
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1206 Session of
2018

INTRODUCED BY DINNIMAN, TOMLINSON, RAFFERTY, MARTIN, WHITE,
FOLMER AND MENSCH, JUNE 12, 2018

REFERRED TO EDUCATION, JUNE 12, 2018

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," in the State System of Higher
6 Education, further providing for definitions, for
7 establishment of the State System of Higher Education and its
8 institutions, providing for treatment of funds other than
9 State-appropriated funds, further providing for purposes and
10 general powers, for project contracts, for the chancellor,
11 for powers and duties of the Board of Governors, for powers
12 and duties of councils of trustees, for power and duties of
13 institution presidents, for annual audit and for annual
14 report.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Section 2001-A of the act of March 10, 1949
18 (P.L.30, No.14), known as the Public School Code of 1949, is
19 amended by adding definitions to read:

20 Section 2001-A. Definitions.--The following words and
21 phrases when used in this article shall, for the purpose of this
22 article, have the following meanings, respectively, except in
23 those instances where the context clearly indicates a different
24 meaning:

1 * * *

2 (22) "State-appropriated funds" shall mean funds the General
3 Assembly appropriates through the General Appropriation Act or
4 other act containing an appropriation for the State System of
5 Higher Education.

6 (23) "Supplemental funds" shall mean funds that the system
7 or individual institutions receive from sources other than
8 State-appropriated funds. The term shall include funds received
9 from the Federal Government, participation in programs, Federal,
10 State or otherwise, from grants, gifts, tuition or fees or other
11 funding sources.

12 Section 2. Section 2002-A of the act is amended to read:

13 Section 2002-A. Establishment of the State System of Higher
14 Education and its Institutions.--(a) Subject to the regulatory
15 powers conferred by law upon the State Board of Education except
16 as limited in subsection (a.1), there is hereby established a
17 body corporate and politic constituting a public corporation and
18 government instrumentality which shall be known as the State
19 System of Higher Education, independent of the Department of
20 Education, hereinafter referred to as the system, which shall
21 consist of the following institutions and such other
22 institutions, presently existing or newly created, as may
23 hereafter be admitted by the board in concurrence with other
24 agencies as required by law:

- 25 (1) Bloomsburg State College;
26 (2) California State College;
27 (3) Cheyney State College;
28 (4) Clarion State College;
29 (5) East Stroudsburg State College;
30 (6) Edinboro State College;

- 1 (7) Indiana University of Pennsylvania;
2 (8) Kutztown State College;
3 (9) Lock Haven State College;
4 (10) Mansfield State College;
5 (11) Millersville State College;
6 (12) Shippensburg State College;
7 (13) Slippery Rock State College; and
8 (14) West Chester State College.

9 (a.1) The regulatory powers conferred by law on the State
10 Board of Education that apply to the system and its individual
11 institutions shall not include any regulatory power or ability
12 to mandate reporting on supplemental funds.

13 (b) Each of the said institutions shall hereafter be known
14 as the (Name) University of Pennsylvania of the State System of
15 Higher Education, except for Indiana University of Pennsylvania,
16 which shall retain its name.

17 (c) As successor institutions to the State Normal Schools,
18 [appropriations] State-appropriated funds for their operation
19 are ordinary expenses of government, requiring only a majority
20 vote of each House of the General Assembly[.] and further, are
21 funds of the system that are subject to the regulatory powers of
22 the State Board of Education and are to comply with any law of
23 the Commonwealth required due to the establishment of the system
24 as a public corporation and government instrumentality.

25 (d) The State System of Higher Education shall have the same
26 preferred status for appropriations as is enjoyed by its
27 constituent institutions.

28 (e) [State funds appropriated] State-appropriated funds to
29 the system shall be allocated to the individual institutions on
30 a formula based on, but not limited to, such factors as

1 enrollments, degrees granted and programs. The allocation
2 received by the individual institutions under this subsection
3 shall be deemed the State-appropriated funds of the individual
4 institution.

5 (f) This section shall not apply to supplemental funds.

6 Section 3. The act is amended by adding a section to read:

7 Section 2002-A.1. Supplemental Funds.--(a) Supplemental
8 funds received or allocated to the individual institutions
9 shall not be subject to any rule, regulation or law that exists
10 or is required solely because of the system's or individual
11 institution's establishment as a public corporation and
12 government instrumentality.

