

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1995** Session of  
1979

INTRODUCED BY E. Z. TAYLOR, RYAN, GALLAGHER, BURNS,  
D. R. WRIGHT AND COWELL, NOVEMBER 14, 1979

REFERRED TO COMMITTEE ON EDUCATION, NOVEMBER 14, 1979

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," establishing The State System of  
6 Higher Education and designating its institutions; creating  
7 and defining the powers and duties of the Board of Governors;  
8 establishing the office and duties of the chancellor of the  
9 university system; defining the powers and duties of  
10 presidents and the Councils of Trustees of the University  
11 Institutions; relating the powers and duties of the State  
12 Board of Education with the university system; and making  
13 certain repeals.

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

16 Section 1. Article XX, act of March 10, 1949 (P.L.30,  
17 No.14), known as the "Public School Code of 1949," is repealed.

18 Section 2. The act is amended by adding an article to read:

19 ARTICLE XX-A

20 THE STATE SYSTEM OF HIGHER EDUCATION

21 Section 2001-A. Definitions.--The following words and  
22 phrases when used in this article shall, for the purpose of this  
23 article, have the following meanings, respectively, except in

1 those instances where the context clearly indicates a different  
2 meaning:

3 "Board." The Board of Governors of The State System of  
4 Higher Education.

5 "Chancellor." The chief executive officer of The State  
6 System of Higher Education.

7 "Commission." The presidents of the several institutions.

8 "Council." The Council of Trustees of the individual  
9 institutions.

10 "Deferment." Any authorized delay in the payment by a  
11 student of all or part of his tuition, charge for room and  
12 board, application fee, student activity fee, or any other  
13 charge or fee.

14 "Employer." The Board of Governors of The State System of  
15 Higher Education as the successor employer to the Commonwealth  
16 of Pennsylvania for purposes of conducting collective bargaining  
17 pursuant to the act of July 23, 1970 (P.L.563, No.195), known as  
18 the "Public Employe Relations Act."

19 "Graduate assistant." A graduate student appointed by the  
20 president and assigned to a faculty or staff member to assist in  
21 research, instruction and other related professional duties.

22 "Higher education." Includes any organized program of  
23 instruction or research primarily concerned with a field of  
24 organized knowledge, related theory, and associated practice,  
25 which is administered by a collegiate institution authorized to  
26 award academic degrees, and which is systematically pursued on a  
27 full-time or part-time basis.

28 "Institution." Each of the State-owned colleges and  
29 university on the effective date hereof, or hereafter created,  
30 and including its personnel, and its physical plant.

1 instructional equipment, records and all other property thereof.

2 "Multiagency certification." Positions found in various  
3 departments of the Commonwealth of Pennsylvania that are  
4 certified in a single bargaining unit for collective bargaining  
5 under the "Public Employee Relations Act."

6 "Refund." Any return payment, or remission, by a college to  
7 a student of all or part of any sum he has paid for tuition,  
8 room and board, application or student activity fee, or any  
9 other charge or fee.

10 "Secretary." The Secretary of Education of the Commonwealth  
11 of Pennsylvania or such person as the secretary may designate to  
12 act on behalf of the secretary with regard to any of the duties  
13 and prerogatives imposed by this act.

14 "Single agency certification." These are positions found in  
15 a single department of the Commonwealth of Pennsylvania that are  
16 certified in a single bargaining unit for collective bargaining  
17 under the "Public Employee Relations Act."

18 "State board." The State Board of Education.

19 "Student." A person who is enrolled in a course of study in  
20 any institution which is subject to the provisions hereof.

21 "Student association." The officially recognized  
22 representative body of the student population of each  
23 institution.

24 "Waiver." Any release from initial payment by a student of  
25 all or part of his tuition, charge for room and board,  
26 application or student activity fee, or any other charge or fee.

