



MHEC
MARYLAND HIGHER EDUCATION COMMISSION

REPORT ON THE PRIVATE DONATION INCENTIVE PROGRAM

March 2003

BACKGROUND

The Private Donation Incentive Program (PDIP) provides State-matching funds to promote private fundraising within Maryland's public colleges and universities and to encourage public institutions of higher education to increase the public's level of gifts and donations to the institution's endowments. First created by the General Assembly in 1990 for a seven-year period, the State provided matching funds for donations made to the endowments of public institutions and their affiliated foundations. By the end of the seven-year program, the endowments of these institutions increased \$47 million; \$34 million of which came from private donations and \$13 million from State matching funds. Prior to the establishment of this program, most community colleges did not have foundations, endowment accounts, or an organized approach to fund raising. Several community colleges credit this program with enabling them to establish endowment accounts and providing them with an opportunity to develop fund raising procedures.

In 1999, the General Assembly reauthorized the program for an additional six-year period for eligible institutions. The grant period began in fiscal 1999 and with the exception of the State's historically black institutions, all donation payments must be made by June 30, 2004. Since its reauthorization, the General Assembly has made several modifications to this program. As part of the implementation of the State's agreement with the U.S. Department of Education, Office for Civil Rights, the 2001 General Assembly extended the eligibility period for Maryland's historically black institutions (to January 2006) and increased the maximum payments to \$1.5 million. During the 2002 Maryland Legislative Session, the General Assembly passed legislation that increased to \$1.25 million the maximum State match for eligible donations made to the University of Maryland Baltimore County.

ELIGIBLE DONATIONS

The State will match only donations designated as endowment gifts. In addition, donations must be made and used solely for academic purposes consistent with the role and mission of the institution as approved by the Maryland Higher Education Commission. Under this program, fiscal 1998 is the base year against which all future contributions are compared for eligibility for the State match. New donor contributions are eligible in full and for repeat donors, the eligible contribution is that portion of the donation that is the increase over the donation given in the base year.

PDIP provides the following State matching ratio for dollars raised by the community colleges and the State's traditionally white institutions and/or their foundations (State funds: Donation funds):

- 1:1 First \$250,000, or any portion thereof;
- 1:2 Next \$1,000,000, or any portion thereof; and
- 1:3 Next \$1,250,000.

For donations made at Maryland's historically black institutions after July 1, 2001 (i.e., fiscal 2002), the State provides a 2:1 match for the first \$250,000 and a 1:1 match for the next \$1 million. Table 1 below shows the maximum State funds allowed over the course of the program for Maryland's public colleges and universities.

Table 1. Maximum State Matching Funds

\$250,000	Community Colleges
\$1,500,000	Bowie State University Coppin State College University of Maryland Eastern Shore Morgan State University
\$1,250,000	University of Maryland, College Park University of Maryland, Baltimore University of Maryland Baltimore County
\$750,000	Remaining Eligible Institutions

CURRENT STATUS OF THE PROGRAM

Between fiscal 1999 and fiscal 2002, Maryland's public colleges and universities raised over \$37.6 million from private sources and claimed \$16.5 million in eligible matching funds. However, due to budget limitations, full funding for this program has been deferred. Only \$4.8 million of the \$16.5 million in State matching payments have been made with the remaining \$11.7 million deferred to future years (Table II).

Overall, institutions contend that this program has had a significant impact in attracting donors, providing scholarship funds, and building capacity to ensure the continuation of successful campus academic programs. For example, in some cases, the impact of PDIP on the community college campuses has been extraordinary. Among the community college campuses that participate in this program, 17 of the 22 campuses have met the maximum State match (**Figure 1**). Several colleges have received substantial cash donations. Furthermore, many of community colleges note that this program has allowed them to substantially increase the number of endowed scholarships.

PDIP is also an important fundraising tool for Maryland's historically black institutions. Overall, the HBIs have raised over \$5.3 million from private sources and Morgan State University is the only HBI that has met the maximum State match (**Figure 2**).

This program is also a success among the State's other four-year public institutions. All of the research institutions (the University of Maryland, Baltimore; the University of Maryland, Baltimore County, and the University of Maryland, University College) have met the maximum State match and raised over \$14 million (**Figure 3**). Among the State's other eligible four-year public institutions, four of the six institutions in this category have met the maximum State match and raised over \$10 million from private sources (**Figure 4**).

