

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1327 Session of 1997

INTRODUCED BY SCHULER, COY, FARGO, B. SMITH, FAIRCHILD, BAKER, RUBLEY, GEIST, HORSEY, HENNESSEY, HERSHEY, MICOZZIE, BATTISTO, ZUG, TRUE, SEMMEL AND FLICK, APRIL 16, 1997

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 27, 1997

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," further providing for the operation
6 of the State System of Higher Education; and making a repeal; <—
7 and MAKING editorial changes. <—

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 ~~Section 1. Section 2002 A of the act of March 10, 1949 <—~~
11 ~~(P.L.30, No.14), known as the Public School Code of 1949,~~
12 ~~amended or added November 12, 1982 (P.L.660, No.188) and June~~
13 ~~23, 1988 (P.L.457, No.77), is amended to read:~~

14 SECTION 1. SECTION 2001-A OF THE ACT OF MARCH 10, 1949 <—
15 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, IS
16 AMENDED BY ADDING A DEFINITION TO READ:

17 SECTION 2001-A. DEFINITIONS.--THE FOLLOWING WORDS AND
18 PHRASES WHEN USED IN THIS ARTICLE SHALL, FOR THE PURPOSE OF THIS
19 ARTICLE, HAVE THE FOLLOWING MEANINGS, RESPECTIVELY, EXCEPT IN

1 THOSE INSTANCES WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT
2 MEANING:

3 * * *

4 (20) "BRANCH CAMPUS" SHALL MEAN A UNIT OF A MEMBER
5 INSTITUTION OF THE STATE SYSTEM OF HIGHER EDUCATION WHICH IS
6 DISTINGUISHED BY THE FOLLOWING CHARACTERISTICS:

7 (1) AN ACADEMIC DEGREE-GRANTING PROGRAM OR ORGANIZED PARTS
8 THEREOF OFFERED ON A CONTINUING BASIS.

9 (2) A LOCATION SEPARATELY IDENTIFIABLE FROM THE MAIN CAMPUS
10 OF THE PARENT INSTITUTION AND PROVIDING THE SERVICES NORMALLY
11 ASSOCIATED WITH THE CAMPUS.

12 (3) LEGAL AUTHORITY FOR GOVERNANCE, ADMINISTRATION AND
13 GENERAL OPERATION DERIVED FROM THE PARENT INSTITUTION OF THE
14 STATE SYSTEM OF HIGHER EDUCATION.

15 SECTION 2. SECTION 2002-A OF THE ACT, AMENDED OR ADDED
16 NOVEMBER 12, 1982 (P.L.660, NO.188) AND JUNE 23, 1988 (P.L.457,
17 NO.77), IS AMENDED TO READ:

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

29 [(1) Bloomsburg State College;

30 (2) California State College;

- 1 (3) Cheyney State College;
- 2 (4) Clarion State College;
- 3 (5) East Stroudsburg State College;
- 4 (6) Edinboro State College;
- 5 (7) Indiana University of Pennsylvania;
- 6 (8) Kutztown State College;
- 7 (9) Lock Haven State College;
- 8 (10) Mansfield State College;
- 9 (11) Millersville State College;
- 10 (12) Shippensburg State College;
- 11 (13) Slippery Rock State College; and
- 12 (14) West Chester State College.]
- 13 (1) Bloomsburg University of Pennsylvania.
- 14 (2) California University of Pennsylvania.
- 15 (3) Cheyney University of Pennsylvania.
- 16 (4) Clarion University of Pennsylvania.
- 17 (5) East Stroudsburg University of Pennsylvania.
- 18 (6) Edinboro University of Pennsylvania.
- 19 (7) Indiana University of Pennsylvania.
- 20 (8) Kutztown University of Pennsylvania.
- 21 (9) Lock Haven University of Pennsylvania.
- 22 (10) Mansfield University of Pennsylvania.
- 23 (11) Millersville University of Pennsylvania.
- 24 (12) Shippensburg University of Pennsylvania.
- 25 (13) Slippery Rock University of Pennsylvania.
- 26 (14) West Chester University of Pennsylvania.
- 27 (b) [Each of the said institutions shall hereafter be known
- 28 as the (Name) University of Pennsylvania of the State System of
- 29 Higher Education, except for Indiana University of Pennsylvania,
- 30 which shall retain its name.] As successor institutions to the

1 State Normal Schools, appropriations for their operation are
2 ordinary expenses of government, requiring only a majority vote
3 of each House of the General Assembly. The State System of
4 Higher Education shall have the same preferred status for
5 appropriations as is enjoyed by its constituent institutions.
6 State funds appropriated to the system shall be allocated to the
7 individual institutions, ~~the Office of the Chancellor and other~~ ←
8 ~~programs and facilities by the board~~ on a formula based on, but
9 not limited to, such factors as enrollments, degrees granted and
10 programs. The board may create a system reserve, the balance of
11 which shall not exceed one-half of one per cent (0.50%) of all
12 available operating funds, which may be expended for emergencies
13 and special projects in accordance with board policy. For
14 purposes of this section, the term "operating funds" shall mean
15 any Federal appropriation, any State appropriation, any student
16 tuition fees and any student fees for room and board.