27 Section 2002-A. Establishment of The State System of Higher  
28 Education and its Institutions.--(a) Subject to the regulatory  
29 powers conferred by law upon the State Board of Education, there  
30 is hereby established a body corporate and politic constituting

a public corporation and government instrumentality which shall be known as The State System of Higher Education, independent of the Department of Education, hereinafter referred to as the university system, which shall consist of the following institutions and such other institutions, presently existing or newly created, as may hereafter be admitted by the board in concurrence with other agencies as required by law:

(1) Bloomsburg State College;

(2) California State College;

(3) Cheyney State College;

(4) Clarion State College;

(5) East Stroudsburg State College;

(6) Edinboro State College;

(7) Indiana University of Pennsylvania;

(8) Kutztown State College;

(9) Lock Haven State College;

(10) Mansfield State College;

(11) Millersville State College;

(12) Shippensburg State College;

(13) Slippery Rock State College; and

(14) West Chester State College.

(b) Each of the said institutions shall hereafter be known as the (name) University of Pennsylvania of The State System of Higher Education. Each of the above named institutions was and continues to be under the exclusive ownership and absolute control of the Commonwealth and appropriations for their operation are ordinary expenses of government, requiring only a majority vote of each House of the General Assembly. The State System of Higher Education shall have the same preferred status for appropriations as is enjoyed by its constituent colleges and

1 university.

2 Section 2003-A. Purposes and General Powers.--(a) The State  
3 System of Higher Education shall be part of the Commonwealth's  
4 system of higher education. Its purpose shall be to provide high  
5 quality education at the lowest possible cost to the students.  
6 The primary mission of The State System of Higher Education is  
7 the provision of instruction for undergraduate and graduate  
8 students to and beyond the master's degree in the liberal arts  
9 and sciences and in applied fields, including the teaching  
10 profession. Graduate instruction at the doctoral level, except  
11 for doctoral programs provided for in the act of December 16,  
12 1965 (P.L.1113, No.430), known as the "Indiana University of  
13 Pennsylvania Act," only may be offered jointly with an  
14 institution chartered to offer work at the doctoral level.  
15 Programs of research and service may be provided which are  
16 related to the needs of the planning region approved by the  
17 State Board of Education in which the institution is located,  
18 and which are consistent with the primary mission of The State  
19 System of Higher Education. Each institution shall provide  
20 appropriate educational facilities, student living facilities,  
21 and such other facilities as deemed necessary by the board.

22 (b) The university system is hereby granted and shall have  
23 and may exercise all the powers necessary or convenient for the  
24 carrying out of the aforesaid purposes, including but without  
25 limiting the generality of the foregoing, the following rights  
26 and powers:

27 (1) To have perpetual existence as a corporation;

28 (2) To adopt, use and alter at will a corporate seal;

29 (3) To acquire, purchase, hold, lease as lessee, and use any  
30 property, real, personal or mixed, tangible or intangible, or

1 any interest therein, (necessary or desirable) for carrying out  
2 the purposes of the system, and to sell, lease as lessor,  
3 transfer and dispose of any property or any interest therein at  
4 any time acquired by it and to take, demand, receive and possess  
5 all moneys and goods which shall be given for the use of the  
6 university system, and to apply the same according to the will  
7 of the donors; and by gift, purchase or devise to receive,  
8 possess, enjoy and retain forever any and all real and personal  
9 estate and funds, of whatsoever kind, nature or quality the same  
10 may be, in special trust and confidence that the same, and the  
11 profits thereof, shall be applied to and for the use and purpose  
12 of endowing the university system, and shall have power to  
13 receive donations from any source whatever, to be exclusively  
14 devoted to the purposes of the university system or according to  
15 the terms of donation: Provided, however, That the university  
16 system shall have no power at any time or in any manner, to  
17 pledge the credit or taxing power of the Commonwealth, nor shall  
18 any of its obligations or debts be deemed to be obligations of  
19 the Commonwealth, nor shall the Commonwealth be liable for the  
20 payment of principal or interest on such obligations;

21 (4) To recognize positions in The State System of Higher  
22 Education that were in a multiagency certification immediately  
23 prior to the enactment of this act shall remain in such  
24 certified unit with the Commonwealth representing the employer  
25 in negotiating collective bargaining agreements covering these  
26 positions. The board shall instruct the chancellor to designate  
27 a representative to participate with the Commonwealth in  
28 negotiating for new collective bargaining agreements; or

29 (5) To recognize positions in The State System of Higher  
30 Education that were in a single agency certification immediately

prior to the enactment of this act shall be represented by the  
employer in negotiating collective bargaining agreements  
covering these positions. The Governor shall designate a  
representative to participate with the employer in negotiations  
for new collective bargaining agreements.