Table II. Private Donation Incentive Program (PDIP) Summary: FY 1999 to FY 2002

Maximum State	Cash Donations Received					Total Cash		Eligible State		State Payments		Total State	
	Match	Colleges and Universities	FY 1999	FY 2000	FY 2001	FY 2002	Donations	Match	FY 2001	FY 2002	Payments	Balance Due	
\$	250,000	Allegany	167,885	28,020	56,642	-	252,547	\$	132,634,000	\$	35,251	\$	167,885
\$	250,000	Anne Arundel	65,370	123,379	64,341	97,536	350,626	250,000	51,644	13,726	65,370	82,115	
\$	250,000	Baltimore City	-	4,300	32,680	84,856	121,836	250,000	-	-	-	184,630	
\$	250,000	Carroll	60,501	31,087	73,595	57,617	222,800	222,800	47,797	12,704	60,501	121,836	
\$	250,000	Cecil	20,508	131,467	51,034	89,075	292,084	250,000	16,202	4,306	20,508	162,299	
\$	250,000	Chesapeake	44,536	55,763	149,701	-	250,000	250,000	35,185	9,351	44,536	229,492	
\$	250,000	CCBC-Catonville	15,825	40,886	146,023	71,169	217,192	217,192	12,502	3,323	15,825	205,464	
\$	250,000	CCBC-Dundalk	9,660	81,078	116,673	250,000	457,411	250,000	60,777	16,153	76,930	217,192	
\$	250,000	CCBC-Essex	76,930	123,024	21,167	5,100	226,221	226,221	60,777	16,153	76,930	202,849	
\$	250,000	CSM-Calvert	158,335	77,159	41,264	5,100	276,758	250,000	125,089	33,246	158,335	250,000	
\$	250,000	CSM-Charles	76,930	149,417	21,167	5,100	252,614	250,000	60,777	16,153	76,930	91,665	
\$	250,000	CSM-St Mary's	22,345	141,321	111,580	-	275,246	250,000	19,175	5,096	24,271	173,070	
\$	250,000	Frederick	128,419	226,380	21,120	2,600	250,100	250,000	101,455	26,964	128,419	225,729	
\$	250,000	Garrett	28,090	176,419	188,877	196,672	690,387	250,000	22,192	5,898	28,090	250,000	
\$	250,000	Hagerstown	42,845	224,845	221,959	289,332	764,226	250,000	33,849	8,996	42,845	186,283	
\$	250,000	Harford	30,682	107,476	114,608	-	252,766	250,000	24,240	6,442	30,682	196,257	
\$	250,000	Howard	1,647,456	64,909	151,322	-	1,647,456	250,000	197,507	52,493	250,000	171,929	
\$	250,000	Montgomery CC-Germantown	63,717	44,375	109,752	54,600	279,948	250,000	50,338	13,379	63,717	186,283	
\$	250,000	Montgomery CC-Rockville	91,735	173,655	-	-	262,470	250,000	42,459	11,284	53,743	196,257	
\$	250,000	Prince George's	2,805,512	2,089,727	1,870,295	1,311,257	8,076,791	250,000	61,678	16,393	78,071	3,870,065	
\$	250,000	Wor-Wic	16,440	72,830	34,242	43,734	167,246	250,000	13,989	2,451	16,440	194,540	
\$	5,500,000	Sub-Total Community Colleges	2,805,512	2,089,727	1,870,295	1,311,257	8,076,791	5,256,723	1,095,500	291,158	1,386,658	3,870,065	
\$	1,500,000	Historically Black Institutions	16,440	72,830	34,242	43,734	167,246	210,980	13,989	2,451	16,440	194,540	
\$	1,500,000	Bowie State University	126,800	239,310	122,857	326,000	814,967	945,484	107,896	18,904	126,800	818,684	
\$	1,500,000	Coppin State College	134,179	400,029	1,810,168	1,125,390	3,469,766	1,500,000	114,175	20,004	134,179	1,365,821	
\$	1,500,000	Morgan State University	246,322	54,059	138,733	370,670	809,784	965,227	209,598	36,724	246,322	718,905	
\$	6,000,000	Sub-Total HBI's	523,741	766,228	2,106,000	1,865,794	5,261,763	3,621,691	445,658	78,083	523,741	3,097,950	
\$	750,000	Frostburg State University	162,878	816,897	1,455,080	504,308	2,201,269	750,000	138,595	24,283	162,878	750,000	
\$	750,000	St. Mary's College of Maryland	-	18,750	190,000	205,000	413,750	331,875	-	-	-	587,122	
\$	750,000	Salisbury University	297,251	386,255	483,547	589,354	1,756,407	750,000	232,831	40,794	273,625	331,875	
\$	750,000	Towson University	444,038	451,813	1,532,047	2,427,898	2,427,898	750,000	295,283	51,736	347,019	476,375	
\$	750,000	University of Baltimore	135,114	233,750	275,244	240,641	884,749	567,375	114,970	20,144	135,114	402,981	
\$	750,000	UM University College	1,039,281	2,630,603	4,909,741	1,539,303	10,118,928	3,899,250	781,679	136,957	918,636	432,261	
\$	4,500,000	Sub-Total Four-Year Institutions	4,067,902	3,443,651	4,250,510	2,345,904	14,107,967	3,750,000	807,163	1,133,802	1,940,965	2,980,614	
\$	1,250,000	Research Institutions	753,856	967,682	1,085,433	-	2,806,971	1,250,000	134,512	307,885	442,397	807,603	
\$	1,250,000	UM, Baltimore	543,650	1,001,700	3,165,077	2,345,904	7,056,331	1,250,000	337,663	59,162	396,825	853,175	
\$	1,250,000	UM, College Park	2,770,396	1,474,269	-	-	4,244,665	1,250,000	334,988	766,755	1,101,743	148,257	
\$	3,750,000	Sub-Total Research Institutions	4,067,902	3,443,651	4,250,510	2,345,904	14,107,967	3,750,000	807,163	1,133,802	1,940,965	1,809,035	
\$	19,750,000	Total	8,436,436	8,930,209	13,136,546	7,062,257	37,565,448	16,527,663	3,130,000	1,640,000	4,770,000	11,757,663	