17 Section 2 3. Section 2003-A of the act, amended July 11, ←
18 1990 (P.L.424, No.103), is amended to read:

19 Section 2003-A. Purposes and General Powers.--(a) The State
20 System of Higher Education shall be part of the Commonwealth's
21 system of higher education. Its purpose shall be to provide high
22 quality education at the lowest possible cost to the students.
23 The primary mission of the system is the provision of
24 instruction for undergraduate and graduate students to and
25 beyond the master's degree in the liberal arts and sciences and
26 in applied fields, including the teaching profession. Graduate
27 instruction at the doctoral level, except for doctoral programs
28 provided for in the act of December 16, 1965 (P.L.1113, No.430),
29 known as the "Indiana University of Pennsylvania Act," only may
30 be offered jointly with Indiana University or an institution

1 chartered to offer work at the doctoral level. Programs of
2 research and service may be provided which are approved by the
3 Board of Governors, and which are consistent with the primary
4 mission of the system. Each institution shall provide
5 appropriate educational facilities, student living facilities
6 and such other facilities as deemed necessary by the board.

7 (b) The system is hereby granted and shall have and may
8 exercise all the powers necessary or convenient for the carrying
9 out of the aforesaid purposes, including, but without limiting
10 the generality of the foregoing, the following rights and
11 powers:

12 (1) To have perpetual existence as a corporation.

13 (2) To adopt, use and alter at will a corporate seal.

14 (3) To acquire, purchase, hold, lease as lessee and use any
15 property, real, personal or mixed, tangible or intangible, or
16 any interest therein, lease as lessor any property, real,
17 personal or mixed, tangible or intangible, necessary or
18 desirable for carrying out the purposes of the system, and to
19 sell, transfer and dispose of any property acquired by gift,
20 grant, devise or bequest, whether the property is real, personal
21 or mixed, tangible or intangible, or any interest therein; to
22 take, demand, receive and possess all moneys, real property and
23 goods which shall be appropriated, given or granted to for the
24 use of the system and to apply the same according to the will of
25 the donors; to sell, transfer and dispose of real property
26 acquired by and titled to the system upon approval by the
27 General Assembly as provided in section 2018-A; and by gift,
28 purchase or devise to receive, possess, enjoy and retain forever
29 any and all real and personal estate and funds, of whatsoever
30 kind, nature or quality the same may be, in special trust and

1 confidence that the same, and the profits thereof, shall be
2 applied to and for the use and purpose of endowing the system,
3 and shall have power to receive donations from any source
4 whatever, to be exclusively devoted to the purposes of the
5 system or according to the terms of donation: Provided, however,
6 That the system shall have no power at any time or in any
7 manner, to pledge the credit or taxing power of the
8 Commonwealth, nor shall any of its obligations or debts be
9 deemed to be obligations of the Commonwealth, nor shall the
10 Commonwealth be liable for the payment of principal or interest
11 on such obligations. Nothing herein shall empower the Board of
12 Governors or the chancellor to take or receive any moneys, goods
13 or other property, real or personal, which is given or granted
14 to specific institutions.

15 ~~(4) To negotiate joint ventures, consortia and partnerships~~ <—
16 ~~with businesses, industries, organizations, local and State~~
17 ~~governments, the Federal Government and foreign governments,~~
18 ~~consistent with the general purposes of subsection (a).~~

19 ~~(5) (4) To borrow money, make and issue negotiable notes,~~
20 ~~bonds, refunding bonds and other evidence of indebtedness of~~
21 ~~obligations, herein called bonds, of the system, subject to all~~
22 ~~of the following conditions and limitations:~~

23 ~~(i) The bonds shall have a maturity date not longer than~~
24 ~~forty (40) years from the date of issue.~~

25 ~~(ii) The system, by pledge or deed of trust of all or any of~~
26 ~~its revenues and receipts, may secure the payment of such bonds~~
27 ~~or any part thereof.~~

28 ~~(iii) The system may make such agreements with the~~
29 ~~purchasers or holders of such bonds, or with others in~~
30 ~~connection with any such bonds, whether issued or to be issued,~~

1 as the system shall deem advisable.

2 (iv) The system shall provide for the security for the bonds
3 and the rights of the holders thereof.

