
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, WATSON, BRIGGS AND
KILLION, APRIL 13, 2011

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, JUNE 25, 2012

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 ~~repealing the State~~ ←
4 ~~College Faculty Compensation Law and other related laws~~ ←
5 MAKING RELATED REPEALS.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 CHAPTER 1

9 GENERAL PROVISIONS

10 Section 101. Short title.

11 This act shall be known and may be cited as the Commonwealth
12 Higher Education Modernization Act.

13 Section 102. Definitions.

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

17 "Affiliated entity." A private nonprofit corporation with

1 the sole purpose of benefiting the State System of Higher
2 Education or a State-owned university.

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

7 ~~"Economic development transaction." An agreement that allows~~ ←
8 ~~a State owned university to develop and market intellectual~~
9 ~~property owned or created by an employee of the State System of~~
10 ~~Higher Education.~~

11 "PASSHE employee." An individual employed by the State
12 System of Higher Education or one of its constituent
13 universities.

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

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

23 ~~Section 103. Purpose.~~ ←

24 ~~The General Assembly recognizes the following public policy~~
25 ~~purposes:~~

26 ~~(1) The system and State owned universities are valuable~~
27 ~~resources for the communities where they were founded as well~~
28 ~~as to this Commonwealth as a whole.~~

29 ~~(2) The system and State owned universities are vital~~
30 ~~for community and economic development within their~~

1 ~~communities as well as to this Commonwealth as a whole.~~

2 ~~(3) The State owned universities are vital economic~~
3 ~~drivers in the communities where they are located. In order~~
4 ~~to maximize this value to the Commonwealth and its citizens,~~
5 ~~it is important that the system and State owned universities~~
6 ~~have the ability to assist PASSHE employees in developing~~
7 ~~academic research and other intellectual property that can~~
8 ~~lead to jobs and other economic development within this~~
9 ~~Commonwealth.~~

10 ~~(4) The system and State owned universities need the~~
11 ~~ability and flexibility to develop and maintain close and~~
12 ~~integrated relationships with affiliated entities that raise~~
13 ~~and utilize nonpublic funds to benefit and promote the system~~
14 ~~and its universities.~~

15 ~~CHAPTER 3~~

16 ~~ECONOMIC DEVELOPMENT~~

17 ~~Section 301. Applicability.~~

18 ~~This chapter shall apply to all economic development~~
19 ~~transactions entered into by State owned universities and PASSHE~~
20 ~~employees.~~

21 ~~Section 302. Agreements authorized.~~

22 ~~State owned universities and PASSHE employees may enter into~~
23 ~~agreements for economic development transactions that inure to~~
24 ~~the benefit of the State owned university and PASSHE employees.~~

25 ~~Section 303. Approval and notice.~~

26 ~~Agreements entered into under this chapter shall be reviewed~~
27 ~~and approved in accordance with the form and legality review~~
28 ~~provisions of the act of October 15, 1980 (P.L.950, No.164),~~
29 ~~known as the Commonwealth Attorneys Act. All agreements~~
30 ~~authorized by this chapter shall be made available to the public~~

1 ~~by listing them with the Treasury Department in accordance with~~
2 ~~the provisions of Chapter 17 of the act of February 14, 2008~~
3 ~~(P.L.6, No.3), known as the Right to Know Law.~~

4 ~~Section 304. Construction.~~

5 ~~Nothing in this act shall be construed to:~~

6 ~~(1) Alter, impair or limit the terms or conditions of~~
7 ~~any sponsorship agreement, grant agreement, collective~~
8 ~~bargaining agreement or other contract.~~

9 ~~(2) Authorize the unlawful use of public resources by~~
10 ~~private individuals in the development of intellectual~~
11 ~~property.~~

12 CHAPTER 3

13 (RESERVED)

14 CHAPTER 5

15 RELATIONS WITH PRIVATE AFFILIATED ENTITIES

16 Section 501. Scope of chapter.

17 This chapter shall govern the relationships between the
18 system or a State-owned university and affiliated entities that
19 are incorporated for the sole purpose of benefiting the system
20 or State-owned university.

