



House of Representatives

File No. 553

General Assembly

February Session, 2012

(Reprint of File No. 57)

House Bill No. 5279
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 19, 2012

**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2 to the general statutes is repealed and the following is substituted in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] posted on the Internet, [, and at least five calendar days before
21 the final date of submitting bids or proposals.] All purchases fifty
22 thousand dollars or less in amount shall be made in the open market,
23 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30 general statutes is repealed and the following is substituted in lieu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. The
122 Comptroller shall record the value on the books of the state and
123 approve expenditures against said value.]

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

148 Sec. 4. Section 10a-110b of the general statutes is repealed and the

149 following is substituted in lieu thereof (*Effective July 1, 2012*):

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

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

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

182 subdivision (1) of this section with respect to inventions in category A;
183 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.

188 Sec. 5. Subsection (a) of section 10a-104 of the 2012 supplement to
189 the general statutes is repealed and the following is substituted in lieu
190 thereof (*Effective July 1, 2012*):

191 (a) The Board of Trustees of The University of Connecticut shall: (1)
192 Make rules for the government of the university and shall determine
193 the general policies of the university, including those concerning the
194 admission of students and the establishment of schools, colleges,
195 divisions and departments, and shall direct the expenditure of the
196 university's funds within the amounts available; (2) develop the
197 mission statement for The University of Connecticut, and all campuses
198 thereof, which shall include, but not be limited to, the following
199 elements: (A) The educational needs of and constituencies served by
200 said university and campuses; (B) the degrees offered by said
201 university; and (C) the role and scope of each institution and campus
202 within the university system, which shall include each institution's and
203 campus' particular strengths and specialties; [. The board of trustees
204 shall submit the mission statement to the Board of Regents for Higher
205 Education for review and approval in accordance with the provisions
206 of section 10a-6;] (3) establish policies for the university system and for
207 the individual institutions and campuses under its jurisdiction; (4)
208 submit to the Board of Regents for Higher Education, for approval,
209 recommendations for the establishment of new academic programs; (5)
210 make recommendations, [to the Board of Regents for Higher
211 Education,] when appropriate, regarding institutional or campus
212 mergers or closures; (6) coordinate the programs and services of the
213 institutions and campuses under its jurisdiction; (7) be authorized to
214 enter into agreements, consistent with the provisions of section 5-141d,

215 to save harmless and indemnify sponsors of research grants to The
216 University of Connecticut, provided such an agreement is required to
217 receive the grant and limits liability to damages or injury resulting
218 from acts or omissions related to such research by employees of the
219 university; (8) promote fund-raising to assist the university and report
220 to the executive director of the Office of Financial and Academic
221 Affairs for Higher Education and the joint standing committee of the
222 General Assembly having cognizance of matters relating to education
223 by January 1, 1994, and biennially thereafter, on such fund-raising; (9)
224 charge the direct costs for a building project under its jurisdiction to
225 the bond fund account for such project, provided (A) such costs are
226 charged in accordance with a procedure approved by the Treasurer
227 and (B) nothing in this subdivision shall permit the charging of
228 working capital costs, as defined in the applicable provisions of the
229 Internal Revenue Code of 1986, or any subsequent corresponding
230 internal revenue code of the United States, as from time to time
231 amended, or costs originally paid from sources other than the bond
232 fund account; (10) exercise the powers delegated to it pursuant to
233 section 10a-109d; and (11) establish by October 1, 1997, policies
234 governing the acceptance of gifts made by a foundation established
235 pursuant to sections 4-37e and 4-37f to the university or its employees
236 for reimbursement of expenditures or payment of expenditures on
237 behalf of the university or its employees.

238 Sec. 6. Subsection (d) of section 10a-105 of the 2012 supplement to
239 the general statutes is repealed and the following is substituted in lieu
240 thereof (*Effective July 1, 2012*):

241 (d) Commencing December 1, 1981, and thereafter not later than
242 sixty days after the close of each quarter, the board of trustees shall
243 submit to the joint standing committee of the General Assembly
244 having cognizance of matters relating to appropriations and the
245 budgets of state agencies and the Office of Policy and Management [,
246 through the Board of Regents for Higher Education,] a report on the
247 actual expenditures of The University of Connecticut Operating Fund
248 and The University of Connecticut Health Center Operating Fund

249 containing such relevant information as the Office of Policy and
250 Management may require in the form prescribed by the board of
251 regents in accordance with subsection (a) of section 10a-8.