Figure 1. Community Colleges
 Total Cash Donations and Eligible State Match: FY 1999-2002

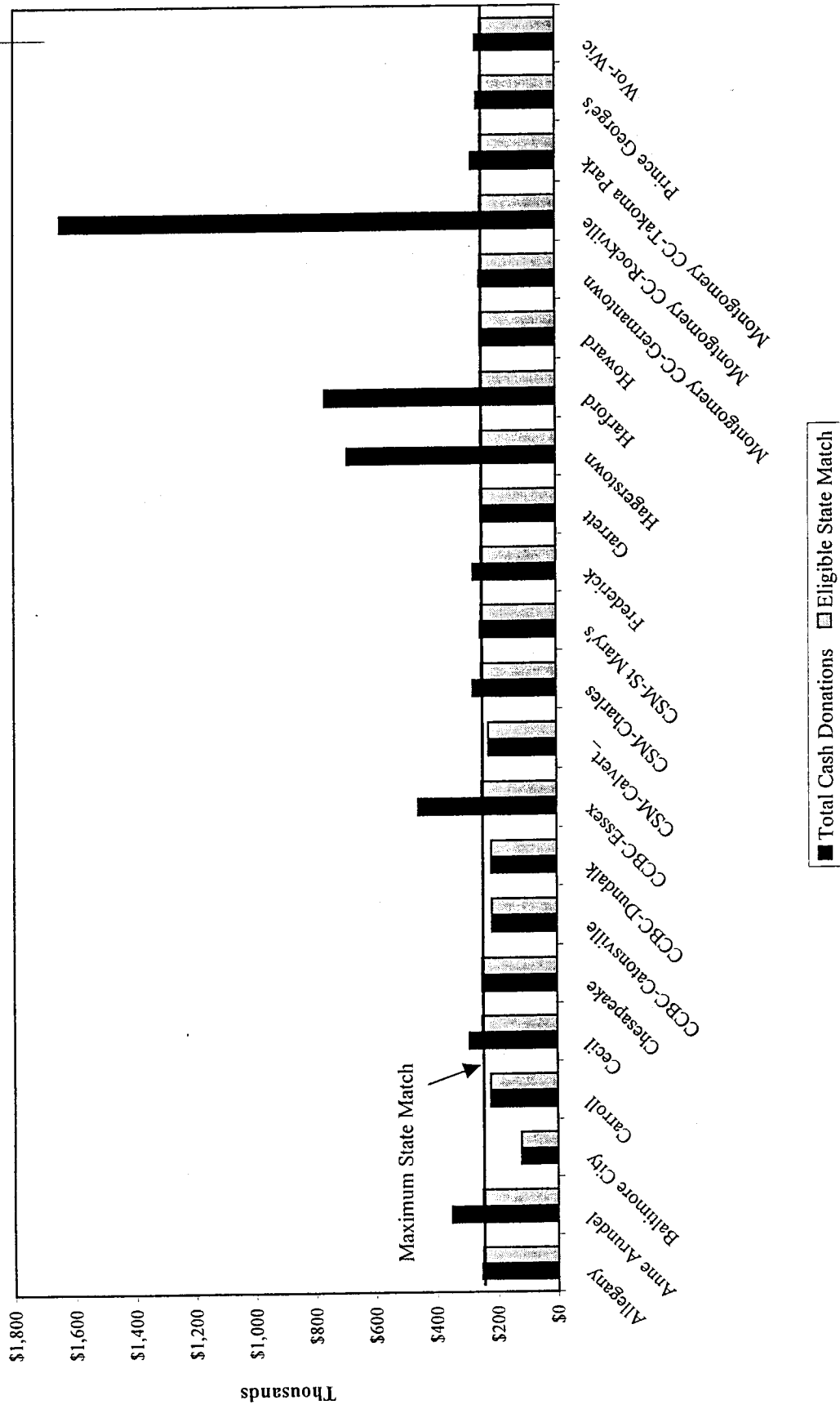


Figure 2. Historically Black Institutions