21 Section 502. Applicability.

22 In order for this chapter to apply to an affiliated entity,
23 the affiliated entity must exist for the sole purpose of
24 benefiting the system or a State-owned university. Affiliated
25 entities may raise and utilize nonpublic funds to benefit and
26 promote the system or a State-owned university.

27 Section 503. Authorized transactions.

28 (a) General rule.--PASSHE employees or officers may
29 voluntarily provide services to an affiliated entity as an ex
30 officio, nonvoting member of the board of such affiliated entity



1 as part of the mission of the system or a State-owned
2 university.

3 (b) Joint fundraising.--The system and State-owned
4 universities may coordinate and jointly engage in fundraising
5 activities with an affiliated entity in order to raise moneys
6 for the affiliated entity as long as the moneys are used to
7 directly inure to the benefit of the system or State-owned
8 university for the purposes stated in this act.

9 (c) Applicability.--Notwithstanding any other provision of
10 law to the contrary, the provisions of the act of July 19, 1957
11 (P.L.1017, No.451), known as the State Adverse Interest Act,
12 shall not apply to the system, its institutions or employees of
13 the system and its institutions for actions undertaken in
14 accordance with the provisions of subsections (a) and (b).
15 Section 504. Limitations.

16 (a) General rule.--Nothing in this chapter shall be
17 construed as authorizing or granting power to an affiliated
18 entity at any time or in any manner to enter into any
19 transactions or any agreements on behalf of the system or a
20 State-owned university.

21 (b) No liability for debts of affiliated entity.--Neither
22 the system nor a State-owned university shall be responsible for
23 the payment of any debts or satisfaction of any obligations
24 incurred by an affiliated entity.

25 Section 505. Status.

26 Affiliated entities recognized under this chapter shall not
27 be considered instrumentalities or agencies of the Commonwealth.
28 The Commonwealth shall not have any ownership interest in the
29 corporation and all affiliated entities shall continue to be
30 considered private corporations.

1 CHAPTER 7

2 DOCTORAL DEGREES

3 Section 701. Authorization.

4 (a) General rule.--In addition to the Indiana University of
5 Pennsylvania, all State-owned universities may provide graduate
6 instruction at the doctoral level in areas of study leading to
7 professional doctorates, also known as applied doctorates.
8 Professional doctoral degrees need not be offered in conjunction
9 with any other institution chartered to offer education at the
10 doctoral level.

11 (b) Exception.--The authorization under subsection (a) does
12 not include the Doctor of Philosophy (Ph.D.) degree for any
13 State-owned university, except for the Indiana University of
14 Pennsylvania.

15 Section 702. Parameters.

16 (a) Duty to comply.--State-owned universities must comply
17 with all criteria established by the board and satisfy all
18 requirements deemed necessary by the board in order to provide
19 doctoral-level degrees.

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

22 (1) Institutional mission, plan and readiness.

23 (2) Need for the program.

24 (3) Academic integrity.

25 (4) Cooperation with other State-owned universities,
26 agencies or organizations.

27 (5) Assessment and accreditation.

28 (6) Resource sufficiency.

29 (7) Educational opportunity.

30 (c) Preapproval of program by board.--All professional

1 doctoral degree programs of State-owned universities must be
2 approved by the board prior to a State-owned university offering
3 the degree program.

4 CHAPTER 9 ←

5 FACULTY PROVISIONS

6 ~~Section 901. College year and classifications.~~

7 ~~(a) Pay periods.~~

8 ~~(1) Each person, regardless of the date of appointment,~~
9 ~~appointed to a position as an administrator or member of the~~
10 ~~faculty of a State university within the classifications~~
11 ~~stated in this section may be paid for services rendered~~
12 ~~during the regular nine month college year.~~

13 ~~(2) Each person employed for the full nine month college~~
14 ~~year may receive either 20 or 26 biweekly salary payments.~~

15 ~~(3) In no case shall any faculty member receive more~~
16 ~~compensation in 26 pays than the faculty member would have~~
17 ~~received in 20 pays.~~

18 ~~(4) Each person employed during any period beyond the~~
19 ~~regular nine month college year shall be paid at the same~~
20 ~~rate of compensation that the person received or would have~~
21 ~~been entitled to receive during the regular college year.~~