252 Sec. 7. Subsection (a) of section 10a-6 of the 2012 supplement to the
253 general statutes is repealed and the following is substituted in lieu
254 thereof (*Effective July 1, 2012*):

255 (a) The Board of Regents for Higher Education shall: (1) Establish
256 state-wide policy and guidelines for Connecticut's system of public
257 higher education; (2) develop a master plan for higher education and
258 postsecondary education, consistent with the goals in subsection (b) of
259 this section; (3) establish state-wide tuition and student fee policies; (4)
260 establish state-wide student financial aid policies; (5) monitor and
261 evaluate institutional effectiveness and viability in accordance with
262 criteria established by the board; (6) merge or close institutions within
263 the Connecticut State University System, the regional community-
264 technical college system and the Board for State Academic Awards in
265 accordance with criteria established by the board, provided (A) such
266 recommended merger or closing shall require a two-thirds vote of the
267 board and (B) notice of such recommended merger or closing shall be
268 sent to the committee having cognizance over matters relating to
269 education and to the General Assembly; (7) review and approve
270 mission statements for the [constituent units] Connecticut State
271 University System, the regional community-technical college system
272 and the Board for State Academic Awards and role and scope
273 statements for the individual institutions and campuses [thereof] of
274 such constituent units; (8) review and approve any recommendations
275 for the establishment of new academic programs submitted to the
276 board by the constituent unit boards of trustees, and, in consultation
277 with the affected constituent units, provide for the initiation,
278 consolidation or termination of academic programs. The Board of
279 Regents for Higher Education shall notify the board of trustees affected
280 by the proposed termination of an academic program. Within ninety
281 days of receipt of such notice, said trustees shall accept or reject the
282 termination proposal and shall notify the Board of Regents for Higher

283 Education of its action. If the termination proposal is rejected by the
284 trustees, the Board of Regents for Higher Education may override the
285 rejection by a two-thirds vote; (9) develop criteria to ensure acceptable
286 quality in programs and institutions and enforce standards through
287 licensing and accreditation; (10) prepare and present to the Governor
288 and General Assembly, in accordance with section 10a-8, consolidated
289 operating and capital expenditure budgets for public higher education
290 developed in accordance with the provisions of said section 10a-8; (11)
291 review and make recommendations on plans received from the
292 constituent unit boards of trustees for the continuing development and
293 maximum utilization of the state's public higher education resources;
294 (12) appoint advisory committees to assist in defining and suggesting
295 solutions for the problems and needs of higher education; (13)
296 establish an advisory council for higher education with representatives
297 from public and private institutions to study methods and proposals
298 for coordinating efforts of all such institutions in providing a
299 stimulating and enriched educational environment for the citizens of
300 the state, including measures to improve educational opportunities
301 through alternative and nontraditional approaches such as external
302 degrees and credit by examination; (14) coordinate programs and
303 services throughout public higher education and between public and
304 independent institutions, including procedures to evaluate the impact
305 on independent institutions of higher education of proposals affecting
306 public institutions of higher education; (15) make or enter into
307 contracts, leases or other agreements in connection with its
308 responsibilities under this part, provided all acquisitions of real estate
309 by lease or otherwise shall be subject to the provisions of section 4b-23;
310 (16) be responsible for the care and maintenance of permanent records
311 of institutions of higher education dissolved after September 1, 1969;
312 (17) prepare and present to the Governor and General Assembly
313 legislative proposals affecting public higher education, including
314 proposals which utilize programs and facilities of independent
315 institutions of higher education; (18) develop and maintain a central
316 higher education information system and establish definitions and
317 data requirements for the state system of higher education; and (19)

318 undertake such studies and other activities as will best serve the higher
319 educational interests of the state.

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.

House "A" (LCO 3052) is technical and results in no fiscal impact.

The Out Years

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

OLR Bill Analysis**HB 5279 (as amended by House "A")******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 Connecticut newspaper.

The bill requires annual, rather than semiannual, internal audits of public higher education institutions' compliance with their faculty consulting policies adopted under the State Code of Ethics for Public Officials. By law, the 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 certain UConn Health Center (UCHC) accounts receivables that are estimated as collectible. These accounts include (1) John Dempsey Hospital and its clinical programs at UCHC and (2) UCHC's university physicians' clinical operations. The bill instead allows the state auditors to verify these book values at the comptroller's request. It also removes obsolete language concerning Uncas-on-Thames Hospital. 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.

Lastly, the bill eliminates requirements that UConn (1) submit its mission statement to the Board of Regents for Higher Education (BOR) for review and approval; (2) recommend institutional or campus mergers or closures to BOR, and it eliminates BOR's authority over UConn with respect to mergers and closures; and (3) submit a quarterly report to the Office of Policy and Management (OPM) through BOR on the actual expenditures of the UConn and UConn Health Center operating funds. In this last case, it instead requires UConn to submit this report directly to OPM.

*House Amendment "A" adds the provisions concerning UConn's relationship to BOR, removes obsolete language, and makes technical changes.

EFFECTIVE DATE: July 1, 2012

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 19 Nay 0 (03/06/2012)