4 (v) The system shall not issue bonds if, on the date of
5 issuance, the aggregate principal amount of bonds to be
6 outstanding shall exceed seventy-five per cent (75%) of the
7 system's average annual gross revenues for the three (3)
8 consecutive fiscal years preceding the fiscal year in which
9 bonds are proposed to be issued, except that leases, capitalized
10 or otherwise, entered into by the system, as lessee, in
11 connection with the acquisition of real and personal property
12 shall not be considered bonds for the purposes of these
13 limitations.

14 (vi) The system shall have no power, at any time or in any
15 manner, to pledge the credit or taxing power of the
16 Commonwealth, nor shall any of the bonds or debts of the system
17 be deemed to be obligations of the Commonwealth, nor shall the
18 Commonwealth be liable for the payment of principal or interest
19 on such bonds or other obligations.

20 (c) Collective bargaining agreements in force at the time of
21 enactment of this act shall remain in force for the term of the
22 contract. New collective bargaining agreements with professional
23 employes shall be negotiated on behalf of the system by the
24 chancellor. The board shall make a coalition bargaining
25 arrangement with the Commonwealth for the negotiation of new
26 collective bargaining agreements with noninstructional employes.

27 ~~Section 3. Section 2003-A.1(e)~~ 4. SECTION 2003-A.1(C) of ←
28 the act, amended July 11, 1990 (P.L.424, No.103), is amended and
29 the section is amended by adding a subsection to read:

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

<—

1 ~~(c) (1) Nothing in this section shall be construed as~~
2 ~~amending, repealing or otherwise modifying the provisions of the~~
3 ~~act of May 1, 1913 (P.L.155, No.104), entitled "An act~~
4 ~~regulating the letting of certain contracts for the erection,~~
5 ~~construction, and alteration of public buildings," or the act of~~
6 ~~August 15, 1961 (P.L.987, No.442), known as the "Pennsylvania~~
7 ~~Prevailing Wage Act."~~

8 ~~(2) The statutes described in paragraph (1) shall apply only~~
9 ~~to projects funded in whole or in part by the Commonwealth.~~
10 ~~Projects funded with student fees, but where no Commonwealth~~
11 ~~funds are involved are exempt from these statutes.~~

12 * * *

13 ~~(g) Contractors awarded contracts in excess of twenty five~~
14 ~~thousand dollars (\$25,000) shall furnish performance bonds for~~
15 ~~one hundred per cent (100%) of the contract amount to insure~~
16 ~~faithful performance of all contractual obligations, payment~~
17 ~~bonds in the amount of one hundred per cent (100%) of the~~
18 ~~contract amount for the protection of persons providing the~~
19 ~~contractor labor, materials, supplies and services, and~~
20 ~~maintenance bonds in the amount of ten per cent (10%) of the~~
21 ~~contract amount for correction of warranty defects on such forms~~
22 ~~as the chancellor may specify. Such bonds shall be executed by~~
23 ~~surety companies authorized to do business in this Commonwealth.~~
24 ~~All bonds shall be payable to the State System of Higher~~
25 ~~Education.~~

<—

26 (C) ALL CONTRACTS, OTHER THAN CONTRACTS FOR THE RETENTION OF
27 ARCHITECTS AND ENGINEERS OR IN THE CASE OF EMERGENCIES,
28 AUTHORIZED BY THIS SECTION WHICH EXCEED [FIVE THOUSAND DOLLARS
29 (\$5,000)] TEN THOUSAND DOLLARS (\$10,000), ADJUSTED ANNUALLY FOR
30 INCREASES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS

1 UNITED STATES CITY AVERAGE, ALL ITEMS (CPIU), SHALL BE
2 ADVERTISED IN THE MANNER PROVIDED BY LAW AND COMPETITIVELY BID
3 AND AWARDED TO THE LOWEST RESPONSIBLE BIDDER. THE CHANCELLOR MAY
4 MAKE OR AUTHORIZE OTHERS TO MAKE AN EMERGENCY PROCUREMENT WHEN
5 THERE EXISTS A THREAT TO PUBLIC HEALTH, WELFARE OR SAFETY; WHEN
6 THERE EXISTS A THREAT THAT ADDITIONAL PROPERTY LOSS WILL OCCUR;
7 WHEN THERE EXISTS A THREAT THAT OPERATIONS WILL BE GREATLY
8 IMPAIRED OR DISRUPTED; OR THE URGENCY OF THE NEED DOES NOT
9 PERMIT DELAY INVOLVED IN USING MORE FORMAL COMPETITIVE METHODS,
10 SO LONG AS AT LEAST TWO (2) BIDS ARE SOLICITED WHENEVER
11 PRACTICAL. A WRITTEN DETERMINATION OF THE BASIS FOR THE
12 EMERGENCY AND FOR THE SELECTION OF THE PARTICULAR CONTRACTOR
13 SHALL BE INCLUDED IN THE CONTRACT FILE.

