

## AN ACT

1 Amending the act of July 5, 2012 (P.L.962, No.104), entitled "An  
2 act authorizing State-owned universities and the employees  
3 thereof to enter into certain agreements with affiliated  
4 entities; providing for doctoral degrees; and making related  
5 repeals," in general provisions, further providing for  
6 definitions; and, in relations with private affiliated  
7 entities, further providing for scope of chapter and for  
8 applicability, providing for expenditure of funds and further  
9 providing for status.

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

12 Section 1. The definition of "affiliated entity" in section  
13 102 of the act of July 5, 2012 (P.L.962, No.104), known as the  
14 Commonwealth Higher Education Modernization Act, is amended to  
15 read:

16 Section 102. Definitions.

17 The following words and phrases when used in this act shall  
18 have the meanings given to them in this section unless the  
19 context clearly indicates otherwise:

20 "Affiliated entity." A private nonprofit corporation [with  
21 the sole purpose of benefiting] that held at least \$5,000,000 in

1 nonpublic, donated funds that the private nonprofit corporation  
2 administered and expended for the benefit of the State System of  
3 Higher Education or a State-owned university during the  
4 preceding three fiscal years.

5 \* \* \*

6 Section 2. Sections 501 and 502 of the act are amended to  
7 read:

8 Section 501. Scope of chapter.

9 This chapter shall govern the relationships between the  
10 system or a State-owned university and affiliated entities [that  
11 are incorporated for the sole purpose of benefiting the system  
12 or State-owned university].

13 Section 502. Applicability.

14 [In order for this chapter to apply to an affiliated entity,  
15 the affiliated entity must exist for the sole purpose of  
16 benefiting the system or a State-owned university. Affiliated  
17 entities may raise and utilize nonpublic funds to benefit and  
18 promote the system or a State-owned university.] In order for  
19 this chapter to apply to an affiliated entity, the affiliated  
20 entity must be a private nonprofit corporation and must manage  
21 at least \$5,000,000 in nonpublic, donated funds for the benefit  
22 of the system or a State-owned university during the preceding  
23 three fiscal years. No affiliated entity that meets the criteria  
24 under this section may be denied the benefits afforded by this  
25 chapter without due process of law and a determination by the  
26 orphans' court. An affiliated entity may raise and utilize  
27 nonpublic funds to benefit and promote the system or a State-  
28 owned university.

29 Section 3. The act is amended by adding a section to read:  
30 Section 502.1. Expenditure of funds.

1 Funds held by an affiliated entity on or after the effective  
2 date of this section shall be distributed at the discretion of  
3 the affiliated entity for the purposes of this chapter.

4 Section 4. Section 505 of the act is amended to read:  
5 Section 505. Status.

6 Affiliated entities recognized under this chapter shall not  
7 be [considered]:

8 (1) Considered instrumentalities or agencies of the  
9 Commonwealth. The Commonwealth shall not have any ownership  
10 interest in the corporation and all affiliated entities shall  
11 continue to be considered private corporations.

12 (2) Subject to the act of February 14, 2008 (P.L.6,  
13 No.3), known as the Right-to-Know Law.

14 Section 5. This act shall take effect in 60 days.