

House Bill 419

AN ACT concerning

Public Institutions of Higher Education - Affiliated Foundations

FOR the purpose of repealing a requirement that certain affiliated foundations operate subject to policies adopted by the governing boards of public institutions of higher education; authorizing the presidents of the University System of Maryland constituent institutions to establish certain foundations under certain circumstances; requiring a certain report by a certain date clarifying that a certain affiliated foundation may not be considered an agency or instrumentality of the State or unit of the Executive Branch; clarifying that a financial obligation or liability of a certain affiliated foundation may not be considered a debt or obligation of the State or the University System of Maryland; and generally relating to public institutions of higher education.

BY repealing and reenacting, with amendments,

Article - Education

Section 15-104

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)

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

Article - Education

15-104.

(a) It is the public policy of the State that endowment funds of public institutions of higher education and gifts, donations, bequests, private endowments, and private grants received by public institutions of higher education or their governing boards, including any income therefrom:

- (1) Shall be used in accordance with the wishes of the donors; and
- (2) May not be used as a substitute for State General Fund appropriations.

(b) (1) The public institutions of higher education are encouraged to promote private fundraising by strengthening institutional development activities and by maintaining relationships with affiliated foundations.

(2) Affiliated foundations that are independently established for this purpose shall operate subject to policies adopted by the governing boards and approved for form and legal sufficiency by the Attorney General.

(3) THE PRESIDENTS OF THE UNIVERSITY SYSTEM OF MARYLAND CONSTITUENT INSTITUTIONS MAY ESTABLISH CAMPUS-BASED FOUNDATIONS. EACH FOUNDATION NEED NOT BE APPROVED BY THE BOARD OF REGENTS OF THE