Section 2004-A. Board of Governors.--(a) Such university  
system shall be governed and all of its corporate powers  
exercised by a board of directors designated as the Board of  
Governors, which shall consist of nineteen (19) members to be  
appointed as follows:

(1) The Secretary of Education, or his designee, ex officio.

(2) Fourteen (14) members shall be appointed by the Governor  
of which initially five (5) shall be selected from the persons  
who are serving on the effective date of this act as members of  
the Board of State College and University Directors, established  
by section 4, act of February 17, 1970 (P.L.24, No.13). Three  
(3) members of the fourteen (14) shall be students whose terms  
shall expire upon graduation or separation and three (3) of the  
fourteen (14) shall be trustees of constituent institutions.

(3) Four (4) members shall be members of the General  
Assembly of whom two (2) shall be members of the Senate selected  
by the President pro tempore of the Senate, one (1) from the  
majority party and one (1) from the minority party. The other  
two (2) shall be members of the House of Representatives  
selected in the same manner by the Speaker.

(b) All members, except the Secretary of Education and the  
students shall serve for terms of four (4) years, except that of  
the directors first appointed, six (6) of the Governor's  
appointees and one (1) Senator and one (1) member of the House  
of Representatives shall serve for two (2) years and their terms

1 shall expire December 31, 1981. The four (4) year terms shall  
2 expire December 31, 1983.

3 (c) The Secretary of Education, or his designee, shall be an  
4 ex officio member of the board and shall be entitled to attend  
5 all meetings of the board and shall have the right to speak on  
6 all matters before the board, and to vote, but shall not be  
7 elected as an officer of the board.

8 (d) The board shall elect one of its members to serve as its  
9 chairperson at the pleasure of the board. Members shall receive  
10 no compensation for their services but shall be reimbursed for  
11 the expenses necessarily incurred by them in the performance of  
12 their duties. The board shall meet quarterly, and additionally  
13 at the call of the chairperson, or upon request of six (6)  
14 members of the Board of Governors.

15 (e) The chancellor shall be the chief executive officer of  
16 the board and shall have the right to speak on all matters  
17 before the board, but not to vote.

18 Section 2005-A. The Chancellor.--The chief executive officer  
19 of The State System of Higher Education shall be a chancellor,  
20 who shall be employed by the board in accordance with section  
21 2006-A(1). In addition to those prescribed by the board, the  
22 chancellor shall have the following duties:

23 (1) The chancellor shall be responsible for the  
24 administration of The State System of Higher Education under  
25 policies prescribed by the board.

26 (2) The chancellor shall advise the board on the formulation  
27 of policies, shall see that the board's policies are carried  
28 out, and shall supervise the board's studies.

29 (3) The chancellor shall recommend to the board the system's  
30 overall budget and shall review and recommend undergraduate and

graduate academic programs to meet the needs of the system's student population.

(4) The chancellor shall assist the board in its appointment of presidents for the constituent institutions by submitting to the board the name or names of individuals whom he recommends for appointment. The chancellor shall solicit recommendations from the council of trustees of the appropriate constituent institution. The chancellor shall submit to the board the recommended salary and other proposed terms of each such appointment.

(5) The chancellor shall prepare an evaluation procedure for adoption by the board. In accordance with that procedure, the chancellor shall conduct an evaluation of each president's service and shall report to the board the results of each evaluation and shall make such recommendations to the board as he deems appropriate.

(6) The chancellor is empowered to employ central office professional and staff employees appropriate for the efficient discharge of the chancellor's duties.

(7) The chancellor shall be responsible for all systemwide business procedures and for the overall organization of maintenance of the physical plants and security at all institutions.

