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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2361 Session of  
1998

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INTRODUCED BY BARLEY, MARCH 11, 1998

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SENATE AMENDMENTS TO HOUSE AMENDMENTS, OCTOBER 5, 1998

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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:~~

1       ~~(1) For educational and general expenses.....~~       \$10,389,000  
2       ~~(2) To enhance the recruitment and retention~~  
3 ~~of disadvantaged students.....~~                               338,000  
4       ~~(3) For the International Affairs Institute...~~       305,000

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

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

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

30       (1) FOR EDUCATIONAL AND GENERAL EXPENSES.....       \$5,070,000

1       (2) FOR THE INTERNATIONAL AFFAIRS INSTITUTE...       \$305,000  
2       (3) TO ENHANCE THE RECRUITMENT AND RETENTION  
3 OF DISADVANTAGED STUDENTS.....       \$338,000  
4       (4) FOR STUDENT EDUCATION INSTRUCTION  
5 ASSISTANCE, INCLUDING COMPUTER TECHNOLOGY  
6 ENHANCEMENT AND RESEARCH LIBRARY MATERIAL  
7 ACQUISITION, TO BE ADMINISTERED BY A THREE-PERSON  
8 COMMITTEE, ONE MEMBER APPOINTED BY THE TRUSTEES OF  
9 LINCOLN UNIVERSITY, ONE MEMBER APPOINTED BY THE  
10 STUDENT GOVERNING BODY AND ONE MEMBER APPOINTED BY  
11 THE UNIVERSITY FACULTY MEMBER ASSOCIATION.....       \$250,000

12       SECTION 3. (A) PAYMENTS MADE TO LINCOLN UNIVERSITY ON  
13 ACCOUNT OF THE APPROPRIATIONS PROVIDED UNDER SECTION 2(1) SHALL  
14 BE MADE BY THE SECRETARY OF EDUCATION AS PROVIDED IN SECTION 5  
15 SUBJECT TO THE LIMITATIONS AND CONDITIONS DESCRIBED IN  
16 SUBSECTION (B).

17       (B) THE SECRETARY OF EDUCATION SHALL NOT RELEASE ANY PAYMENT  
18 UNTIL THE TRUSTEES OF LINCOLN UNIVERSITY AGREE IN WRITING WITH  
19 THE FOLLOWING:

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

27       (2) THAT THE TRUSTEES OF LINCOLN UNIVERSITY WILL ADOPT NEW  
28 POLICIES INTENDED TO PROVIDE GREATER FISCAL ACCOUNTABILITY AND  
29 SOUND MANAGEMENT, INCLUDING, BUT NOT LIMITED TO, ADOPTING AN  
30 ANNUAL CAPITAL BUDGET ITEMIZING ALL CONSTRUCTION IMPROVEMENT

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

13 (3) THE BOARD OF TRUSTEES WILL ADOPT A CODE OF CONDUCT  
14 GOVERNING THE ACTIONS OF ALL UNIVERSITY EMPLOYEES, BOARD MEMBERS  
15 AND THEIR RESPECTIVE FAMILIES, WHICH MEETS OR EXCEEDS THE  
16 REQUIREMENTS OF THE ACT OF JULY 19, 1957 (P.L.1017, NO.451),  
17 KNOWN AS THE "STATE ADVERSE INTEREST ACT," AND THE ACT OF  
18 OCTOBER 4, 1978 (P.L.883, NO.170), REFERRED TO AS THE PUBLIC  
19 OFFICIAL AND EMPLOYEE ETHICS LAW.

20 (4) THE BOARD OF TRUSTEES WILL ADOPT A WASTE DISPOSAL  
21 PROTOCOL WHICH MEETS OR EXCEEDS APPLICABLE FEDERAL, STATE AND  
22 LOCAL STANDARDS, INCLUDING THE IMMEDIATE ELIMINATION OF EXISTING  
23 ENVIRONMENTAL CONTAMINATION AND OTHER ENVIRONMENTAL HAZARDS ON  
24 UNIVERSITY PROPERTY.