14 * * *

15 (G) (1) BIDDERS OR OFFERORS MAY BE REQUIRED TO PROVIDE BID
16 OR PROPOSAL SECURITY IN THE MINIMUM AMOUNT OR PERCENTAGE OF THE
17 AMOUNT OF THE BID FOR CONTRACTS BID ACCORDING TO THE PROVISIONS
18 OF THIS SECTION. BID OR PROPOSAL SECURITY SHALL BE IN THE AMOUNT
19 AND FORM OF A CERTIFIED OR BANK CHECK OR A BOND PROVIDED BY A
20 SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THIS COMMONWEALTH OR
21 ANOTHER FORM OF SECURITY AS SPECIFIED IN THE INVITATION FOR BIDS
22 OR REQUEST FOR PROPOSALS.

23 (2) BIDDERS OR OFFERORS AWARDED CONTRACTS ACCORDING TO THE
24 PROVISIONS OF THIS SECTION MAY BE REQUIRED, AND IN THE CASE OF
25 THOSE CONTRACTS IN EXCESS OF TWO HUNDRED FIFTY THOUSAND DOLLARS
26 (\$250,000) SHALL FURNISH:

27 (I) PERFORMANCE BONDS IN AN AMOUNT EQUAL TO ONE HUNDRED PER
28 CENTUM (100%) OF THE CONTRACT AMOUNT AND CONDITIONED UPON THE
29 FAITHFUL PERFORMANCE OF THE CONTRACT IN ACCORDANCE WITH THE
30 CONTRACT DOCUMENTS;

1 (II) PAYMENT BONDS IN AN AMOUNT EQUAL TO ONE HUNDRED PER
2 CENTUM (100%) OF THE CONTRACT AMOUNT AND CONDITIONED UPON THE
3 PROMPT PAYMENT FOR ALL LABOR, MATERIALS, SUPPLIES AND SERVICES
4 PERFORMED IN THE PROSECUTION OF THE WORK; AND

5 (III) MAINTENANCE BONDS IN THE AMOUNT OF TEN PER CENTUM
6 (10%) OF THE CONTRACT AMOUNT FOR CORRECTION OF WARRANTY DEFECTS.

7 (3) ALL BONDS SHALL BE EXECUTED BY A SURETY COMPANY
8 AUTHORIZED TO DO BUSINESS IN THIS COMMONWEALTH, MADE PAYABLE TO
9 THE STATE SYSTEM OF HIGHER EDUCATION, AND IN SUCH FORM AS THE
10 CHANCELLOR MAY SPECIFY.

11 Section 4 5. Section 2004-A of the act, amended June 23, <—
12 1988 (P.L.457, No.77), is amended to read:

13 Section 2004-A. Board of Governors.--(a) The system shall
14 be governed and all of its corporate powers exercised by the
15 Board of Governors, which shall consist of twenty (20) members
16 to be appointed as follows:

17 (1) The Governor, or [his] a designee of the Governor.

18 (2) The Secretary of Education, or [his] a designee of the
19 Secretary.

20 (3) One (1) Senator appointed by the President pro tempore
21 of the Senate.

22 (4) One (1) Senator appointed by the Minority Leader of the
23 Senate.

24 (5) One (1) Representative appointed by the Speaker of the
25 House of Representatives.

26 (6) One (1) Representative appointed by the Minority Leader
27 of the House of Representatives.

28 (7) Fourteen (14) members shall be appointed by the Governor
29 and, except for student members, these appointments shall be
30 with the advice and consent of the Senate [of which six (6)

1 shall be selected from the citizens of the Commonwealth]. Three
2 (3) members of the fourteen (14) shall be students, no more than
3 one (1) of whom may be a post-baccalaureate student, whose terms
4 shall expire upon graduation, separation or failure to maintain
5 good academic [standards] standing at their institution and five
6 (5) of the fourteen (14) shall be trustees of constituent
7 institutions, however, no more than one trustee representing a
8 constituent institution. The student members shall be selected
9 from the [presidents] elected executive officers of the local
10 campus student government associations, or their local
11 equivalent. No student member shall simultaneously serve as a
12 member of a council.

13 (b) All members of the board appointed by the Governor,
14 except for the students, shall serve for terms of four (4)
15 years[.], but no trustee member shall be eligible to serve after
16 the expiration of that member's term and the appointment of a
17 successor council member. The Governor and Secretary of
18 Education shall serve so long as they continue in office.
19 Members of the board appointed from the General Assembly shall
20 serve a term of office concurrent with their respective elective
21 terms as members of the General Assembly.