(8) The chancellor shall conduct comprehensive planning in consultation with representatives of the trustees, presidents, faculties, students and alumni and, within the policies established by the governors to establish priorities and procedures for the operation and development among the institutions, with respect to the role and scope of each institution, instructional programs, research programs and

1 public service programs.

2 (9) The chancellor shall present to the governors a list of  
3 at least three (3) nominees to fill any vacancy on the council  
4 of any institution, after consideration of recommendations from  
5 the incumbent council having such vacancy and from other  
6 interested groups or persons.

7 (10) The chancellor shall have the right to require of the  
8 presidents any and all information necessary for the performance  
9 of their duties, and shall perform such other duties as the  
10 board may designate.

11 (11) The chancellor shall serve as an ex officio member of  
12 the council of each institution in The State System of Higher  
13 Education

14 (12) The chancellor shall negotiate or cause to be  
15 negotiated on behalf of the board and subject to its final  
16 approval collective bargaining agreements pursuant to the act of  
17 July 23, 1970 (P.L.563, No.195), known as the "Public Employe  
18 Relations Act."

19 Section 2006-A. Powers and Duties of the Board of  
20 Governors.--The Board of Governors shall have overall  
21 responsibility for planning and coordinating the development and  
22 operation of The State System of Higher Education. Subject to  
23 regulatory powers conferred by law upon the State Board of  
24 Education, and to its policies, the powers and duties of the  
25 Board of Governors shall be:

26 (1) To employ the chancellor to serve at the board's  
27 pleasure under fixed term or contract of fixed duration of not  
28 longer than five (5) years, to fix his salary; to prescribe and  
29 delineate his duties and responsibilities; prior to the renewal  
30 of such term or contract, the board shall conduct an in-depth

evaluation of the chancellor's service to determine whether such term or contract should be renewed and for what period of time.

(2) To appoint, after consideration of the recommendations of the chancellor, presidents of the constituent institutions to serve at the board's pleasure under fixed terms or contracts of fixed duration; to fix the salaries and other terms of appointment of each president; and prior to renewal of such term or contract consider the results of the evaluation of each president's service conducted by the chancellor.

(3) To establish policies and procedures to be applied by the chancellor, the governors and each local council in evaluating the president and recommending the selection, retention and dismissal of the president of its respective institution.

(4) To establish broad fiscal, personnel and educational policies under which the institutions of the university system shall operate.

(5) To recommend to the State board the approval of extension campuses, new institutions, the creation of new undergraduate and graduate degree programs, including external degrees and the abolishment of unnecessary undergraduate and graduate degree programs; and to promote cooperation among institutions including the development of consortia within the university system and other educational institutions and agencies.

(6) To establish general policies for the admission of students, and to assure procedural protection for the discipline and expulsion of students.

(7) To coordinate, review, amend and approve the annual operating and capital budget requirements of The State System of

1 Higher Education including the budgets of the individual  
2 institutions. The board shall present this annual budget with  
3 its comments to the State board prior to its submission to the  
4 Budget Secretary. The board may also submit its budget  
5 recommendations and findings to the General Assembly subsequent  
6 to the submission of the Governor's budget to the General  
7 Assembly. For the purpose of administration, the university  
8 system shall be subject to Article VI of the act of April 9,  
9 1929 (P.L.177, No.175), known as "The Administrative Code of  
10 1929."

11 (8) To establish general personnel policies under which the  
12 institutions shall operate, and enter into collective bargaining  
13 agreements pursuant to the act of July 23, 1970 (P.L.563,  
14 No.195), known as the "Public Employe Relations Act."

15 (9) To recommend approval or disapproval of all university  
16 system building projects to the Budget Secretary.

17 (10) To represent the university system before the General  
18 Assembly, the Governor and the State board.

19 (11) To fix the levels of tuition and charges for room and  
20 board and other charges and fees, except student activity fees.  
21 Tuition fees may include a differential for such charges between  
22 students who are residents of the Commonwealth and students who  
23 are nonresidents.

24 (12) To adopt general policies with regard to student  
25 activity fees and to provide for student participation in the  
26 formulation of these policies.

27 (13) To establish policies regarding waiver, deferment and  
28 refund of tuition and other charges and fees.

