

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2361 Session of 1998

INTRODUCED BY BARLEY, MARCH 11, 1998

SENATE AMENDMENTS TO HOUSE AMENDMENTS, JUNE 2, 1998

A SUPPLEMENT

1 To the act of July 7, 1972 (P.L.743, No.176), entitled "An act
2 providing for the establishment and operation of Lincoln
3 University as an instrumentality of the Commonwealth to serve
4 as a State-related institution in the higher education system
5 of the Commonwealth; providing for change of name; providing
6 for the composition of the board of trustees; terms of
7 trustees, and the power and duties of such trustees;
8 providing for preference to Pennsylvania residents in
9 tuition; authorizing appropriations in amounts to be fixed
10 annually by the General Assembly; providing for the auditing
11 of accounts of expenditures from said appropriations;
12 providing for public support and capital improvements;
13 authorizing the issuance of bonds exempt from taxation within
14 the Commonwealth; requiring the President to make an annual
15 report of the operations of Lincoln University," making
16 appropriations for carrying the same into effect; providing
17 for a basis for payments of such appropriations; and
18 providing a method of accounting for the funds appropriated
19 and for certain fiscal information disclosure.

20 The General Assembly of the Commonwealth of Pennsylvania

21 hereby enacts as follows:

22 Section 1. ~~The following sums, or as much thereof as may be~~ <—
23 ~~necessary, are hereby appropriated to the Trustees of Lincoln~~
24 ~~University, Chester County, for the fiscal year July 1, 1998, to~~
25 ~~June 30, 1999, for the purposes and in the amounts as shown:~~

26 (1) ~~For educational and general expenses..... \$10,389,000~~

1	(2) To enhance the recruitment and retention	
2	of disadvantaged students.....	338,000
3	(3) For the International Affairs Institute...	305,000

4 SECTION 1. THE GENERAL ASSEMBLY HEREBY DECLARES THAT THE <—
5 PURPOSE OF THIS ACT IS TO PROVIDE SUPPORT FOR LINCOLN UNIVERSITY
6 AND TO ENSURE THE PRUDENT AND SOUND FISCAL MANAGEMENT OF LINCOLN
7 UNIVERSITY AND THE FUTURE VIABILITY OF LINCOLN UNIVERSITY'S
8 EDUCATIONAL MISSION TO ITS STUDENTS.

9 THE GENERAL ASSEMBLY TAKES NOTICE OF THE CRITICAL FINDINGS
10 MADE BY THE AUDITOR GENERAL IN A REPORT OF THE BOOKS AND RECORDS
11 OF LINCOLN UNIVERSITY IN 1990, THAT THE BOARD OF TRUSTEES AND
12 UNIVERSITY OFFICIALS HAVE ON SEVERAL OCCASIONS FAILED TO
13 EXERCISE CONTROL OVER THE PURCHASING AND PROCUREMENT PRACTICES,
14 AND THAT ON SEVERAL OCCASIONS THE BOARD OF TRUSTEES AND
15 UNIVERSITY OFFICIALS HAVE FAILED TO ENFORCE AND COMPLY WITH
16 EXISTING UNIVERSITY PROCUREMENT GUIDELINES INTENDED TO PREVENT
17 THE MISAPPROPRIATION OF PUBLIC FUNDS. AS SUCH, SERIOUS QUESTIONS
18 CONCERNING THE MANAGEMENT OF THE UNIVERSITY'S CAPITAL EXPENSES
19 SINCE 1993 CONTINUE TO EXIST AS A RESULT OF THE BOARD OF
20 TRUSTEES AND THE PRESIDENT'S FAILURE TO ADOPT AND ENFORCE
21 MEASURES DESIGNED TO ENSURE PRUDENT FISCAL MANAGEMENT, SUCH AS
22 THE ADOPTION OF A CAPITAL BUDGET, THE ENFORCEMENT OF COMPETITIVE
23 BIDDING PROCEDURES AND ADHERENCE TO PAYMENT PROTOCOLS.