22 (c) The Governor or [his] a designee of the Governor, and
23 the Secretary of Education or [his] a designee of the Secretary,
24 and the members of the General Assembly shall be members of the
25 board and shall be entitled to attend all meetings of the board
26 and shall have the right to speak on all matters before the
27 board, and to vote, but shall not be elected as an officer of
28 the board.

29 (d) The board shall elect one (1) of its members to serve as
30 its chairperson at the pleasure of the board. Members shall

1 receive no compensation for their services but shall be
2 reimbursed for the expenses necessarily incurred by them in the
3 performance of their duties. The board shall meet quarterly and
4 additionally at the call of the chairperson, or upon request of
5 six (6) members of the board.

6 (e) The chancellor shall be the chief executive officer of
7 the board and shall have the right to speak on all matters
8 before the board, but not to vote.

9 (f) Each board member shall attend an orientation during the
10 member's first year of service which shall be conducted by the
11 chancellor. The purpose of this orientation shall be to acquaint
12 board members with their duties, the mission of the system and
13 system operations. The chancellor shall certify attendance to
14 the respective appointing authority.

15 (g) Any board member who is absent from three (3)
16 consecutive regular meetings shall be removed by the respective
17 appointing authority unless all such absences were caused by
18 personal illness, the illness of a family member or the death of
19 a family member. The chairperson of the board shall notify the
20 respective appointing authority when a board member has
21 unexcused absences from three (3) consecutive regular meetings.

22 Section 5 6. Section 2005-A(7) and (10) of the act, added <—
23 November 12, 1982 (P.L.660, No.188), are amended and the section
24 is amended by adding ~~clauses~~ A CLAUSE to read: <—

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

30 * * *

1 (7) The chancellor shall be responsible for the
2 administration of the central office, systemwide business
3 procedures and for the overall organization of maintenance of
4 the physical plants and security at all institutions. The
5 chancellor, in consultation with the commission and the approval
6 of the board, may organize centrally provided administrative and
7 professional support services and allocate charges for same to
8 users.

9 * * *

10 (10) The chancellor shall serve as an ex officio member of
11 the council of each institution in the system, without voting
12 privileges.

13 * * *

14 ~~(12) The chancellor shall create and conduct orientation~~ <—
15 ~~programs for new board members and trustees in consultation with~~
16 ~~representatives of the board, the commission and the councils~~
17 ~~and shall certify attendance to the respective appointing~~
18 ~~authority.~~

19 (12) THE CHANCELLOR OR HIS DESIGNEE, UNDER SPECIFIC BUSINESS <—
20 PROCEDURES PRESCRIBED BY THE BOARD OF GOVERNORS, MAY ENTER
21 THROUGH THE COMPETITIVE PROCESS OR DIRECT NEGOTIATION,
22 CONSORTIA, PARTNERSHIPS OR OTHER MULTIPARTY CONTRACTUAL
23 RELATIONSHIPS WITH BUSINESSES, INDUSTRIES, ORGANIZATIONS, STATE
24 AND LOCAL GOVERNMENTS, THE FEDERAL GOVERNMENT AND FOREIGN
25 GOVERNMENTS TO FURTHER THE GENERAL PURPOSES AND MISSION OF THE
26 STATE SYSTEM OF HIGHER EDUCATION.

27 Section 6 7. Section 2006-A of the act, amended or added <—
28 November 12, 1982 (P.L.660, No.188), July 1, 1985 (P.L.103,
29 No.31), June 23, 1988 (P.L.457, No.77) and July 11, 1990
30 (P.L.424, No.103), is amended to read:

1 Section 2006-A. Powers and Duties of the Board of
2 Governors.--(a) The Board of Governors shall have overall
3 responsibility for planning and coordinating the development and
4 operation of the system. The powers and duties of the Board of
5 Governors shall be:

6 (1) To employ the chancellor to serve at the board's
7 pleasure under fixed term or contract of fixed duration of not
8 longer than five (5) years; to fix [his] the chancellor's
9 salary; to prescribe and delineate [his] the chancellor's duties
10 and responsibilities; prior to the renewal of such term or
11 contract, the board shall conduct an evaluation of the
12 chancellor's service to determine whether such term or contract
13 should be renewed and for what period of time.

14 (2) To appoint from the list submitted by the chancellor,
15 pursuant to section 2005-A(4), presidents of the constituent
16 institutions to serve at the board's pleasure under fixed terms
17 or contracts of fixed duration, to fix the salaries and other
18 terms of appointment of each president and prior to renewal of
19 such term or contract consider the results of the evaluation of
20 each president's service submitted by the chancellor.

