

# HOUSE BILL 871

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8lr3451  
CF SB 502

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By: **Delegates Jones, Brooks, Ciliberti, Frick, Gaines, Gilchrist, Haynes, Hettleman, Hixson, C. Howard, Jalisi, Lam, Luedtke, Pendergrass, Sophocleus, Stein, Wilkins, and P. Young**

Introduced and read first time: February 2, 2018

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2018

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

1 AN ACT concerning

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

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

9 BY repealing and reenacting, with amendments,  
10 Article – Education  
11 Section 12-104(e)(2)  
12 Annotated Code of Maryland  
13 (2014 Replacement Volume and 2017 Supplement)

14 Preamble

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

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

4 WHEREAS, In 2017 the A. James & Alice B. Clark Foundation made an  
5 unprecedented investment of ~~\$210,000,000~~ \$219,500,000 to the State's flagship institution,  
6 the University of Maryland, College Park Campus, for the purpose of, among other  
7 initiatives, increasing college access and affordability through need-based scholarships;  
8 and

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

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

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

#### 18 Article - Education

19 12-104.

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

22 (ii) The Board may only make a one-time transfer of no more than  
23 \$50,000,000 from the non-State supported fund balance held and invested by the State  
24 Treasurer to the quasi-endowment fund.

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

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

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

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

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

9           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
10 1, 2018.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.