THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL No. 2747 Session of 1994

INTRODUCED BY COY, D. R. WRIGHT, CORRIGAN, GORDNER, ROBINSON, MELIO, VAN HORNE, COWELL, CESSAR, KUKOVICH, ROONEY, E. Z. TAYLOR, BATTISTO, HANNA, FARGO, TOMLINSON, PISTELLA, RICHARDSON, CURRY, HUGHES, STEELMAN AND SCHULER, MAY 16, 1994

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF REPRESENTATIVES, AS AMENDED, SEPTEMBER 26, 1994

AN ACT

1 2 3 4 5 6	Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," further providing for the operation of the State System of Higher Education; and making repeals.	
7	The General Assembly of the Commonwealth of Pennsylvania	
8	hereby enacts as follows:	
9	Section 1. Section 2001 A(3) of the act of March 10, 1949	<-
10	(P.L.30, No.14), known as the Public School Code of 1949, added	
11	November 12, 1982 (P.L.660, No.188), is amended to read:	
12	Section 2001 A. Definitions. The following words and	
13	phrases when used in this article shall, for the purpose of this	
14	article, have the following meanings, respectively, except in	
15	those instances where the context clearly indicates a different	
16	meaning:	
17	<u>* * *</u>	
18	[(3) "Coalition bargaining" shall mean two (2) or more	

1 employers bargaining jointly with all of their employes in a
2 particular category or bargaining unit so that one collective
3 process would determine the conditions of employment for all
4 employers in the appropriate units involved.]

5 <u>* * *</u>

6 Section 2 1. Section 2002-A of the act OF MARCH 10, 1949
7 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949,
8 amended or added November 12, 1982 (P.L.660, No.188) and June
9 23, 1988 (P.L.457, No.77), is amended to read:

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Section 2002-A. Establishment of the State System of Higher 10 11 Education and its Institutions.--(a) [Subject to the regulatory powers conferred by law upon the State Board of Education, 12 13 there] There is hereby established a body corporate and politic 14 constituting a public corporation and government instrumentality 15 which shall be known as the State System of Higher Education, 16 independent of the Department of Education, hereinafter referred 17 to as the system, which shall consist of the following 18 institutions and such other institutions, presently existing or 19 newly created, as may hereafter be admitted by the board in 20 concurrence with other agencies as required by law:

21 [(1) Bloomsburg State College;

- 22 (2) California State College;
- 23 (3) Cheyney State College;
- 24 (4) Clarion State College;
- 25 (5) East Stroudsburg State College;
- 26 (6) Edinboro State College;

27 (7) Indiana University of Pennsylvania;

- 28 (8) Kutztown State College;
- 29 (9) Lock Haven State College;
- 30 (10) Mansfield State College;

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- 1 (11) Millersville State College;
- 2 (12) Shippensburg State College;
- 3 (13) Slippery Rock State College; and
- 4 (14) West Chester State College.]
- 5 (1) Bloomsburg University of Pennsylvania.
- 6 <u>(2)</u> California University of Pennsylvania.
- 7 (3) Cheyney University of Pennsylvania.
- 8 <u>(4) Clarion University of Pennsylvania.</u>
- 9 (5) East Stroudsburg University of Pennsylvania.
- 10 (6) Edinboro University of Pennsylvania.
- 11 (7) Indiana University of Pennsylvania.
- 12 (8) Kutztown University of Pennsylvania.
- 13 (9) Lock Haven University of Pennsylvania.
- 14 (10) Mansfield University of Pennsylvania.
- 15 <u>(11) Millersville University of Pennsylvania.</u>
- 16 (12) Shippensburg University of Pennsylvania.
- 17 (13) Slippery Rock University of Pennsylvania.
- 18 (14) West Chester University of Pennsylvania.

