
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1343 Session of
2011

INTRODUCED BY BAKER, HANNA, CLYMER, FLECK, AUMENT, BOYD,
CALTAGIRONE, CARROLL, DALEY, EVERETT, FABRIZIO, GEIST,
GEORGE, GOODMAN, GROVE, KORTZ, KULA, MICOZZIE, MILLER, MILNE,
MUNDY, MURT, MYERS, PAYTON, QUINN AND WATSON, APRIL 13, 2011

REFERRED TO COMMITTEE ON EDUCATION, APRIL 13, 2011

AN ACT

1 Authorizing State-owned universities and the employees thereof
2 to enter into certain agreements with affiliated entities;
3 providing for doctoral degrees; and making repeals.

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10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 CHAPTER 1

13 GENERAL PROVISIONS

14 Section 101. Short title.

15 This act shall be known and may be cited as the Commonwealth
16 Higher Education Modernization Act of 2011.

17 Section 102. Definitions.

18 The following words and phrases when used in this act shall
19 have the meanings given to them in this section unless the
20 context clearly indicates otherwise:

21 "Affiliated entity." A private nonprofit corporation with
22 the sole purpose of benefiting the State System of Higher
23 Education or a State-owned university.

24 "Board." The Board of Governors of the State System of
25 Higher Education authorized by section 2004-A of the act of
26 March 10, 1949 (P.L.30, No.14), known as the Public School Code
27 of 1949.

28 "Economic development transaction." An agreement that allows
29 a State-owned university to develop and market intellectual
30 property owned or created by a State System of Higher Education

1 employee.

2 "Immediate family member." A parent, spouse, child, brother
3 or sister.

4 "PASSHE employee." An individual employed by the State
5 System of Higher Education or one of its constituent
6 universities.

7 "State-owned university." One of the institutions under the
8 State System of Higher Education or any other institution that
9 may be admitted to the State System of Higher Education
10 subsequent to the effective date of this section in accordance
11 with the provisions of the act of March 10, 1949 (P.L.30,
12 No.14), known as the Public School Code of 1949.

13 "System." The State System of Higher Education created by
14 the act of March 10, 1949 (P.L.30, No.14), known as the Public
15 School Code of 1949.

16 Section 103. Purpose.

17 The General Assembly recognizes the following public policy
18 purposes:

19 (1) The system and State-owned universities are valuable
20 resources for the communities where they were founded as well
21 as to this Commonwealth as a whole.

22 (2) The system and State-owned universities are vital
23 for community and economic development within their
24 communities as well as to this Commonwealth as a whole.

25 (3) The State-owned universities are vital economic
26 drivers in the communities where they are located. In order
27 to maximize this value to the Commonwealth and its citizens,
28 it is important that the system and State-owned universities
29 have the ability to assist PASSHE employees in developing
30 academic research and other intellectual property that can

1 lead to jobs and other economic development within this
2 Commonwealth.

3 (4) The system and State-owned universities need the
4 ability and flexibility to develop and maintain close and
5 integrated relationships with affiliated entities that raise
6 and utilize nonpublic funds to benefit and promote the system
7 and its universities.

8 CHAPTER 3

9 ECONOMIC DEVELOPMENT

10 Section 301. Applicability.

11 This chapter shall apply to all economic development
12 transactions entered into by State-owned universities and PASSHE
13 employees.

14 Section 302. Agreements authorized.

15 State-owned universities and PASSHE employees may enter into
16 agreements for economic development transactions that inure to
17 the benefit of the State-owned university and PASSHE employees.

18 Section 303. Approval and notice.

19 Agreements entered into under this chapter shall be reviewed
20 and approved in accordance with the form and legality review
21 provisions of the act of October 15, 1980 (P.L.950, No.164),
22 known as the Commonwealth Attorneys Act. All agreements
23 authorized by this chapter shall be made available to the public
24 by listing them with the Treasury Department in accordance with
25 the provisions of Chapter 17 of the act of February 14, 2008
26 (P.L.6, No.3), known as the Right-to-Know Law.

27 Section 304. Construction.

28 Nothing in this act shall be construed to:

29 (1) Alter, impair or limit the terms or conditions of
30 any sponsorship agreement, grant agreement, collective

1 bargaining agreement or other contract.

2 (2) Authorize the unlawful use of public resources by
3 private individuals in the development of intellectual
4 property.

5 CHAPTER 5

6 RELATIONS WITH PRIVATE AFFILIATED ENTITIES

7 Section 501. Scope of chapter.

8 This chapter shall govern the relationships between the
9 system or a State-owned university and affiliated entities that
10 are incorporated for the sole purpose of benefiting the system
11 or State-owned university.

12 Section 502. Applicability.

13 (a) Purpose.--In order for this chapter to apply to an
14 affiliated entity, the affiliated entity must exist for the sole
15 purpose of benefiting the system or a State-owned university.
16 Affiliated entities may raise and utilize nonpublic funds to
17 benefit and promote the system or a State-owned university.