13 (b) The exemption under subsection (a) shall include, but
14 not be limited to, reporting mandates existing due to the
15 funding being deemed public moneys. Supplemental funds shall
16 remain the province of the individual institutions.

17 Section 4. Section 2003-A(d) of the act is amended to read:

18 Section 2003-A. Purposes and General Powers.--* * *

19 (d) The system and the individual institutions may enter
20 into an agreement with any entity for the cooperative use of
21 supplies or services. All purchases and agreements made pursuant
22 to this subsection shall be the result of a system of
23 competitive bidding and in accordance with the laws of this
24 Commonwealth. Provided, however, that in the event that an
25 individual institution enters into an agreement in which
26 supplemental funds are expended for the cooperative use of
27 supplies or services, then:

28 (1) The agreement may not be subject to review under section
29 204(f) of the act of October 15, 1980 (P.L.950, No.164), known
30 as the "Commonwealth Attorneys Act."

1 (2) The agreement shall be made available to the public by
2 listing the agreement with the Treasury Department in accordance
3 with Chapter 17 of the act of February 14, 2008 (P.L.6, No.3),
4 known as the "Right-to-Know Law."

5 Section 5. Section 2003-A.1 of the act is amended by adding
6 subsections to read:

7 Section 2003-A.1. Project Contracts.--* * *

8 (a.1) An individual institution may enter into and
9 administer a contract for construction, repair, renovation or
10 maintenance projects within the meaning of section 2401.1 of the
11 act of April 9, 1929 (P.L.177, No.175), known as "The
12 Administrative Code of 1929," including all aspects of project
13 management, design, construction, legal, engineering and
14 administrative services related to and necessary for the
15 completion of the projects, so long as:

16 (1) Supplemental funds are used to pay for the construction,
17 repair, renovation and maintenance projects.

18 (2) The system provides the Department of General Services
19 with written notice of the system's management of the projects.

20 (a.2) If an individual institution does not administer a
21 contract under subsection (a.1), the responsibility for the
22 projects shall remain with the Department of General Services.

23 * * *

24 (g) Contracts entered into under this section shall not be
25 subject to review under section 204(f) of the act of October 15,
26 1980 (P.L.950, No.164), known as the "Commonwealth Attorneys
27 Act." Contracts entered into under this section shall be made
28 available to the public by listing them with the Treasury
29 Department in accordance with Chapter 17 of the act of February
30 14, 2008 (P.L.6, No.3), known as the "Right-to-Know Law."

1 Section 6. Sections 2005-A(3) and 2006-A(a)(4), (7), (12)
2 and (14) of the act are amended to read:

3 Section 2005-A. The Chancellor.--The chief executive officer
4 of the system shall be a chancellor, who shall be employed by
5 the board in accordance with clause (1) of section 2006-A. In
6 addition to those prescribed by the board, the chancellor shall
7 have the following duties:

8 * * *

9 (3) The chancellor shall recommend to the board the system's
10 overall budget and shall review and recommend undergraduate and
11 graduate academic programs to meet the needs of the system's
12 student population. The chancellor shall clearly designate
13 within the system's overall budget the receipt and use of those
14 funds that are State-appropriated funds.

15 * * *

16 Section 2006-A. Powers and Duties of the Board of
17 Governors.--(a) The Board of Governors shall have overall
18 responsibility for planning and coordinating the development and
19 operation of the system. The powers and duties of the Board of
20 Governors shall be:

21 * * *

22 (4) To establish broad fiscal, personnel and educational
23 policies under which the institutions of the system shall
24 operate. Provided, however, that any fiscal policy established
25 shall be limited to policies regarding solely State-appropriated
26 funds. Individual institutions shall establish fiscal policies
27 for supplemental funds.

28 * * *

29 (7) To coordinate, review, amend and approve the annual
30 capital budget requirements of the system, the annual operating

1 budgets of the individual institutions and the operating budget
2 of the chancellor and the board. The board may not use an
3 individual institution fund balance to determine budget
4 allocations or for any other purpose. The fund balance shall be
5 for the exclusive use of the individual institution and for the
6 purpose designated by the individual institution. The board
7 shall present these annual budgets with comments to the
8 secretary for presentation to the State board. The State board
9 shall return such budget requests, recommending approval or
10 disapproval with comments, if any, to the secretary prior to
11 their submission to the Secretary of Budget and Administration.
12 The board may also submit its budget recommendations and
13 findings to the General Assembly subsequent to the submission of
14 the Governor's budget to the General Assembly. For the purpose
15 of administration, the system shall be subject to Article VI of
16 the act of April 9, 1929 (P.L.177, No.175), known as "The
17 Administrative Code of 1929," except for section 615.

