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Budget and Taxation Committee

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

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

February 22, 2023

Mister Chairman and Members of the Senate Budget and Taxation Committee:

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 quasi-endowment 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 fund will target those students who are just above Pell Grant eligibility so they cannot access those Pell 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.