29 (14) To make all reasonable rules and regulations necessary  
30 to carry out the purposes of this article and the duties of the

1 board.

2 (15) To do and perform generally all of those things  
3 necessary and required to accomplish the role and objectives of  
4 the university system.

5 The Board of Governors shall provide for the holding of  
6 regular and special meetings. Ten (10) directors attending shall  
7 constitute a quorum for the transaction of any business and,  
8 unless a greater number is required by the bylaws of the board,  
9 the act of a majority of the governors present at any meeting  
10 shall be deemed the act of the board.

11 Section 2007-A. Commission of Presidents.--The Commission of  
12 Presidents of The State System of Higher Education shall consist  
13 of the presidents of the several institutions who shall annually  
14 select one of their members as chairperson. The commission shall  
15 recommend policies for the institutions and shall act in an  
16 advisory capacity to the chancellor and the governors. The  
17 commission shall meet quarterly and additionally at the call of  
18 its chairperson or the chancellor. A majority of the presidents  
19 shall constitute a quorum.

20 Section 2008-A. Councils of Trustees.--(a) The council of  
21 each of the institutions shall consist of nine (9) members who  
22 shall be selected and appointed by the board from lists of  
23 nominees received from the chancellor after consultation with  
24 the incumbent council having such a vacancy. At least one (1)  
25 member of the nine (9) member council of trustees shall be an  
26 alumnus of the institution.

27 (b) Eight (8) members of each council shall serve terms of  
28 six (6) years, respectively, and until their respective  
29 successors are duly appointed and qualified. One (1) member of  
30 each council shall be a full-time undergraduate student, other

1 than freshman, enrolled for at least twelve (12) semester hours  
2 at the institution of which he is a trustee. The student member  
3 shall serve a term of three (3) years or for so long as he is a  
4 full-time undergraduate student in attendance at the institution  
5 of which he is a trustee, whichever period is shorter. Vacancies  
6 occurring before the expiration of the term of any member shall  
7 be filled in like manner for the unexpired term.

8 (c) The members of each board of trustees of a former State  
9 college or university serving in such capacity on the effective  
10 date of this act shall continue to serve for the balance of  
11 their respective terms.

12 (d) Five (5) members of a council shall constitute a quorum.  
13 Each council shall select from its members a chairperson and a  
14 secretary to serve at the pleasure of the council. Each council  
15 shall meet at least quarterly, and additionally at the call of  
16 the president, or its chairperson, or upon request of three (3)  
17 of its members.

18 Section 2009-A. Powers and Duties of Councils of Trustees.--  
19 In accordance with the rules and regulations adopted by the  
20 board, the council of each institution shall have the power and  
21 its duty shall be:

22 (1) To make recommendations to the chancellor for the  
23 appointment, retention or dismissal of the president.

24 (2) To assist the president in developing proper relations  
25 and understanding between the institution and its programs and  
26 the public, in order to serve the interests and needs of both.

27 (3) To advise the president regarding schools and curricular  
28 programs.

29 (4) To review and approve the recommendations of the  
30 president pertaining to annual operating and capital budget

1 requirements for forwarding to the board.

2 (5) To conduct an annual physical inspection of facilities  
3 and make recommendations regarding maintenance and construction  
4 to the board.

5 (6) To review and approve all direct purchases made by the  
6 president without competitive bidding and all contracts for  
7 consultative services entered by the president.

8 (7) To represent the institution at official functions of  
9 the Commonwealth.

10 (8) To take such other action as may be necessary to  
11 effectuate the powers and duties herein delegated.

12 Section 2010-A. Power and Duties of Institution  
13 Presidents.--The president of each institution shall be  
14 appointed by the board. The president shall be the chief  
15 executive officer of that institution. He shall have the right  
16 to attend all meetings of the council of that institution and  
17 shall have the right to speak on all matters before the council  
18 but not to vote. Subject to the stated authority of the board  
19 and the council, each president shall have the power and his  
20 duties shall be:

21 (1) Except insofar as such matters are governed by  
22 collective bargaining agreements entered pursuant to the act of  
23 July 23, 1970 (P.L.563, No.195), known as the "Public Employe  
24 Relations Act," and, subject to the policies of the Board of  
25 Governors, to appoint such employes, professional and  
26 nonprofessional, graduate assistants, etc. as necessary, to fix  
27 the salaries and benefits of employes, professional and  
28 nonprofessional, and to establish policies and procedures  
29 governing employment rights, promotion, dismissal, tenure,  
30 leaves of absence, grievances and salary schedules.