21 (3) To establish policies and procedures to be applied by
22 the chancellor, the board and each local council in evaluating
23 the president and recommending the selection, retention and
24 dismissal of the president of its respective institution.

25 (4) To establish broad fiscal, personnel and educational
26 policies under which the institutions of the system shall
27 operate.

28 (5) To create new undergraduate and graduate degree
29 programs, which shall not be subject to the rules and
30 regulations of the State Board of Education; to approve

1 [extension campuses] ~~establishment of branch campuses and~~ ←
2 ~~extension centers~~ and new external degree programs subject to
3 the rules and regulations of the State Board of Education; to
4 promote cooperation among institutions, including the
5 development of consortia within the system and other educational
6 ~~institutions and agencies; to approve the creation of joint~~ ←
7 ~~ventures, consortia and partnerships between system institutions~~
8 ~~and businesses, industries, organizations, local and State~~
9 ~~governments, the Federal Government and foreign governments,~~
10 ~~consistent with the general purposes of section 2003 A(a).~~

11 INSTITUTIONS AND AGENCIES. ←

12 (6) To establish general policies for the admission of
13 students and to assure procedural protection for the discipline
14 and expulsion of students. The actual admission of students
15 shall remain the province of the individual institutions.

16 (7) To coordinate, review, amend and approve the annual
17 capital budget requirements of the system, the annual operating
18 budgets of the individual institutions and the operating budget
19 of the chancellor and the board. The board shall present these
20 annual budgets with comments to the secretary for presentation
21 to the State board. The State board shall return such budget
22 requests, recommending approval or disapproval with comments, if
23 any, to the secretary prior to their submission to the Secretary
24 of Budget and Administration. The board may also submit its
25 budget recommendations and findings to the General Assembly
26 subsequent to the submission of the Governor's budget to the
27 General Assembly. For the purpose of administration, the system
28 shall be subject to Article VI of the act of April 9, 1929
29 (P.L.177, No.175), known as "The Administrative Code of 1929,"
30 except for section 615.

1 (8) To establish general personnel policies under which the
2 institutions shall operate consistent with merit principles; to
3 determine equivalent degree and teaching experience
4 qualifications for appointment or promotion of faculty employes
5 within the classifications enumerated in the act of January 18,
6 1952 (1951 P.L.2111, No.600), referred to as the State College
7 Faculty Compensation Law, to include, but not be limited to, the
8 Degrees of Juris Doctor and Master of Fine Arts; and to enter
9 into collective bargaining agreements pursuant to the act of
10 July 23, 1970 (P.L.563, No.195), known as the "Public Employe
11 Relations Act," in accordance with section 2003-A of this act.

12 (9) To recommend approval or disapproval of all system
13 building projects to the Secretary of the Budget which are not
14 within the contracting authority of the system under section
15 2003-A.1.

16 (10) To represent the system before the General Assembly,
17 the Governor and the State board.

18 (11) To fix the levels of tuition fees, except student
19 activity fees. Tuition fees shall include a differential for
20 such charges between students who are residents of the
21 Commonwealth and students who are nonresidents.

22 (12) To adopt general policies with regard to student
23 activity fees and to provide for student participation in the
24 formulation of these policies.

25 (13) To establish policies regarding waiver, deferment and
26 refund of tuition fees and other charges and fees.

27 (13.1) To set the amounts for fines for violations of rules
28 respecting THE USE, parking and operation of motor vehicles on <—
29 system facilities, which shall not MAY BE ESTABLISHED TO exceed <—
30 the amounts which municipalities are authorized to assess for

1 such offenses under 75 Pa.C.S. (relating to vehicles).

2 (13.2) To establish policy concerning expenditures from the
3 system reserve and to approve all expenditures therefrom.

4 (13.3) To establish policy concerning the organization of
5 centrally provided administrative and professional support
6 services, ~~including~~ AND THE allocation of charges therefor, and <—
7 to approve the chancellor's recommendations for the
8 establishment of such services.

9 (14) To make all reasonable rules and regulations necessary
10 to carry out the purposes of this article and the duties of the
11 board.

12 (15) To do and perform generally all of those things
13 necessary and required to accomplish the role and objectives of
14 the system.

15 (b) The Board of Governors shall provide for the holding of
16 regular and special meetings. Eleven (11) governors attending
17 shall constitute a quorum for the transaction of any business
18 and, unless a greater number is required by the bylaws of the
19 board, the act of a majority of the governors present at any
20 meeting shall be deemed the act of the board.

21 (C) THE BOARD OF GOVERNORS MAY GRANT EXCLUSIVE SYSTEMWIDE <—
22 LICENSES TO PUBLIC AND/OR PRIVATE ENTITIES FOR THE BENEFIT OF
23 THE STUDENTS, EMPLOYES AND ALUMNI OF THE SYSTEM OF HIGHER
24 EDUCATION.

