

AMENDED IN SENATE JUNE 30, 2009

AMENDED IN SENATE MAY 26, 2009

AMENDED IN ASSEMBLY MARCH 10, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 20

Introduced by Assembly Member Solorio
(Coauthors: Assembly Members Block, Portantino, and Torlakson)
(Coauthors: Senators DeSaulnier, *Romero*, and Runner)

December 1, 2008

An act to add Chapter 14.27 (commencing with Section 67325) to Part 40 of Division 5 of Title 3 of the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 20, as amended, Solorio. University of California: California State University: contracts.

Existing law establishes the University of California (UC) as a public trust administered by the Regents of the University of California. Employees of the ~~(UC)~~ UC provide instruction to students and conduct research at each of the 10 campuses of the ~~(UC)~~ UC, which are located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Barbara, and Santa Cruz. Existing law establishes the California State University (CSU), under the administration of the Trustees of the California State University, as one of the other segments of public postsecondary education in this state.

This bill would require the Department of General Services, to negotiate and establish a model contract with standard contract provisions with both the regents and the trustees by July 1, 2010. The

trustees would be required to, and the regents would be urged to, negotiate and establish with the Department of General Services the model contract applicable to their university by July 1, 2010. The bill would define the term contract to mean a research, training, or service agreement between the state and the UC or CSU, or a grant from the state to the UC or CSU for research, training, or service. The bill would require that, to the extent feasible, these standard contract provisions include, but not necessarily be limited to, provisions relating to specified legal issues. The bill would require that the standard provisions in a model contract agreed upon under the bill be used in contracts entered into between the UC or CSU and the state, unless both contracting parties mutually determine that a specific standard contract provision is inappropriate *or inadequate* for a specific contract. The bill would authorize the Department of General Services to use the services of any state agency, defined to include every state office, officer, department, division, bureau, board, and commission, in implementing the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 14.27 (commencing with Section 67325)
2 is added to Part 40 of Division 5 of Title 3 of the Education Code,
3 to read:

4
5 CHAPTER 14.27. CONTRACTS

6
7 67325. For the purposes of this article, “contract” means a
8 research, training, or service agreement between the state and the
9 University of California or the California State University, or a
10 grant from the state to the University of California or the California
11 State University for research, training, or service.

12 67326. The Legislature finds and declares all of the following:
13 (a) The University of California and the California State
14 University comprise two important parts of the state’s public
15 university system.

16 (b) The University of California and the California State
17 University receive about six billion dollars (\$6,000,000,000) from
18 the State General Fund each year.

1 (c) In the 2006–07 fiscal year, state agencies and departments
2 entered into more than 2,500 contracts or contract amendments
3 with the University of California and the California State
4 University.

5 (d) Many of these contracts contain similar provisions, such as
6 provisions dealing with issues relating to liability, intellectual
7 property, the right to undertake additional research, the right to
8 publish, hiring, personnel, invoicing, and payments.

9 (e) The provisions of each contract or contract amendment are
10 typically negotiated between attorneys representing the state
11 agencies and departments and attorneys representing the University
12 of California and the California State University.

13 (f) The drafting of many of these contracts takes six months to
14 a year, and, in many cases, the state is paying for both sides of the
15 contract negotiations.

16 (g) It would be more cost effective and efficient if the state and
17 the University of California and the California State University
18 would establish standardized “boilerplate” provisions that would
19 apply to all contracts between the state and the University of
20 California or the California State University, allowing for variations
21 only in unusual situations.

22 (h) The federal government has established the Federal
23 Demonstration Partnership, which provides for uniform contracting
24 provisions.

25 67327. (a) The Department of General Services, acting for the
26 state, shall, negotiate and establish a model contract with standard
27 contract provisions with the Regents of the University of California
28 and a model contract with standard contract provisions with the
29 Trustees of the California State University by July 1, 2010. The
30 trustees shall, and the regents are urged to, negotiate and establish
31 with the Department of General Services the model contract
32 applicable to their university by July 1, 2010. The Department of
33 General Services shall seek the active participation of state agencies
34 and departments that have contracts with the University of
35 California or the California State University. The model contract
36 may be revised in a manner determined by the University of
37 California or the California State University and the Department
38 of General Services, in consultation with state agencies and
39 departments that have contracts with the University of California
40 or the California State University. To the extent feasible, these

1 standard contract provisions shall include, but not necessarily be
2 limited to, provisions relating to all of the following:

- 3 (1) Liability.
- 4 (2) Intellectual property.
- 5 (3) The right to undertake additional research.
- 6 (4) The right to publish.
- 7 (5) Hiring and other personnel-related matters.
- 8 (6) Invoicing.
- 9 (7) Payments.
- 10 (8) Dispute resolution.
- 11 (9) Travel.
- 12 (10) Termination.
- 13 (11) Administrative overhead and indirect costs.

14 (b) The standard provisions in a model contract agreed upon
15 pursuant to subdivision (a) shall be used in contracts entered into
16 between the University of California or the California State
17 University and the state, unless both contracting parties mutually
18 determine that a specified standard contract provision is
19 inappropriate *or inadequate* for a specified contract.

20 (c) In implementing this section, the Department of General
21 Services may use the services of any state agency, as that term is
22 defined in Section 11000 of the Government Code.

23 (d) The Department of General Services and the University of
24 California or the California State University, in consultation with
25 state agencies and departments that have contracts with the
26 University of California or the California State University, may
27 determine those types of contracts for which the use of the model
28 contract would be inappropriate *or inadequate*.

29 (e) It is not the intent of the Legislature that the model contract
30 provisions waive the requirements of the law.