

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1343

**PRINTER'S NO.** 3772

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

April 13, 2011

**PRIME SPONSOR**

Representative Baker

**HISTORY OF BILL**

Referred to EDUCATION, April 13, 2011

Reported as amended, Oct. 18, 2011

First consideration, Oct. 18, 2011

Laid on the table, Oct. 18, 2011

Removed from table, Oct. 26, 2011

Second consideration, with amendments, Nov. 2, 2011

Re-committed to APPROPRIATIONS, Nov. 2, 2011

(Remarks see House Journal Page 2181), Nov. 2, 2011

Re-reported as committed, Nov. 14, 2011

Third consideration and final passage, Nov. 14, 2011 (195-0)

(Remarks see House Journal Page 2202-2203), Nov. 14, 2011

In the Senate

Referred to EDUCATION, Nov. 16, 2011

Reported as committed, June 5, 2012

First consideration, June 5, 2012

Second consideration, June 6, 2012

Re-referred to APPROPRIATIONS, June 6, 2012

Re-reported as amended, June 18, 2012

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 1343 establishes a free-standing act entitled the Higher Education Modernization Act which includes new provisions governing the Pennsylvania State System of Higher Education's relations with affiliated entities (foundations) and the granting of doctoral degrees.

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Affiliated Entities – Allows an affiliated entity that exists for the sole purpose of benefiting the Pennsylvania State System of Higher Education (PASSHE) or a member university to raise and utilize nonpublic funds to benefit and promote PASSHE or the member university. Allows a PASSHE employee or officer to voluntarily provide services to an affiliated entity as an ex officio nonvoting member of the board of such entity. Allows PASSHE and the member universities to coordinate fundraising activities with an affiliated entity so long as the moneys raised are used to directly benefit PASSHE or the member university. Provides that the provisions of the State Adverse Interest Act (Act 451 of 1957) do not apply to PASSHE, its member universities or employees of PASSHE or its member universities as it relates to these provisions.

Provides that nothing in the act may be construed to authorize an affiliated entity to enter into transactions on behalf of PASSHE or its member universities and that PASSHE or its member universities are not responsible for debts or obligations incurred by an afflicted entity. Provides that an affiliated entity shall not be construed as an instrumentality or agency of the Commonwealth and shall be considered a private corporation.

“Affiliated entity” is defined as a private nonprofit corporation with the sole purpose of benefiting the State System of Higher Education or a member university.

Doctoral Degrees – Allows State-owned universities to provide doctoral level instruction in areas of study leading to professional doctoral degrees, which are also know as applied doctoral degrees. At present, the law requires all doctoral programs offered by State-owned universities to be offered jointly with Indiana University of Pennsylvania (IUP) or an institution chartered to offer work at the doctoral level.

Requires that new doctoral programs be approved by the State System of Higher Education’s Board of Governors prior to being offered and comply with criteria established by the Board which shall include: (1) Institutional mission, plan and readiness; (2) Need for the program; (3) Academic integrity; (4) Cooperation with other institutions, agencies, or organizations; (5) Assessment and accreditation; (6) Resource sufficiency; and, (7) Educational opportunity. Specifies that IUP remains the only State-owned university with the authority to offer doctor of philosophy degrees.

The legislation repeals provisions in existing laws that are inconsistent with this act and is scheduled to take effect in 60 days.

### **FISCAL IMPACT:**

The enactment of House Bill 1343 will have no adverse fiscal impact on Commonwealth funds.