 Total Cash Donations and Eligible State Match: FY 1999-2002

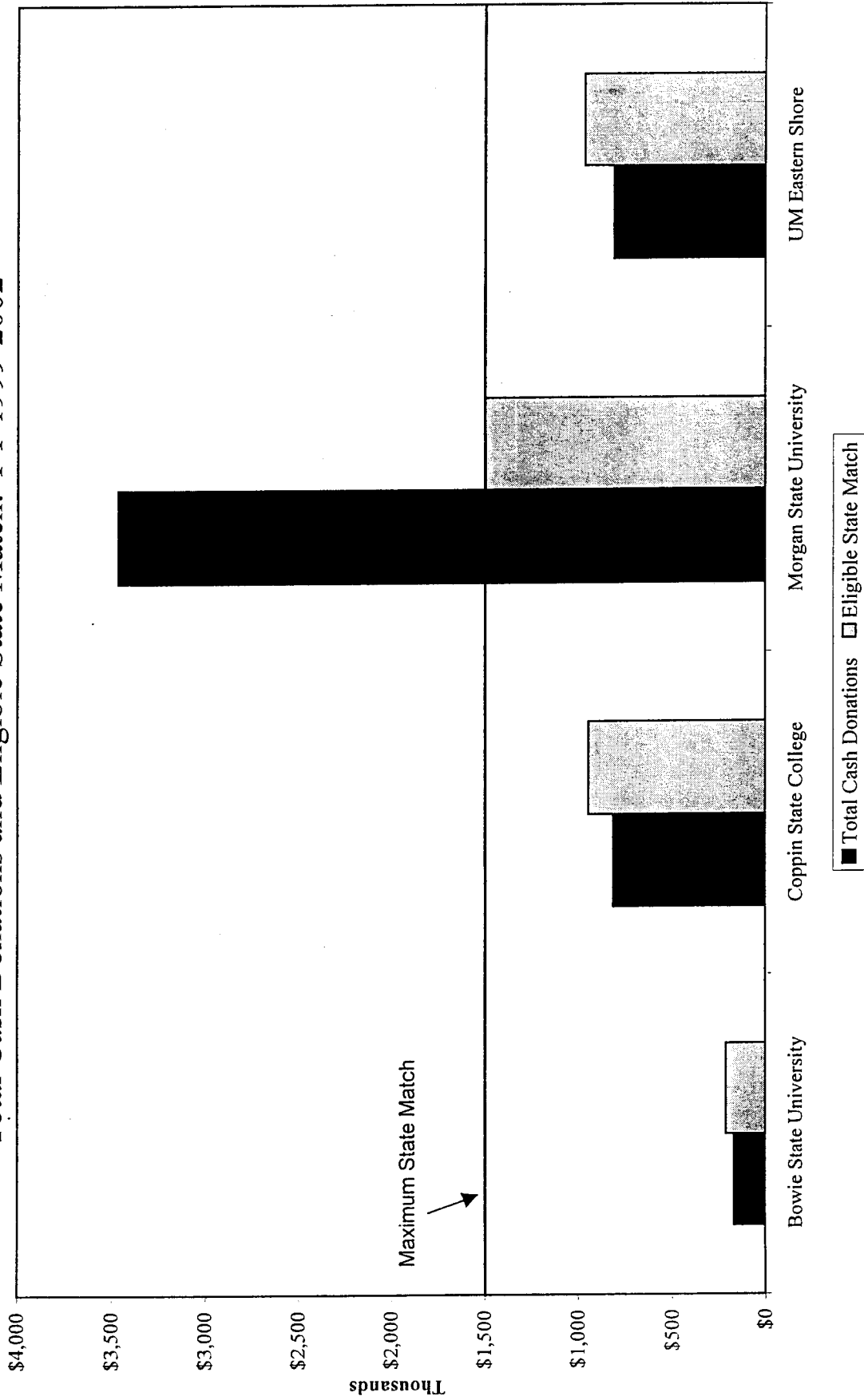


Figure 3. Maryland Research Institutions
 Total Cash Donations and Eligible State Match: FY 1999-2002