1     (2) To make and implement specific campus policies  
2 pertaining to instructional programs, research programs and  
3 public service programs, and after consultation with the  
4 council, faculty and students define academic standards in  
5 accordance with policies of the board.

6     (3) To develop and implement policies and procedures for the  
7 administration of the institution, including those by which  
8 student organizations may be created and operated.

9     (4) To establish policies and procedures for the admission,  
10 discipline and expulsion of students which shall be consistent  
11 with policies of the board.

12    (5) To establish policies and procedures governing the  
13 admission, control and movement of persons and vehicles, and the  
14 parking of vehicles on all institution property and to provide  
15 reasonable charges for the use thereof, as well as reasonable  
16 penalties for noncompliance with such policies and procedures.

17    (6) In cooperation with the student association, to fix  
18 student activity fees and supervise the collection, retention  
19 and expenditure thereof.

20    (7) To waive, defer and refund tuition and other charges and  
21 fees consistent with policies established by the board.

22    (8) To prepare and, after review and action by the council,  
23 submit to the chancellor the annual operating and capital budget  
24 requirements for the institution.

25    (9) To determine from appropriations, tuition, charges and  
26 other fees, and other available funds with the exception of  
27 student activity fees, the expenditures to be made for  
28 instructional, extracurricular, administrative, custodial and  
29 maintenance services, equipment and supplies, and for furniture  
30 for instructional, extracurricular, administrative and service

1 facilities and to reallocate such sums among the various  
2 expenditure classifications as may be necessary for the  
3 effective management of the institution: Provided, That no such  
4 reallotment shall exceed the total allocations of the  
5 institution.

6 (10) Within the limitations of the operating budget and  
7 other available funds, to purchase instructional, educational,  
8 extracurricular, technical, administrative, custodial and  
9 maintenance equipment and supplies not in excess of a cost of  
10 five thousand dollars (\$5,000) without competitive bidding,  
11 except that such items shall not be bought in series to avoid  
12 the dollar ceiling.

13 (11) To cooperate with and accept grants and assistance  
14 from, Federal and State agencies, local governments or other  
15 political subdivisions, foundations, corporations, or any other  
16 source for any of the lawful purposes of the institution. Each  
17 institution shall have the power to bank and use such grants as  
18 directed by the grantor and subject to the limitations of this  
19 act, except that grants and assistance from sources other than  
20 State agencies, local governments or other political  
21 subdivisions shall not be subject to the provisions of clause  
22 (10). All moneys received from sources authorized by this  
23 section are hereby appropriated to each of the several  
24 institutions granted such moneys. All such moneys shall be  
25 subject to audit by the Auditor General.

26 (12) To authorize personnel to travel within or without the  
27 Commonwealth at State expense, in accordance with regulations of  
28 the Board of Governors.

29 (13) Within the limitations of the operating budget and  
30 other available funds, to enter into contracts for consultative

1 service not to exceed five thousand dollars (\$5,000) per  
2 contract.

3 (14) To enter into contracts in accordance with policies of  
4 the board, to enable students to engage in student teaching or  
5 other training in order to obtain experience in a particular  
6 field.

7 (15) To employ or contract for the services of, a campus  
8 security force consistent with policies and procedures  
9 established by the board.

10 (16) Consistent with the policies of the board to do and  
11 perform all of those other things necessary and required for the  
12 orderly operation of the institution.

