

MAINE STATE LEGISLATURE

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October 25, 1946

To Fred M. Berry, State Auditor
Subject: University of Maine "Land Grant Fund"

Referring to your memo of October 14th, stating that the principal of the "Land Grant Fund" is \$118,300, which was created under an Act of Congress of July 2, 1862, for the purpose of founding and maintaining colleges of agricultural and mechanical arts, which Act contained a condition that the principal of this gift shall forever remain unimpaired.

You further state that there is a balance of \$18,174.42 at the close of the fiscal year ending June 30, 1946, impounded in closed banks, said banks having completed final liquidation of impounded accounts, and it appears to you that if the provision of this trust is followed, a division of the State's unappropriated surplus account should be made and the \$18,174.42 be established to secure the principal of the fund.

You also call my attention to the Report on the Trust Funds of the State of Maine prepared by Mr. Cowan in 1931 and '32, which provides that if any portion of funds invested, by any action or contingency become diminished or lost, it shall be replaced by the State, so that the capital of the fund shall remain forever undiminished.

It is my opinion that the State is under some obligation to conform to the provisions of the statute creating this trust fund, and it seems to me that this matter is one which lies within the province of the legislature, which is the policy-making branch of our State in the matter of replacing lost funds.

Ralph W. Farris
Attorney General

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