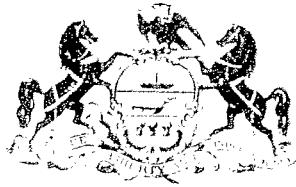


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*House of Representatives*  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

CHAIRMAN, HEALTH & HUMAN  
SERVICES COMMITTEE

POLICY COMMITTEE

CAUCUSES  
FIREFIGHTERS & EMERGENCY SERVICES  
LOCAL TAX REFORM  
RURAL HEALTH CARE  
SPORTSMEN  
TIMBER

APPOINTMENTS  
STATE SYSTEM OF HIGHER EDUCATION  
BOARD OF GOVERNORS  
PA HEALTH CARE COST CONTAINMENT  
COUNCIL ACT - REVIEW COMMITTEE  
CAPITOL PRESERVATION COMMITTEE

## MEMORANDUM

TO: ALL HOUSE MEMBERS

FROM: REP. MATT BAKER, CHAIRMAN  
HEALTH COMMITTEE

DATE: 1-19-11

SUBJECT: PROPOSED LEGISLATION – SSHE LEASE & ROYALTY REVENUE

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In the near future, I plan to introduce legislation which would amend Act 256 which established the Oil and Gas Lease Fund. The legislation I am proposing would permit the State System of Higher Education (SSHE), and its member universities to retain lease and royalty revenue from oil and gas well operations.

Specifically, this amendment to the act, would permit those universities hosting an oil or gas well operation to retain sixty percent (60%) of the revenues generated. The remaining forty percent (40%) would be retained by SSHE for distribution to those universities which may not host a well site. The revenue generated through these operations shall only be used for deferred maintenance or energy efficiency projects.

It is important to recognize that the legislation I am proposing will not have any effect on the revenues received by the Department of Conservation and Natural Resources (DCNR) from oil and gas operations on state forest lands. The objective's of this proposed legislation are to provide the SSHE with an incentive to develop any oil and gas resources on university land; and the ability to retain these revenues which by law would otherwise be directed to the Oil and Gas Lease Fund and not available for their use.

Being a member of the SSHE Board of Governors, I am acutely aware of the fiscal challenges being faced by our Commonwealth's universities. This is especially true in the area of deferred maintenance.

We all are also aware of the challenging times that await us in crafting a 2011-2012 fiscal year budget. It seems to me this proposed legislation is a win-win. A win for our universities in creating a source of revenue, and a win for the state budget.

If you are interested in joining me as a co-sponsor, please contact Gina Strine at 772-5371 or via email, [gstrine@pahousegop.com](mailto:gstrine@pahousegop.com)