25 Section 7 8. The act is amended by adding a section to read: <—

26 Section 2006-A.1. Powers and Duties Relating to Bonds.--(a)
27 The bonds of the State System of Higher Education authorized to
28 be issued shall:

29 (1) Be authorized by resolution of the Board of Governors of
30 the system.

1 (2) Be of such series, bear such date or dates, mature at
2 such time or times, not exceed forty (40) years from their
3 respective dates.

4 (3) Bear interest at such rate or rates as shall be
5 determined by the system as necessary to issue and sell the
6 authorized bonds.

7 (4) Be in such denominations, BE in such form, either coupon ←
8 or fully registered without coupons and carry such registration,
9 exchangeability and interchangeability privileges as the system
10 may determine.

11 (5) Be payable in such medium of payment and at such place
12 or places as the system shall determine.

13 (6) Be subject to such terms of redemption and be entitled
14 to such priorities in the revenues or receipts of the system as
15 such resolution or resolutions may provide.

16 (7) Contain such other terms and conditions as shall be
17 deemed advisable by the system.

18 (b) The bonds shall be signed by or shall bear the facsimile
19 signature of such officers as the board shall determine. Coupon
20 bonds shall have attached thereto interest coupons bearing the
21 facsimile signature of the chief fiscal officer of the system.

22 (c) Any such bonds may be issued and delivered,
23 notwithstanding that one or more of the officers signing such
24 bonds or the facsimile or whose signature shall be upon such
25 bonds, the coupons or any part thereof shall have ceased to be
26 such officer or officers at the time when such bonds shall
27 actually be delivered.

28 (d) The bonds may be sold at public or private sale for such
29 price or prices and at such rate of interest as the system shall
30 determine.

1 (e) Pending the preparation of the definitive bonds, interim
2 receipts may be issued to the purchaser of such bonds and may
3 contain such terms and conditions as the system may determine.

4 (f) Any resolution or resolutions authorizing any bonds may
5 contain provisions which shall be part of the contract with the
6 holders thereof as to:

7 (1) The terms and provisions of the bonds.

8 (2) Limitations on the purposes to which the proceeds of the
9 bonds then or thereafter to be issued, or of any loan or grant
10 by the United States, may be applied.

11 (3) The setting aside of reserves or sinking funds and the
12 regulation and disposition thereof.

13 (4) Limitations on the issuance of additional bonds.

14 (5) The terms and provisions of any deed of trust or
15 indenture securing the bonds or under which the same may be
16 issued.

17 (6) Any other or additional agreements with the holder of
18 the bonds.

19 (g) The system may enter into any deeds of trust indentures
20 or other agreements, with any bank or trust company or other
21 person or persons in the United States having power to enter
22 into the same, including any Federal agency as security for such
23 bonds, and may assign and pledge all or any of the revenues or
24 receipts of the system thereunder. The deed of trust, indenture
25 or other agreement may contain such provisions as may be
26 customary in such instruments or as the system may authorize,
27 including, ~~but~~ without limitation, provisions as to:

28 (1) The construction, improvement, operation, maintenance
29 and repair of any project and the duties of the system with
30 references thereto.

<—

1 (2) The application of funds and the safeguarding of funds
2 on hand or on deposit.

3 (3) The rights and remedies of said trustee and the holders
4 of the bonds, which may include restrictions upon the individual
5 right of action of such bondholders.

6 (4) The terms and provisions of the bonds or the resolutions
7 authorizing the issuance of same.

8 (h) Except to the extent that the rights herein given may be
9 restricted by resolution passed before the issuance of the
10 bonds, or by the trust indenture, any holder of bonds issued
11 under the provisions of this section, or OF any of the coupons ←
12 attached thereto, and the trustee under the trust indenture, if
13 any, may either at law or in equity, by suit, action, mandamus
14 or other proceedings, protect and enforce any and all rights
15 granted hereunder or under such resolution or trust indenture
16 and may enforce and compel performance of all duties required by
17 this act or by such resolution or trust indenture to be
18 performed by the system or any officer thereof.

19 (i) All system bonds shall have all the qualities of
20 negotiable instruments under the law merchant and the negotiable
21 instruments law of the THIS Commonwealth. ←

22 (j) The accomplishment by the system of the authorized
23 purposes stated in this article being for the benefit of the
24 people of this Commonwealth and for the improvement of their
25 education and prosperity, in which accomplishment the system
26 will be performing essential governmental functions, the system
27 shall not be required to pay any taxes or assessments on any
28 property acquired or used by it for the purposes provided in
29 this article, and the bonds, notes or other obligations issued
30 by the system, their transfer and the income therefrom,

1 including any profits made on the sale thereof, shall at all
2 times be free from taxation within the Commonwealth.

