



House of Representatives

General Assembly

File No. 57

February Session, 2012

House Bill No. 5279

House of Representatives, March 20, 2012

The Committee on Higher Education and Employment Advancement reported through REP. WILLIS of the 64th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING PUBLIC INSTITUTIONS OF HIGHER EDUCATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 10a-151b of the 2012 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective July 1, 2012*):

4 (b) Purchases made pursuant to this section shall be based, when
5 possible, on competitive bids or competitive negotiation. Such chief
6 executive officer shall solicit competitive bids or proposals by sending
7 notice to prospective suppliers and by posting notice on a public
8 bulletin board in [his] such officer's office. Such notice shall contain a
9 notice of state contract requirements pursuant to section 4a-60. Each
10 bid or proposal shall be kept sealed until opened publicly at the time
11 stated in the notice soliciting such bid or proposal. Sealed bids or
12 proposals shall include bids or proposals sealed within an envelope or
13 maintained within a safe and secure electronic environment until such

14 time as they are publicly opened. If the amount of the expenditure is
15 estimated to exceed fifty thousand dollars, not later than five calendar
16 days before the final date of submitting competitive bids or proposals,
17 competitive bids or proposals shall be solicited by public notice
18 [inserted at least once in two or more publications, at least one of
19 which shall be a major daily newspaper published in the state, and
20 shall be] and posted on the Internet, [, and at least five calendar days
21 before the final date of submitting bids or proposals.] All purchases
22 fifty thousand dollars or less in amount shall be made in the open
23 market, but shall, when possible, be based on at least three competitive
24 quotations. If desired by the constituent unit, competitive quotations
25 may include quotations submitted to the constituent unit within a safe
26 and secure electronic environment. The constituent unit shall not
27 refuse to consider a bid, proposal or quotation because it is not
28 submitted electronically.

29 Sec. 2. Subsection (r) of section 1-84 of the 2012 supplement to the
30 general statutes is repealed and the following is substituted in lieu
31 thereof (*Effective July 1, 2012*):

32 (r) (1) Notwithstanding the provisions of subsections (b) and (c) of
33 this section, a member of the faculty or a member of a faculty
34 bargaining unit of a constituent unit of the state system of higher
35 education may enter into a consulting agreement or engage in a
36 research project with a public or private entity, provided such
37 agreement or project does not conflict with the member's employment
38 with the constituent unit, as determined by policies established by the
39 board of trustees for such constituent unit.

40 (2) The board of trustees for each constituent unit of the state system
41 of higher education shall establish policies to ensure that any such
42 member who enters such a consulting agreement or engages in such a
43 research project (A) is not inappropriately using university proprietary
44 information in connection with such agreement or project, (B) does not
45 have an interest in such agreement or project that interferes with the
46 proper discharge of his or her employment with the constituent unit,

47 and (C) is not inappropriately using such member's association with
48 the constituent unit in connection with such agreement or project. Such
49 policies shall (i) establish procedures for the disclosure, review and
50 management of conflicts of interest relating to any such agreement or
51 project, (ii) require the approval by the chief academic officer of the
52 constituent unit, or his or her designee, prior to any such member
53 entering into any such agreement or engaging in any such project, and
54 (iii) include procedures that impose sanctions and penalties on any
55 member for failing to comply with the provisions of the policies.
56 [Semiannually] Annually, the internal audit office of each constituent
57 unit shall audit the constituent unit's compliance with such policies
58 and report its findings to the committee of the constituent unit
59 established pursuant to subdivision (3) of this subsection. For purposes
60 of this subsection, "consulting" means the provision of services for
61 compensation to a public or private entity by a member of the faculty
62 or member of a faculty bargaining unit of a constituent unit of the state
63 system of higher education: (I) When the request to provide such
64 services is based on such member's expertise in a field or prominence
65 in such field, and (II) while such member is not acting in the capacity
66 of a state employee, and "research" means a systematic investigation,
67 including, but not limited to, research development, testing and
68 evaluation, designed to develop or contribute to general knowledge in
69 the applicable field of study.