[Each of the said institutions shall hereafter be known 19 (b) 20 as the (Name) University of Pennsylvania of the State System of 21 Higher Education, except for Indiana University of Pennsylvania, 22 which shall retain its name. As successor institutions to the 23 State Normal Schools, appropriations for their operation are 24 ordinary expenses of government, requiring only a majority vote 25 of each House of the General Assembly. The State System of 26 Higher Education shall have the same preferred status for 27 appropriations as is enjoyed by its constituent institutions. 28 State funds appropriated to the system shall be allocated to the 29 individual institutions, the Office of the Chancellor and other programs and facilities by the board on a formula based on, but 30 - 3 -19940H2747B4090

not limited to, such factors as enrollments, degrees granted and 1 2 programs. The board may create a system reserve, the balance of <-----3 which shall not exceed one half of one per cent (0.50%) of all 4 available operating funds, which may be expended for emergencies 5 and for special projects in accordance with board policy. WHICH <-MAY BE EXPENDED FOR EMERGENCIES AND SPECIAL PROJECTS IN 6 ACCORDANCE WITH BOARD POLICY. SUCH EXPENDITURES, EXCEPT IN CASES 7 8 OF EMERGENCY, SHALL BENEFIT THREE OR MORE UNIVERSITIES AND SHALL 9 NOT INCUR OR REQUIRE FINANCIAL COMMITMENTS OF LONGER THAN ONE 10 FISCAL YEAR. 11 Section 3 2. Section 2003-A of the act, amended July 11, <--1990 (P.L.424, No.103), is amended to read: 12 13 Section 2003-A. Purposes and General Powers.--(a) The State 14 System of Higher Education shall be part of the Commonwealth's 15 system of higher education. Its purpose shall be to provide high

16 quality education at the lowest possible cost to the students.

17 The primary mission of the system is the provision of

18 instruction for undergraduate and graduate students to and 19 beyond the master's degree in the liberal arts and sciences and 20 in applied fields, including the teaching profession. Graduate instruction at the doctoral level, except for doctoral programs 21 22 provided for in the act of December 16, 1965 (P.L.1113, No.430), 23 known as the "Indiana University of Pennsylvania Act," only may 24 be offered jointly with Indiana University or an institution 25 chartered to offer work at the doctoral level. Programs of 26 research and service may be provided which are approved by the 27 Board of Governors, and which are consistent with the primary 28 mission of the system. Each institution shall provide appropriate educational facilities, student living facilities 29 30 and such other facilities as deemed necessary by the board. 19940H2747B4090 - 4 -

1 (b) The system is hereby granted and shall have and may 2 exercise all the powers necessary or convenient for the carrying 3 out of the aforesaid purposes, including, but without limiting 4 the generality of the foregoing, the following rights and 5 powers:

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

7 (2) To adopt, use and alter at will a corporate seal. 8 To acquire, purchase, hold, lease as lessee and use any (3) 9 property, real, personal or mixed, tangible or intangible, or 10 any interest therein, lease as lessor any property, real, 11 personal or mixed, tangible or intangible, necessary or desirable for carrying out the purposes of the system, and to 12 sell, transfer and dispose of any property acquired by gift, 13 14 grant, devise or bequest, whether the property is real, personal 15 or mixed, tangible or intangible, or any interest therein; to 16 take, demand, receive and possess all moneys, real property and 17 goods which shall be appropriated, given or granted to for the 18 use of the system and to apply the same according to the will of 19 the donors; to sell, transfer and dispose of real property 20 acquired by and titled to the system upon approval by the 21 General Assembly as provided in section 2018-A; and by gift, 22 purchase or devise to receive, possess, enjoy and retain forever 23 any and all real and personal estate and funds, of whatsoever 24 kind, nature or quality the same may be, in special trust and 25 confidence that the same, and the profits thereof, shall be 26 applied to and for the use and purpose of endowing the system, 27 and shall have power to receive donations from any source 28 whatever, to be exclusively devoted to the purposes of the 29 system or according to the terms of donation: Provided, however, 30 That the system shall have no power at any time or in any - 5 -19940H2747B4090

manner, to pledge the credit or taxing power of the 1 Commonwealth, nor shall any of its obligations or debts be 2 3 deemed to be obligations of the Commonwealth, nor shall the 4 Commonwealth be liable for the payment of principal or interest 5 on such obligations. Nothing herein shall empower the Board of Governors or the chancellor to take or receive any moneys, goods 6 7 or other property, real or personal, which is given or granted to specific institutions. 8 9 (4) TO ENTER INTO JOINT VENTURES, CONSORTIA AND PARTNERSHIPS 10 WITH BUSINESSES, INDUSTRIES, ORGANIZATIONS, LOCAL AND STATE 11 GOVERNMENTS, THE FEDERAL GOVERNMENT AND FOREIGN GOVERNMENTS TO PURSUE APPLIED AND THEORETICAL RESEARCH. 12 13 (4) (5) To borrow money, make and issue negotiable notes,

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14 bonds, refunding bonds and other evidence of indebtedness of

15 <u>obligations</u>, herein called bonds, of the system, subject to all

16 of the following conditions and limitations:

17 (i) The bonds shall have a maturity date not longer than

18 forty (40) years from the date of issue.