22 ~~(b) List of classifications. The classifications under~~
23 ~~subsection (a) shall be as follows:~~

24 ~~(1) Professor qualifications, an earned doctor's degree,~~
25 ~~at least seven years of teaching experience.~~

26 ~~(2) Associate professor qualifications, a minimum of an~~
27 ~~earned doctor's degree or a master's degree plus 40 semester~~
28 ~~hours of graduate credit or a total of 70 semester hours of~~
29 ~~graduate credit including a master's degree or all course~~
30 ~~work completed toward a doctorate as certified by the~~

1 ~~university where the work is being taken or equivalent~~
2 ~~experience, at least five years of teaching experience.~~

3 ~~(3) Assistant professor qualifications, a minimum of~~
4 ~~master's degree plus ten semester hours of graduate credit or~~
5 ~~equivalent experience.~~

6 ~~(4) Instructor qualifications, a minimum of bachelor's~~
7 ~~degree plus 15 semester hours of graduate credit.~~

8 ~~(c) Considerations for classifications.—~~

9 ~~(1) Graduate degrees and preparation to meet the~~
10 ~~classifications of this section must be earned in fields~~
11 ~~related to the service rendered to the university.~~

12 ~~(2) Upon the recommendation of the president of a State~~
13 ~~university, the board may accept other education and~~
14 ~~experience qualifications than those mandated in this act for~~
15 ~~temporary appointments.~~

16 ~~Section 902. Leaves of absence.~~

17 ~~(a) Eligibility.—~~

18 ~~(1) Upon recommendation of the president of a State~~
19 ~~owned university, a leave of absence for a period not to~~
20 ~~exceed 18 college calendar weeks with full pay or a leave of~~
21 ~~absence for a period not to exceed 36 calendar weeks with~~
22 ~~half pay, for restoration of health, study, travel or other~~
23 ~~appropriate purposes, may be granted to any member of the~~
24 ~~faculty of any university which is part of the system who has~~
25 ~~completed seven or more years of satisfactory services as a~~
26 ~~member of the faculty of one or more universities in the~~
27 ~~system. Provided, that at least five consecutive years of~~
28 ~~such service shall have been rendered to the university from~~
29 ~~which the leave is sought.~~

30 ~~(2) At the option of the employee, if the university~~

1 ~~operates on a system of units other than semesters, the~~
2 ~~employee may be granted a period corresponding to one or more~~
3 ~~units, within the previous restriction of total weeks.~~

4 ~~(3) Leaves may be granted for any part of the calendar~~
5 ~~year.~~

6 ~~(4) After completion of the requisite seven years, one~~
7 ~~leave of absence shall be allowed for each additional seven~~
8 ~~years of service upon recommendation and approval by the~~
9 ~~president of the State owned university.~~

10 ~~(5) Leaves shall be accumulated so that no one shall~~
11 ~~lose entitlement because of failure to use leave, but no one~~
12 ~~shall be entitled to use more than 36 weeks of accumulated~~
13 ~~leave in succession.~~

14 ~~(6) The board may grant a leave of absence to other~~
15 ~~system employees on the same basis as faculty members, as~~
16 ~~defined in this act.~~

17 ~~(b) Return to employment.~~

18 ~~(1) No leave of absence shall be granted unless the~~
19 ~~person agrees, in writing, to return to the person's~~
20 ~~employment with the university for a period of not less than~~
21 ~~one year immediately following the expiration of the leave of~~
22 ~~absence.~~

23 ~~(2) The president of the State owned university, with~~
24 ~~the approval of the chancellor, may waive the requirement to~~
25 ~~return to the university if both agree that it is in the best~~
26 ~~interest of the university to waive the requirement to~~
27 ~~return. The agreement to waive the requirement must be in~~
28 ~~writing and signed.~~

29 ~~(c) Effect of leave of absence.~~

30 ~~(1) No such leave of absence shall be considered a~~

1 ~~termination or breach of the contract of employment and the~~
2 ~~person on leave of absence shall be returned to the same~~
3 ~~position he or she occupied prior thereto.~~