70 (3) There is established a committee for each constituent unit of the
71 state system of higher education to monitor the constituent unit's
72 compliance with the policies and procedures described in subdivision
73 (2) of this subsection governing consulting agreements and research
74 projects with public or private entities by a member of the faculty or a
75 member of a faculty bargaining unit of such constituent unit. Each
76 committee shall consist of nine members as follows: (A) Three
77 members, appointed jointly by the Governor, the speaker of the House
78 of Representatives, the president pro tempore of the Senate, the
79 majority leader of the House of Representatives, the majority leader of
80 the Senate, the minority leader of the House of Representatives and the
81 minority leader of the Senate, who shall serve as members for each

82 such committee; (B) one member appointed by the chairperson of the
83 constituent unit's board of trustees from the membership of such
84 board; (C) the chief academic officer of the constituent unit, or his or
85 her designee; (D) three members appointed by the chief executive
86 officer of the constituent unit; [] and (E) one member appointed by the
87 chairperson of the Citizen's Ethics Advisory Board from the
88 membership of such board. Members shall serve for a term of two
89 years. Any vacancies shall be filled by the appointing authority. Each
90 committee shall (i) review the [semiannual] annual reports submitted
91 by the internal audit office for the constituent unit, pursuant to
92 subdivision (2) of this subsection, (ii) make recommendations,
93 annually, to the board of trustees of the constituent unit concerning the
94 policies and procedures of the constituent unit established pursuant to
95 subdivision (2) of this subsection, including any changes to such
96 policies and procedures, and (iii) send a copy of such
97 recommendations, in accordance with section 11-4a, to the joint
98 standing committees of the General Assembly having cognizance of
99 matters relating to higher education and government administration.

100 (4) The provisions of subsections (b) and (c) of this section shall
101 apply to any member of the faculty or member of a faculty bargaining
102 unit of a constituent unit of the state system of higher education who
103 enters such a consulting agreement or engages in such a research
104 project without prior approval, as described in subdivision (2) of this
105 subsection.

106 Sec. 3. Section 10a-128 of the general statutes is repealed and the
107 following is substituted in lieu thereof (*Effective July 1, 2012*):

108 (a) The University of Connecticut may record as assets, and spend
109 not more than ninety per cent of, the book value of accounts receivable
110 that are estimated [by independent auditors] as collectible at the John
111 Dempsey Hospital and for its clinical programs at The University of
112 Connecticut Health Center in Farmington. A report of book value shall
113 be made by the university to the State Comptroller each quarter and
114 verified by the Auditors of Public Accounts as requested by the State

115 Comptroller. The State Comptroller shall record the value on the books
116 of the state and approve expenditures against said value.

117 (b) The University of Connecticut may record as assets, and spend
118 not more than seventy per cent of, the book value of accounts
119 receivable that are estimated [by independent auditors] as collectible at
120 the Uncas-on-Thames Hospital. A report of book value shall be made
121 by the university to the State Comptroller each quarter and verified by
122 the Auditors of Public Accounts as requested by the State Comptroller.
123 The State Comptroller shall record the value on the books of the state
124 and approve expenditures against said value.

125 (c) The University of Connecticut may record as assets, and spend
126 not more than seventy per cent of, the book value of accounts
127 receivable that are estimated [by independent auditors] as collectible at
128 The University of Connecticut Health Center for its university
129 physicians' clinical operations, provided no expenditures against said
130 value shall be approved by the Comptroller unless and until the
131 balance of funds held in the health center fund established under
132 subsection (c) of section 10a-105 is zero or less than zero. The health
133 center shall defray the cost to the state of any such expenditures by
134 paying, at least quarterly, to the State Treasurer the state's cost of funds
135 at an average rate of interest equivalent to the rate or rates of interest
136 payable on the state's outstanding short term borrowings or, if there
137 are no outstanding borrowings, the rate of interest for thirty-day state
138 obligations of comparable security and quality as determined by the
139 State Treasurer, or as determined by the State Treasurer based upon at
140 least two quotations from dealers thereof. Any interest payments
141 received by the State Treasurer from the health center pursuant to this
142 subsection which have not been applied to pay debt service on the
143 state's short term borrowings, if any, by the end of any fiscal year, shall
144 be treated as revenue to the General Fund. A report of book value shall
145 be made by the university to the State Comptroller each quarter and
146 verified by the Auditors of Public Accounts as requested by the State
147 Comptroller. The State Comptroller shall record the value on the books
148 of the state and approve expenditures against said value.