18 (b) Affiliation agreements.--A formal, written affiliation
19 agreement between a government entity and the affiliated entity
20 and the system or State-owned university must:

21 (1) Establish the relationship between the parties.

22 (2) State the terms and conditions of the relationship
23 between the parties.

24 (3) Comply with all policies or requirements established
25 by the board.

26 (4) Be submitted to the board and made available to the
27 public.

28 Section 503. Authorized transactions.

29 (a) General rule.--PASSHE employees may voluntarily provide
30 services to an affiliated entity as part of the mission of the

1 system or a State-owned university and such shall not be a
2 violation of the act of July 19, 1957 (P.L.1017, No.451), known
3 as the State Adverse Interest Act.

4 (b) Agents.--

5 (1) PASSHE employees may serve as agents, officers or
6 representatives of an affiliated entity.

7 (2) PASSHE employees serving in such roles shall clearly
8 identify themselves as an agent of the affiliated entity when
9 serving in such capacity and specify that they are not
10 representing the system or State-owned university in the
11 instances and transactions.

12 (c) Joint fundraising.--The system and State-owned
13 universities may coordinate and jointly engage in fundraising
14 activities with an affiliated entity in order to raise moneys
15 for the affiliated entity as long as the moneys are used to
16 directly inure to the benefit of the system or State-owned
17 university for the purposes stated in this act.

18 Section 504. Prohibition.

19 No PASSHE employee or immediate family member of a PASSHE
20 employee serving in any capacity with an affiliated entity may
21 receive a thing of value from the affiliated entity, except
22 tokens presented or provided for such service which are of de
23 minimis economic value.

24 Section 505. Limitations.

25 (a) General rule.--Nothing in this chapter shall be
26 construed as authorizing or granting power to an affiliated
27 entity at any time or in any manner to enter into any
28 transactions or any agreements on behalf of the system or a
29 State-owned university.

30 (b) No liability for debts of affiliated entity.--Neither

1 the system nor a State-owned university shall be responsible for
2 the payment of any debts or satisfaction of any obligations
3 incurred by an affiliated entity.

4 Section 506. Status.

5 Affiliated entities recognized under this chapter shall not
6 be considered instrumentalities or agencies of the Commonwealth.
7 The Commonwealth shall not have any ownership interest in the
8 corporation and all affiliated entities shall continue to be
9 considered private corporations.

10 CHAPTER 7

11 DOCTORAL DEGREES

12 Section 701. Authorization.

13 (a) General rule.--In addition to the Indiana University of
14 Pennsylvania, all State-owned universities may provide graduate
15 instruction at the doctoral level in areas of study leading to
16 professional doctorates, also known as applied doctorates.
17 Professional doctoral degrees need not be offered in conjunction
18 with any other institution chartered to offer education at the
19 doctoral level.

20 (b) Exception.--The authorization under subsection (a) does
21 not include the Doctor of Philosophy (Ph.D.) degree for any
22 State-owned university, except for the Indiana University of
23 Pennsylvania.

24 Section 702. Parameters.

25 (a) Duty to comply.--State-owned universities must comply
26 with all criteria established by the board and satisfy all
27 requirements deemed necessary by the board in order to provide
28 doctoral-level degrees.

29 (b) Criteria.--The criteria shall include, but not be
30 limited to:

- 1 (1) Institutional mission, plan and readiness.
- 2 (2) Need for the program.
- 3 (3) Academic integrity.
- 4 (4) Cooperation with other State-owned universities,
- 5 agencies or organizations.
- 6 (5) Assessment and accreditation.
- 7 (6) Resource sufficiency.
- 8 (7) Educational opportunity.

9 (b) Preapproval of program by board.--All professional
10 doctoral degree programs of State-owned universities must be
11 approved by the board prior to a State-owned university offering
12 the degree program.

13 CHAPTER 9

14 MISCELLANEOUS PROVISIONS

15 Section 901. Repeals.

16 (a) Declaration.--The General Assembly declares that the
17 repeals in this section are necessary to effectuate this act.

18 (b) Specific.--The following acts are repealed:

19 (1) The act of May 20, 1857 (P.L.581, No.619), entitled
20 "An act to provide for the Due Training of Teachers for the
21 Common Schools of the State."

22 (2) The act of April 15, 1859 (P.L.680, No.681),
23 entitled "A supplement to an act to provide for the due
24 training of Teachers for the Common Schools of the State,
25 passed on the twentieth of May, one thousand eight hundred
26 and fifty-seven."

27 (3) The act of January 18, 1952 (1951 P.L.2111, No.600),
28 referred to as the State College Faculty Compensation Law.

29 (c) Inconsistent.--All acts and parts of acts are repealed
30 insofar as they are inconsistent with this act.

1 Section 902. Effective date.

2 This act shall take effect in 60 days.