

April 4, 1966.

Honorable J. Millard Tawes
Governor of Maryland
State House
Annapolis, Maryland

Dear Governor Tawes:

The General Accounting Division of the State Comptroller's Office, the Department of Budget and Procurement, and the State Auditor's Office, respectfully request that you give consideration to vetoing Senate Bill No. 399 recently enacted by the General Assembly. This Bill proposes to amend the law concerning the accountability for certain unestimated receipts of State Agencies in order to make particular provisions for reporting and accounting for student activities fees at educational institutions.

A brief background history of this Bill indicates that at the Frostburg and Salisbury State Colleges several students have complained because of the adoption of certain accounting control procedures instituted by the Comptroller at the request of the State Auditor to safe-guard a growing amount of funds coming into the hands of the State Colleges from student fees. The State of Maryland is required to assume responsibility for these funds but the manner in which they had been handled in past years gave the State's Fiscal Officers little or no control over their accountability. The State Auditor had, for many years, while the Teachers Colleges were under the administration of the State Department of Education, made critical comments relative to the accountability for the student activities funds in the Colleges, and had recommended that they be deposited with the State Treasurer and disbursed through warrant of the State Comptroller. However, no action was taken on the recommendation until such time as the Teachers Colleges were incorporated under the Board of Trustees of the State Colleges several years ago. The Board of Trustees of the State Colleges set forth rules and regulations whereby these funds would be controlled in accordance with the recommendations of the State Auditor's Office. This was in line with the manner that these funds had been controlled for many years by both the University of Maryland and Morgan State College.

The procedure adopted by the Board of Trustees of the State Colleges provided for the advancement of a Working Fund to the respective Colleges, based on amounts estimated by each College as needed to operate the programs. These Working Funds gave the Colleges a free and unrestricted hand in administering the student activities programs, and at the same time enabled the financial officers of the State of Maryland to exercise a considerable degree of accounting control over such funds being collected by the various business offices at the Colleges.

To further support our position, we enclose a copy of an unpublished opinion of the Attorney General, dated June 13, 1949, in paragraph four of which he makes the unqualified statement that "activities fees collected are State money." Furthermore, student activities fees are but one of a myriad number of non-budgeted amounts which are controlled as outlined herein. Such other funds