



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2171

PRINTERS NO. 4024

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 immediately.

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 2001-A. Definitions. – Definitions are added for “Affiliated Entity,” which shall mean a private nonprofit corporation with the sole purpose of benefiting the State System of Higher Education or a state-owned university; and “Education Record, which has the same meaning it has in the federal Family Educational Rights and Privacy Act of 1974.

Section 2002-A. Establishment of the State System of Higher Education and its Institutions. – Several changes are made to this section. Language is added clarifying that PASSHE enjoys sovereign immunity and official immunity. 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, except for an institution with a fall 2019 headcount enrollment greater than 10,000 students. This does not include the power to close an institution. Before the creation, expansion, consolidation, transfer, or affiliation of an institution the Board must direct the Chancellor to conduct a review and analysis of the relevant institutions using metrics listed in the legislation, including consultation with stakeholders and public hearings. Upon the Board’s receipt of the report and recommendation, the Chancellor must develop a proposed implementation plan which includes information listed in the legislation. The plan must be approved by a majority vote of the Board. Once approved, the Board must consult with stakeholders, including faculty, staff, students, and administrators and hold at least two public hearings and take public comments on the plan. The timeline for implementation of the plan must be at least 12 months from the issuance of the plan. During the final implementation of the plan, the Chancellor must provide regular updates to the General Assembly

Section 2003-A. Purposes and General Powers. – Changes to this section allow the State System to participate in, conduct or administer cooperative use or purchasing agreements.

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

Section 2006-A. Powers and Duties of the Board of Governors. – Language is added clarifying that the Board has the power to approve new degree programs and to make all reasonable policies and procedures necessary to carry out its duties. The Board is also given the power to require institutions to collaborate and share services; appoint student members to the Board and Universities' Councils of Trustees; and delegate duties to the Chancellor. The Board may also document the movement of money from an account of the System or an institution to another account or institution and include a plan for repayment. The Board may also make, issue and enforce policies, procedures and standards for the management and conduct of the instructional, administrative and financial affairs of the System.

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

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 to the list of charges the Council must review and approve, and exempts from its approval fees related to the provision of contracted health services. 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. It allows a president to negotiate and award contracts 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.

Section 2011-A. Rental Fees and Other Charges. – Outdated terminology regarding student rental fees is eliminated.

Section 2017-A. Annual Report. – The repeal of this section eliminates the requirement that PASSHE submit the “Snyder Report” to the Department of Education and the Joint State Government Commission.

Section 2019-A. Campus Police Powers and Duties. – Adds language authorizing campus police to disseminate investigative information to university officials for use in student disciplinary matters.

Section 2021-A. Student Records. – This new section clarifies and explicitly states that student records are exempt from the state’s Right to Know Law.

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: June 24, 2020

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