

SENATE NO. 1902

AN ACT TO IMPROVE AND ENDOW PUBLIC EDUCATION, THE ARTS AND HUMANITIES, HISTORICAL PRESERVATION, AND LIBRARIES IN THE COMMONWEALTH

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

- 1 SECTION 1. There shall be established and set up on the books of the Commonwealth a separate
2 fund to be known as the public school improvement fund. All monies in said fund shall be used solely
3 for improvement, operation, and maintenance of public elementary and secondary education. The
4 fund shall be subject to Article LXIII of the Constitution of Massachusetts and none of the monies in
5 said fund shall be expended except in accordance with this section and upon appropriation by the
6 General Court. Interest earned by the fund shall be retained as part of said fund. No appropriation
7 shall be made from the fund unless the annual state appropriation for the purpose of maintaining and
8 operating public schools, including regional schools and independent vocational school districts, is
9 equal to or greater than the appropriation for such purposes for the fiscal year ending June 30, 2005.
- 10 SECTION 2. There shall be established and set up on the books of the Commonwealth a separate
11 fund to be known as the public higher education improvement fund. All monies in said fund shall be
12 used solely for the improvement, operation, and maintenance of public higher education. The fund
13 shall be subject to Article LXIII of the Constitution of Massachusetts and none of the monies in said

14 fund shall be expended except in accordance with this section and upon appropriation by the General
15 Court. Interest earned by the fund shall be retained as part of said fund. No appropriation shall be
16 made from the fund unless the annual state appropriation for the purpose of maintaining and operating
17 the public colleges and universities and public higher education is equal to or greater than the
18 appropriation for such purpose for the fiscal year ending June 30, 2005.

19 SECTION 3. There shall be established and maintained under the authority of the board of higher
20 education a public higher education endowment fund. Interest earned through the investment of funds
21 in said endowment fund shall be expended solely for the improvement and maintenance of public
22 higher education in accordance with this section. There shall be no expenditure of funds derived
23 directly from the excise imposed in section 2 of chapter 64H and deposited in the endowment fund.
24 Private contributions may also be deposited in the endowment fund.

25 Within the endowment fund, there shall be established a fiscal emergency reserve which shall
26 consist of an amount of not less than 10 percent of the endowment fund. The board may, during a
27 fiscal emergency, authorize the expenditure of funds credited to the fiscal emergency reserve for the
28 purpose of supplementing annual operating appropriations to public colleges and universities. For the
29 purpose of this section, "fiscal emergency" shall mean a fiscal year during which the annual
30 appropriation to an institution of higher education is at least 10 percent less the annual appropriation to
31 said institution in the previous fiscal year.

32 Said board shall authorize the expenditure of interest earned in the endowment fund for the
33 purpose of awarding matching grants to public institutions of higher education for the development
34 and expansion of public service and research at public institutions of higher education, as appropriate
35 to said institutions; and for other purposes, excluding the operation of any institution of public higher

36 education, which the board may deem appropriate; provided that said grants shall be held and
37 expended in conjunction with funds raised by or for any such institutions.

38 Said board shall appoint an unpaid investment advisory committee which shall have general
39 supervision over the investment and reinvestment of funds in the endowment fund. Said committee
40 shall consist of seven members as follows: the chair of the board of higher education, who shall serve
41 as chair of the committee; the president of the university of Massachusetts, the president of a state
42 college, the president of a community college, and three members who shall be qualified by training
43 and experience in the investment of funds as the result of having been principally employed in such
44 occupation for a period of at least five years. Each member of the committee shall serve for a term of
45 three years. Any member may be re-appointed and may serve more than one term.

46 Subject to the approval of said board, the investment advisory committee shall invest and
47 reinvest the funds in the endowment fund. Funds shall be invested as much as is reasonably possible
48 to benefit the mission of public institutions of higher education and campus populations and to benefit
49 the economic climate within the Commonwealth, provided that such investments are consistent with
50 sound investment policy. The investment advisory committee shall annually, on or before January 31,
51 file with the secretary of administration and finance a report listing all funds in the endowment fund
52 and all investments held by the fund.