24 SECTION 2. THE FOLLOWING SUMS, OR AS MUCH THEREOF AS MAY BE
25 NECESSARY, ARE HEREBY APPROPRIATED TO THE TRUSTEES OF LINCOLN
26 UNIVERSITY, CHESTER COUNTY, FOR FISCAL YEAR JULY 1, 1998, TO
27 JUNE 30, 1999, FOR THE PURPOSES AND IN THE AMOUNTS AS SHOWN:

28	(1) FOR EDUCATIONAL AND GENERAL EXPENSES.....	\$10,139,000
29	(2) FOR THE INTERNATIONAL AFFAIRS INSTITUTE...	\$305,000
30	(3) TO ENHANCE THE RECRUITMENT AND RETENTION	

1 OF DISADVANTAGED STUDENTS..... \$338,000
2 (4) FOR STUDENT EDUCATION INSTRUCTION
3 ASSISTANCE, INCLUDING COMPUTER TECHNOLOGY
4 ENHANCEMENT AND RESEARCH LIBRARY MATERIAL
5 ACQUISITION, TO BE ADMINISTERED BY A THREE-PERSON
6 COMMITTEE, ONE MEMBER APPOINTED BY THE TRUSTEES OF
7 LINCOLN UNIVERSITY, ONE MEMBER APPOINTED BY THE
8 STUDENT GOVERNING BODY AND ONE MEMBER APPOINTED BY
9 THE UNIVERSITY FACULTY MEMBER ASSOCIATION..... \$250,000

10 SECTION 3. PAYMENTS MADE TO LINCOLN UNIVERSITY ON ACCOUNT OF
11 THE APPROPRIATIONS PROVIDED UNDER SECTION 2(1) SHALL BE MADE BY
12 THE SECRETARY OF EDUCATION IN THREE EQUAL PAYMENTS IN THE MANNER
13 DESCRIBED BELOW:

14 (1) THE SECRETARY OF EDUCATION SHALL NOT RELEASE THE FIRST
15 PAYMENT UNTIL THE TRUSTEES OF LINCOLN UNIVERSITY AGREE IN
16 WRITING TO THE FOLLOWING:

17 (I) THAT THE CHAIRMAN OF THE TRUSTEES OF LINCOLN UNIVERSITY
18 SHALL, UPON THE REQUEST OF THE MAJORITY OR MINORITY CHAIRMAN OF
19 THE APPROPRIATIONS COMMITTEE OF THE SENATE OR THE MAJORITY OR
20 MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE
21 OF REPRESENTATIVES, PROVIDE FULL, COMPLETE AND ACCURATE
22 DOCUMENTATION OF ANY FINANCIAL TRANSACTION, OR ANY OTHER
23 INFORMATION THAT MAY BE REQUESTED.

24 (II) THAT THE TRUSTEES OF LINCOLN UNIVERSITY WILL CONSIDER
25 AND ADOPT NEW POLICIES INTENDED TO PROVIDE GREATER FISCAL
26 ACCOUNTABILITY AND SOUND MANAGEMENT, INCLUDING, BUT NOT LIMITED
27 TO, ADOPTING AN ANNUAL CAPITAL BUDGET ITEMIZING ALL CONSTRUCTION
28 IMPROVEMENT PROJECTS, FURNITURE AND EQUIPMENT ACQUISITION, AND
29 ALL OTHER NONREOCCURRING, NONEMERGENCY EXPENSES RELATED TO THE
30 PHYSICAL INFRASTRUCTURE OF THE UNIVERSITY; ADOPTING AND ADHERING

1 TO COMPETITIVE BIDDING GUIDELINES THAT WOULD BE APPLICABLE TO
2 ALL NONEMERGENCY UNIVERSITY CONTRACTS INVOLVING SIMILAR
3 SERVICES, IDENTICAL LOCATIONS OR THE SAME CONTRACTOR, REGARDLESS
4 OF THE DATE OF THE CONTRACT, THAT MAY IN THE AGGREGATE EXCEED
5 \$5,000; REQUIRING THE SUBMISSION OF PURCHASE REQUISITIONS BEFORE
6 THE COMPLETION OF PURCHASE ORDERS; REQUIRING THE COMPLETION OF
7 PURCHASE ORDERS PRIOR TO THE INITIATION OF THE CONTRACT WORK;
8 AND MAINTAINING THE APPROPRIATE RECORDS FOR ALL CONTRACTED
9 SERVICES.

