

SENATE BILL 431

F2

3lr2330

By: **Senator King**

Introduced and read first time: January 30, 2013

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2013

CHAPTER _____

1 AN ACT concerning

2 **Higher Education – University System of Maryland – Quasi-Endowments**

3 FOR the purpose of authorizing the Board of Regents of the University System of
4 Maryland to maintain and manage quasi-endowment funds; limiting a certain
5 transfer to a certain quasi-endowment fund; altering a certain reporting
6 requirement; defining a certain term; and generally relating to the University
7 System of Maryland.

8 BY repealing and reenacting, with amendments,
9 Article – Education
10 Section 12-101, 12-104(e), and 17-301(c)(1)
11 Annotated Code of Maryland
12 (2008 Replacement Volume and 2012 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Education
15 Section 12-104(a)
16 Annotated Code of Maryland
17 (2008 Replacement Volume and 2012 Supplement)

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

20 **Article – Education**

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 12-101.

2 (a) In order to foster the development of a consolidated system of public
3 higher education, to improve the quality of education, to extend its benefits and to
4 encourage the economical use of the State's resources, the University System of
5 Maryland is established in accordance with the provisions of this title.

6 (b) (1) In this title the following words have the meanings indicated.

7 (2) "Board" or "Board of Regents" means the Board of Regents of the
8 University System of Maryland.

9 **(3) "CENTERS" OR "INSTITUTES" MEANS THE FOLLOWING**
10 **COMPONENTS OF THE SYSTEM UNDER THE JURISDICTION OF THE BOARD OF**
11 **REGENTS:**

12 **(I) UNIVERSITY OF MARYLAND CENTER FOR**
13 **ENVIRONMENTAL SCIENCE;**

14 **(II) COOPERATIVE EXTENSION SERVICE AND THE**
15 **AGRICULTURAL EXPERIMENT STATION;**

16 **(III) STATEWIDE MEDICAL EDUCATION AND TRAINING**
17 **SYSTEM;**

18 **(IV) FIRE AND RESCUE INSTITUTE; AND**

19 **(V) ANY OTHER CENTER, COMPONENT, OR INSTITUTE**
20 **ESTABLISHED AND OPERATED BY THE SYSTEM IN ACCORDANCE WITH ITS**
21 **MISSION.**

22 **[(3)] (4)** "Chancellor" means the Chief Executive Officer of the
23 University System of Maryland and the Chief of Staff for the Board of Regents.

24 **[(4)** "President" means the Chief Executive Officer of a constituent
25 institution of the University System of Maryland.]

26 **(5) "COMPUTER-BASED INSTRUCTIONAL TECHNOLOGY" MEANS**
27 **COMPUTER HARDWARE OR SOFTWARE USED BY FACULTY AND STUDENTS IN THE**
28 **DELIVERY OF THE INSTRUCTIONAL PROGRAM.**

29 **[(5)] (6)** "Constituent institutions", "institutions", or "campuses"
30 means the following public senior higher education institutions under the jurisdiction
31 of the Board of Regents:

- 1 (i) University of Maryland, Baltimore;
- 2 (ii) University of Maryland Baltimore County;
- 3 (iii) University of Maryland, College Park;
- 4 (iv) University of Maryland Eastern Shore;
- 5 (v) University of Maryland University College;
- 6 (vi) Bowie State University;
- 7 (vii) Coppin State University;
- 8 (viii) Frostburg State University;
- 9 (ix) Salisbury University;
- 10 (x) Towson University; and
- 11 (xi) University of Baltimore.

12 [(6) “Centers” or “institutes” means the following components of the
13 System under the jurisdiction of the Board of Regents:

- 14 (i) University of Maryland Center for Environmental Science;
- 15 (ii) Cooperative Extension Service and the Agricultural
16 Experiment Station;
- 17 (iii) Statewide Medical Education and Training System;
- 18 (iv) Fire and Rescue Institute; and
- 19 (v) Any other center, component, or institute established and
20 operated by the System in accordance with its mission.]

21 **(7) “PRESIDENT” MEANS THE CHIEF EXECUTIVE OFFICER OF A**
22 **CONSTITUENT INSTITUTION OF THE UNIVERSITY SYSTEM OF MARYLAND.**

23 **(8) “QUASI-ENDOWMENT FUNDS” MEANS FUNDS THAT THE**
24 **UNIVERSITY SYSTEM OF MARYLAND RETAINS AND MANAGES IN THE SAME**
25 **MANNER AS AN ENDOWMENT.**

26 **(9) “TECHNOLOGY” MEANS THE LATEST STATE-OF-THE-ART**
27 **TECHNOLOGY PRODUCTS AND SERVICES, INCLUDING:**

- 1 **(I) COPPER AND FIBER OPTIC TRANSMISSION;**
 2 **(II) COMPUTER;**
 3 **(III) VIDEO AND AUDIO LASER AND CD-ROM DISCS;**
 4 **(IV) VIDEO AND AUDIO TAPES OR OTHER TECHNOLOGIES;**
 5 **AND**
 6 **(V) TECHNOLOGY USED FOR ONLINE LEARNING.**

7 **[(7)] (10)** “University” or “University of Maryland” or “University of
 8 Maryland System” means the University System of Maryland.

9 **[(8)** “Computer-based instructional technology” means computer
 10 hardware or software used by faculty and students in the delivery of the instructional
 11 program.

12 **(9)** “Technology” means the latest state-of-the-art technology
 13 products and services, including:

- 14 (i) Copper and fiber optic transmission;
 15 (ii) Computer;
 16 (iii) Video and audio laser and CD-ROM discs;
 17 (iv) Video and audio tapes or other technologies; and
 18 (v) Technology used for on-line learning.]

19 12-104.

20 (a) In addition to any other powers granted and duties imposed by this title,
 21 and subject to the provisions of Title 11 of this article and any other restriction
 22 imposed by law by specific reference to the University System of Maryland, or by any
 23 trust agreement involving a pledge of property or money, the Board of Regents has the
 24 powers and duties set forth in this section.

25 (e) (1) The Board may:

- 26 (i) Apply for, accept, and spend any gift or grant from the
 27 federal government, any foundation, or any other person; and

1 (ii) Maintain and manage gift and endowment funds,
 2 ~~INCLUDING QUASI-ENDOWMENT FUNDS.~~

3 **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
 4 **THE BOARD MAY MAINTAIN AND MANAGE QUASI-ENDOWMENT FUNDS.**

5 **(II) THE BOARD MAY ONLY MAKE A ONE-TIME TRANSFER**
 6 **OF NO MORE THAN \$50,000,000 FROM THE NON-STATE SUPPORTED FUND**
 7 **BALANCE HELD AND INVESTED BY THE STATE TREASURER TO THE**
 8 **QUASI-ENDOWMENT FUND.**

9 ~~(2)~~ **(3)** On or before November 1 each year, the Board shall submit to the
 10 Governor, the Comptroller, the State Treasurer, and, in accordance with § 2-1246 of
 11 the State Government Article, the General Assembly, an annual investment
 12 performance report comparing the various components of the University's gift [and],
 13 endowment, **AND QUASI-ENDOWMENT** investment portfolio to appropriate
 14 benchmarks.

15 17-301.

16 (c) "Eligible institution" means:

17 (1) Each public senior higher education institution identified in §
 18 10-101(m) or § [12-101(b)(5)] **12-101(B)(3)** of this article or its affiliated foundation;
 19 and

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 21 July 1, 2013.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.