
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 800 Session of
2015

INTRODUCED BY YUDICHAK, WILLIAMS, WILEY, FONTANA, WARD, STEFANO,
TEPLITZ, RAFFERTY, COSTA, BREWSTER, BOSCOLA, ARGALL, VANCE,
MENSCH, LEACH, YAW, FARNESE, KITCHEN, BARTOLOTTA, SCHWANK,
TARTAGLIONE, SCARNATI, WOZNIAK, HUGHES, WHITE, BAKER,
DINNIMAN, BROWNE, GREENLEAF, HAYWOOD AND VULAKOVICH,
MAY 28, 2015

REFERRED TO STATE GOVERNMENT, MAY 28, 2015

AN ACT

1 Reaffirming the establishment and operation of The Pennsylvania
2 State University as an instrumentality of the Commonwealth to
3 serve as a State-related university in the higher education
4 system of the Commonwealth; providing for the composition of
5 the board of trustees, for terms of trustees, for powers and
6 duties of the board of trustees, for preference to
7 Pennsylvania residents in tuition and for public support and
8 capital improvements; authorizing appropriations in amounts
9 to be fixed annually by the General Assembly; providing for
10 the auditing of accounts of expenditures from appropriations;
11 authorizing the issuance of bonds exempt from taxation within
12 the Commonwealth; and requiring an annual report.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Short title.

16 This act shall be known and may be cited as The Pennsylvania
17 State University - Commonwealth Act.

18 Section 2. Legislative findings and declaration of policy.

19 It is hereby determined and declared as a matter of
20 legislative finding:

21 (1) The General Assembly created the Farmers' High

1 School of Pennsylvania as a corporation with perpetual
2 existence under the act of February 22, 1855 (P.L.46, No.50),
3 entitled, "An act to incorporate the Farmers' High School of
4 Pennsylvania."

5 (2) The institution's name was changed to the
6 Agricultural College of Pennsylvania in 1862, to the
7 Pennsylvania State College in 1874 and to The Pennsylvania
8 State University in 1953.

9 (3) The General Assembly, in 1905, enacted legislation
10 statutorily establishing the membership of the university's
11 board of trustees. Subsequent thereto, in 1939, the General
12 Assembly again enacted legislation addressing the composition
13 of the university's board of trustees.

14 (4) The Pennsylvania State University owns and maintains
15 land, buildings and other facilities which are used, together
16 with land and buildings owned by the Commonwealth for higher
17 education, which land, buildings and other facilities are
18 under the entire control and management of the board of
19 trustees.

20 (5) For over 159 years, the Commonwealth has recognized
21 The Pennsylvania State University as an instrumentality of
22 the Commonwealth and an integral part of the system of higher
23 education in Pennsylvania.

24 (6) The Commonwealth's commitment to its partnership
25 with The Pennsylvania State University as an instrumentality
26 of the Commonwealth to provide quality higher education
27 opportunities for Pennsylvania residents and nonresidents has
28 been reaffirmed by the Commonwealth's designation of The
29 Pennsylvania State University as a State-related university.

30 (7) The Commonwealth's commitment to its partnership

1 with The Pennsylvania State University as an instrumentality
2 of the Commonwealth to provide quality higher education
3 opportunities for Pennsylvania residents and nonresidents is
4 reaffirmed annually through appropriations to the university
5 from the Commonwealth's General Fund.

6 (8) It is desirable and in the public interest to
7 perpetuate and extend the relationship between the
8 Commonwealth and The Pennsylvania State University for the
9 purpose of improving and strengthening higher education by
10 reaffirming and continuing The Pennsylvania State
11 University's designation as a State-related university and
12 the benefits associated with that designation.

13 (9) It is declared to be the purpose of this act to
14 continue to extend Commonwealth opportunities for higher
15 education by reaffirming The Pennsylvania State University's
16 legal status as an instrumentality of the Commonwealth to
17 serve as a State-related institution in the Commonwealth
18 system of higher education.

19 Section 3. Board of trustees.

20 (a) Composition.--Beginning July 1, 2016, the Board of
21 Trustees of The Pennsylvania State University shall consist of
22 36 voting members. The Governor, the Secretary of Education and
23 the Secretary of Agriculture shall serve as nonvoting ex officio
24 members of the board. Except as provided in subsection (b)(2),
25 elective and appointive members shall serve for four-year terms.

26 (b) Commonwealth trustees.--

27 (1) Fourteen of the trustees shall be designated
28 Commonwealth trustees and appointed as follows:

29 (i) Six shall be appointed by the Governor, with the
30 advice and consent of a majority of all of the members of

1 the Senate.

