



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2171

PRINTERS NO. 3801

PRIME SPONSOR: Sonney

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 2171 amends the Public School Code concerning the governance of the State System of Higher Education and its institutions. It would take effect in 60 days.

ANALYSIS:

House Bill 2171 makes a variety of changes to the governance structure of the Pennsylvania State System of Higher Education (PASSHE). The significant changes are summarized by section below.

Section 2002-A. Establishment of the State System of Higher Education and its Institutions. -

Changes to this section require the State System Board of Governors to develop policies and procedures by which the Board may create, expand, consolidate, transfer, or affiliate an institution or college. Before the creation, expansion, consolidation, transfer, or affiliation of an institution or college the Board must direct the Chancellor to conduct a review and analysis of the relevant institutions or colleges using metrics listed in the legislation, including consultation with stakeholders and public hearings.

Section 2004-A. Board of Governors. - House Bill 2171 makes changes to the qualifications and appointment process for the PASSHE Board of Governors.

Section 2006-A. Powers and Duties of the Board of Governors. - Language is added clarifying that the Board has plenary power to make, issue, and enforce all its policies, procedures, and standards for the full management, control, and conduct of the instructional, administrative, and financial affairs of the System. The Board is also given the power to create, expand, consolidate, or transfer an institution or college; require institutions to collaborate and share services; appoint student members to the Board and Universities' Councils of Trustees; and delegate duties to the Chancellor.

Section 2008-A. Councils of Trustees. - The bill makes changes to the qualifications and appointment process for the members of the Universities' Councils of Trustees and decreases the

length of their terms from six years to four. It also allows the Governor to remove a trustee for cause.

Section 2009-A. Powers and Duties of Councils of Trustees. – This legislation makes several changes to these powers and duties. It removes the requirement that the council consult with students, faculty, and alumni before making a recommendation to the Chancellor for the dismissal of a president. Instead, the Council must seek input from these stakeholders concerning the appointment and retention of a president. It adds tuition and fees related to the provision of contracted health services to the list of charges the Council must review and approve. It replaces the requirement that the Council “approve” the recommendations of the president concerning policies and procedures governing the use of institutional facilities and property and replaces it with “provide input.” It also removes the requirements that the Council review and approve the recommendations of the president as to standards for the admission, discipline and expulsion of students and conduct an annual physical inspection of facilities and make recommendations regarding maintenance and construction to the Board of Governors.

Section 2010-A. Power and Duties of Institution Presidents. – This legislation changes the powers and duties of PASSHE university presidents. The requirement that a president consult with the council of trustees, faculty, and students before making and implementing specific campus policies pertaining to instructional programs, research programs and public service programs is eliminated. It allows a president to negotiate and award contracts with State-appropriated funds not exceeding \$18,500 without the approval of the local council. It permits the president to enter contracts for consultant services, within the limitations of the operating budget and other available funds. It gives presidents the sole authority to enter contracts to enable students to engage in student teaching or training to obtain experience in a field. It also removes language giving presidents the power to make and implement specific campus policies pertaining to instructional, research, and public service programs and define academic standards in accordance with policies of the State System Board of Governors.

FISCAL IMPACT:

Enactment of this legislation will have no adverse impact on Commonwealth funds. According to the State System of Higher Education, the changes in this legislation will help the System work more efficiently and effectively and could reduce the System’s operating costs. This will be dependent on subsequent action by the State System Board of Governors and Chancellor to implement any such changes into the System’s policies and procedures.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: May 20, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.