

NANCY J. KING  
*Legislative District 39*  
Montgomery County

MAJORITY LEADER

Budget and Taxation Committee

*Chair*  
Education, Business and  
Administration Subcommittee



James Senate Office Building  
11 Bladen Street, Room 120  
Annapolis, Maryland 21401  
301-858-3686 • 410-841-3686  
800-492-7122 Ext. 3686  
Fax 301-858-3670 • 410-841-3670  
Nancy.King@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**SPONSOR STATEMENT**

**SB 426 – University System of Maryland – Board of Regents –  
Quasi-Endowment Funds**

March 28, 2023

Mister Chairman and Members of the House Appropriations Committee:

Under current law, state agencies are required to maintain all cash and investments with the State Treasurer. The Treasurer invests and manages these funds on a state-wide basis.

In 2013 the General Assembly passed legislation to allow the University System of Maryland's Board of Regents to establish and maintain a quasi-endowment fund to support their fund-raising efforts and in 2017 the General Assembly allowed USM move an additional \$50 million from the cash held by the State Treasurer on behalf of the System to the USM Foundation to develop a source of funding for ongoing facilities renewal and deferred maintenance needs.

Senate Bill 426 will authorize USM's Board of Regents to transfer no more than \$150 million from fund balances to establish a quasi-endowment which will be used to fund investments in need based financial aid. This will target those students who are just above Pell Grant eligibility so cannot access those federal funds.

This endowment will be another tool in USM's toolbox to meet the important goals of access and affordability at our USM schools.

I respectfully request a favorable report on Senate Bill 426.