OLR Bill Analysis
sSB 1130

AN ACT CONCERNING VARIOUS INITIATIVES AT THE UNIVERSITY OF CONNECTICUT.

SUMMARY

This bill makes various changes to UConn’s statutory objectives, governance, faculty, staff, and responsibilities, principally related to entrepreneurship and economic development. Among other things, it:

1. establishes an additional objective that UConn must pursue in addition to its existing statutory objectives (§§ 1 & 6);

2. requires at least two members of the UConn Board of Trustees (BoT) to have entrepreneurship or business venture investment experience (§§ 2 & 3);

3. establishes the new Vice President for Innovation and Entrepreneurship position (§ 4);

4. requires the BoT to develop a plan to recruit faculty with experience in entrepreneurship or commercializing research (§ 5);

5. requires the BoT to establish various entrepreneurship-related initiatives, including a mentorship program, and foster an entrepreneurial culture (§ 6);

6. requires the BoT to modify the UConn Next Generation plan (see BACKGROUND) to provide for the construction or renovation of campus facilities to create a gathering place for student entrepreneurs (§ 7); and

7. requires the BoT, jointly with the CTNext board, to hire a consultant to study UConn tech transfer and entrepreneurship and incorporate the report’s recommendations into various
UConn policies and initiatives (§ 8).

EFFECTIVE DATE: July 1, 2019

§§ 1 & 6 — STATUTORY OBJECTIVE

The bill requires UConn’s president and BoT to seek to educate students in studies and disciplines designed to meet the state workforce’s present and projected future needs and promote the state’s economic development by (1) assisting in new business establishment in the state based on university-driven innovations and (2) facilitating the transfer and accessibility of university-driven technology and patents to such new businesses. The president and BoT must pursue this objective in addition to its current statutory objectives and conduct university business according to it.

Under existing law, UConn’s leading statutory objective is to teach subjects related to agriculture and the mechanic arts, including military tactics, to promote the liberal and practical education of the industrial classes, without excluding scientific and classical studies.

§§ 2 & 3 — BOARD OF TRUSTEES

Appointee Experience (§ 2)

By law, the BoT consists of 21 members, 12 of whom are appointed by the governor to staggered six-year terms; he must appoint four members by July 1 in each odd-numbered year. The bill requires at least two board members appointed by the governor on or after July 1, 2019, to have entrepreneurship or business venture investment experience recognized by the university.

Entrepreneurship Subcommittee (§ 3)

The bill establishes a standing BoT subcommittee to address entrepreneurial issues and draft all initial resolutions for the board’s entrepreneurship-related responsibilities. The subcommittee may have up to seven members and must include the two members with entrepreneurial experience described above. Subcommittee members must annually appear before the Commerce, Higher Education, and Finance, Revenue and Bonding committees to report on the
subcommittee’s activities and UConn’s related performance.

§ 4 — VICE PRESIDENT FOR INNOVATION AND ENTREPRENEURSHIP

The bill requires UConn’s president, in consultation with the BoT, to create a new position of Vice President for Innovation and Entrepreneurship at UConn. The vice president must report directly to the president and, among other things, help the president implement her entrepreneurship- and investment-related responsibilities. The bill requires the president to hire an individual for the position who demonstrates recent experience in developing or growing an entrepreneurial culture at UConn or another higher education institution.

§ 5 — FACULTY RECRUITMENT

Changes to Current Faculty Recruitment Program

Current law requires the BoT to develop a program to recruit eminent faculty and their research staff to UConn. The bill requires the board to continuously maintain and revise the program from time to time. (Presumably, the board is to continuously maintain the program and revise it periodically.)

As under current law, the program must support the state’s economic development. But the bill requires the program to do this through the commercialization of faculty research. It also requires the program to promote the core sectors of Connecticut’s economy, instead of core competency areas, as under current law. (The bill does not identify which sectors are considered core sectors of the Connecticut economy.)

By law, the recruitment program must supplement faculty compensation and related personnel and materials costs in order to secure the faculty for UConn. Current law limits eligibility for the supplemental funding to scientists with demonstrated excellence in their research field and an interest in commercializing their research. The bill specifies that such scientists must have a demonstrated interest in both past and future commercialization of their research.
The bill also eliminates a provision requiring UConn’s president, before spending program funds, to certify to the Office of Policy and Management secretary that UConn or its foundation received at least $2 million in written financial support commitments for faculty recruitment purposes from industry or other sources.

