

SENATE No. 1453

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to improve and endow public education..

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

11 SECTION 2. There shall be established and set up on the books of the Commonwealth a
12 separate fund to be known as the public higher education improvement fund. All monies in said
13 fund shall be used solely for the improvement, operation, and maintenance of public higher
14 education. The fund shall be subject to Article LXIII of the Constitution of Massachusetts and

15 none of the monies in said fund shall be expended except in accordance with this section and
16 upon appropriation by the General Court. Interest earned by the fund shall be retained as part of
17 said fund. No appropriation shall be made from the fund unless the annual state appropriation
18 for the purpose of maintaining and operating the public colleges and universities and public
19 higher education is equal to or greater than the appropriation for such purpose for the fiscal year
20 ending June 30, 2005.

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

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

35 Said board shall authorize the expenditure of interest earned in the endowment
36 fund for the purpose of awarding matching grants to public institutions of higher education for

37 the development and expansion of public service and research at public institutions of higher
38 education, as appropriate to said institutions; and for other purposes, excluding the operation of
39 any institution of public higher education, which the board may deem appropriate; provided that
40 said grants shall be held and expended in conjunction with funds raised by or for any such
41 institutions.

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

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

58 SECTION 4. The Massachusetts cultural council, as created by section 52 of chapter 10
59 of the General Laws, is hereby authorized and directed to establish and maintain a Massachusetts
60 cultural endowment fund. Interest earned through the investment of funds in said endowment
61 fund shall be expended solely for the purposes of stimulating and encouraging the practice,
62 study, and appreciation of the arts, humanities, and interpretive sciences in the public interest.
63 There shall be no expenditure of funds derived directly from the excise imposed in section 2 of
64 chapter 64H and deposited in the endowment fund. Private contributions may also be deposited
65 in the endowment fund. The council shall appoint an unpaid investment advisory committee of
66 seven members which shall have general supervision over the investment and reinvestment of
67 funds in the endowment fund. The council shall annually, on or before January 31, file with the
68 secretary of administration and finance a report listing all funds in the endowment fund and all
69 investments held by the fund.

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

80 secretary of administration and finance a report listing all funds in the endowment fund and all
81 investments held by the fund.

82 SECTION 6. The Massachusetts board of library commissioners, as created by section
83 14 of chapter 78 of the General Laws, is hereby authorized and directed to establish and maintain
84 a public libraries endowment fund. Interest earned through the investment of funds in said
85 endowment fund shall be expended solely for the purpose of improving public libraries, the
86 regional library systems, and the Massachusetts library and information network. There shall be
87 no expenditure of funds derived directly from the excise impose in section 2 of chapter 64H and
88 deposited in the endowment fund. Private contributions may also be deposited in the endowment
89 fund. The board of library commissioners shall appoint an unpaid investment advisory
90 committee of seven members which shall have general supervision over the investment and
91 reinvestment of funds in the endowment fund. The board of library commissioners shall
92 annually, on or before January 31, file with the secretary of administration and finance a report
93 listing all the funds in the endowment fund and all investments held by the fund.

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

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

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

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

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

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

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

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

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

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