4 ~~(2) Every employee, while on such leave of absence,~~
5 ~~shall be considered to be in regular full time daily~~
6 ~~attendance in the position from which the leave was taken~~
7 ~~during the period of leave, for the purpose of determining~~
8 ~~the employee's length of service and the right to receive~~
9 ~~increments.~~

10 ~~(3) Every person on leave of absence shall retain the~~
11 ~~right to make contributions as a member of either the State~~
12 ~~Employees' Retirement Fund or the Public School Employees'~~
13 ~~Retirement Fund and continue the person's membership in~~
14 ~~whichever system the person currently holds membership.~~

15 ~~(d) Policies. Each State owned university shall have the~~
16 ~~right to make such policies as it may deem necessary to make~~
17 ~~sure that employees on leave shall utilize such leave properly~~
18 ~~for the purpose for which it was granted, requiring reports from~~
19 ~~the employee or employees on leave in such manner as it may deem~~
20 ~~necessary.~~

21 ~~(e) Construction. Nothing in this section shall be~~
22 ~~construed to prevent any person on leave of absence from~~
23 ~~receiving a grant for further study from any institution of~~
24 ~~learning other than the State owned university by which~~
25 ~~employed.~~

26 ~~Section 903. Faculty salaries in cases of sickness or death.~~

27 ~~(a) Sickness.—~~

28 ~~(1) In any college year, whenever a member of a faculty~~
29 ~~of any State owned university is prevented by illness or~~
30 ~~accidental injury from following the member's occupation,~~

1 ~~during the regular college year, or at any other time when~~
2 ~~performing the member's duties as a faculty member, there~~
3 ~~shall be paid to the employee the full salary to which the~~
4 ~~employee may be entitled as if the employee were actually~~
5 ~~engaged in the performance of duty for a period of 15 days.~~
6 ~~Sundays, holidays and vacation periods shall not be counted~~
7 ~~as days lost.~~

8 ~~(2) Such leave shall be cumulative from year to year but~~
9 ~~shall not exceed 90 days' leave with full pay in any one~~
10 ~~year.~~

11 ~~(3) Notwithstanding provisions of paragraphs (1) and~~
12 ~~(2), no faculty member's salary shall be paid, if the~~
13 ~~accidental injury is incurred while the employee is engaged~~
14 ~~in remunerative work unrelated to school duties.~~

15 ~~(4) Until such time as an employee has accumulated 90~~
16 ~~days' leave, the provisions of this section shall not~~
17 ~~preclude the granting of additional sick leave by~~
18 ~~administrative action.~~

19 ~~(b) Death. Whenever a member of a faculty of any State~~
20 ~~owned university shall be absent from duty because of a death in~~
21 ~~the immediate family of the employee, there shall be no~~
22 ~~deduction in salary of the employee for an absence not in excess~~
23 ~~of three days. Members of the immediate family shall consist of~~
24 ~~father, mother, brother, sister, son, daughter, husband, wife or~~
25 ~~parent in law and include any near relative who resides in the~~
26 ~~same household or any person with whom the employee resides.~~

27 ~~(c) Payment of compensation. All compensation required to~~
28 ~~be paid under the provisions of this section shall be paid to~~
29 ~~the employee in the same manner and at the same time the~~
30 ~~employee would have received the employee's salary if actually~~

1 ~~engaged in the performance of the employee's duties.~~

2 ~~Section 904. Effect on existing arbitration awards.~~

3 ~~The precedential effect of any arbitration award or opinion~~
4 ~~issued or pending prior to the effective date of this section~~
5 ~~pursuant to a collective bargaining agreement authorized by the~~
6 ~~act of July 23, 1970 (P.L.563, No.195), known as the Public~~
7 ~~Employe Relations Act, shall not be diminished, altered or in~~
8 ~~any manner limited by any repeal made in this act.~~

9 CHAPTER 9



10 (RESERVED)

11 CHAPTER 11

12 MISCELLANEOUS PROVISIONS

13 Section 1101. Repeals.

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

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

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

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

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

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

29 Section 1102. Effective date.

30 This act shall take effect in 60 days.