25 (5) THE BOARD OF TRUSTEES WILL APPOINT AN OVERSIGHT  
26 COMMITTEE WHICH SHALL BE COMPOSED OF AT LEAST ONE QUALIFIED  
27 BUILDING OR RENOVATION PROFESSIONAL, ONE TENURED FACULTY MEMBER  
28 AND ONE CURRENTLY ENROLLED STUDENT, TO REVIEW AND APPROVE ANY  
29 FUTURE RENOVATION TO THE PRESIDENT'S HOME. IN ADDITION, THE  
30 BOARD OF TRUSTEES SHALL SPECIFICALLY APPROVE ALL NONMAINTENANCE

1 OR NONROUTINE OPERATING EXPENSES AND EXPENDITURES FOR THE  
2 PRESIDENT'S HOUSE, BEFORE ANY FUTURE WORK IS COMMENCED.

3 (6) THE BOARD OF TRUSTEES WILL ADOPT A BUILDING AND  
4 CONSTRUCTION PROTOCOL DESIGNED TO ENSURE UNIVERSITY COMPLIANCE  
5 WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL BUILDING AND SAFETY  
6 CODE REQUIREMENTS TO WHICH ANY UNIVERSITY ACTION MAY BE SUBJECT.

7 SECTION 4. THE BOARD OF TRUSTEES SHALL SUBMIT A REPORT  
8 DETAILING REMEDIAL MEASURES TAKEN BY THE UNIVERSITY TO ENSURE  
9 COMPLIANCE WITH THE OBLIGATIONS IMPOSED ON THE BOARD OF TRUSTEES  
10 BY THIS ACT AND PROVIDE EVIDENCE OF A RECORD OF DEMONSTRATED  
11 COMPLIANCE BY MAY 30, 1999, TO THE PENNSYLVANIA AUDITOR GENERAL  
12 AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS  
13 COMMITTEE OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN  
14 OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

15 Section ~~2~~ 5. Payments to Lincoln University on account of <—  
16 the appropriations for the items provided in section ~~1~~ 2 shall <—  
17 be made on the basis of costs during the fiscal year.

18 ~~Section 3. (a) Payments~~ SECTION 6. (A) SUBJECT TO THE <—  
19 LIMITATIONS AND CONDITIONS UNDER SECTION 3, PAYMENTS to Lincoln  
20 University of the appropriations provided in section ~~1~~ 2 shall <—  
21 be made monthly during THE FIRST SIX MONTHS OF the fiscal year <—  
22 WITH THE PAYMENTS TO BE COMPLETED BY DECEMBER 31, 1998. <—

23 (b) Such monthly payments shall be made in accordance with  
24 the provisions of section ~~2~~ 5 on the basis of estimated costs. <—  
25 The estimate of costs shall be submitted by Lincoln University  
26 to the Secretary of Education, the General Assembly and the  
27 State Treasurer not later than 30 days prior to the date on  
28 which such payment is to be made.

29 Section ~~4~~ 7. (a) Lincoln University shall apply the moneys <—  
30 appropriated by this act only for such purposes as are permitted

1 in this act and shall at all times maintain proper records  
2 showing the application of such moneys. Not later than 120 days  
3 after the close of the fiscal year to which this act relates,  
4 Lincoln University shall file, with the Secretary of Education,  
5 the General Assembly and the Auditor General of the  
6 Commonwealth, a statement setting forth the amounts and purposes  
7 of all expenditures made from moneys appropriated by this act  
8 and costs, as provided in section ~~2~~ 5, used as a basis for ←  
9 receipt of any appropriation during said fiscal year.

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

22 Section ~~5~~ 8. A report shall be submitted to the Governor and ←  
23 the Appropriations and Education Committees of the Senate and  
24 House of Representatives and shall include data for all  
25 programs. The report, to be submitted prior to September 1,  
26 1999, shall cover the 12-month period beginning with the summer  
27 term 1998 and shall include:

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

30 (i) The definitions and numbers of faculty members employed

1 full time, of faculty members employed part time, of full-time  
2 students enrolled in graduate courses, of full-time students  
3 enrolled in undergraduate courses, of part-time students  
4 enrolled in graduate courses and of part-time students enrolled  
5 in undergraduate courses.