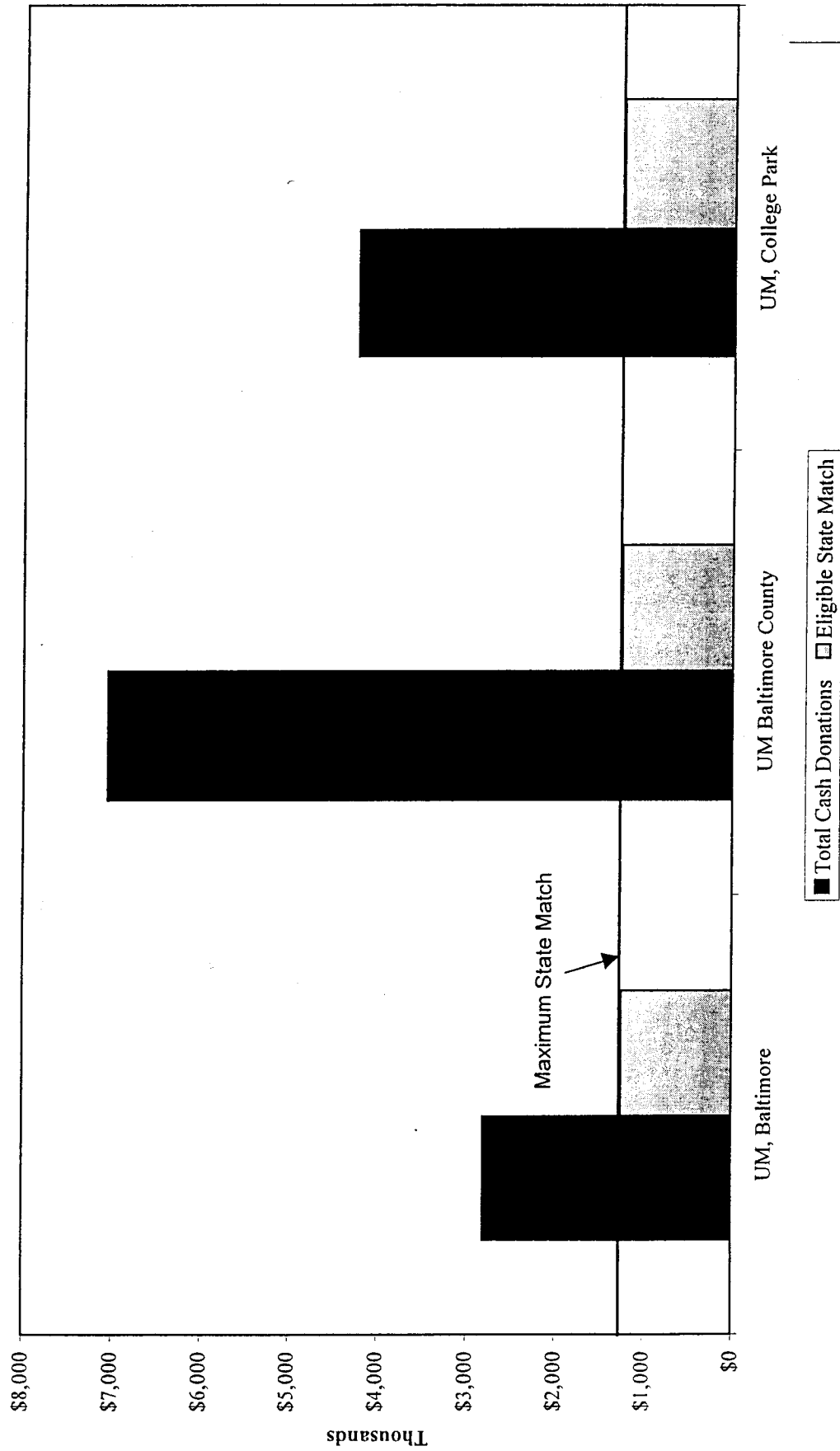


Figure 4. Public Four-Year Institutions
 Total Cash Donations and Eligible State Match: FY 1999-2002