19 (ii) The system, by pledge or deed of trust of all or any of

20 its revenues and receipts, may secure the payment of such bonds

21 or any part thereof.

22 (iii) The system may make such agreements with the

23 purchasers or holders of such bonds, or with others in

24 connection with any such bonds, whether issued or to be issued,

25 as the system shall deem advisable.

26 <u>(iv)</u> The system shall provide for the security for the bonds

27 and the rights of the holders thereof.

28 (v) The system shall not issue bonds if, on the date of

29 issuance, the aggregate principal amount of bonds to be

30 <u>outstanding shall exceed one hundred per cent (100%)</u> SEVENTY-

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1 FIVE PER CENT (75%) of the system's average ANNUAL gross <revenues for the three (3) CONSECUTIVE fiscal years preceding 2 <-----3 the fiscal year in which bonds are proposed to be issued, except that leases, capitalized or otherwise, entered into by the 4 5 system, as lessee, in connection with the acquisition of real and personal property shall not be considered bonds for the 6 7 purposes of these limitations. 8 (vi) The system shall have no power, at any time or in any 9 manner, to pledge the credit or taxing power of the Commonwealth, nor shall any of the bonds or debts of the system 10 11 be deemed to be obligations of the Commonwealth, nor shall the 12 Commonwealth be liable for the payment of principal or interest 13 on such bonds or other obligations. 14 Collective *f* bargaining agreements in force at the time (C) <---of enactment of this act shall remain in force for the term of 15 16 the contract. New collective bargaining agreements with <----17 {professional} employes shall be negotiated on behalf of the <-----18 system by the chancellor. {The board shall make a coalition <-----19 bargaining arrangement with the Commonwealth for the negotiation 20 of new collective bargaining agreements with noninstructional 21 employes. <----22 Section 4 3. Section 2003-A.1 of the act is amended by <----23 adding a subsection to read: 24 Section 2003-A.1. Project Contracts.--* * * 25 (q) Contractors awarded contracts in excess of twenty-five 26 thousand dollars (\$25,000) shall furnish performance bonds for 27 one hundred per cent (100%) of the contract amount to insure 28 faithful performance of all contractual obligations and payment 29 bonds in the amount of one hundred per cent (100%) of the contract amount, for the protection of persons providing the 30 19940H2747B4090

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contractor labor, materials, supplies and services on such forms 1 as the chancellor may specify. Such bonds shall be executed by 2 3 surety companies authorized to do business in this Commonwealth. 4 All bonds shall be payable to the State System of Higher 5 Education. Section 5 4. Section 2004-A of the act, amended June 23, 6 <----1988 (P.L.457, No.77), is amended to read: 7 8 Section 2004-A. Board of Governors.--(a) The system shall be governed and all of its corporate powers exercised by the 9 10 Board of Governors, which shall consist of twenty (20) members 11 to be appointed as follows: 12 (1) The Governor, or his designee. 13 The Secretary of Education, or his designee. (2) 14 One (1) Senator appointed by the President pro tempore (3) 15 of the Senate. 16 (4) One (1) Senator appointed by the Minority Leader of the 17 Senate. 18 One (1) Representative appointed by the Speaker of the (5) House of Representatives. 19 20 (6) One (1) Representative appointed by the Minority Leader 21 of the House of Representatives. 22 Fourteen (14) members shall be appointed by the Governor (7) 23 and, except for student members, these appointments shall be with the advice and consent of the Senate [of which six (6) 24 25 shall be selected from the citizens of the Commonwealth]. Three 26 (3) members of the fourteen (14) shall be <u>undergraduate</u> students <-----27 whose terms shall expire upon graduation, separation or failure to maintain good academic [standards] standing at their 28 institution and five (5) of the fourteen (14) shall be trustees 29 30 of constituent institutions, however, no more than one trustee 19940H2747B4090 - 8 -

representing a constituent institution. The student members
 shall be selected from the [presidents] <u>elected executive</u>
 <u>officers</u> of the local campus student government associations, or
 their local equivalent. <u>No student member shall simultaneously</u>
 serve as a member of a council.

