

SENATE BILL 1139

F2

7lr3662
CF 7lr3661

By: **Senator McFadden**

Introduced and read first time: February 22, 2017

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **University of Maryland Eastern Shore – State Matching Funds**
3 **for Land–Grant Institutions**

4 FOR the purpose of requiring the Governor, beginning in a certain fiscal year, to include in
5 the annual State operating budget a general fund appropriation at least equal to a
6 certain amount to the University System of Maryland; requiring the Board of
7 Regents of the University System of Maryland to allocate certain funding to the
8 University of Maryland Eastern Shore in a certain manner and for a certain purpose;
9 providing that certain funding shall be in addition to certain base funding
10 appropriated to the University of Maryland Eastern Shore and requiring certain
11 funding to be specified as a certain line item in the University’s budget; requiring
12 the Board of Regents to provide certain information to the Governor on or before a
13 certain date each year; defining a certain term; and generally relating to State
14 matching funds for the University of Maryland Eastern Shore.

15 BY adding to
16 Article – Education
17 Section 13–704
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2016 Supplement)

20 Preamble

21 WHEREAS, The designation as a land–grant institution applies collectively to those
22 institutions that were established to promote the study of agriculture and the mechanical
23 arts among all students, particularly those from working class populations; and

24 WHEREAS, 1862 land–grant institutions such as the University of Maryland,
25 College Park are traditionally white institutions that were established with both land and
26 funding to support this mission, while 1890 land–grant institutions, such as the University

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of Maryland Eastern Shore, are institutions that were established to support the same
2 mission in the education of people of color; and

3 WHEREAS, Both the University of Maryland, College Park and the University of
4 Maryland Eastern Shore receive annual federal appropriations called formula funds that
5 support Cooperative Extension, Agriculture Experiment Stations, and forestry research
6 and extension from the U.S. Department of Agriculture National Institute of Food and
7 Agriculture (USDA–NIFA); and

8 WHEREAS, While the 1862 program at the University of Maryland, College Park
9 has had a matching funding requirement since its inception, the 1890 program at the
10 University of Maryland Eastern Shore did not have a State matching fund requirement
11 until the late 1990s; and

12 WHEREAS, Until 1997, only the 1862 land–grant institutions had to match the
13 federal appropriations with State funds, but in 1997 requirements for matching were also
14 assigned to the 1890 land–grant institutions; and

15 WHEREAS, The 1890 land–grant institution matching requirements were phased
16 in and a 100% State match was required in full by fiscal year 2001; however, this has not
17 occurred; and

18 WHEREAS, At a minimum, the total amount required to fully match the federal
19 appropriation is \$3,057,408, and given the requirements under the Office of Management
20 and Budget’s uniform guidance at 2CFR200.306 implemented by USDA–NIFA through
21 2CFR400 as clarified in October 2016, the University of Maryland Eastern Shore will
22 require \$1,955,235 in matching funds from the State in order to be fully compliant; and

23 WHEREAS, Without the State’s support, the University of Maryland Eastern Shore
24 is at a very real and serious risk of losing federal appropriations, which would lead to the
25 demise of its agriculture and food teaching research and education programs; and

26 WHEREAS, The University of Maryland Eastern Shore manages the federal funding
27 for agricultural and forestry research; however, since 1993, the federal funding available
28 to support the University’s extension programs has been managed centrally by the
29 University of Maryland, College Park; and

30 WHEREAS, While both universities have continued to collaborate successfully under
31 the auspices of the University of Maryland Extension, the arrangement established in 1993
32 places the University of Maryland Eastern Shore at a significant disadvantage and
33 precludes growth and effectiveness in meeting local needs; and

34 WHEREAS, By enabling locally managed funding, the University of Maryland
35 Eastern Shore’s extension and research programs can continue to study a range of issues
36 important to the Eastern Shore’s agriculture community, including poultry production, the
37 quality of water and forestry resources, the safety and quality of seafood, poultry, and fresh
38 produce, and the impact of emerging technologies on agricultural productivity; and

1 WHEREAS, To ensure that the University of Maryland Eastern Shore is in the best
2 position to provide services to its local community and manage the federal funds to which
3 it is entitled, the State must designate a line item in the budget allocated specifically to the
4 State match for federal funds; now, therefore,

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

7 **Article – Education**

8 **13-704.**

9 (A) IN THIS SECTION, “FORMULA FUNDS” MEANS AGRICULTURAL
10 EXTENSION FUNDS AND AGRICULTURAL RESEARCH FUNDS PROVIDED TO THE
11 UNIVERSITY OF MARYLAND EASTERN SHORE UNDER SECTIONS 1444 AND 1445 OF
12 THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY
13 ACT OF 1977.

14 (B) (1) FOR FISCAL YEAR 2019 AND EACH FISCAL YEAR THEREAFTER,
15 THE GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE OPERATING BUDGET FOR
16 THE UNIVERSITY SYSTEM OF MARYLAND A GENERAL FUND APPROPRIATION AT
17 LEAST EQUAL TO THE AMOUNT OF FORMULA FUNDS THE UNIVERSITY OF MARYLAND
18 EASTERN SHORE IS PROJECTED TO RECEIVE DURING THAT FISCAL YEAR.

19 (2) ON OR BEFORE NOVEMBER 1, 2017, AND EACH NOVEMBER 1
20 THEREAFTER, THE BOARD OF REGENTS SHALL NOTIFY THE GOVERNOR OF THE
21 AMOUNT OF GENERAL FUNDS REQUIRED UNDER PARAGRAPH (1) OF THIS
22 SUBSECTION FOR THE UPCOMING FISCAL YEAR.

23 (C) EACH YEAR, THE BOARD OF REGENTS SHALL ALLOCATE THE FUNDS
24 PROVIDED IN ACCORDANCE WITH THIS SECTION IN A MANNER THAT PROVIDES THE
25 FUNDS DIRECTLY TO THE UNIVERSITY OF MARYLAND EASTERN SHORE IN ORDER
26 TO PROVIDE A STATE MATCH FOR FORMULA FUNDS RECEIVED BY THE UNIVERSITY.

27 (D) (1) THE FUNDING PROVIDED IN EACH FISCAL YEAR IN ACCORDANCE
28 WITH THIS SECTION SHALL BE IN ADDITION TO THE BASE FUNDS APPROPRIATED TO
29 THE UNIVERSITY OF MARYLAND EASTERN SHORE IN THE STATE BUDGET FOR THE
30 PRIOR FISCAL YEAR.

31 (2) THE UNIVERSITY OF MARYLAND EASTERN SHORE SHALL
32 REPORT FUNDING PROVIDED IN ACCORDANCE WITH THIS SECTION AS A SEPARATE
33 LINE ITEM IN THE UNIVERSITY’S BUDGET.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2017.