**New Faculty Recruitment Plan**

By November 15, 2019, the bill requires the BoT to develop and implement a plan for recruiting and hiring faculty with experience as entrepreneurs or commercializing research. The plan must (1) include related recruitment and hiring goals for each of UConn’s science, technology, engineering, and math departments and (2) set a goal of achieving the entrepreneurship ratio established in the report the bill requires, by January 1, 2026 (see § 8).

**§ 6 — INNOVATION- AND ENTREPRENEURSHIP-RELATED INITIATIVES AND PROVISIONS**

**Marketing and Promotion**

Beginning July 1, 2019, the bill requires the BoT to include, in all student recruitment marketing and promotional materials, information highlighting entrepreneurial activity of UConn’s faculty and students, including (1) profiles of successful student- or faculty-led ventures, (2) entrepreneurial course offerings, (3) programs and services supporting students’ entrepreneurial efforts, and (4) any existing entrepreneurial clubs or fraternities.

It also requires the board to use social media for such marketing and promotional efforts.

**Patents**

The bill requires the BoT to freely license, and release for open, public use, all patents it holds that have not been used for commercialization or licensed for at least 10 years.

**Entrepreneurial Culture and Relationships**

The bill requires UConn’s president and BoT to build and foster a culture of innovation and entrepreneurship among enrolled students
at each UConn campus, in accordance with the objective the bill establishes (see § 1). They must do so through a series of activities, including (1) organizing and hosting regular networking events for student and faculty entrepreneurs and (2) supporting relevant student clubs and organizations.

The BoT and president must also seek to build entrepreneurial relationships between UConn and other public or independent higher education institutions in Connecticut, including Yale University.

**Mentorship Initiative**

By January 1, 2021, the bill requires the BoT to design and implement a mentorship initiative to cultivate a robust group of (1) UConn faculty and alumni who have significant entrepreneurial experience and (2) other prominent Connecticut entrepreneurs, to mentor and advise UConn students and other faculty in creating and growing new business ventures.

The initiative must be:

1. developed in coordination with, and integrated into, any CTNext entrepreneur-in-residence or mentorship initiatives (see BACKGROUND);

2. developed or revised in accordance with any recommendations from the entrepreneurship and tech transfer report required by the bill (see § 8); and

3. modeled on comparable programs at the Massachusetts Institute of Technology (MIT).

In developing the initiative, the BoT must make all reasonable efforts to engage and consult with MIT, including paying any required consulting fees.

**§ 7 — NEXT GENERATION CONNECTICUT PLAN MODIFICATIONS**

The bill requires UConn to revise its initial plan for guiding the capital investments made with bonds authorized under the Next
Generation Connecticut initiative (see BACKGROUND). It must do so within 30 days after the BoT approves the entrepreneurship and tech transfer report required by the bill (see §8).

The revised plan must provide for the construction or renovation of a facility on each UConn campus that is designed to meet student entrepreneurs’ needs and serve as a gathering place for those students and others who support their ventures. Each facility (1) must be designed and located conveniently to attract and encourage its use by student entrepreneurs and UConn-affiliated faculty and their guests and (2) cannot be located more than one-quarter mile away from the campus’ student union or student center or adjoined to a dormitory.

§ 8 — ENTREPRENEURSHIP AND TECH TRANSFER STUDY

Study Process

The bill requires UConn and the CTNext board of directors (see BACKGROUND) to jointly approve the hiring of a consultant to study UConn’s tech transfer policies and other entrepreneurship-related aspects. UConn must (1) pay the consultant using its operating funds or Next Generation Connecticut or UConn 2000 funds and (2) provide the consultant with any information requested to complete the study.

Under the bill, the study must be (1) conducted jointly with president-appointed university representatives and (2) advised by a seven-member panel of entrepreneurs and business leaders, with four members appointed by the BoT and three appointed by the CTNext board of directors.