(b) All members of the board appointed by the Governor, 6 except for the students, shall serve for terms of four (4) 7 years[.], but no trustee member shall be eligible to serve after 8 the expiration of his council term and the appointment of a 9 10 successor council member. The Governor and Secretary of 11 Education shall serve so long as they continue in office. Members of the board appointed from the General Assembly shall 12 13 serve a term of office concurrent with their respective elective 14 terms as members of the General Assembly.

15 (c) The Governor or his designee, and the Secretary of 16 Education or his designee, and the members of the General 17 Assembly shall be members of the board and shall be entitled to 18 attend all meetings of the board and shall have the right to 19 speak on all matters before the board, and to vote, but shall 20 not be elected as an officer of the board.

(d) The board shall elect one (1) of its members to serve as its chairperson at the pleasure of the board. Members shall receive no compensation for their services but shall be reimbursed for the expenses necessarily incurred by them in the performance of their duties. The board shall meet quarterly and additionally at the call of the chairperson, or upon request of six (6) members of the board.

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

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1	(f) Each board member shall attend an orientation during his	
2	first year of service which shall be conducted by the	
3	chancellor. The purpose of this orientation shall be to acquaint	
4	board members with their duties, the mission of the system and	
5	system operations. A board member's failure to attend a	<
б	scheduled orientation shall be disqualification for	
7	reappointment. The chancellor shall certify attendance to the	
8	Governor RESPECTIVE APPOINTING AUTHORITY.	<
9	(g) Any board member who is absent from three (3)	
10	<u>consecutive regular meetings shall be removed by his RESPECTIVE</u>	<
11	appointing authority unless all such absences were caused by	
12	personal illness, the illness of a family member or the death of	
13	a family member. THE CHAIR OF THE BOARD SHALL NOTIFY THE	<
14	RESPECTIVE APPOINTING AUTHORITY WHEN A BOARD MEMBER HAS	
15	UNEXCUSED ABSENCES FROM THREE (3) CONSECUTIVE REGULAR MEETINGS.	
16	Section $\frac{6}{5}$ 5. Section 2005-A(7) AND (10) of the act, added	<
17	November 12, 1982 (P.L.660, No.188), is ARE amended and the	<
18	section is amended by adding clauses to read:	
19	Section 2005-A. The ChancellorThe chief executive officer	
20	of the system shall be a chancellor, who shall be employed by	
21	the board in accordance with clause (1) of section 2006-A. In	
22	addition to those prescribed by the board, the chancellor shall	
23	have the following duties:	
24	* * *	
25	(7) The chancellor shall be responsible for the	
26	administration of the central office, systemwide business	
27	procedures and for the overall organization of maintenance of	
28	the physical plants and security at all institutions. The	
29	chancellor, in consultation with the commission and the approval	
30	of the board, may organize centrally-provided administrative and	

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1 professional support services and allocate charges for same to
2 users.
3 * * *
4 (10) THE CHANCELLOR SHALL SERVE AS AN EX OFFICIO MEMBER OF
5 THE COUNCIL OF EACH INSTITUTION IN THE SYSTEM WITHOUT VOTING

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6 PRIVILEGES.

7 * * *

8 (12) The chancellor, in consultation with the board, shall 9 appoint and fix the compensation of a chief legal counsel and 10 such assistant counsel as may be required and may contract for legal services on a competitive basis. The system shall be 11 deemed an independent agency for purposes of the act of October 12 13 15, 1980 (P.L.950, No.164), known as the "Commonwealth Attorneys 14 Act, "except that sections 204(b) and (f) of the "Commonwealth 15 Attorneys Act" shall not apply to the system. 16 (13) The chancellor shall create and conduct orientation 17 programs for new board members and trustees in consultation with

18 representatives of the board, the commission and the councils

19 and shall certify attendance to the Governor RESPECTIVE

20 <u>APPOINTING AUTHORITY.</u>

21 Section 7 6. Section 2006-A(a)(5) of the act, amended July 22 1, 1985 (P.L.103, No.31), is amended and the section is amended 23 by adding clauses to read:

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

29 * * *

30 (5) To create new undergraduate and graduate degree 19940H2747B4090 - 11 -

1 programs, which shall not be subject to the rules and 2 regulations of the State Board of Education; to approve 3 [extension campuses] establishment of branch campuses and 4 extension centers and new external degree programs subject to 5 the rules and regulations of the State Board of Education; to promote cooperation among institutions, including the 6 7 development of consortia within the system and other educational 8 institutions and agencies; TO APPROVE THE CREATION OF JOINT <-9 VENTURES, CONSORTIA AND PARTNERSHIPS BETWEEN SYSTEM INSTITUTIONS 10 AND BUSINESSES, INDUSTRIES, ORGANIZATIONS, LOCAL AND STATE 11 GOVERNMENTS, THE FEDERAL GOVERNMENT AND FOREIGN GOVERNMENTS FOR 12 PURPOSES OF PURSUING APPLIED AND THEORETICAL RESEARCH. 13 * * * 14 (16) To establish policy concerning expenditures from the 15 system reserve and to approve all expenditures therefrom. 16 (17) To establish policy concerning the organization of 17 centrally-provided administrative and professional support 18 services, including allocation of charges therefor and to approve the chancellor's recommendations for the establishment 19 20 of such services. 21 Section ϑ 7. The act is amended by adding a section SECTIONS <-----22 to read: 23 SECTION 2006-A.1. PUBLIC PARTICIPATION.--(A) AT EACH <-24 MEETING OF THE BOARD AND BEFORE ANY OFFICIAL ACTION IS TAKEN, 25 THE BOARD SHALL PROVIDE FOR A PUBLIC COMMENT PERIOD ON MATTERS 26 OF CONCERN, OFFICIAL ACTION OR DELIBERATION WHICH ARE OR MAY BE 27 BEFORE THE BOARD. IF THE BOARD DETERMINES THAT THERE IS NOT 28 SUFFICIENT TIME AT A MEETING TO PROVIDE FOR PUBLIC COMMENT, THE 29 BOARD MAY PROVIDE A SEPARATE MEETING FOR PUBLIC COMMENT ON SUCH 30 MATTERS AS LONG AS THE MEETING OCCURS BEFORE THE RELEVANT

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1 OFFICIAL ACTION IS TAKEN.

2	(B) FOR THE PURPOSES OF THIS SECTION, THE TERM "OFFICIAL
3	ACTION" SHALL HAVE MEANING AFFORDED TO IT IN THE ACT OF JULY 3,
4	1986 (P.L.388, NO.84), KNOWN AS THE "SUNSHINE ACT."
5	<u>Section 2006 A.1 2006-A.2.</u> Powers and Duties Relating to <-
6	Bonds(a) The bonds of the State System of Higher Education
7	authorized to be issued shall:
8	(1) Be authorized by resolution of the Board of Governors of
9	the system.
10	(2) Be of such series, bear such data or dates, mature at
11	such time or times, not exceed forty (40) years from their
12	respective dates.
13	(3) Bear interest, payable semiannually, at such rate or
14	rates, as shall be determined by the board as necessary to issue
15	and sell the authorized bonds.
16	(4) Be in such denominations, in such form, either coupon or
17	fully registered without coupons and carry such registration,
18	exchangeability and interchangeability privileges as the board
19	shall determine.
20	(5) Be payable in such medium of payment and at such place
21	or places as the system shall determine.
22	(6) Be subject to such terms of redemption and be entitled
23	to such priorities in the revenues or receipts of the system as
24	such resolution or resolutions may provide.
25	(b) The bonds shall be signed by or shall bear the facsimile
26	signature of such officers as the board shall determine. Coupon
27	bonds shall have attached thereto interest coupons bearing the
28	facsimile signature of the chief fiscal officer of the system.
29	All bonds shall be authenticated by an authenticating agent,
30	fiscal agent or trustee, as may be prescribed in such resolution
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1 <u>or resolutions.</u>

