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By: **Delegates Hubers, James, R. Baker, Branch, D'Amato, Dewberry, Hecht,  
A. Jones, V. Jones, Kopp, Proctor, Rawlings, Stocksdale, and Turner**

Introduced and read first time: February 1, 2002

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education - Private Donation Incentive Program - State Payments**  
3 **to Community Colleges**

4 FOR the purpose of extending the period of time for each community college campus  
5 to receive certain donations and be eligible for certain State matching payments  
6 under the Private Donation Incentive Program for each community college  
7 campus; altering the maximum amount of payment the State may make to each  
8 community college campus under the Program; and generally relating to the  
9 Private Donation Incentive Program.

10 BY repealing and reenacting, without amendments,  
11 Article - Education  
12 Section 17-301 and 17-303 through 17-306  
13 Annotated Code of Maryland  
14 (1999 Replacement Volume and 2001 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article - Education  
17 Section 17-302  
18 Annotated Code of Maryland  
19 (1999 Replacement Volume and 2001 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 17-301.

24 (a) In this subtitle the following words have the meanings indicated.

25 (b) "Base year" means July 1, 1997 through June 30, 1998.

26 (c) "Eligible institution" means:

1 (1) Each public senior higher education institution identified in §  
2 10-101(j) or § 12-101(4) of this article or its affiliated foundation; and

3 (2) The following community college campuses or their affiliated  
4 foundations:

- 5 (i) Allegany;
- 6 (ii) Anne Arundel;
- 7 (iii) Baltimore City;
- 8 (iv) Calvert;
- 9 (v) Carroll;
- 10 (vi) Catonsville;
- 11 (vii) Cecil;
- 12 (viii) Charles;
- 13 (ix) Chesapeake;
- 14 (x) Dundalk;
- 15 (xi) Essex;
- 16 (xii) Frederick;
- 17 (xiii) Garrett;
- 18 (xiv) Germantown;
- 19 (xv) Hagerstown;
- 20 (xvi) Harford;
- 21 (xvii) Howard;
- 22 (xviii) Prince George's;
- 23 (xix) Rockville;
- 24 (xx) St. Mary's;
- 25 (xxi) Takoma Park; and
- 26 (xxii) Wor-Wic.

1 (d) (1) "Eligible private donor" means an individual, corporation,  
2 partnership, or other form of business organization, public or private foundation, or  
3 other nonprofit organization.

4 (2) "Eligible private donor" does not include the State, a subdivision of  
5 the State, the federal government, or a foreign government.

6 (e) "Eligible program" means an endowment for an academic purpose that  
7 does not contain unreasonable restrictions as to use as further defined by the  
8 Maryland Higher Education Commission.

9 (f) "Endowment" means a donation or gift that has been provided under the  
10 condition that the principal remain intact and be invested in perpetuity for the  
11 purpose of producing income.

12 17-302.

13 (a) Except as provided in subsections (b) and (f) of this section, each eligible  
14 institution shall receive from the State, in the manner and subject to the limitations  
15 of this subtitle, with respect to the amounts pledged by eligible private donors as  
16 voluntary donations at any time during the previous fiscal year to the eligible  
17 institution for eligible programs as follows:

18 (1) An amount equal to the first \$250,000 or any portion thereof of  
19 pledged amounts;

20 (2) An amount equal to one-half of the next \$1,000,000 or any portion  
21 thereof of pledged amounts; and

22 (3) An amount equal to one-third of the amount in excess of \$1,250,000  
23 or any portion thereof of pledged amounts.

24 (b) Bowie State University, Coppin State College, Morgan State University,  
25 and University of Maryland Eastern Shore shall receive from the State, in the  
26 manner and subject to the limitations of this subtitle, with respect to the amounts  
27 pledged by eligible private donors as voluntary donations at any time during the  
28 previous fiscal year to the eligible institution for eligible programs as follows:

29 (1) For amounts pledged on or after July 1, 2001, an amount equal to \$2  
30 for every \$1 of the first \$250,000 or any portion thereof of pledged amounts; and

31 (2) For amounts pledged on or after July 1, 2001, an amount equal to the  
32 next \$1,000,000 or any portion thereof of pledged amounts.

33 (c) Payments shall be made by the State:

34 (1) Only with respect to pledged amounts that are paid by the eligible  
35 private donor to:

1 (i) Bowie State University, Coppin State College, Morgan State  
2 University, and University of Maryland Eastern Shore before January 1, 2006; [and]

3 (II) EACH COMMUNITY COLLEGE CAMPUS BEFORE JANUARY 1,  
4 2006; AND

5 [(ii)] (III) All other eligible institutions before July 1, 2004; and

6 (2) In the fiscal year following the fiscal year during which the amounts  
7 are paid.

8 (d) Payments by the State under this subtitle may not exceed:

9 (1) [\$250,000] \$500,000 to each community college campus;

10 (2) \$1,250,000 each to the University of Maryland, College Park, and the  
11 University of Maryland, Baltimore;

12 (3) \$1,500,000 each to Bowie State University, Coppin State College,  
13 Morgan State University, and University of Maryland Eastern Shore; and

14 (4) \$750,000 to each other eligible institution.

15 (e) (1) To determine eligibility for State payments, each donation shall be  
16 compared to the amount donated during the base year. The following criteria shall be  
17 the basis for comparison:

18 (i) Each donation must be from a new donor; or

19 (ii) Each donation must represent an increase over the amount  
20 given by the donor during the base year.

21 (2) A donation received during the base year that fulfills a pledge made  
22 prior to the base year may not be included in the determination of the amount  
23 donated during the base year.

24 (3) Each donation must be specifically designated as an endowment.

25 (f) An institution may not receive funds for a donation that qualifies for a  
26 contribution by the State under § 16-317 of this article.

27 17-303.

28 An affiliated foundation of an eligible institution that receives State payments  
29 shall provide to the Maryland Higher Education Commission an annual audit of all  
30 pledged and paid amounts and their sources, and a copy of the annual audit shall be  
31 provided to the Legislative Auditor.

1 17-304.

2 (a) Amounts paid by the State under this subtitle may be applied to any  
3 eligible program at the eligible institution to which the payment is made.

4 (b) No more than one-half of the total amount to be paid by the State under  
5 provisions of this subtitle may be appropriated in any fiscal year. The provisions of §  
6 7-302 of the State Finance and Procurement Article do not apply to unused program  
7 funds.

8 17-305.

9 Amounts paid by the State to an eligible institution under this subtitle may not  
10 directly or indirectly reduce the State General Fund or Capital Fund support for the  
11 eligible institution.

12 17-306.

13 The Maryland Higher Education Commission shall:

14 (1) Adopt regulations necessary for the administration of this subtitle;  
15 and

16 (2) Submit to the Governor and, in accordance with § 2-1246 of the State  
17 Government Article, to the General Assembly an annual report summarizing the total  
18 amount of funds pledged by eligible private donors and total amount of funds raised.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2002.