

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 754 Session of 2007

INTRODUCED BY RAFFERTY, ORIE, BOSCOLA, FOLMER, WAUGH, GREENLEAF,
PIPPY, MUSTO AND REGOLA, APRIL 10, 2007

REFERRED TO EDUCATION, APRIL 10, 2007

AN ACT

1 Amending the act of August 7, 1963 (P.L.549, No.290), entitled,
2 as amended, "An act creating the Pennsylvania Higher
3 Education Assistance Agency; defining its powers and duties;
4 conferring powers and imposing duties on the Governor,
5 President Pro Tempore of the Senate, Speaker of the House of
6 Representatives, Superintendent of Public Instruction and the
7 Department of Auditor General; and making appropriations,"
8 further providing for governing bodies and for audits and
9 reports.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 3(a) of the act of August 7, 1963
13 (P.L.549, No.290), referred to as the Pennsylvania Higher
14 Education Assistance Agency Act, amended January 18, 1968 (1967
15 P.L.952, No.424), is amended to read:

16 Section 3. Governing Bodies.--(a) (1) Such agency shall be
17 governed and all of its corporate powers exercised by a board of
18 directors which shall consist of twenty members, nineteen of
19 whom shall be appointed as hereinafter provided, and the
20 Superintendent of Public Instruction. Three members shall be
21 appointed by the Governor, eight shall be appointed by the

1 President Pro Tempore of the Senate and confirmed by a majority
2 of the members of the Senate, and eight shall be appointed by
3 the Speaker of the House of Representatives[. All] and confirmed
4 by a majority of the members of the House of Representatives.

5 (2) Except as otherwise provided for legislative appointees
6 under clause (4), all members shall be of full age, citizens of
7 the United States and residents of the State, and shall be
8 appointed for terms of six years each, except that of the
9 members first appointed by the Governor, one shall be appointed
10 for a term which shall expire on June 30, 1965, one for a term
11 which shall expire on June 30, 1967, and one for a term which
12 shall expire on June 30, 1969, and of the members first
13 appointed by the President Pro Tempore of the Senate, one shall
14 be appointed for a term which shall expire on June 30, 1965, one
15 for a term which shall expire on June 30, 1967, and one for a
16 term which shall expire on June 30, 1969, and of the members
17 first appointed by the Speaker of the House of Representatives,
18 one shall be appointed for a term which shall expire on June 30,
19 1965, one for a term which shall expire on June 30, 1967, and
20 one for a term which shall expire on June 30, 1969; and of the
21 five additional members to be appointed by the President Pro
22 Tempore of the Senate under this amendment, one shall be
23 appointed for a term which shall expire on June 30, 1969, two
24 for a term which shall expire on June 30, 1971, one for a term
25 which shall expire on June 30, 1973 and one for a term which
26 shall expire on June 30, 1975, and of the five additional
27 members to be appointed by the Speaker of the House of
28 Representatives under this amendment, one shall be appointed for
29 a term which shall expire on June 30, 1969, two for a term which
30 shall expire on June 30, 1971, one for a term which shall expire

1 on June 30, 1973 and one for a term which shall expire on June
2 30, 1975.

3 (3) The eight members appointed by the President Pro Tempore
4 of the Senate and confirmed by a majority of the members of the
5 Senate shall be members of the Senate, four of whom shall be of
6 the majority party and four of the minority party, and the eight
7 members appointed by the Speaker of the House of Representatives
8 and confirmed by a majority of the members of the House of
9 Representatives shall be members of the House of
10 Representatives, four of whom shall be of the majority party and
11 four of the minority party[, and any]

12 (4) Any member of the Senate or House of Representatives
13 [hereafter] appointed and confirmed as provided in clause (3)
14 shall serve on the board only so long, but in no event more than
15 two terms, as he is a member of the particular body of the
16 General Assembly from which he was appointed to the board, in
17 which event he shall be ineligible to continue as a member of
18 the board as a legislative appointee and a vacancy shall exist.
19 In such a case the President Pro Tempore of the Senate or the
20 Speaker of the House of Representatives shall fill the vacancy
21 for the unexpired term in the same manner as original
22 appointments. A member of the board of directors who becomes
23 ineligible to serve as a legislative appointee shall be
24 [eligible] ineligible for appointment by the Governor.

25 (5) The board of directors shall elect from its own members
26 each year a chairman and vice chairman who shall serve for terms
27 of one year and who shall be eligible for reelection for
28 successive terms.

29 (6) Vacancies shall be filled for the unexpired terms in the
30 same manner as original appointments.

1 (7) Directors shall receive no compensation for their
2 services, but shall be reimbursed for their expenses actually
3 and necessarily incurred by them in the performance of their
4 duties under this act.

5 * * *

6 Section 2. Section 8 of the act, amended October 29, 1969
7 (P.L.283, No.116), is amended to read:

8 Section 8. Audits and Reports.--(a) The activities of the
9 Pennsylvania Higher Education Assistance Agency under this act
10 shall be subject to the audit of the Department of Auditor
11 General, but the agency shall not be required to pay a fee for
12 any such audit. It shall make an annual report to the Governor,
13 and the Legislature showing its condition at the end of the
14 Commonwealth's fiscal year.

15 (b) The agency shall retain an independent auditor who shall
16 perform an annual internal audit of the expenses and revenues of
17 the agency. In addition to examining the agency's financial
18 statements, the independent auditor shall be entitled to examine
19 original source documents at such times as the auditor believes
20 necessary, or may otherwise examine original documents on a
21 random basis designed to ensure the integrity of the audit. The
22 audit shall include, but not be limited to, the expenses
23 incurred by individual members of the board and reimbursed or
24 otherwise paid for by the agency. The independent auditor shall
25 prepare a written report of its internal audit and the agency
26 shall submit a copy of the report to the Finance Committee of
27 the Senate and the Finance Committee of the House of
28 Representatives no later than April 1 of each year.

29 Section 3. This act shall apply as follows:

30 (1) The amendment of section 3(a) of the act relating to

1 a limitation of two terms for the legislative appointees who
2 are members of the board of directors of the Pennsylvania
3 Higher Education Assistance Agency shall apply to those
4 members of the board of directors who are members of the
5 General Assembly on or after the effective date of this
6 section.

7 (2) Any member of the board of directors to whom
8 paragraph (1) applies and who, on the effective date of this
9 section, is serving his or her second or subsequent term of
10 office as a member of the board shall be eligible to continue
11 as a member of the board of directors as a legislative
12 appointee for the remainder of the member's term.

13 Section 4. This act shall take effect in 60 days.