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

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

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

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

30 (i) The number of faculty and other professional employees

1 and their full-time equivalence in instructional and  
2 noninstructional functions.

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

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

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

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

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

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



1 preparation, hours spent in research and hours spent in public  
2 service.

3 Section 6 9. In addition to the requirements in section 5 8 ←  
4 relative to this appropriation, the report covering the 12-month  
5 period beginning with the summer term 1998 shall include for all  
6 programs of the university:

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

9 (2) Number of bachelor's degrees, master's degrees, first  
10 professional degrees and doctoral degrees awarded in 1994, 1995,  
11 1996, 1997, 1998 and estimated 1999.

12 Section 7 10. (a) The following words and phrases when used ←  
13 in this section shall have the meanings given to them in this  
14 subsection unless the context clearly indicates otherwise:

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

21 "Expenditures." Disbursements of State appropriations,  
22 tuition and fees supporting educational and general categories  
23 as defined in the Higher Education Finance Manual, Department of  
24 Health, Education and Welfare, 1975, or disbursement, supported  
25 by State appropriations, tuition or fees, to support a defined  
26 project or program under subsection (b)(3).

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

28 (b) Lincoln University shall disclose the following:

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

1 year.

2 (2) The actual revenue and expenditures for the prior year  
3 in the same format as the information reported under paragraph  
4 (1).

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

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

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

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

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

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

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

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

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

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

4 (6) A list of purchase of service contracts which exceed  
5 \$1,000 by category of service, including, but not limited to,  
6 legal, instructional, management, accounting, architecture,  
7 public relations and maintenance. The list shall contain the  
8 name and address of the contractor, a statement of the nature of  
9 the duties of the contractor and the academic and administrative  
10 support unit for which the duties are performed. If a purchase  
11 of service contract exceeds 10% of the total aggregate  
12 expenditure of the contract category per academic or  
13 administrative support unit, then the contracted amount shall  
14 also be listed.

15 (7) A list of purchase of goods contracts which exceed  
16 \$1,000. The list shall contain the name and address of the  
17 contractor and a list of the goods purchased and the academic or  
18 administrative support unit for which such goods were  
19 contracted. If a purchase of goods contract exceeds 10% of the  
20 total aggregate expenditure per academic or administrative  
21 support unit, then the contracted amount shall also be listed.

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

25 (d) The university shall submit a report of the information  
26 under subsections (b) and (c) to the Education Committee of the  
27 Senate and the Appropriations Committee of the Senate and the  
28 Education Committee of the House of Representatives and the  
29 Appropriations Committee of the House of Representatives. In  
30 addition, the university shall submit a copy of the report to

1 each of the following:

2 (1) Governor's Office.

3 (2) Secretary of Education.

4 (3) State Treasurer.

5 (4) Auditor General.

6 (5) Joint State Government Commission.

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

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

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

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

29 Section 8 11. The Lincoln University shall provide full, <—  
30 complete and accurate information as may be required by the

1 Department of Education or the ~~majority~~ chairman or the minority <—  
2 chairman of the Appropriations Committee of the Senate or the  
3 ~~majority~~ chairman or the minority chairman of the Appropriations <—  
4 Committee of the House of Representatives.

5 Section ~~9~~ 12. Lincoln University shall report its revenues <—  
6 and expenditures and present its financial statements required  
7 under the provisions of this act in accordance with generally  
8 accepted accounting principles and procedures for educational  
9 institutions as set forth in the "Higher Education Finance  
10 Manual, United States Department of Health, Education and  
11 Welfare (1975)" and the "Commonwealth of Pennsylvania Budget  
12 Instructions for the State System of Higher Education, State-  
13 Related Universities and Non-State-Related Colleges and  
14 Universities."

15 Section ~~10~~ 13. This act shall take effect July 1, 1998, or <—  
16 immediately, whichever is later.