

**PENNSYLVANIA STATE UNIVERSITY - APPROPRIATION FOR CARRYING OUT
GRANTS OF PUBLIC LAND, PAYMENTS AND ACCOUNTING AND FISCAL
INFORMATION DISCLOSURE**

Act of Jul. 17, 2007, P.L. 634, No. 10A

Cl. 84

A SUPPLEMENT

To the act of April 1, 1863 (P.L.213, No.227), entitled "An act to accept the grant of Public Lands, by the United States, to the several states, for the endowment of Agricultural Colleges," making appropriations for carrying the same into effect; and providing for a basis for payments of such appropriations, for a method of accounting for the funds appropriated and for certain fiscal information disclosure.

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

Section 1. In order to carry into effect the act of Congress, approved July 2, 1862, granting public land to the several states for educational purposes, and subsequent acts of Congress related thereto, and the act of the General Assembly of Pennsylvania accepting the provisions and conditions of said acts of Congress and pledging the faith of the State to carry the same into effect, the following sums, or as much thereof as may be necessary, are hereby appropriated to the Trustees of The Pennsylvania State University for the fiscal year July 1, 2007, to June 30, 2008, for the purposes and in the amounts as shown:

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| (1) For education and general expenses | \$263,499,000 |
| (2) For the cost of agricultural research | 25,595,000 |
| (3) For the cost of agricultural extension services | 30,384,000 |
| (4) To enhance the recruitment and retention of disadvantaged students | 12,909,000 |
| (5) For the Pennsylvania College of Technology | 454,000 |
| (6) For debt service related to the former Williamsport Area Community College | 1,389,000 |

Section 2. Payments to The Pennsylvania State University on account of the appropriations for all items as provided in section 1 shall be made on the basis of costs during the fiscal year.

Section 3. If necessary, The Pennsylvania State University may transfer funds listed in section 1(1) to the appropriation listed in section 1(2), (3), (4), (5) and (6), provided that the aggregate amount transferred out of section 1(1) shall not exceed 5% of the amount specifically appropriated for that purpose.

Section 4. (a) Payments to The Pennsylvania State University of the appropriations provided in section 1 shall be made monthly during the fiscal year.

(b) Such monthly payments shall be made in accordance with the provisions of section 2 on the basis of estimated costs. The estimate of costs shall be submitted by The Pennsylvania State University to the Secretary of Education, the General Assembly and the State Treasurer not later than 30 days prior to the date on which such payment is to be made.

Section 5. (a) The Pennsylvania State University shall apply the moneys appropriated by this act only for such purposes as are permitted in this act and shall at all times maintain proper records showing the application of such moneys. Not later

than 120 days after the close of the fiscal year to which this act relates, The Pennsylvania State University shall file, with the Secretary of Education, the General Assembly and the Auditor General of the Commonwealth, a statement setting forth the amounts and purposes of all expenditures made from moneys appropriated by this act and other university accounts during said fiscal year, as provided in section 2, used as a basis for receipt of any appropriation during said fiscal year.

(b) Such statement of expenditures and costs shall be reviewed by the Auditor General of the Commonwealth, and he shall have the right, in respect to the moneys appropriated by this act, to audit and disallow expenditures made for purposes not permitted by this act and to cause such sums to be recovered and paid by The Pennsylvania State University to the State Treasurer. In respect to expenditures made by the university from moneys other than those appropriated by this act, the Auditor General shall have the right to review only, and he shall file annually with the General Assembly such information concerning such expenditures as the General Assembly or any of its committees may require.

Section 6. A report shall be submitted to the Governor and the Appropriations and Education Committees of the Senate and House of Representatives and shall include data for all programs. The report, to be submitted prior to September 1, 2008, shall cover the 12-month period beginning with the summer term 2007 and shall include:

(1) The following counts and distributions for each term during the period:

(i) The definitions and numbers of faculty members employed full time, of faculty members employed part time, of full-time students enrolled in graduate courses, of full-time students enrolled in undergraduate courses, of part-time students enrolled in graduate courses and of part-time students enrolled in undergraduate courses.