2	(c) Any such bonds may be issued and delivered,
3	notwithstanding that one or more of the officers signing such
4	bonds or the facsimile or whose signature shall be upon such
5	bonds, the coupons or any part thereof shall have ceased to be
6	such officer or officers at the time when such bonds shall
7	actually be delivered.
8	(d) The bonds may be sold at public or private sale for such
9	price or prices and at such rate of interest as the board shall
10	<u>determine.</u>
11	(e) Pending the preparation of the definitive bonds, interim
12	receipts may be issued to the purchaser of such bonds and may
13	contain such terms and conditions as the system may determine.
14	(f) Any resolution or resolutions authorizing any bonds may
15	contain provisions which shall be part of the contract with the
16	holders thereof as to:
17	(1) The terms and provisions of the bonds.
17 18	(1) The terms and provisions of the bonds. (2) Limitations on the purposes to which the proceeds of the
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18	(2) Limitations on the purposes to which the proceeds of the
18 19	(2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant
18 19 20	(2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied.
18 19 20 21	(2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the
18 19 20 21 22	(2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the regulation and disposition thereof.
18 19 20 21 22 23	 (2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the regulation and disposition thereof. (4) Limitations on the issuance of additional bonds.
18 19 20 21 22 23 24	 (2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the regulation and disposition thereof. (4) Limitations on the issuance of additional bonds. (5) The terms and provisions of any deed of trust or
18 19 20 21 22 23 24 25	 (2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the regulation and disposition thereof. (4) Limitations on the issuance of additional bonds. (5) The terms and provisions of any deed of trust or indenture securing the bonds or under which the same may be
18 19 20 21 22 23 24 25 26	 (2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the regulation and disposition thereof. (4) Limitations on the issuance of additional bonds. (5) The terms and provisions of any deed of trust or indenture securing the bonds or under which the same may be issued.
18 19 20 21 22 23 24 25 26 27	 (2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the regulation and disposition thereof. (4) Limitations on the issuance of additional bonds. (5) The terms and provisions of any deed of trust or indenture securing the bonds or under which the same may be issued. (6) Any other or additional agreements with the holder of
18 19 20 21 22 23 24 25 26 27 28	<pre>(2) Limitations on the purposes to which the proceeds of the bonds then or thereafter to be issued, or of any loan or grant by the United States, may be applied. (3) The setting aside of reserves or sinking funds and the regulation and disposition thereof. (4) Limitations on the issuance of additional bonds. (5) The terms and provisions of any deed of trust or indenture securing the bonds or under which the same may be issued. (6) Any other or additional agreements with the holder of the bonds.</pre>

1	person or persons in the United States having power to enter
2	into the same, including any Federal agency as security for such
3	bonds, and may assign and pledge all or any of the revenues or
4	receipts of the system thereunder. The deed of trust, indenture
5	or other agreement may contain such provisions as may be
6	customary in such instruments or as the system may authorize,
7	including, but without limitation, provisions as to:
8	(1) The construction, improvement, operation, maintenance
9	and repair of any project and the duties of the system with
10	references thereto.
11	(2) The application of funds and the safeguarding of funds
12	<u>on hand or on deposit.</u>
13	(3) The rights and remedies of said trustee and the holders
14	of the bonds, which may include restrictions upon the individual
15	right of action of such bondholders.
16	(4) The terms and provisions of the bonds or the resolutions
17	authorizing the issuance of same.
18	(h) Except to the extent that the rights herein given may be
19	restricted by resolution passed before the issuance of the
20	bonds, or by the trust indenture, any holder of bonds issued
21	under the provisions of this section, or any of the coupons
22	attached thereto, and the trustee under the trust indenture, if
23	any, may either at law or in equity, by suit, action, mandamus
24	or other proceedings, protect and enforce any and all rights
25	granted hereunder or under such resolution or trust indenture
26	and may enforce and compel performance of all duties required by
27	this act or by such resolution or trust indenture to be
28	performed by the system or any officer thereof.
29	(i) All system bonds shall have all the qualities of
30	negotiable instruments under the law merchant and the negotiable
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1 instruments law of the Commonwealth.