2 (ii) Four shall be appointed by the President pro
3 tempore of the Senate in consultation with the Minority
4 Leader of the Senate.

5 (iii) Four shall be appointed by the Speaker of the
6 House of Representatives in consultation with the
7 Minority Leader of the House of Representatives.

8 (2) The Governor shall submit nominees for appointment
9 to the Senate no later than January 1, 2016. Appointing
10 authorities under paragraph (1)(ii) and (iii) shall make
11 their initial appointments no later than May 1, 2016. For
12 appointments made under paragraph (1)(i), one appointment
13 shall be for a term of four years, one appointment shall be
14 for a term of three years, two appointments shall be for a
15 term of two years and two appointments shall be for a term of
16 one year. For appointments made under paragraph (1)(ii) and
17 (iii), one appointment shall be made by each of the
18 appointing authorities for a term of four years, one for a
19 term of three years, one for a term of two years and one for
20 a term of one year commencing July 1, 2016. Annually
21 thereafter, one appointment shall be made by each of the
22 appointing authorities for a term of four years and until a
23 successor is appointed and qualified.

24 (c) At-large trustees.--

25 (1) Except as provided in paragraph (2), 10 of the
26 trustees shall be designated at-large trustees and shall be
27 elected to the board in accordance with section 4. One of the
28 at-large trustees shall be a member of the faculty of the
29 university, and at least one of the at-large trustees shall
30 be a student enrolled in good standing at the university

1 elected by the student body. Qualifications for at-large
2 trustees, including the faculty and the student
3 representatives, shall be established by the board.

4 (2) For the period July 1, 2016, through June 30, 2017,
5 the at-large trustees shall consist of the following:

6 (i) Four members representing the Commonwealth's
7 agriculture industry elected in accordance with the
8 university charter.

9 (ii) Four members representing business and industry
10 endeavors elected or appointed in accordance with the
11 university charter.

12 (iii) One member representing the student body of
13 the university elected or appointed in accordance with
14 the university charter.

15 (iv) One member representing the faculty of the
16 university elected or appointed in accordance with the
17 university charter.

18 (d) Alumni trustees.--Twelve of the trustees shall be
19 designated alumni trustees and shall be elected by the alumni of
20 the university in accordance with the university charter. The
21 following shall apply:

22 (1) Except as otherwise provided in paragraph (2), and
23 notwithstanding section 1 of the act of March 24, 1905
24 (P.L.50, No.35), entitled "An act to reorganize the Board of
25 Trustees of The Pennsylvania State College," beginning with
26 an election for alumni board members in calendar year 2016,
27 and in each election thereafter, alumni elected under that
28 act shall be elected for a term of four years.

29 (2) Any election for alumni members held in calendar
30 year 2016 shall, in addition to any election of alumni

1 members serving under paragraph (1), include the election of
2 three new alumni trustees as added to the board under this
3 act. One new alumni member shall be elected for a term of
4 three years, one elected for a term of two years and one
5 elected for a term of one year commencing July 1, 2016.

6 Annually thereafter, each alumni trustee added to the board
7 under this act shall serve a term of four years.

8 (e) Vacancies.--

9 (1) An appointment to fill a vacancy in the office of a
10 member appointed under subsection (b) shall be made within 30
11 days of the vacancy and shall be for the remainder of the
12 unexpired term.

13 (2) A vacancy created in any office of a member serving
14 on the board under subsection (c) or (d) shall be filled for
15 the remainder of the unexpired term and in the same manner as
16 the original position in accordance with the university
17 charter.

18 (f) Prohibited membership.--The Lieutenant Governor,
19 Attorney General, Auditor General, State Treasurer and the
20 president of the university shall be prohibited from serving on
21 the board during their terms of office.

22 Section 4. Selection of at-large trustees.

23 (a) Qualifications of at-large trustees.--Beginning July 1,
24 2016, the following shall apply to at-large trustee board
25 members to be elected to the board under this section:

26 (1) One at-large trustee shall be a member of the
27 faculty of the university.

28 (2) At least one at-large trustee shall be a student
29 enrolled in good standing at the university and elected by
30 the student body.

1 (3) Qualifications for at-large trustees, including any
2 faculty trustee and the student trustee, shall be established
3 by the board.

4 (b) Selection committee; composition.--Beginning July 1,
5 2016, the board shall establish a nine member selection
6 committee to review and recommend to the full board the
7 individuals to be appointed to the board under section 3(c). The
8 committee shall be comprised of:

9 (1) The chairman of the board.