18 * * *

19 (12) To adopt general policies with regard to student
20 activity fees and to provide for student participation in the
21 formulation of these policies. Provided, however, that any
22 general policy established for individual institutions with
23 regards to student activity fees shall not include additional
24 mandated reporting requirements and shall be limited in scope by
25 section 2002-A.1.

26 * * *

27 (14) To make all reasonable rules and regulations necessary
28 to carry out the purposes of this article and the duties of the
29 board. Provided, however, that any rules and regulations
30 established for individual institutions shall not include

1 additional mandated reporting requirements for supplemental
2 funds and shall be limited in scope by section 2002-A.1.

3 * * *

4 Section 7. Section 2009-A of the act is amended to read:

5 Section 2009-A. Powers and Duties of Councils of Trustees.--

6 In accordance with the rules and regulations adopted by the
7 board, the council of each institution shall have the power and
8 its duty shall be:

9 (1) To make recommendations to the chancellor for the
10 appointment, retention or dismissal of the president following
11 consultation with students, faculty and alumni.

12 (2) To assist the president in developing proper relations
13 and understanding between the institution and its programs and
14 the public, in order to serve the interests and needs of both.

15 (3) To review and approve the recommendations of the
16 president as to standards for the admission, discipline and
17 expulsion of students.

18 (4) To review and approve the recommendations of the
19 president pertaining to policies and procedures governing the
20 use of institutional facilities and property.

21 (5) To approve schools and academic programs.

22 (5.1) To review and approve the recommendations of the
23 president for the establishment of broad fiscal policy or
24 supplemental funds.

25 (6) To review and approve the recommendations of the
26 president pertaining to annual operating and capital budget
27 requirements for forwarding to the board.

28 (6.1) To review and approve the recommendations of the
29 president for general policies with regard to student activity
30 fees.

1 (7) To review and approve charges for room and board and
2 other fees except student activity fees.

3 (8) To conduct an annual physical inspection of facilities
4 and make recommendations regarding maintenance and construction
5 to the board.

6 (9) To review and approve all contracts and purchases
7 negotiated or awarded by the president with or without
8 competitive bidding and all contracts for consultative services
9 entered by the president.

10 (10) To represent the institution at official functions of
11 the Commonwealth.

12 (11) To take such other action as may be necessary to
13 effectuate the powers and duties herein delegated.

14 (12) In accordance with the evaluation procedure established
15 by the board each council shall conduct an evaluation of the
16 president and forward the results of that evaluation with
17 recommendation to the chancellor for submission to the board.

18 (13) By resolution adopted by the council to authorize
19 campus police who have completed firearms training in accordance
20 with 53 Pa.C.S. § 2167(a) (relating to police training) to carry
21 firearms in the course of duty for any institution whose campus
22 police are authorized to carry firearms on the effective date of
23 this paragraph, the authority to carry firearms shall remain in
24 effect unless the council by resolution dissolves such
25 authority.

26 Section 8. Section 2010-A(6), (9), (10.1) and (13) of the
27 act are amended and the section is amended by adding paragraphs
28 to read:

29 Section 2010-A. Power and Duties of Institution
30 Presidents.--The president of each institution shall be

1 appointed by the board. The president shall be the chief
2 executive officer of that institution. He shall have the right
3 to attend all meetings of the council of that institution and
4 shall have the right to speak on all matters before the council
5 but not to vote. Subject to the stated authority of the board
6 and the council, each president shall have the following powers
7 and duties:

8 * * *

9 (6) [In] To establish general policies with regard to
10 student activity fees and in cooperation with the student
11 association, to fix student activity fees and supervise the
12 collection, retention and expenditure thereof.

13 * * *

14 (8.1) To establish broad fiscal policy for supplemental
15 funds.

