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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**

**No. 824**      Session of  
2005

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INTRODUCED BY FEESE, MARCH 14, 2005

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AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 29, 2005

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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, 2005,  
19 to June 30, 2006, for the purposes and in the amounts as shown:

1	<del>(1) For educational and general expenses.....</del>	\$246,002,000	<—
2	<del>(2) For the cost of agricultural research.....</del>	23,094,000	
3	<del>(3) For the cost of agricultural extension</del>		
4	<del>services.....</del>	27,787,000	
5	<del>(4) To enhance the recruitment and retention</del>		
6	<del>of disadvantaged students.....</del>	434,000	
7	<del>(5) For the Pennsylvania College of</del>		
8	<del>Technology.....</del>	11,761,000	
9	(1) FOR EDUCATION AND GENERAL EXPENSES.....	\$247,208,000	<—
10	(2) FOR MEDICAL EDUCATION.....	4,829,000	
11	(3) FOR CHILDREN'S HOSPITAL.....	4,829,000	
12	(4) FOR THE CENTRAL PENNSYLVANIA PSYCHIATRIC		
13	INSTITUTE.....	1,878,000	
14	(5) FOR THE COST OF AGRICULTURAL RESEARCH.....	23,471,000	
15	(6) FOR THE COST OF AGRICULTURAL EXTENSION		
16	SERVICES.....	28,164,000	
17	(7) TO ENHANCE THE RECRUITMENT AND RETENTION		
18	OF DISADVANTAGED STUDENTS.....	434,000	
19	(8) FOR THE PENNSYLVANIA COLLEGE OF		
20	TECHNOLOGY.....	12,114,000	
21	<del>(6)</del> (9) For debt service related to the former		<—
22	Williamsport Area Community College.....	1,389,000	

23 Section 2. Payments to The Pennsylvania State University on

24 account of the appropriations for all items as provided in

25 section 1 shall be made on the basis of costs during the fiscal

26 year.

27 Section 3. If necessary, The Pennsylvania State University

28 may transfer funds listed in section 1(1) to the appropriation

29 listed in section 1(2), (3), (4), (5) and ~~(6)~~, (6), (7), (8) AND <—

30 (9), provided that the aggregate amount transferred out of

1 section 1(1) shall not exceed 5% of the amount specifically  
2 appropriated for that purpose.

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

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

12 Section 5. (a) The Pennsylvania State University shall  
13 apply the moneys appropriated by this act only for such purposes  
14 as are permitted in this act and shall at all times maintain  
15 proper records showing the application of such moneys. Not later  
16 than 120 days after the close of the fiscal year to which this  
17 act relates, The Pennsylvania State University shall file, with  
18 the Secretary of Education, the General Assembly and the Auditor  
19 General of the Commonwealth, a statement setting forth the  
20 amounts and purposes of all expenditures made from moneys  
21 appropriated by this act and other university accounts during  
22 said fiscal year, as provided in section 2, used as a basis for  
23 receipt of any appropriation during said fiscal year.

24 (b) Such statement of expenditures and costs shall be  
25 reviewed by the Auditor General of the Commonwealth, and he  
26 shall have the right, in respect to the moneys appropriated by  
27 this act, to audit and disallow expenditures made for purposes  
28 not permitted by this act and to cause such sums to be recovered  
29 and paid by The Pennsylvania State University to the State  
30 Treasurer. In respect to expenditures made by the university

1 from moneys other than those appropriated by this act, the  
2 Auditor General shall have the right to review only, and he  
3 shall file annually with the General Assembly such information  
4 concerning such expenditures as the General Assembly or any of  
5 its committees may require.

6 Section 6. A report shall be submitted to the Governor and  
7 the Appropriations and Education Committees of the Senate and  
8 House of Representatives and shall include data for all  
9 programs. The report, to be submitted prior to September 1,  
10 2006, shall cover the 12-month period beginning with the summer  
11 term 2005 and shall include:

12 (1) The following counts and distributions for each term  
13 during the period:

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

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

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

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

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

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

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

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

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

30 (v) The sum of undergraduate individual instruction student

1 credit hours and the sum of graduate individual instruction  
2 student credit hours generated, divided into lower division,  
3 upper division, master's, first professional and doctoral course  
4 levels.

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

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

17 Section 7. In addition to the requirements in section 6  
18 relative to this appropriation, the report covering the 12-month  
19 period beginning with the summer term 2005 shall include for all  
20 programs of the university:

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

23 (2) Number of bachelor's degrees, master's degrees, first  
24 professional degrees and doctoral degrees awarded in 2001, 2002,  
25 2003, 2004, 2005 and estimated 2006.

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

29 "Academic and administrative support units." Any  
30 organizational entity, as defined in the organizational manual

1 of the university, that reports directly to the president of the  
2 university, chief academic officer or vice president, including  
3 the office of the president, chief academic officer and vice  
4 president.

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

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

20 (b) The Pennsylvania State University shall disclose the  
21 following:

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

25 (2) The actual revenue and expenditures for the prior year  
26 in the same format as the information reported under paragraph  
27 (1).

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

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

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

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

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

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

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

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

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

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

27 (6) A list of purchase of service contracts which exceed  
28 \$1,000 by category of service, including, but not limited to,  
29 legal, instructional, management, accounting, architecture,  
30 public relations and maintenance. The list shall contain the



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

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

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

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

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

30 Each such institution shall maintain a copy of the report in the

1 institution's library and shall submit a copy to each of the  
2 four State regional library resource centers.

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

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

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

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

28 Section 10. The Pennsylvania State University shall present  
29 and report its financial statements required under the  
30 provisions of this act in accordance with: the generally

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

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

14 Section 12. This act shall take effect July 1, 2005, or  
15 immediately, whichever is later.