(ii) The total numbers of undergraduate student credit hours, divided into lower division and upper division course levels, and of graduate student credit hours, divided into three course levels--master's, first professional and doctoral.

(iii) The number of different courses scheduled by level of instruction and the number of sections of individual instruction scheduled by level of instruction, each further subdivided by two-digit Classification of Instructional Program (CIP) categories of instructional programs of higher education as defined by the National Center for Education Statistics, United States Department of Education.

(iv) The number of terms scheduled and the dates thereof.

(2) For the summer term and the following academic year in total and for each two-digit CIP program category, a classification of faculty members or other professional employees by title, including: professor, associate professor, assistant professor, instructor, lecturer, research associate, librarian and academic administrator; faculty members or other professional employees under each title to be subdivided by type of assignment: teaching and nonteaching; and each such set of faculty members or other professional employees to be further subdivided by type of employment: full-time or part-time; and the following aggregates for each such subdivided classification:

(i) The number of faculty and other professional employees and their full-time equivalence in instructional and noninstructional functions.

(ii) The sum of credits assigned to undergraduate classroom courses and the sum of credits assigned to graduate classroom courses taught, divided into lower division, upper division, master's, first professional and doctoral course levels.

(iii) The sum of credits assigned to undergraduate individual instruction courses and the sum of credits assigned to graduate individual instruction courses taught, divided into lower division, upper division, master's, first professional and doctoral course levels.

(iv) The sum of undergraduate classroom student credit hours and the sum of graduate classroom student credit hours generated, divided into lower division, upper division, master's, first professional and doctoral course levels.

(v) The sum of undergraduate individual instruction student credit hours and the sum of graduate individual instruction student credit hours generated, divided into lower division, upper division, master's, first professional and doctoral course levels.

(vi) The total salary paid for instructional functions and for noninstructional functions and the amount of this salary paid for each of these functions from university funds, Federal funds and other funds.

(3) For each term of the period covered for each faculty member employed full time identified by two-digit CIP program category and title, the report shall contain an analysis of the average hours per week spent in university-related activities, stating specifically hours spent in undergraduate classroom contact and graduate classroom contact, hours spent in preparation, hours spent in research and hours spent in public service.

Section 7. In addition to the requirements in section 6 relative to this appropriation, the report covering the 12-month period beginning with the summer term 2007 shall include for all programs of the university:

(1) Minimum number of credits required for a baccalaureate degree and for a master's degree.

(2) Number of bachelor's degrees, master's degrees, first professional degrees and doctoral degrees awarded in 2003, 2004, 2005, 2006, 2007 and estimated 2008.

Section 8. (a) The following words and phrases when used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Academic and administrative support units." Any organizational entity, as defined in the organizational manual of the university, that reports directly to the president of the university, chief academic officer or vice president, including the office of the president, chief academic officer and vice president.

"Expenditures." Disbursements or payments of State appropriations, tuition and fees supporting operational, educational or other general categories of expenses as defined in: the generally accepted accounting principles as prescribed by the National Association of College and University Business Officers, the American Institute of Certified Public Accountants, or by their successors, or by any other recognized authoritative body; the "Commonwealth of Pennsylvania Budget Instructions for the State System of Higher Education, State-Related Universities and Non-State-Related Colleges and Universities"; and, the financial reporting policies and standards promulgated by the Commonwealth of Pennsylvania and by the Federal Government that apply to the Pennsylvania State University.

"Revenue." All State appropriations and tuition and fees.

(b) The Pennsylvania State University shall disclose the following:

(1) Revenue and expenditure budgets of the university's academic and administrative support units for the current fiscal year.

(2) The actual revenue and expenditures for the prior year in the same format as the information reported under paragraph (1).

(3) For any defined project or program which is the subject of a specific line item appropriation from the General Fund, the university shall disclose the following:

(i) Revenue and expenditure budgets of the defined program or project for the current fiscal year.

