§ 4357. Federal endowment programs for Gallaudet University and the National Technical Institute for the Deaf

(a) Establishment of programs

(1) The Secretary and the Board of Trustees of Gallaudet University are authorized to establish the Gallaudet University Federal Endowment Fund as a permanent endowment fund, in accordance with this section, for the purpose of promoting the financial independence of the University. The Secretary and the Board of Trustees may enter into such agreements as may be necessary to carry out the purposes of this section with respect to the University.

(2) The Secretary and the Board of Trustees or other governing body of the institution of higher education with which the Secretary has an agreement under section 4332 of this title are authorized to establish the National Technical Institute for the Deaf Federal Endowment Fund as a permanent endowment fund, in accordance with this section, for the purpose of promoting the financial independence of NTID. The Secretary and the Board or other governing body may enter into such agreements as may be necessary to carry out the purposes of this section with respect to NTID.

(b) Federal payments

(1) The Secretary shall, consistent with this section, make payments to the Federal endowment funds established under subsection (a) of this section from amounts appropriated under subsection (h) of this section for the fund involved.

(2) Subject to the availability of appropriations, the Secretary shall make payments to each Federal endowment fund in amounts equal to transfers from other endowment funds of the institution involved.

(c) Investments

(1) Except as provided in subsection (e) of this section, the University and NTID, respectively, shall invest the Federal contribution of its Federal endowment fund corpus and income in instruments and securities offered through one or more cooperative service organizations of operating educational organizations under section 501(f) of title 26, or in low-risk instruments and securities issued by an organization in which an executive officer, a member of the Board of Trustees of the University or of the host institution, or a member of the advisory group established under section 4332 of this title is a controlling shareholder, director, or owner within the meaning of Federal securities laws and other applicable laws. Neither the University nor NTID may assign, hypothecate, encumber, or create a lien on the Federal endowment fund corpus without specific written authorization of the Secretary.

(d) Withdrawals and expenditures

(1) Except as provided in paragraph (3)(B), neither the University nor NTID may withdraw or expend any of the corpus of its Federal endowment fund.

(2)(A) The University and NTID, respectively, may withdraw or expend the income of its Federal endowment fund only for expenses necessary to the operation of the university, including expenses of operations and maintenance, administration, academic and support personnel, construction and renovation, community and student services programs, technical assistance, and research.

(B) Neither the University nor NTID may withdraw or expend the income of its Federal endowment fund for any commercial purpose.

(C) The University and NTID shall maintain records of the income generated from its respective Federal endowment fund for the prior fiscal year.

(3)(A) Except as provided in subparagraph (B), the University and NTID, respectively, may, on an annual basis, withdraw or expend more than 50 percent of the income generated from its Federal endowment fund from the current fiscal year.

(B) The Secretary may permit the University or NTID to withdraw or expend a portion of its Federal endowment fund corpus or more than 50 percent of the income generated from its Federal endowment fund from the current fiscal year.

(c) Recovery of payments

After notice and an opportunity for a hearing, the Secretary is authorized to recover any Federal payment and its non-Federal match made to the Federal endowment fund of the University or NTID that is not subject to the investment limitations of subsection (d)(3) of this section.
eral payments under this section if the University or NTID—
    (1) makes a withdrawal or expenditure of the corpus or income of its Federal endowment fund that is not consistent with this section;
    (2) fails to comply with the investment standards and limitations under this section; or
    (3) fails to account properly to the Secretary concerning the investment of or expenditures from the Federal endowment fund corpus or income.

(g) Definitions
   As used in this section:
   (1) The term "corpus", with respect to a Federal endowment fund under this section, means an amount equal to the Federal payments to such fund, amounts contributed to the fund from non-Federal sources, and appreciation from capital gains and reinvestment of income.
   (2) The term "Federal endowment fund" means a fund, or a tax-exempt foundation, established and maintained pursuant to this section by the University or NTID, as the case may be, for the purpose of generating income for the support of the institution involved.
   (3) The term "income", with respect to a Federal endowment fund under this section, means an amount equal to the dividends and interest accruing from investments of the corpus of such fund.
   (4) The term "institution involved" means the University or NTID, as the case may be.

(h) Authorization of appropriations
   (1) In the case of the University, there are authorized to be appropriated for the purposes of this section such sums as may be necessary for each of the fiscal years 1998 through 2003.
   (2) In the case of NTID, there are authorized to be appropriated for the purposes of this section such sums as may be necessary for each of the fiscal years 1998 through 2003.
   (3) Amounts appropriated under paragraph (1) or (2) shall remain available until expended.

(i) Effective date
   The provisions of this section shall take effect as if included in this chapter as enacted on August 4, 1986.

Amendments
1998—Subsec. (b)(2). Pub. L. 105–244, §419(1)(A), amended par. (2) generally. Prior to amendment, par. (2) read as follows: "Subject to the availability of appropriations and the non-Federal matching requirements of paragraph (3), the Secretary shall make payments to each Federal endowment fund in amounts equal to sums contributed to the fund from non-Federal sources (excluding transfers from other endowment funds of the institution involved)."

Subsec. (c)(1). Pub. L. 105–244, §419(2), inserted "the Federal contribution of" after "shall invest".

Subsec. (d)(2)(C). Pub. L. 105–244, §419(3)(A), substituted "The University" for "Beginning on October 1, 1992, the University".

Subsec. (e)(1). Pub. L. 105–244, §419(3)(B), substituted "current" for "prior".


1993—Subsec. (c)(3). Pub. L. 103–73, §204(f)(1), substituted "advisory group established under section 4332 of this title" for "Advisory Board of NTID".


Effective Date of 1998 Amendment

Section Referred to in Other Sections
This section is referred to in sections 4353, 4354 of this title.


Effective Date of Repeal

§4359. Oversight and effect of agreements

(a) Oversight activities

Nothing in this chapter shall be construed to diminish the oversight activities of the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives with respect to any agreement entered into between the Secretary of Education and Gallaudet University, and the institution of higher education with which the Secretary has an agreement under part B of subchapter I of this chapter.