13 Section 2011-A. Rental Fees and Other Charges.--(a) In  
14 addition to rental fees fixed, charged and collected in the  
15 manner provided by law from each person residing in State-owned  
16 or State-leased residential facilities at an institution for the  
17 maintenance and operation of such facilities, a sum of not more  
18 than three dollars (\$3) per week shall be fixed, charged and  
19 collected from each such person as an additional rental fee.  
20 Such additional rental fees shall be paid to the Commonwealth  
21 and as much of said fees as may be necessary shall be credited  
22 to The State System of Higher Education for the continued  
23 maintenance of the following funds:

24 (1) A Reserve Fund for Contingencies and Capital  
25 Replacements, provided by annual payments from each campus at a  
26 rate established by the board; and

27 (2) A Furniture and Equipment Reserve Fund, provided by  
28 annual payments from each campus at the rate of eight per centum  
29 (8%) of the original cost of furniture and equipment for each  
30 building, with the further provision that payments to these

1 reserve funds shall be deposited annually to the credit of the  
2 contributing institution in order that accrued annual payments  
3 and earned interest may be available for the exclusive use of  
4 the contributing institution for the specific purposes  
5 designated or for such purposes as may be approved by the Board  
6 of Governors.

7 (b) All moneys accumulated in reserve funds shall be paid by  
8 The State System of Higher Education from the funds for the  
9 purposes for which the funds were created in accordance with  
10 disbursement procedures as provided by law. The additional  
11 rental fee moneys collected in excess of the amounts required to  
12 be deposited in the reserve funds shall be credited to the  
13 Department of General Services and paid on account of rentals  
14 due The General State Authority under lease contracts for  
15 dormitories constructed by it for the several institutions.

16 Section 2012-A. Diplomas and Certificates.--The board shall  
17 prescribe minimum standards for graduation from the university  
18 system subject to the approval of the State board. Each graduate  
19 shall receive such diploma as the board shall prescribe. Subject  
20 to the approval of the State board, the university system shall  
21 be authorized to grant baccalaureate, master's and doctoral  
22 degrees for successful completion of prescribed courses of study  
23 and such other certificates and degrees as may be approved by  
24 the board. With respect to any proposed new degree program not  
25 in existence at the time of the passage of this act, no such  
26 program shall be established without the prior approval of the  
27 State board.

28 Section 2013-A. Teachers' and Employees' Retirement Plans.--  
29 Pursuant to the provisions of 24 Pa.C.S. § 8301 (relating to  
30 mandatory and optional membership), all professional and other

employees of the university system and its institutions shall be  
accorded the right to elect participation in the Pennsylvania  
Public School Employees' Retirement System or the State  
Employees' Retirement System. Alternatively, eligible employees  
shall have the right to elect participation in the Teachers'  
Insurance and Annuity Association of America -- College  
Retirement Equities Fund (TIAA-CREF) retirement plan.

Section 2014-A. Nondiscrimination Policy.--No person shall  
be denied a position as a governor, trustee, faculty member,  
employee or student at any institution because of his race,  
color, religion, creed, ancestry, age, sex, national origin or  
political party affiliation.

Section 2015-A. Annual Audit.--The activities of the  
university system under this article shall be subject to the  
audit of the Department of the Auditor General, but the system  
shall not be required to pay a fee for any such audit. It shall  
make an annual report to the State Board of Education and to the  
Legislature showing its condition at the end of the  
Commonwealth's fiscal year.

Section 2016-A. Continuation of Powers and Duties.--All  
powers, rights, privileges, duties and obligations, statutory,  
contractual or otherwise, of the institutions or their  
predecessors and their respective council of trustees and  
officers, heretofore existing and not otherwise changed or  
repealed by this act, shall continue in full force and effect.

Section 3. (a) All acts and parts of acts inconsistent  
with the provisions of this act are hereby repealed.

(b) Nothing herein contained shall be construed to repeal  
the act of April 9, 1929 (P.L.177, No.175), known as "The  
Administrative Code of 1929," or the act of January 18, 1952

1 (1951 P.L.2111, No.600), referred to as the State College  
2 Faculty Compensation Law.

3 Section 4. Section 2004-A shall take effect immediately and  
4 the Governor and General Assembly shall appoint the board within  
5 six months thereafter, and the board shall employ the chancellor  
6 within six months thereafter. All other sections of this act  
7 shall take effect July 1, 1979.