10 (2) THE SECRETARY OF EDUCATION SHALL NOT RELEASE THE SECOND
11 PAYMENT UNTIL THE TRUSTEES OF LINCOLN UNIVERSITY AGREE TO
12 COMMISSION AN INDEPENDENT FORENSIC AUDIT, TO BE COMPLETED AT
13 UNIVERSITY EXPENSE, AND SPECIFICALLY STRUCTURED AND DESIGNED TO
14 IDENTIFY ANY FRAUDULENT OR IMPROPER FINANCIAL TRANSACTION
15 INVOLVING UNIVERSITY CONTRACTS SINCE 1993. THE AUDIT SHALL BE
16 CONDUCTED BY AN ACCOUNTING FIRM SELECTED BY AND UNDER THE
17 DIRECTION OF THE AUDITOR GENERAL OF THE COMMONWEALTH. THE
18 AUDITOR GENERAL SHALL HAVE THE AUTHORITY TO COMPEL THE
19 PRODUCTION OF DOCUMENTS OR THE TESTIMONY OF ANY PERSON THAT MAY
20 BE RELATIVE TO THE COMPLETION OF THE AUDIT.

21 (3) THE SECRETARY OF EDUCATION SHALL NOT RELEASE THE THIRD
22 PAYMENT, UNTIL SUCH TIME AS THE TRUSTEES OF LINCOLN UNIVERSITY
23 COMPLETE AND SUBMIT TO THE SECRETARY OF EDUCATION AND THE
24 MAJORITY AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE
25 OF THE SENATE AND THE MAJORITY AND MINORITY CHAIRMAN OF THE
26 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES THE
27 INDEPENDENT FORENSIC AUDIT, AND AGREE IN WRITING TO ADOPT AND
28 ADHERE TO THE RECOMMENDATIONS INCLUDED IN THE COMPLETED AUDIT.

29 Section ~~2~~ 4. Payments to Lincoln University on account of <—
30 the appropriations for the items provided in section ~~1~~ 2 shall <—

1 be made on the basis of costs during the fiscal year.

2 Section ~~3~~ 5. (a) ~~Payments~~ EXCEPT AS PROVIDED IN SECTION 3, ←
3 PAYMENTS to Lincoln University of the appropriations provided in
4 section ~~1~~ 2 shall be made monthly during the fiscal year. ←

5 (b) Such monthly payments shall be made in accordance with
6 the provisions of section ~~2~~ 4 on the basis of estimated costs. ←
7 The estimate of costs shall be submitted by Lincoln University
8 to the Secretary of Education, the General Assembly and the
9 State Treasurer not later than 30 days prior to the date on
10 which such payment is to be made.

11 Section 4 6. (a) Lincoln University shall apply the moneys ←
12 appropriated by this act only for such purposes as are permitted
13 in this act and shall at all times maintain proper records
14 showing the application of such moneys. Not later than 120 days
15 after the close of the fiscal year to which this act relates,
16 Lincoln University shall file, with the Secretary of Education,
17 the General Assembly and the Auditor General of the
18 Commonwealth, a statement setting forth the amounts and purposes
19 of all expenditures made from moneys appropriated by this act
20 and costs, as provided in section 2, used as a basis for receipt
21 of any appropriation during said fiscal year.

22 (b) Such statement of expenditures and costs shall be
23 reviewed by the Auditor General of the Commonwealth, and he
24 shall have the right, in respect to the moneys appropriated by
25 this act, to audit and disallow expenditures made for purposes
26 not permitted by this act and to cause such sums to be recovered
27 and paid by Lincoln University to the State Treasurer. In
28 respect to expenditures made by the university from moneys other
29 than those appropriated by this act, the Auditor General shall
30 have the right to review only, and he shall file annually with

1 the General Assembly such information concerning said
2 expenditures as the General Assembly or any of its committees
3 may require.

4 Section 5 7. A report shall be submitted to the Governor and ←
5 the Appropriations and Education Committees of the Senate and
6 House of Representatives and shall include data for all
7 programs. The report, to be submitted prior to September 1,
8 1999, shall cover the 12-month period beginning with the summer
9 term 1998 and shall include:

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

12 (i) The definitions and numbers of faculty members employed
13 full time, of faculty members employed part time, of full-time
14 students enrolled in graduate courses, of full-time students
15 enrolled in undergraduate courses, of part-time students
16 enrolled in graduate courses and of part-time students enrolled
17 in undergraduate courses.

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

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

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

30 (2) For the summer term and the following academic year in

1 total and for each two-digit CIP program category, a
2 classification of faculty members or other professional
3 employees by title, including: professor, associate professor,
4 assistant professor, instructor, lecturer, research associate,
5 librarian and academic administrator; faculty members or other
6 professional employees under each title to be subdivided by type
7 of assignment: teaching and nonteaching; and each such set of
8 faculty members or other professional employees to be further
9 subdivided by type of employment: full-time or part-time; and
10 the following aggregates for each such subdivided
11 classification:

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

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

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

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

28 (v) The sum of undergraduate individual instruction student
29 credit hours and the sum of graduate individual instruction
30 student credit hours generated, divided into lower division,

1 upper division, master's, first professional and doctoral course
2 levels.