149 Sec. 4. Section 10a-110b of the general statutes is repealed and the
150 following is substituted in lieu thereof (*Effective July 1, 2012*):

151 The university shall [be entitled to] own, or [to] participate in the
152 ownership of, and shall be entitled to place in the custody of the
153 foundation to the extent of such ownership, any invention [, on the
154 following conditions: (a) The university shall be entitled to own the
155 entire right, title and interest in and to any invention in category A, in]
156 as follows:

157 (1) In any instance in which [such] any invention in category A is
158 conceived in the course of performance of customary or assigned
159 duties of the employee inventor or inventors, or in which the invention
160 emerges from any research, development or other program of the
161 university, or is conceived or developed wholly or partly at the
162 expense of the university, or with the aid of its equipment, facilities or
163 personnel, the entire right, title and interest in and to such invention
164 shall automatically vest in the university. In each such instance, the
165 employee inventor shall be [deemed to be] obligated, by reason of his
166 or her employment by the university, to disclose his or her invention
167 fully and promptly to an authorized executive of the university; [to
168 assign to the university the entire right, title and interest in and to each
169 invention in category A;] to execute instruments of assignment; [to that
170 effect;] and to execute such proper patent applications on such
171 invention as may be requested by an authorized executive of the
172 university, and to give all reasonable aid in the prosecution of such
173 patent applications and the procurement of patents thereon; [(b) the
174 university shall have the rights defined in subsection (a) of this section
175 with]

176 (2) With respect to inventions in category B, to the extent to which
177 an employee has or employees have disposable interests therein, all
178 such interests shall automatically vest in the university; and [to the
179 same extent the] by reason of such employee's or employees'
180 employment by the university, such employee or employees shall be
181 obligated as defined in [said subsection (a); (c) the] subdivision (1) of

182 this section to take the same such actions with respect to the invention
183 in category B; and

184 (3) The university shall have no right to inventions in category C,
185 except as may be otherwise provided in contracts, express or implied,
186 between the university or the foundation and those entitled to the
187 control of inventions in category C.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2012</i>	10a-151b(b)
Sec. 2	<i>July 1, 2012</i>	1-84(r)
Sec. 3	<i>July 1, 2012</i>	10a-128
Sec. 4	<i>July 1, 2012</i>	10a-110b

HED *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Constituent Units of Higher Education	GF - Savings	less than 5,000	less than 5,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a savings of less than \$5,000 to the constituent units of higher education as it eliminates a requirement that public higher education institutions advertise, in hard copy publications, bidding opportunities for goods and services expected to cost more than \$50,000 while still maintaining the online posting requirement.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR BILL ANALYSIS**HB 5279*****AN ACT CONCERNING PUBLIC INSTITUTIONS OF HIGHER EDUCATION.*****SUMMARY:**

This bill eliminates a requirement that public higher education institutions advertise, in hard copy publications, bidding opportunities for goods and services expected to cost more than \$50,000. It retains a requirement that such opportunities be posted online. Under current law, institutions must advertise the opportunities at least once in two or more hard copy publications, one of which must be a major daily newspaper published in Connecticut.

The bill requires annual, rather than semiannual, internal audits of public higher education institutions' compliance with their faculty consulting policies adopted pursuant to the State Code of Ethics for Public Officials. By law, institutions' consulting policies must address (1) the appropriate use of the institutions' proprietary information, (2) conflicts of interest, and (3) the appropriate use of a faculty member's association with the institution.

The bill eliminates a requirement that an independent auditor verify the book values of various UConn Health Center (UCHC) accounts receivables that are estimated as collectible. These accounts include (1) John Dempsey Hospital and its clinical programs at UCHC, (2) Uncas-on-Thames Hospital, and (3) UCHC's university physicians' clinical operations. The bill instead allows the Auditors of Public Accounts to verify these book values at the comptroller's request. By law, UConn must report the book values quarterly to the comptroller, who can approve expenditures against these values.

Under current law, UConn is entitled to (1) own or participate in the

ownership of and (2) place in its research foundation's custody, inventions created by its employees under certain conditions. The employee inventor must assign to the university his or her rights, title, and interest in an invention. The bill instead specifies that UConn automatically owns or participates in the ownership of and is entitled to custody of these inventions. The requirement applies to inventions conceived by UConn employees solely, jointly, or with non-employees (1) in performance of their customary or assigned duties; (2) that emerge from any research, development, or other university program; or (3) conceived or developed at UConn's expense or with the aid of its equipment, facilities, or personnel. Under the bill, for such inventions developed by university employees, the entire right, title, and interest in the invention automatically vest to UConn. For inventions in which employees collaborated with non-employees, the employees' disposable interests automatically vest with UConn.

EFFECTIVE DATE: July 1, 2012

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 19 Nay 0 (03/06/2012)