
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2529 Session of
2004

INTRODUCED BY ARGALL, APRIL 12, 2004

SENATOR THOMPSON, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JULY 3, 2004

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, 2004,
19 to June 30, 2005, for the purposes and in the amounts as shown:

| | | | |
|----|---|--------------------------|------------------|
| 1 | (1) For educational and general expenses..... | \$239,434,000 | <— |
| 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..... | 27,580,000 | |
| 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 | (1) FOR EDUCATIONAL AND GENERAL EXPENSES..... | \$241,178,000 | <— |
| 16 | (2) FOR MEDICAL EDUCATION..... | 4,829,000 | |
| 17 | (3) FOR CHILDREN'S HOSPITAL..... | 4,829,000 | |
| 18 | (4) FOR THE CENTRAL PENNSYLVANIA PSYCHIATRIC | | |
| 19 | INSTITUTE..... | 1,878,000 | |
| 20 | (5) FOR THE COST OF AGRICULTURAL RESEARCH..... | 23,094,000 | |
| 21 | (6) FOR THE COST OF AGRICULTURAL EXTENSION | | |
| 22 | SERVICES..... | 27,787,000 | |
| 23 | (7) TO ENHANCE THE RECRUITMENT AND RETENTION | | |
| 24 | OF DISADVANTAGED STUDENTS..... | 434,000 | |
| 25 | (8) FOR THE PENNSYLVANIA COLLEGE OF | | |
| 26 | TECHNOLOGY..... | 11,761,000 | |
| 27 | (9) FOR DEBT SERVICE RELATED TO THE FORMER | | |
| 28 | WILLIAMSPORT AREA COMMUNITY COLLEGE..... | 1,389,000 | |

29 Section 2. Payments to The Pennsylvania State University on
30 account of the appropriations for all items as provided in

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

3 Section 3. If necessary, The Pennsylvania State University
4 ~~may transfer funds among the appropriations listed in section~~ <—
5 ~~1(1), (4) and (5), provided that the aggregate amount~~
6 ~~transferred into or out of each appropriation during the fiscal~~
7 ~~year shall not exceed 5% of the amount specifically appropriated~~
8 ~~for that purpose.~~ MAY TRANSFER FUNDS LISTED IN SECTION 1(1) TO <—
9 THE APPROPRIATION LISTED IN SECTION 1(2), (3), (4), (5), (6),
10 (7), (8) AND (9), PROVIDED THAT THE AGGREGATE AMOUNT TRANSFERRED
11 OUT OF SECTION 1(1) SHALL NOT EXCEED 5% OF THE AMOUNT
12 SPECIFICALLY APPROPRIATED FOR THAT PURPOSE.

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

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

22 Section 5. (a) The Pennsylvania State University shall
23 apply the moneys appropriated by this act only for such purposes
24 as are permitted in this act and shall at all times maintain
25 proper records showing the application of such moneys. Not later
26 than 120 days after the close of the fiscal year to which this
27 act relates, The Pennsylvania State University shall file, with
28 the Secretary of Education, the General Assembly and the Auditor
29 General of the Commonwealth, a statement setting forth the
30 amounts and purposes of all expenditures made from moneys

1 appropriated by this act and other university accounts during
2 said fiscal year, as provided in section 2, used as a basis for
3 receipt of any appropriation during said fiscal year.

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

16 Section 6. A report shall be submitted to the Governor and
17 the Appropriations and Education Committees of the Senate and
18 House of Representatives and shall include data for all programs
19 except the Doctor of Medicine program. The report, to be
20 submitted prior to September 1, 2005, shall cover the 12-month
21 period beginning with the summer term 2004 and shall include:

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

24 (i) The definitions and numbers of faculty members employed
25 full time, of faculty members employed part time, of full-time
26 students enrolled in graduate courses, of full-time students
27 enrolled in undergraduate courses, of part-time students
28 enrolled in graduate courses and of part-time students enrolled
29 in undergraduate courses.

30 (ii) The total numbers of undergraduate student credit

1 hours, divided into lower division and upper division course
2 levels, and of graduate student credit hours, divided into three
3 course levels--master's, first professional and doctoral.

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

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

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

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

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

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

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

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

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

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

27 Section 7. In addition to the requirements in section 6
28 relative to this appropriation, the report covering the 12-month
29 period beginning with the summer term 2004 shall include for all
30 programs of the university:

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

3 (2) Number of bachelor's degrees, master's degrees, first
4 professional degrees and doctoral degrees awarded in 2000, 2001,
5 2002, 2003, 2004 and estimated 2005.

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

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

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

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

30 (b) The Pennsylvania State University shall disclose the

1 following:

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

5 (2) The actual revenue and expenditures for the prior year
6 in the same format as the information reported under paragraph
7 (1).

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

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

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

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

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

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

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

29 (3) Nonsalary compensation as a percentage of salary.
30 Nonsalary compensation shall include, but not be limited to,

1 medical benefits, life insurance benefits, pension benefits,
2 leave benefits, employer Social Security payments and workers'
3 compensation benefits.

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

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

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

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

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

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

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

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

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

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

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

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

1 in the institution's library.

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

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

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

24 Section 12. This act shall take effect July 1, 2004, or
25 immediately, whichever is later.