

HOUSE BILL 696

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2lr0502

By: **Delegate McDonough**

Introduced and read first time: February 8, 2012

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Institutions of Higher Education – Hiring of Outside Legal Counsel –**
3 **Requirements**

4 FOR the purpose of authorizing a public institution of higher education and its
5 governing board to use certain resources for the provision of necessary legal
6 services under a certain amount; providing that a public institution of higher
7 education may hire certain outside legal counsel for legal services that meet or
8 exceed a certain amount only with approval of the Attorney General; requiring a
9 certain request to include certain information; prohibiting certain private
10 nonprofit institutions of higher education that receive State aid from using the
11 State aid to hire outside legal counsel for legal services that meet or exceed a
12 certain amount; requiring certain private nonprofit institutions of higher
13 education to submit a certain report to the Maryland Independent College and
14 University Association on or before a certain date; requiring the Association to
15 submit a certain report to the Maryland Higher Education Commission on or
16 before a certain date; providing that certain documents and reports are public
17 records; and generally relating to the requirements for the hiring of outside
18 legal counsel by institutions of higher education in the State.

19 BY adding to

20 Article – Education
21 Section 15–113 and 17–108
22 Annotated Code of Maryland
23 (2008 Replacement Volume and 2011 Supplement)

24 BY repealing and reenacting, without amendments,

25 Article – Education
26 Section 17–101
27 Annotated Code of Maryland
28 (2008 Replacement Volume and 2011 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Education**

4 **15–113.**

5 (A) IF THE PROJECTED COST OF LEGAL SERVICES FOR A PUBLIC
6 INSTITUTION OF HIGHER EDUCATION IS LESS THAN \$25,000 FOR A SINGLE
7 MATTER, THE INSTITUTION AND ITS GOVERNING BOARD MAY:

8 (1) USE LEGAL RESOURCES THAT EXIST WITHIN THE
9 INSTITUTION TO ADDRESS THE MATTER; OR

10 (2) HIRE LEGAL COUNSEL OUTSIDE THE INSTITUTION TO
11 ADDRESS THE MATTER.

12 (B) (1) IF THE PROJECTED COST OF LEGAL SERVICES FOR A PUBLIC
13 INSTITUTION OF HIGHER EDUCATION IS \$25,000 OR MORE FOR A SINGLE
14 MATTER, BEFORE THE INSTITUTION MAY HIRE LEGAL COUNSEL OUTSIDE THE
15 INSTITUTION, THE INSTITUTION AND ITS GOVERNING BOARD MUST REQUEST
16 AND OBTAIN APPROVAL FROM THE ATTORNEY GENERAL’S OFFICE.

17 (2) THE REQUEST FOR APPROVAL TO HIRE OUTSIDE LEGAL
18 COUNSEL UNDER PARAGRAPH (1) OF THIS SUBSECTION MUST BE MADE IN
19 WRITING TO THE ATTORNEY GENERAL’S OFFICE AND MUST INCLUDE:

20 (I) A DESCRIPTION OF THE MATTER IN WHICH THE
21 INSTITUTION SEEKS TO HIRE OUTSIDE LEGAL COUNSEL;

22 (II) AN EXPLANATION OF WHY THE LEGAL RESOURCES THAT
23 EXIST WITHIN THE INSTITUTION ARE NOT SUFFICIENT TO ADDRESS THE
24 MATTER;

25 (III) THE PROJECTED COST OF THE LEGAL SERVICES; AND

26 (IV) THE SOURCE OF FUNDING FOR THE LEGAL SERVICES.

27 (3) ANY REQUEST MADE TO THE ATTORNEY GENERAL’S OFFICE
28 UNDER THIS SUBSECTION SHALL BE A PUBLIC RECORD OPEN TO INSPECTION IN
29 ACCORDANCE WITH TITLE 10, SUBTITLE 6 OF THE STATE GOVERNMENT
30 ARTICLE.

31 17–101.

1 There is a program of State aid to private nonprofit institutions of higher
2 education known as the Joseph A. Sellinger Program.

3 **17-108.**

4 **(A) IF THE PROJECTED COST OF LEGAL SERVICES FOR A PRIVATE**
5 **NONPROFIT INSTITUTION OF HIGHER EDUCATION THAT RECEIVES STATE AID**
6 **UNDER THIS SUBTITLE IS \$25,000 OR MORE FOR A SINGLE MATTER, THE**
7 **INSTITUTION IS PROHIBITED FROM USING THE STATE AID TO HIRE LEGAL**
8 **COUNSEL OUTSIDE THE INSTITUTION TO ADDRESS THE MATTER.**

9 **(B) (1) ON OR BEFORE OCTOBER 31 OF EACH YEAR, EACH PRIVATE**
10 **NONPROFIT INSTITUTION OF HIGHER EDUCATION THAT RECEIVES STATE AID**
11 **UNDER THIS SUBTITLE SHALL SUBMIT A REPORT ON THE INSTITUTION'S TOTAL**
12 **EXPENDITURES FOR LEGAL SERVICES AND THE SOURCE OF FUNDING FOR**
13 **LEGAL SERVICES FOR THE PRIOR FISCAL YEAR TO THE MARYLAND**
14 **INDEPENDENT COLLEGE AND UNIVERSITY ASSOCIATION.**

15 **(2) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE**
16 **MARYLAND INDEPENDENT COLLEGE AND UNIVERSITY ASSOCIATION SHALL**
17 **SUBMIT A REPORT TO THE COMMISSION THAT COMPILES THE INFORMATION**
18 **RECEIVED FROM EACH PRIVATE NONPROFIT INSTITUTION OF HIGHER**
19 **EDUCATION UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

20 **(3) A REPORT SUBMITTED UNDER THIS SUBSECTION SHALL BE A**
21 **PUBLIC RECORD OPEN TO INSPECTION IN ACCORDANCE WITH TITLE 10,**
22 **SUBTITLE 6 OF THE STATE GOVERNMENT ARTICLE.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2012.