

COMMONWEALTH HIGHER EDUCATION MODERNIZATION ACT

Act of Jul. 5, 2012, P.L. 962, No. 104

Cl. 24

AN ACT

Authorizing State-owned universities and the employees thereof to enter into certain agreements with affiliated entities; providing for doctoral degrees; and making related repeals.

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

CHAPTER 1  
GENERAL PROVISIONS

Section 101. Short title.

This act shall be known and may be cited as the Commonwealth Higher Education Modernization Act.

Section 102. Definitions.

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

"Affiliated entity." A private nonprofit corporation with the sole purpose of benefiting the State System of Higher Education or a State-owned university.

"Board." The Board of Governors of the State System of Higher Education authorized by section 2004-A of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"PASSHE employee." An individual employed by the State System of Higher Education or one of its constituent universities.

"State-owned university." One of the institutions under the State System of Higher Education or any other institution that may be admitted to the State System of Higher Education subsequent to the effective date of this section in accordance with the provisions of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"System." The State System of Higher Education created by the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

CHAPTER 3  
(RESERVED)

CHAPTER 5  
RELATIONS WITH PRIVATE AFFILIATED ENTITIES

Section 501. Scope of chapter.

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

Section 502. Applicability.

In order for this chapter to apply to an affiliated entity, the affiliated entity must exist for the sole purpose of benefiting the system or a State-owned university. Affiliated entities may raise and utilize nonpublic funds to benefit and promote the system or a State-owned university.

Section 503. Authorized transactions.

(a) General rule.--PASSHE employees or officers may voluntarily provide services to an affiliated entity as an ex officio, nonvoting member of the board of such affiliated entity as part of the mission of the system or a State-owned university.

(b) Joint fundraising.--The system and State-owned universities may coordinate and jointly engage in fundraising activities with an affiliated entity in order to raise moneys for the affiliated entity as long as the moneys are used to directly inure to the benefit of the system or State-owned university for the purposes stated in this act.

(c) Applicability.--Notwithstanding any other provision of law to the contrary, the provisions of the act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act, shall not apply to the system, its institutions or employees of the system and its institutions for actions undertaken in accordance with the provisions of subsections (a) and (b).

Section 504. Limitations.

(a) General rule.--Nothing in this chapter shall be construed as authorizing or granting power to an affiliated entity at any time or in any manner to enter into any transactions or any agreements on behalf of the system or a State-owned university.

(b) No liability for debts of affiliated entity.--Neither the system nor a State-owned university shall be responsible for the payment of any debts or satisfaction of any obligations incurred by an affiliated entity.

Section 505. Status.

Affiliated entities recognized under this chapter shall not be considered instrumentalities or agencies of the Commonwealth. The Commonwealth shall not have any ownership interest in the corporation and all affiliated entities shall continue to be considered private corporations.

CHAPTER 7  
DOCTORAL DEGREES

Section 701. Authorization.

(a) General rule.--In addition to the Indiana University of Pennsylvania, all State-owned universities may provide graduate instruction at the doctoral level in areas of study leading to professional doctorates, also known as applied doctorates. Professional doctoral degrees need not be offered in conjunction with any other institution chartered to offer education at the doctoral level.

(b) Exception.--The authorization under subsection (a) does not include the Doctor of Philosophy (Ph.D.) degree for any State-owned university, except for the Indiana University of Pennsylvania.

Section 702. Parameters.

(a) Duty to comply.--State-owned universities must comply with all criteria established by the board and satisfy all requirements deemed necessary by the board in order to provide doctoral-level degrees.

(b) Criteria.--The criteria shall include, but not be limited to:

- (1) Institutional mission, plan and readiness.
- (2) Need for the program.
- (3) Academic integrity.
- (4) Cooperation with other State-owned universities, agencies or organizations.
- (5) Assessment and accreditation.
- (6) Resource sufficiency.
- (7) Educational opportunity.

(c) Preapproval of program by board.--All professional doctoral degree programs of State-owned universities must be approved by the board prior to a State-owned university offering the degree program.

CHAPTER 9  
(Reserved)

CHAPTER 11  
MISCELLANEOUS PROVISIONS

Section 1101. Repeals.

(a) Declaration.--The General Assembly declares that the repeals in this section are necessary to effectuate this act.

(b) Specific.--The following acts are repealed:

(1) The act of May 20, 1857 (P.L.581, No.619), entitled "An act to provide for the Due Training of Teachers for the Common Schools of the State."

(2) The act of April 15, 1859 (P.L.680, No.681), entitled "A supplement to an act to provide for the due training of Teachers for the Common Schools of the State, passed on the twentieth of May, one thousand eight hundred and fifty-seven."

(c) Inconsistent.--All acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 1102. Effective date.

This act shall take effect in 60 days.