10 (2) Two members of the board selected by the chairman of
11 the board.

12 (3) One Commonwealth trustee appointed by the Governor
13 and selected by all Commonwealth trustees appointed by the
14 Governor under section 3(b)(1)(i).

15 (4) One Commonwealth trustee appointed by the President
16 pro tempore of the Senate and selected by all Commonwealth
17 trustees appointed by the President pro tempore of the Senate
18 under section 3(b)(1)(ii).

19 (5) One Commonwealth trustee appointed by the Speaker of
20 the House of Representatives and selected by all Commonwealth
21 trustees appointed by the Speaker of the House of
22 Representatives under section 3(b)(1)(iii).

23 (6) Three alumni trustees elected to the board under
24 section 3(d) and selected by all members of the board elected
25 by members elected under section 3(d).

26 (c) Recommendations.--Recommendations to the full board
27 under subsection (b) shall be by majority vote of the selection
28 committee and shall be made no later than January 1, 2017, and
29 January 1 of each year thereafter.

30 (d) Appointments to board.--Appointments to the board based

1 on recommendations from the selection committee under this
2 section shall be by majority vote of the board.

3 (e) Terms.--The board shall make its initial selections of
4 at-large trustees no later than May 1, 2017. Two selections
5 shall be for a term of four years, two selections shall be made
6 for a term of three years, two selections shall be made for a
7 term of two years and two selections shall be made for a term of
8 one year commencing July 1, 2017. The student at-large and the
9 faculty trustee shall be appointed for a two-year term
10 commencing July 1, 2017. Annually thereafter, selections of at-
11 large trustees shall be made no later than May 1 of each year
12 for a term commencing July 1 of that year and, other than the
13 student at-large and the faculty trustee, shall be for a term of
14 four years. A student at-large and the faculty trustee shall
15 serve a term of two years.

16 Section 5. Powers and duties of board of trustees.

17 The entire management, control and conduct of the
18 instructional, administrative and financial affairs of the
19 university is vested in the board of trustees. The board may
20 exercise all the powers and franchises of the university and
21 make bylaws for its own government, as well as for the
22 university.

23 Section 6. Public support and tuition.

24 The university shall maintain such tuition and fee schedules
25 for Pennsylvania resident and nonresident full-time students as
26 are provided annually in the act of the General Assembly which
27 makes appropriations to The Pennsylvania State University,
28 provided:

29 (1) The amounts appropriated by the act are sufficient
30 for the maintenance of the schedules by the university.

1 (2) For any given year, in the event the amounts
2 appropriated are not sufficient for the maintenance of the
3 tuition and fee schedules, the university shall have the
4 right to alter the schedules to the extent necessary to
5 provide required income equal to the amount not provided by
6 the appropriation act.

7 Section 7. Capital improvements.

8 The benefits of all Commonwealth or Commonwealth authority
9 programs for capital development and improvement shall be
10 available to the university under terms and conditions
11 comparable to those applicable to other State-related
12 universities and the State System of Higher Education. In
13 accordance with legislative appropriations made as provided by
14 law, the Commonwealth may, by agreement with the board of
15 trustees, acquire lands, erect and equip buildings and provide
16 facilities for the use of the university.

17 Section 8. Appropriations.

18 (a) Procedure.--

19 (1) The sums appropriated by the Commonwealth shall be
20 paid to the board of trustees only upon presentation by the
21 board of trustees of certified payrolls and vouchers showing
22 expenditures in accordance with the appropriations. The
23 Auditor General shall draw a warrant upon the State Treasurer
24 for payment of approved expenditures.

25 (2) All expenditures made by the board of trustees in
26 respect to such appropriations shall be subject to audit by
27 the Auditor General.

28 (b) Commonwealth Appropriation Account.--

29 (1) For the purpose of assuring the proper
30 accountability on the part of The Pennsylvania State

1 University for the expenditure of the amounts appropriated by
2 the Commonwealth, The Pennsylvania State University shall
3 establish a Commonwealth Appropriation Account into which
4 only the amounts appropriated by the Commonwealth shall be
5 credited when received. The Pennsylvania State University
6 shall apply the money in the Commonwealth Appropriation
7 Account only for such purposes as are permitted in the act
8 appropriating the same and shall at all times maintain proper
9 records showing the application of such money.

10 (2) Not later than 60 days after the close of the fiscal
11 year to which the specific appropriation relates, The
12 Pennsylvania State University shall file with the General
13 Assembly and with the Auditor General, a statement stating
14 the amounts and purposes of all expenditures made from both
15 the Commonwealth Appropriation Account and other university
16 accounts during that fiscal year.