16 (9) To determine from appropriations, tuition fees, charges
17 and other fees and other available funds with the exception of
18 student activity fees, the expenditures to be made for
19 instructional, extracurricular, administrative, custodial and
20 maintenance services, equipment and supplies, and for furniture
21 for instructional, extracurricular, administrative and service
22 facilities and to reallocate such sums among the various
23 expenditure classifications as may be necessary for the
24 effective management of the institution: Provided, That no such
25 reallocation shall exceed the total allocations of the
26 institution[.], and further, to designate separately the use of
27 State-appropriated funds and supplemental funds in each
28 expenditure.

29 (10.1) Within the limitations of the operating budget and
30 other available funds in accordance with the procedures approved

1 by the council and, if any funds are State-appropriated funds,
2 in accordance with the procedures established by the board and
3 with the approval of the local council, to negotiate and award
4 all contracts for equipment, services and supplies in excess of
5 a cost of a base amount of [eighteen thousand five hundred
6 dollars (\$18,500)] one hundred thousand dollars (\$100,000),
7 subject to adjustment under section 120, on a competitive bid
8 basis and to purchase instructional, educational,
9 extracurricular, technical, administrative, custodial and
10 maintenance equipment and supplies not in excess of a cost of a
11 base amount of [eighteen thousand five hundred dollars
12 (\$18,500)] one hundred thousand dollars (\$100,000), subject to
13 adjustment under section 120, without competitive bidding,
14 except that such items shall not be bought in series to avoid
15 the dollar ceiling.

16 (10.2) To enter into contracts for equipment, services and
17 supplies that are paid for with supplemental funds, regardless
18 of the monetary value of the contract.

19 * * *

20 (13) Within the limitations of the operating budget and
21 other available funds, in accordance with the procedures
22 approved by the council and, if any funds are State-appropriated
23 funds, to enter into contracts for consultative service not to
24 exceed [five thousand dollars (\$5,000)] eighty-five thousand
25 dollars (\$85,000) per contract.

26 (13.1) To enter into contracts for consultative services,
27 that when paid for by supplemental funds, the president shall
28 have the power to enter the contracts regardless of the monetary
29 value of the contract.

30 * * *

1 Section 9. Sections 2015-A and 2017-A(a) (2) (vi) of the act
2 are amended to read:

3 Section 2015-A. Annual Audit.--(a) The activities of the
4 system under this article shall be subject to the audit of the
5 Department of the Auditor General, but the system shall not be
6 required to pay a fee for any such audit. It shall make an
7 annual report to the State board and to the General Assembly
8 showing its condition at the end of the Commonwealth's fiscal
9 year.

10 (b) The system shall report its financial statements in
11 accordance with generally accepted accounting principles as
12 prescribed by the National Association of College and University
13 Business Officers, the American Institute of Certified Public
14 Accountants or any other recognized authoritative body, as well
15 as applicable policy and standards promulgated by the
16 Commonwealth and the Federal Government.

17 (c) It shall be a policy of the system to clearly designate,
18 with separate designations, the amount of funds that are State-
19 appropriated funds and the amount of supplemental funds for each
20 expenditure and in all audits, annual reports and financial
21 statements.

22 Section 2017-A. Annual Report.--(a) An annual report shall
23 be submitted in electronic format by each institution to the
24 Department of Education and the Joint State Government
25 Commission, which shall include data for all programs of the
26 institution. Each such report, to be submitted prior to
27 September 1, shall cover the 12-month period beginning with the
28 summer term of the preceding year and shall include:

29 * * *

30 (2) For the summer term and the following academic year in

1 total and for each two digit CIP program category, a
2 classification of faculty members or other professional employes
3 by title, including: professor, associate professor, assistant
4 professor, instructor, lecturer, research associate, librarian
5 and academic administrator; faculty members or other
6 professional employes under each title to be subdivided by type
7 of assignment: teaching and nonteaching, and each such set of
8 faculty members or other professional employes to be further
9 subdivided by type of employment: full time or part time; and
10 the following aggregates for each subdivided classification:

11 * * *

12 (vi) The total salary paid for instructional functions and
13 for noninstructional functions and the amount of this salary
14 paid for each of these functions from university funds, Federal
15 funds and other funds[.], and further, with a separate
16 designation, the amount expended from State-appropriated funds.

17 * * *

18 Section 10. This act shall take effect in 60 days.