

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1374** Session of
2003

INTRODUCED BY ARGALL, MAY 6, 2003

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JULY 1, 2003

A SUPPLEMENT

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

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

10 Section 1. In order to carry into effect the act of
11 Congress, approved July 2, 1862, granting public land to the
12 several states for educational purposes, and subsequent acts of
13 Congress related thereto, and the act of the General Assembly of
14 Pennsylvania accepting the provisions and conditions of said
15 acts of Congress and pledging the faith of the State to carry
16 the same into effect, the following sums, or as much thereof as
17 may be necessary, are hereby appropriated to the Trustees of The
18 Pennsylvania State University for the fiscal year July 1, 2003,
19 to June 30, 2004, for the purposes and in the amounts as shown:

1	(1) For educational and general expenses.....	\$232,508,000
2	(2) For medical education.....	4,793,000
3	(3) For children's hospital.....	4,793,000
4	(4) For the Central Pennsylvania Psychiatric	
5	Institute.....	1,864,000
6	(5) For the cost of agricultural research.....	22,922,000
7	(6) For the cost of agricultural extension	
8	services.....	26,201,000
9	(7) To enhance the recruitment and retention	
10	of disadvantaged students.....	332,000
11	(8) For the Pennsylvania College of	
12	Technology.....	11,673,000
13	(9) For debt service related to the former	
14	Williamsport Area Community College.....	1,379,000

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

19 Section 3. If necessary, The Pennsylvania State University
20 may transfer funds among the appropriations listed in section
21 1(1), (4) and (5), provided that the aggregate amount
22 transferred into or out of each appropriation during the fiscal
23 year shall not exceed 5% of the amount specifically appropriated
24 for that purpose.

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

28 (b) Such monthly payments shall be made in accordance with
29 the provisions of section 2 on the basis of estimated costs. The
30 estimate of costs shall be submitted by The Pennsylvania State

1 University to the Secretary of Education, the General Assembly
2 and the State Treasurer not later than 30 days prior to the date
3 on which such payment is to be made.

4 Section 5. (a) EXCEPT AS PROVIDED IN SUBSECTION (C), The ←
5 Pennsylvania State University shall apply the moneys
6 appropriated by this act only for such purposes as are permitted
7 in this act and shall at all times maintain proper records
8 showing the application of such moneys. Not later than 120 days
9 after the close of the fiscal year to which this act relates,
10 The Pennsylvania State University shall file, with the Secretary
11 of Education, the General Assembly and the Auditor General of
12 the Commonwealth, a statement setting forth the amounts and
13 purposes of all expenditures made from moneys appropriated by
14 this act and other university accounts during said fiscal year,
15 as provided in section 2, used as a basis for receipt of any
16 appropriation during said fiscal year.

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

29 (C) ANY MONEYS APPROPRIATED BY THIS ACT THAT ARE APPLIED ON ←
30 AN INDIVIDUAL BASIS TO STUDENTS, INCLUDING, BUT NOT LIMITED TO

1 STUDENT FINANCIAL ASSISTANCE, SHALL BE APPLIED IN SUCH A MANNER
2 THAT 75% OF THE APPROPRIATED FUNDS ARE USED FOR STUDENTS WHO ARE
3 RESIDENTS OF THIS COMMONWEALTH.

4 Section 6. 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 programs
7 except the Doctor of Medicine program. The report, to be
8 submitted prior to September 1, 2004, shall cover the 12-month
9 period beginning with the summer term 2003 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 7. In addition to the requirements in section 6
16 relative to this appropriation, the report covering the 12-month
17 period beginning with the summer term 2003 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 1999, 2000,
23 2001, 2002, 2003 and estimated 2004.

24 Section 8. (a) The following words and phrases when used in
25 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 or payments of State
4 appropriations, tuition and fees supporting operational,
5 educational or other general categories of expenses as defined
6 in: the generally accepted accounting principles as prescribed
7 by the National Association of College and University Business
8 Officers, the American Institute of Certified Public
9 Accountants, or by their successors, or by any other recognized
10 authoritative body; the "Commonwealth of Pennsylvania Budget
11 Instructions for the State System of Higher Education, State-
12 Related Universities and Non-State-Related Colleges and
13 Universities"; and, the financial reporting policies and
14 standards promulgated by the Commonwealth of Pennsylvania and by
15 the Federal Government that apply to the Pennsylvania State
16 University.

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

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

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

23 (2) The actual revenue and expenditures for the prior year
24 in the same format as the information reported under paragraph
25 (1).

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

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

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

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

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

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

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

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

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

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

25 (6) A list of purchase of service contracts which exceed
26 \$1,000 by category of service, including, but not limited to,
27 legal, instructional, management, accounting, architecture,
28 public relations and maintenance. The list shall contain the
29 name and address of the contractor, a statement of the nature of
30 the duties of the contractor and the academic and administrative

1 support unit for which the duties are performed. If a purchase
2 of service contract exceeds 10% of the total aggregate
3 expenditure of the contract category per academic or
4 administrative support unit, then the contracted amount shall
5 also be listed.

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

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

16 (d) The university shall submit a report of the information
17 under subsections (b) and (c) to the Education Committee of the
18 Senate and the Appropriations Committee of the Senate and the
19 Education Committee of the House of Representatives and the
20 Appropriations Committee of the House of Representatives. In
21 addition, the university shall submit a copy of the report to
22 each of the following:

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

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

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

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

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

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

26 Section 10. The Pennsylvania State University shall present
27 and report its financial statements required under the
28 provisions of this act in accordance with: the generally
29 accepted accounting principles as prescribed by the National
30 Association of College and University Business Officers, the

1 American Institute of Certified Public Accountants, or their
2 successors, or by any other recognized authoritative body; the
3 "Commonwealth of Pennsylvania Budget Instructions for the State
4 System of Higher Education, State-Related Universities and Non-
5 State-Related Colleges and Universities"; and, the financial
6 reporting policies and standards promulgated by the Commonwealth
7 of Pennsylvania and by the Federal Government that apply to the
8 Pennsylvania State University.

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

12 Section 12. This act shall take effect July 1, 2003, or
13 immediately, whichever is later.