



# Senate

General Assembly

**File No. 274**

February Session, 2012

Substitute Senate Bill No. 256

*Senate, April 5, 2012*

The Committee on Government Administration and Elections reported through SEN. SLOSSBERG of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE TIMING OF FACULTY CONSULTING AGREEMENT AUDITS UNDER THE CODE OF ETHICS.***

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

1 Section 1. Subsection (r) of section 1-84 of the 2012 supplement to  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective October 1, 2012*):

4 (r) (1) Notwithstanding the provisions of subsections (b) and (c) of  
5 this section, a member of the faculty or a member of a faculty  
6 bargaining unit of a constituent unit of the state system of higher  
7 education may enter into a consulting agreement or engage in a  
8 research project with a public or private entity, provided such  
9 agreement or project does not conflict with the member's employment  
10 with the constituent unit, as determined by policies established by the  
11 board of trustees for such constituent unit.

12 (2) The board of trustees for each constituent unit of the state system

13 of higher education shall establish policies to ensure that any such  
14 member who enters such a consulting agreement or engages in such a  
15 research project (A) is not inappropriately using university proprietary  
16 information in connection with such agreement or project, (B) does not  
17 have an interest in such agreement or project that interferes with the  
18 proper discharge of his or her employment with the constituent unit,  
19 and (C) is not inappropriately using such member's association with  
20 the constituent unit in connection with such agreement or project. Such  
21 policies shall (i) establish procedures for the disclosure, review and  
22 management of conflicts of interest relating to any such agreement or  
23 project, (ii) require the approval by the chief academic officer of the  
24 constituent unit, or his or her designee, prior to any such member  
25 entering into any such agreement or engaging in any such project, and  
26 (iii) include procedures that impose sanctions and penalties on any  
27 member for failing to comply with the provisions of the policies.  
28 [Semiannually] Annually, the internal audit office of each constituent  
29 unit shall audit the constituent unit's compliance with such policies  
30 and report its findings to the committee of the constituent unit  
31 established pursuant to subdivision (3) of this subsection. [For  
32 purposes of this subsection, "consulting" means the provision of  
33 services for compensation to a public or private entity by a member of  
34 the faculty or member of a faculty bargaining unit of a constituent unit  
35 of the state system of higher education: (I) When the request to provide  
36 such services is based on such member's expertise in a field or  
37 prominence in such field, and (II) while such member is not acting in  
38 the capacity of a state employee, and "research" means a systematic  
39 investigation, including, but not limited to, research development,  
40 testing and evaluation, designed to develop or contribute to general  
41 knowledge in the applicable field of study.]

42 (3) There is established a committee for each constituent unit of the  
43 state system of higher education to monitor the constituent unit's  
44 compliance with the policies and procedures described in subdivision  
45 (2) of this subsection governing consulting agreements and research  
46 projects with public or private entities by a member of the faculty or a  
47 member of a faculty bargaining unit of such constituent unit. Each

48 committee shall consist of nine members as follows: (A) Three  
49 members, appointed jointly by the Governor, the speaker of the House  
50 of Representatives, the president pro tempore of the Senate, the  
51 majority leader of the House of Representatives, the majority leader of  
52 the Senate, the minority leader of the House of Representatives and the  
53 minority leader of the Senate, who shall serve as members for each  
54 such committee; (B) one member appointed by the chairperson of the  
55 constituent unit's board of trustees from the membership of such  
56 board; (C) the chief academic officer of the constituent unit, or his or  
57 her designee; (D) three members appointed by the chief executive  
58 officer of the constituent unit, and (E) one member appointed by the  
59 chairperson of the Citizen's Ethics Advisory Board from the  
60 membership of such board. Members shall serve for a term of two  
61 years. Any vacancies shall be filled by the appointing authority. Each  
62 committee shall (i) review the [semiannual] annual reports submitted  
63 by the internal audit office for the constituent unit, pursuant to  
64 subdivision (2) of this subsection, (ii) make recommendations,  
65 annually, to the board of trustees of the constituent unit concerning the  
66 policies and procedures of the constituent unit established pursuant to  
67 subdivision (2) of this subsection, including any changes to such  
68 policies and procedures, and (iii) send a copy of such  
69 recommendations, in accordance with section 11-4a, to the joint  
70 standing committees of the General Assembly having cognizance of  
71 matters relating to higher education and government administration.

72 (4) The provisions of subsections (b) and (c) of this section shall  
73 apply to any member of the faculty or member of a faculty bargaining  
74 unit of a constituent unit of the state system of higher education who  
75 enters such a consulting agreement or engages in such a research  
76 project without prior approval, as described in subdivision (2) of this  
77 subsection.

78 (5) For purposes of this subsection, "consulting" means the provision  
79 of services for compensation to a public or private entity by a member  
80 of the faculty or member of a faculty bargaining unit of a constituent  
81 unit of the state system of higher education: (A) When the request to

82 provide such services is based on such member's expertise in a field or  
 83 prominence in such field, and (B) while such member is not acting in  
 84 the capacity of a state employee, and "research" means a systematic  
 85 investigation, including, but not limited to, research development,  
 86 testing and evaluation, designed to develop or contribute to general  
 87 knowledge in the applicable field of study.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	1-84(r)

**Statement of Legislative Commissioners:**

In section 1(r)(3), "semiannual" was changed to "annual" for consistency with the change being made in section 1(r)(2).

**GAE**      *Joint Favorable Subst.-LCO*

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.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill, which requires annual, rather than semiannual, internal audits of public higher education institutions' compliance with their faculty consulting policies, has no fiscal impact as it is not expected to reduce the amount of university staff or resources needed to conduct the audits.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****sSB 256*****AN ACT CONCERNING THE TIMING OF FACULTY CONSULTING AGREEMENT AUDITS UNDER THE CODE OF ETHICS.*****SUMMARY:**

This 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.

EFFECTIVE DATE: October 1, 2012

**BACKGROUND*****Related Bill***

HB 5279 (File 57), favorably reported by the Higher Education Committee, makes an identical change.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 15    Nay 0    (03/21/2012)