

INSTITUTION OF HIGHER EDUCATION MONETARY PENALTY ENDOWMENT ACT
- ENACTMENT

Act of Feb. 20, 2013, P.L. 1, No. 1

Cl. 24

An Act

Requiring certain institutions of higher education that enter into agreements with governing bodies which impose monetary penalties to pay the monetary penalties into endowments under certain circumstances; and providing for duties of the Pennsylvania Commission on Crime and Delinquency.

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

Section 1. Short title.

This act shall be known and may be cited as the Institution of Higher Education Monetary Penalty Endowment Act.

Section 2. 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:

"Commission." The Pennsylvania Commission on Crime and Delinquency.

"Governing body." An organization or legal entity with which an institution of higher education is associated and which body may impose a monetary penalty against the institution of higher education.

"Institution of higher education." A postsecondary educational institution in this Commonwealth that receives an annual appropriation from an act of the General Assembly.

Section 3. Monetary penalty endowments.

(a) General rule.--If an institution of higher education pays a monetary penalty pursuant to an agreement entered into with a governing body and:

(1) the monetary penalty is at least \$10,000,000 in installments over a time period in excess of one year; and

(2) the agreement provides that the monetary penalty will be used for a specific purpose,

then the monetary penalty shall be deposited into an endowment that complies with the provisions of subsection (b).

(b) Requirements of endowment.--An endowment under subsection (a) shall satisfy the following requirements:

(1) The endowment shall be established as a separate trust fund in the State Treasury and the State Treasurer shall be custodian thereof. The State Treasurer shall invest the money in the endowment subject to the prudent investor provisions of 20 Pa.C.S. § 7203 (relating to prudent investor rule). The moneys of the separate trust fund are appropriated to the commission on a continuing basis to carry out the provisions of this act.

(2) In addition to the monetary penalty deposited into the endowment, the endowment shall be authorized to accept donations from any source.

(3) The commission shall expend the money of the endowment in accordance with the purposes enumerated in the agreement between the institution of higher education and the governing body and subject to the provisions of paragraph (4).

(4) Unless otherwise expressly stated in the agreement, the funds may only be used within this Commonwealth for the

benefit of the residents of this Commonwealth and on any of the following:

(i) Programs or projects preventing child sexual abuse and/or assisting the victims of child sexual abuse.

(ii) Multidisciplinary investigative teams established under 23 Pa.C.S. (relating to domestic relations).

(iii) Child advocacy centers.

(iv) Victim service organizations that provide services to children subjected to sexual abuse.

(v) Training of persons who are mandated by law to report child sexual abuse or to treat victims of child sexual abuse.

(5) If the endowment is established to exist for at least five years:

(i) During the first five years, not more than 50% of the monetary penalties paid into the endowment shall be expended annually as provided in paragraphs (3) and (4).

(ii) Each year thereafter, all interest and earnings of the endowment shall be expended as provided in paragraphs (3) and (4).

Section 4. Duties of commission.

(a) General rule.--Within 12 months of the effective date of an agreement subject to an endowment under this act, the commission shall:

(1) Develop a form for applicants to use for requesting money from the endowment established by the agreement.

(2) Establish a timeline for reviewing applications and approving expenditures from the endowment.

(3) Develop methodology to equitably approve payments to applicants throughout all geographic areas of this Commonwealth.

(b) Reporting.--For an endowment established under this act, the commission shall:

(1) Provide notice of any proposed expenditure of money from the endowment to the President pro tempore of the Senate, the Majority and Minority Leaders of the Senate and the chairman and minority chairman of the Appropriations Committee of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the House of Representatives and the chairman and minority chairman of the Appropriations Committee of the House of Representatives for review and comment. No proposed expenditure of money from the endowment may occur until 30 days after the date of the notice for the proposed expenditure.

(2) Provide an annual report itemizing all approved expenditures of money from the endowment to the President pro tempore of the Senate, the Majority and Minority Leaders of the Senate and the chairman and minority chairman of the Appropriations Committee of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the House of Representatives and the chairman and minority chairman of the Appropriations Committee of the House of Representatives. The report shall include the name of each organization receiving an expenditure from the endowment, the amount received by each organization and summary information aggregating expenditures by expenditure category pursuant to section 3(b)(4).

Section 5. Applicability.

This act shall apply to all monetary penalties paid or payable under agreements between institutions of higher education and governing bodies regardless of the payment date.

Section 6. Effective date.

This act shall take effect immediately.