRICTED PERMANENT  
29 ENDOWMENT FUND TARGETED TO ELEMENTARY OR SECONDARY SCHOOL

1 TEACHERS OR STUDENTS THAT IS DESIGNED TO ENCOURAGE, INCREASE, AND  
2 IMPROVE GEOGRAPHIC LITERACY IN THE STATE.

3 (2) THE CONTRACT SHALL:

4 (I) REQUIRE A CONTRIBUTION TO THE FUND BY THE STATE BOARD  
5 AND A MATCHING CONTRIBUTION TO THE FUND BY THE ELIGIBLE ORGANIZATION;

6 (II) INCLUDE REMEDIES FOR A MATERIAL BREACH BY THE  
7 ELIGIBLE ORGANIZATION; AND

8 (III) INCLUDE PROVISIONS FOR THE RETURN OF PRINCIPAL AND  
9 INCOME TO THE STATE BOARD IF THE TAX-EXEMPT STATUS OF THE ELIGIBLE  
10 ORGANIZATION IS ALTERED.

11 (C) (1) THE FUND SHALL CONSIST OF:

12 (I) A CONTRIBUTION OF UP TO \$500,000 BY THE STATE BOARD;

13 (II) AN EQUIVALENT MATCHING CONTRIBUTION BY THE ELIGIBLE  
14 ORGANIZATION; AND

15 (III) ANY OTHER AMOUNTS CONTRIBUTED TO THE FUND AT ANY  
16 TIME BY THE STATE BOARD, THE ELIGIBLE ORGANIZATION, OR AN ENTITY THAT IS  
17 NOT A PARTY TO THE CONTRACT.

18 (2) THE ELIGIBLE ORGANIZATION:

19 (I) SHALL ADMINISTER AND INVEST THE FUND IN ACCORDANCE  
20 WITH THE INVESTMENT POLICIES AND PROCEDURES OF THE ELIGIBLE  
21 ORGANIZATION;

22 (II) MAY BEGIN MAKING GRANTS FROM THE FUND 12 MONTHS  
23 AFTER THE ESTABLISHMENT OF THE FUND;

24 (III) MAY MAKE GRANTS FROM THE FUND ONLY FROM THE INCOME  
25 EARNED BY THE FUND;

26 (IV) ANNUALLY MAY ESTABLISH THE AMOUNT OF INCOME TO BE  
27 USED FOR GRANTS; AND

28 (V) SHALL REINVEST UNUSED INCOME TO PROTECT THE  
29 PRINCIPAL OF THE FUND OR FOR USE FOR GRANTS IN FUTURE YEARS.

30 (D) EACH YEAR THE STATE BOARD AND THE ELIGIBLE ORGANIZATION SHALL  
31 JOINTLY FUND PROPOSALS DESIGNED TO ENCOURAGE, INCREASE, AND IMPROVE  
32 GEOGRAPHIC LITERACY AMONG ELEMENTARY AND SECONDARY STUDENTS IN THE  
33 STATE.

1 (E) UPON REQUEST THE ELIGIBLE ORGANIZATION SHALL REPORT TO THE  
2 STATE BOARD A FULL AUDITED FINANCIAL STATEMENT AND THE MOST RECENT  
3 FEDERAL INTERNAL REVENUE SERVICE FORM 990 OF THE ELIGIBLE ORGANIZATION.

4 (F) THE GOVERNOR SHALL INCLUDE FUNDS IN THE STATE BUDGET TO  
5 IMPLEMENT THIS SECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 July 1, 2001.