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

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

15 Section ~~6~~ 8. In addition to the requirements in section ~~5~~ 7 ←
16 relative to this appropriation, the report covering the 12-month
17 period beginning with the summer term 1998 shall include for all
18 programs of the university:

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

21 (2) Number of bachelor's degrees, master's degrees, first
22 professional degrees and doctoral degrees awarded in 1994, 1995,
23 1996, 1997, 1998 and estimated 1999.

24 Section ~~7~~ 9. (a) The following words and phrases when used ←
25 in this section shall have the meanings given to them in this
26 subsection unless the context clearly indicates otherwise:

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

1 the office of the president, chief academic officer and vice
2 president.

3 "Expenditures." Disbursements of State appropriations,
4 tuition and fees supporting educational and general categories
5 as defined in the Higher Education Finance Manual, Department of
6 Health, Education and Welfare, 1975, or disbursement, supported
7 by State appropriations, tuition or fees, to support a defined
8 project or program under subsection (b)(3).

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

10 (b) Lincoln University shall disclose the following:

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

14 (2) The actual revenue and expenditures for the prior year
15 in the same format as the information reported under paragraph
16 (1).

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

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

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

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

28 (c) The university shall provide the following additional
29 information for the prior fiscal year for each academic or
30 administrative support unit, for each defined project or program

1 and for any auxiliary enterprise:

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

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

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

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

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

16 (6) A list of purchase of service contracts which exceed
17 \$1,000 by category of service, including, but not limited to,
18 legal, instructional, management, accounting, architecture,
19 public relations and maintenance. The list shall contain the
20 name and address of the contractor, a statement of the nature of
21 the duties of the contractor and the academic and administrative
22 support unit for which the duties are performed. If a purchase
23 of service contract exceeds 10% of the total aggregate
24 expenditure of the contract category per academic or
25 administrative support unit, then the contracted amount shall
26 also be listed.

27 (7) A list of purchase of goods contracts which exceed
28 \$1,000. The list shall contain the name and address of the
29 contractor and a list of the goods purchased and the academic or
30 administrative support unit for which such goods were

1 contracted. If a purchase of goods contract exceeds 10% of the
2 total aggregate expenditure per academic or administrative
3 support unit, then the contracted amount shall also be listed.

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

7 (d) The university shall submit a report of the information
8 under subsections (b) and (c) to the Education Committee of the
9 Senate and the Appropriations Committee of the Senate and the
10 Education Committee of the House of Representatives and the
11 Appropriations Committee of the House of Representatives. In
12 addition, the university shall submit a copy of the report to
13 each of the following:

14 (1) Governor's Office.

15 (2) Secretary of Education.

16 (3) State Treasurer.

17 (4) Auditor General.

18 (5) Joint State Government Commission.

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

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

25 (f) The Joint State Government Commission shall develop a
26 statistical comparison analysis recognizing differences in
27 missions from the reports made under this section. A majority of
28 the members of the commission may request additional
29 documentation, except for salary or identity of individuals,
30 necessary to complete the comparative analysis. The comparison

1 shall be provided to the Education Committee of the Senate and
2 the Appropriations Committee of the Senate and the Education
3 Committee of the House of Representatives and the Appropriations
4 Committee of the House of Representatives and the four State
5 regional libraries.

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

11 Section ~~8~~ 10. The Lincoln University shall provide full, <—
12 complete and accurate information as may be required by the
13 Department of Education or the majority chairman or the minority
14 chairman of the Appropriations Committee of the Senate or the
15 majority chairman or the minority chairman of the Appropriations
16 Committee of the House of Representatives.

17 Section ~~9~~ 11. Lincoln University shall report its revenues <—
18 and expenditures and present its financial statements required
19 under the provisions of this act in accordance with generally
20 accepted accounting principles and procedures for educational
21 institutions as set forth in the "Higher Education Finance
22 Manual, United States Department of Health, Education and
23 Welfare (1975)" and the "Commonwealth of Pennsylvania Budget
24 Instructions for the State System of Higher Education, State-
25 Related Universities and Non-State-Related Colleges and
26 Universities."

27 Section ~~10~~ 12. This act shall take effect July 1, 1998, or <—
28 immediately, whichever is later.