2	(j) The accomplishment by the system of the authorized	
3	purposes stated in this article being for the benefit of the	
4	people of this Commonwealth and for the improvement of their	
5	education and prosperity, in which accomplishment the system	
6	will be performing essential governmental functions, the system	
7	shall not be required to pay any taxes or assessments on any	
8	property acquired or used by it for the purposes provided in	
9	this article, and the bonds, notes or other obligations issued	
10	by the system, their transfer and the income therefrom,	
11	including any profits made on the sale thereof, shall at all	
12	times be free from taxation within the Commonwealth.	
13	Section 9.8. Section 2008-A(c) of the act, amended June 23,	<
14	1988 (P.L.457, No.77), is amended and the section is amended by	
15	adding subsections to read:	
16	Section 2008-A. Councils of Trustees* * *	
17	[(c) The members of each board of trustees of a former State	
18	college or university serving in such capacity on the effective	
19	date of this act shall continue to serve for the balance of	
20	their respective terms.]	
21	* * *	
22	(e) (1) Any trustee who is absent from three (3) consecutive	<
23	quarterly meetings shall be removed by his RESPECTIVE appointing	<
24	authority, unless all such absences were caused by personal	
25	illness, the illness of a family member, or the death of a	
26	family member.	
27	(2) THE CHAIR OF THE COUNCIL SHALL NOTIFY THE RESPECTIVE	<
28	APPOINTING AUTHORITY WHEN A COUNCIL MEMBER HAS UNEXCUSED	
29	ABSENCES FROM THREE (3) CONSECUTIVE REGULAR MEETINGS.	
30	(f) Each trustee shall attend an orientation during the	
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1	first year of service which shall be conducted by the	
2	chancellor. The purpose of this orientation shall be to acquaint	
3	trustees with the duties of their office, the mission of the	
4	system and their respective universities and the operations of	
5	their respective universities and the system. Failure to attend	<—
6	the orientation shall disqualify any incumbent trustee for	
7	reappointment. The chancellor shall certify attendance to the	
8	Office of the Governor RESPECTIVE APPOINTING AUTHORITY.	<
9	Section 10 9. Section 2010-A(5) of the act, added November	<—
10	12, 1982 (P.L.660, No.188), is amended to read:	
11	Section 2010-A. Power and Duties of Institution	
12	PresidentsThe president of each institution shall be	
13	appointed by the board. The president shall be the chief	
14	executive officer of that institution. He shall have the right	
15	to attend all meetings of the council of that institution and	
16	shall have the right to speak on all matters before the council	
17	but not to vote. Subject to the stated authority of the board	
18	and the council, each president shall have the power and his	
19	duties shall be:	
20	* * *	

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

24 * * *

Section 11 10. Funding for the Board of Governors and the chancellor shall come from all operating funds available to the State System of Higher Education but shall not exceed 0.50% of such funds. For purposes of this section, the term "operating funds" shall mean any Federal appropriation, any State appropriation, any student tuition fees and any student fees for 19940H2747B4090 - 17 -

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1 room and board.

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4 Sections 401.1 and 1311.1 of the act of April 9, 1929 5 (P.L.177, No.175), known as The Administrative Code of 1929. Sections 3, 4, 5 and 6 of the act of November 12, 1982 6 (P.L.660, No.188), entitled "An act amending the act of March 7 10, 1949 (P.L.30, No.14), entitled 'An act relating to the 8 9 public school system, including certain provisions applicable as 10 well to private and parochial schools; amending, revising, 11 consolidating and changing the laws relating thereto, ' establishing the State System of Higher Education and 12 13 designating its institutions; creating and defining the powers and duties of the Board of Governors; establishing the office 14 15 and duties of the chancellor of the university system; defining 16 the powers and duties of presidents and the Councils of Trustees 17 of the University Institutions; relating the powers and duties 18 of the State Board of Education with the university system; and 19 making certain repeals."

20 (b) The following acts and parts of acts are repealed to the 21 extent specified:

As much of section 202 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929,78 as relates to the following boards:

Board of Trustees of West Chester State College,
Board of Trustees of Millersville State College,
Board of Trustees of Kutztown State College,
Board of Trustees of East Stroudsburg State College,
Board of Trustees of Mansfield State College,
Board of Trustees of Bloomsburg State College,

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1 Board of Trustees of Shippensburg State College, Board of Trustees of Lock Haven State College, 2 3 Board of Trustees of California State College, 4 Board of Trustees of Slippery Rock State College, Board of Trustees of Edinboro State College, 5 Board of Trustees of Clarion State College, 6 Board of Trustees of Cheyney State College, 7 Board of Trustees of Indiana University of Pennsylvania, 8 at Indiana, 9 Board of State College and University Directors. 10 11 (c) All other acts and parts of acts are repealed insofar as they are inconsistent with this act. 12 13 (d) Except as otherwise provided, nothing in this act shall be construed to repeal the act of April 9, 1929 (P.L.177, 14 15 No.175), known as The Administrative Code of 1929, as amended, 16 but only as provided in this act and to the extent that the 17 State System of Higher Education or its constituent institutions 18 are expressly referred to therein, or the act of January 18, 1952 (1951 P.L.2111, No.600), referred to as the State College 19 20 Faculty Compensation Law.

21 Section 13 12. This act shall take effect immediately.

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