(ii) The actual revenue and expenditures of the defined program or project for the prior year in the same format as the information reported under paragraph (1).

(4) The revenue and expenditures of any auxiliary enterprise which is directly funded in whole or in part by tuition or a State appropriation for the current fiscal year.

(c) The university shall provide the following additional information for the prior fiscal year for each academic or administrative support unit, for each defined project or program and for any auxiliary enterprise:

(1) The number of employees by academic rank and by classification the number of administrators, staff, clerical and technical service employees.

(2) Median and mean salary by academic rank and by classification the median and mean salaries of administrators, staff, clerical and technical service employees.

(3) Nonsalary compensation as a percentage of salary. Nonsalary compensation shall include, but not be limited to, medical benefits, life insurance benefits, pension benefits, leave benefits, employer Social Security payments and workers' compensation benefits.

(4) A statement of the university's retirement policies.

(5) A policy statement relating to a reduction of tuition for employees' family members.

(6) A list of purchase of service contracts which exceed \$1,000 by category of service, including, but not limited to, legal, instructional, management, accounting, architecture, public relations and maintenance. The list shall contain the name and address of the contractor, a statement of the nature of the duties of the contractor and the academic and administrative support unit for which the duties are performed. If a purchase of service contract exceeds 10% of the total aggregate expenditure of the contract category per academic or administrative support unit, then the contracted amount shall also be listed.

(7) A list of purchase of goods contracts which exceed \$1,000. The list shall contain the name and address of the contractor and a list of the goods purchased and the academic or administrative support unit for which such goods were contracted. If a purchase of goods contract exceeds 10% of the total aggregate expenditure per academic or administrative support unit, then the contracted amount shall also be listed.

(8) A list by academic or administrative support unit in the aggregate, of the expenses of travel, subsistence and lodging, whether provided or reimbursed.

(d) The university shall submit a report of the information under subsections (b) and (c) to the Education Committee of the Senate and the Appropriations Committee of the Senate and the

Education Committee of the House of Representatives and the Appropriations Committee of the House of Representatives. In addition, the university shall submit a copy of the report to each of the following:

- (1) Governor's Office.
- (2) Secretary of Education.
- (3) State Treasurer.
- (4) Auditor General.
- (5) Joint State Government Commission.

Each such institution shall maintain a copy of the report in the institution's library and shall submit a copy to each of the four State regional library resource centers.

(e) A university's report required to be submitted under this section shall be submitted within 180 days of the close of the university's current fiscal year.

(f) The Joint State Government Commission shall develop a statistical comparison analysis recognizing differences in missions from the reports made under this section. A majority of the members of the commission may request additional documentation, except for salary or identity of individuals, necessary to complete the comparative analysis. The comparison shall be provided to the Education Committee of the Senate and the Appropriations Committee of the Senate and the Education Committee of the House of Representatives and the Appropriations Committee of the House of Representatives and the four State regional libraries.

(g) The university shall make a copy of the minutes of each public meeting of the institution's board of trustees, as well as a copy of the institution's integrated postsecondary education data systems report, available for public inspection in the institution's library.

Section 9. The Pennsylvania State University shall provide full, complete and accurate information as may be required by the Department of Education or the chairman or the minority chairman of the Appropriations Committee of the Senate or the chairman or the minority chairman of the Appropriations Committee of the House of Representatives.

Section 10. The Pennsylvania State University shall present and report its financial statements required under the provisions of this act in accordance with: the generally accepted accounting principles as prescribed by the National Association of College and University Business Officers, the American Institute of Certified Public Accountants, or their successors, or by any other recognized authoritative body; the "Commonwealth of Pennsylvania Budget Instructions for the State System of Higher Education, State-Related Universities and Non-State-Related Colleges and Universities"; and, the financial reporting policies and standards promulgated by the Commonwealth of Pennsylvania and by the Federal Government that apply to the Pennsylvania State University.

Section 11. The Pennsylvania State University shall make all articulation agreements with other higher education institutions available on the Internet.

Section 12. This act shall take effect July 1, 2007, or immediately, whichever is later.