3 Section 9. Section 2008-A(c) of the act, amended June 23, <—
4 1988 (P.L.457, No.77), is amended and the section is amended by
5 adding subsections to read:

6 Section 2008-A. Councils of Trustees.--* * *

7 [(c) The members of each board of trustees of a former State
8 college or university serving in such capacity on the effective
9 date of this act shall continue to serve for the balance of
10 their respective terms.]

11 * * *

12 (e) (1) Any trustee who is absent from three (3)
13 consecutive quarterly meetings shall be removed by the
14 respective appointing authority, unless all such absences were
15 caused by personal illness, the illness of a family member, or
16 the death of a family member.

17 (2) The chairperson of the council shall notify the
18 respective appointing authority when a council member has
19 unexcused absences from three (3) consecutive regular meetings.

20 (f) Each trustee shall attend an orientation during the
21 first year of service which shall be conducted by the
22 chancellor. The purpose of this orientation shall be to acquaint
23 trustees with the duties of their office, the mission of the
24 system and their respective universities and the operations of
25 their respective universities and the system. The chancellor
26 shall certify attendance to the respective appointing authority.

27 Section 10. Section 2010-A(5)and (10) of the act, added <—
28 November 12, 1982 (P.L.660, No.188), are amended 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 [power and his
7 duties shall be] following powers and duties:

8 * * *

9 (5) To establish policies and procedures governing the use
10 of institutional facilities and property [in accordance with
11 guidelines established by the local council].

12 * * *

13 (10) Within the limitations of the operating budget and
14 other available funds in accordance with the procedures
15 established by the board and with the approval of the local
16 council, to negotiate and award all contracts for equipment,
17 services and supplies in excess of a cost of [five thousand
18 dollars (\$5,000)] ten thousand dollars (\$10,000), ADJUSTED ←
19 ANNUALLY FOR INCREASES IN THE CONSUMER PRICE INDEX FOR ALL URBAN
20 CONSUMERS UNITED STATES CITY AVERAGE, ALL ITEMS (CPIU) ON A
21 CALENDAR YEAR BASIS AT THE DISCRETION OF THE BOARD OF GOVERNORS,
22 on a competitive bid basis and to purchase instructional,
23 educational, extracurricular, technical, administrative,
24 custodial and maintenance equipment and supplies not in excess
25 of a cost of [five thousand dollars (\$5,000)] ten thousand
26 dollars (\$10,000), ADJUSTED ANNUALLY FOR INCREASES IN THE ←
27 CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS UNITED STATES CITY
28 AVERAGE, ALL ITEMS (CPIU) ON A CALENDAR YEAR BASIS AT THE
29 DISCRETION OF THE BOARD OF GOVERNORS, without competitive
30 bidding, except that such items shall not be bought in series to

1 avoid the dollar ceiling.

2 * * *

3 Section ~~10~~ 11. Funding for the Board of Governors and the <—
4 chancellor shall be derived from all operating funds available
5 to the State System of Higher Education but shall not exceed
6 0.50% of such funds. For purposes of this section, the term
7 "operating funds" shall mean any Federal appropriation, any
8 State appropriation, any student tuition fees and any student
9 fees for room and board.

10 Section ~~11~~ 12. (a) Section 3 of the act of November 12, <—
11 1982 (P.L.660, No.188), entitled "An act amending the act of
12 March 10, 1949 (P.L.30, No.14), entitled 'An act relating to the
13 public school system, including certain provisions applicable as
14 well to private and parochial schools; amending, revising,
15 consolidating and changing the laws relating thereto,'
16 establishing the State System of Higher Education and
17 designating its institutions; creating and defining the powers
18 and duties of the Board of Governors; establishing the office
19 and duties of the chancellor of the university system; defining
20 the powers and duties of presidents and the Councils of Trustees
21 of the University Institutions; relating the powers and duties
22 of the State Board of Education with the university system; and
23 making certain repeals," is repealed.

24 (b) All other acts and parts of acts are repealed insofar as
25 they are inconsistent with this act.

26 (c) Except as otherwise provided, nothing in this act shall
27 be construed to repeal the act of April 9, 1929 (P.L.177,
28 No.175), known as The Administrative Code of 1929, but only as
29 provided in this act and to the extent that the State System of
30 Higher Education or its constituent institutions are expressly

1 referred to therein, or the act of January 18, 1952 (1951
2 P.L.2111, No.600), referred to as the State College Faculty
3 Compensation Law.

4 Section ~~12~~ 13. This act shall take effect immediately.

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