17 (3) The statement of expenditures shall be reviewed by
18 the Auditor General who shall have the right, in respect to
19 the Commonwealth Appropriation Account, to audit and disallow
20 expenditures made for purposes not permitted by the
21 appropriation act and to cause such sums to be recovered and
22 paid by The Pennsylvania State University to the State
23 Treasurer.

24 (4) In respect to expenditures made by the university
25 from accounts other than the Commonwealth Appropriation
26 Account, the Auditor General shall have the right to review
27 only and shall file annually with the General Assembly such
28 information concerning said expenditures as the General
29 Assembly or any of its committees may require.

30 Section 9. Issuance of bonds.

1 (a) General rule.--The board of trustees may provide for the
2 issuance of bonds in the name of the university for any proper
3 purpose in the same manner as provided by law prior to the
4 effective date of this section.

5 (b) Liability of Commonwealth.--The university shall have no
6 power at any time or in any manner to pledge the credit or the
7 taxing power of the Commonwealth or any political subdivision
8 nor shall any of its obligations be deemed to be obligations of
9 the Commonwealth or of any of its political subdivisions, nor
10 shall the Commonwealth or any political subdivision be liable
11 for the payment of principal of or interest on such obligations.

12 (c) Tax exempt.--Bonds issued by the university and loans
13 secured by mortgages, their transfer and the income therefrom,
14 including any profits made on the sale thereof, shall at all
15 times be free from taxation within this Commonwealth.

16 Section 10. Reports.

17 The president of the university shall each year, not later
18 than the first day of October, make a report of all the
19 activities of the university, instructional, administrative and
20 financial, for the preceding scholastic and fiscal year, to the
21 board of trustees, who shall transmit the report to the Governor
22 and to the members of the General Assembly.

23 Section 11. Status of board members.

24 (a) Commonwealth officials.--

25 (1) The Secretary of Conservation and Natural Resources
26 and the president of the university shall automatically be
27 removed from the board on the effective date of this section.

28 (2) The Governor, the Secretary of Education and the
29 Secretary of Agriculture shall become nonvoting ex officio
30 members of the board upon the effective date of this section.

1 (b) Other members.--

2 (1) The term of the member of the board representing the
3 Penn State Alumni Association elected by the board under the
4 Resolution of the Board of Trustees dated November 14, 2014,
5 shall expire on the effective date of this section.

6 (2) The terms of each of the three at-large members
7 elected by the board under the Resolution of the Board of
8 Trustees dated November 14, 2014, shall expire on the
9 effective date of this section.

10 (3) The term of the member of the board representing the
11 faculty of the Pennsylvania State University elected by the
12 board under the Resolution of the Board of Trustees dated
13 November 14, 2014, shall expire June 30, 2016.

14 (4) Notwithstanding any other provision of law or any
15 provision of the university charter, constitution or bylaws
16 to the contrary, beginning July 1, 2016, through June 30,
17 2017, the number of board members representing business and
18 industry endeavors and agricultural societies and
19 organizations shall be reduced from six to four,
20 respectively. To implement this reduction, the following
21 shall apply to elections or appointments of individuals
22 representing business and industry endeavors and agricultural
23 societies and organizations to the board in 2016:

24 (i) Two members shall be elected by delegates
25 representing county agriculture societies and
26 organizations in accordance with the university bylaws
27 for a one-year term beginning July 1, 2016, and ending
28 June 30, 2017.

29 (ii) Two members shall be elected representing
30 business and industry endeavors in accordance with the

1 university bylaws for a one-year term beginning July 1,
2 2016, and ending June 30, 2017.

3 (5) Board members representing the interest of alumni
4 under the act of March 24, 1905 (P.L.50, No.35), entitled "An
5 act to reorganize the Board of Trustees of The Pennsylvania
6 State College," shall continue to hold office as members of
7 the board for the term for which they were elected.

8 (6) Notwithstanding any other provision of law or any
9 provision of the university charter, constitution or bylaws
10 to the contrary, terms of board members representing business
11 and industry endeavors, agricultural societies and
12 organizations, the student body of the university and the
13 faculty of the university on the effective date of this
14 section shall expire June 30, 2017.

15 Section 12. Amendment of bylaws.

16 Within 90 days after the effective date of this section, the
17 university's bylaws shall be amended to reflect the provisions
18 of this act.

19 Section 13. Repeals.

20 All acts or parts of acts are repealed to the extent they are
21 inconsistent with this act.

22 Section 14. Effective date.

23 This act shall take effect immediately.