Study Scope

Tech Transfer. The study must review the tech transfer policies of universities renowned for innovation and entrepreneurship, including Stanford University and MIT. The consultant and the designated UConn representatives must select the policies they deem best and develop recommendations for reforming UConn’s tech transfer policies. The study must include:

1. plans to maximize the number of new business ventures formed
by commercializing UConn faculty and student research, which must give greater priority to the venture’s financial interests than to UConn making a profit or recouping its patent-related or other royalties;

2. plans to focus UConn’s tech transfer policies on forming startup businesses rather than licensing patents;

3. recommendations for staffing levels and organization to achieve the plans; and

4. any other recommendations the BoT or CTNext board of directors requests.

The bill requires that any remuneration paid to UConn resulting from such new business ventures be used to encourage the further new business venture growth or formation. (It is unclear to which new business ventures the requirement applies.)

**Entrepreneurship.** The consultant and UConn representatives must also review (1) UConn’s current policies for fostering faculty and student entrepreneurship and (2) the proportion of total UConn Business School activities that are oriented toward creating and supporting new business ventures.

**Report**

The bill requires the consultant and UConn representatives to submit a report to the CTNext board. In preparing the report, they must solicit input from the Higher Education Entrepreneurship Advisory Committee. By law, this committee is within CTNext and composed of CT-Next-appointed students, higher education institution representatives, and entrepreneurs (CGS §32-39t).

**Report Content.** Under the bill, the report must include:

1. recommendations for continuously improving UConn’s policies for maximizing business venture formation, considering the entrepreneurship best practices of leading universities studied;
2. actionable measures to make creating and supporting new business ventures a primary consideration in all activities and degree programs offered at the UConn School of Business;

3. any recommendations for changing UConn’s recruitment hiring plan required under the bill;

4. establishment of an entrepreneurship ratio of faculty members who teach entrepreneurship to the overall student body that matches that of leading universities;

5. a consideration of all UConn funds and any legislative recommendations for UConn funding changes;

6. an analysis of comparative rankings made by qualified experts of higher education institutions nationally on their success in entrepreneurship and innovation, including a ranking of UConn and the identification of one or more rankings the university must attain; and

7. the development of a comprehensive metrics plan for tracking and analyzing UConn’s success in facilitating new business creation based on student and faculty research.

The metrics included in the report must (1) be identified in part through a review of similar metrics tracked by leading institutions renowned for innovation and entrepreneurship, including Stanford University, MIT, Princeton University, and the University of Michigan and (2) include methods to track the economic impact of UConn faculty and alumni who are entrepreneurs.

**Report Approval.** The bill requires the consultant and UConn representatives to submit the report to the BoT by January 1, 2020. The BoT must then either approve the report or request that it be modified by January 31, 2020. If the BoT requests modifications, the consultant and UConn representatives must be given 30 days after receiving the request to submit a revised draft to the BoT.

Upon the report’s final approval, the BoT must submit it to the
CTNext board of directors and the Higher Education and Finance, Revenue, and Bonding committees. The bill requires the committees to raise legislation during the 2020 or 2021 legislative session containing the report’s legislative recommendations. (It is unclear whether this requirement is enforceable based on the principle of legislative entrenchment.) The bill also authorizes the BoT to adopt a resolution to implement the report’s recommendations related to UConn.

BACKGROUND

Next Generation Connecticut

PA 13-233 established the “Next Generation Connecticut” initiative and authorized $1.551 billion in new bonds for a capital improvement program under the UConn 2000 infrastructure program. The initiative’s purpose is to (1) develop preeminence in UConn's research and innovation programs, (2) hire and support outstanding faculty, (3) train and educate graduates to meet the state's future workforce needs, and (4) initiate collaborative partnerships that lead to scientific and technological breakthroughs.

CTNext

CTNext is a subsidiary of Connecticut Innovations, Inc. Its major purpose is to assist entrepreneurs and startup and growth-stage businesses by, among other things, (1) building entrepreneur communities, (2) serving as a catalyst to protect and enhance the state’s innovation ecosystem, (3) connecting entrepreneurs and growth-stage businesses to government and private resources, (4) facilitating mentoring for entrepreneurs and young business ventures, and (5) facilitating innovation and entrepreneurship at higher education institutions (CGS § 32-39f).

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable
Yea 31  Nay 19  (05/01/2019)