53 SECTION 4. The Massachusetts cultural council, as created by section 52 of chapter 10 of the
54 General Laws, is hereby authorized and directed to establish and maintain a Massachusetts cultural
55 endowment fund. Interest earned through the investment of funds in said endowment fund shall be
56 expended solely for the purposes of stimulating and encouraging the practice, study, and appreciation
57 of the arts, humanities, and interpretive sciences in the public interest. There shall be no expenditure
58 of funds derived directly from the excise imposed in section 2 of chapter 64H and deposited in the

59 endowment fund. Private contributions may also be deposited in the endowment fund. The council
60 shall appoint an unpaid investment advisory committee of seven members which shall have general
61 supervision over the investment and reinvestment of funds in the endowment fund. The council shall
62 annually, on or before January 31, file with the secretary of administration and finance a report listing
63 all funds in the endowment fund and all investments held by the fund.

64 SECTION 5. The Massachusetts historical commission, as created by section 26 of chapter 9
65 of the General Laws, is hereby authorized and directed to establish and maintain a Massachusetts
66 historical preservation endowment fund. Interest earned through the investment of funds in said
67 endowment fund shall be expended solely for the purpose of preserving and maintaining historical
68 buildings, properties, and landmarks. There shall be no expenditure of funds directly from the excise
69 imposed in section 2 of chapter 64H and deposited in the endowment fund. Private contributions may
70 also be deposited in the endowment fund. The commission shall appoint an unpaid investment
71 advisory committee of seven members which shall have the general supervision over the investment
72 and reinvestment of funds in the endowment fund. The commission shall annually, on or before
73 January 31, file with the secretary of administration and finance a report listing all funds in the
74 endowment fund and all investments held by the fund.

75 SECTION 6. The Massachusetts board of library commissioners, as created by section 14 of
76 chapter 78 of the General Laws, is hereby authorized and directed to establish and maintain a public
77 libraries endowment fund. Interest earned through the investment of funds in said endowment fund
78 shall be expended solely for the purpose of improving public libraries, the regional library systems,
79 and the Massachusetts library and information network. There shall be no expenditure of funds
80 derived directly from the excise impose in section 2 of chapter 64H and deposited in the endowment

81 fund. Private contributions may also be deposited in the endowment fund. The board of library
82 commissioners shall appoint an unpaid investment advisory committee of seven members which shall
83 have general supervision over the investment and reinvestment of funds in the endowment fund. The
84 board of library commissioners shall annually, on or before January 31, file with the secretary of
85 administration and finance a report listing all the funds in the endowment fund and all investments
86 held by the fund.

87 SECTION 7. Chapter 64H of the General Laws, as appearing in the 2002 Official Edition, is
88 hereby amended in section 2 by striking out the word “five” and inserting in place thereof the word:-
89 six.

90 SECTION 8. One-sixth of the excise imposed in section 2 of chapter 64H shall be
91 appropriated entirely and solely for the purposes of public education, the arts, humanities, historical
92 preservation, and public libraries in accordance with this section. The sum of all revenues from one-
93 sixth of said excise shall be apportioned annually as follows:

94 (a) not more than 62.5 percent of said amount shall be deposited in the public school improvement
95 fund established by section 1 of this act;

96 (b) not more than 25 percent of said amount shall be deposited in the public higher education
97 improvement fund established by section 2 of this act;

98 (c) not less than 5 percent of said amount shall be deposited in the public higher education
99 endowment fund established by section 3 of this act;

100 (d) not less than 2 percent and not more than 3 percent of said amount shall be appropriated to the
101 Massachusetts cultural council, as created by section 52 of chapter 10 of the General Laws; provided,
102 however, that said amount shall be no less than the amount appropriated in the same fiscal year to said
103 council from the state arts lottery fund;

104 (e) not less than 2.5 percent of said amount shall be deposited in the Massachusetts cultural
105 endowment fund established by section 4 of this act;

106 (f) not less than one-half percent shall be appropriated to the Massachusetts historical commission
107 for the purposes of preserving and maintaining historic buildings, properties, and landmarks; provided,
108 however, that one-half of said amount shall be deposited in the Massachusetts historical preservation
109 endowment fund established by section 5 of this act.

110 (g) not less than 1 percent of said amount shall be appropriated to the board of library
111 commissioners, as created by section 14 of chapter 78 of the General Laws; provided, however, that
112 said amount shall be additional assistance to libraries of the Commonwealth and shall not supplant any
113 existing appropriation.

114 (h) not less than 1 percent shall be deposited in the public libraries endowment fund, established in
115 section 6 of this act.