

IMPORTANT NOTICE

SENATE BILL 41 CSU Contract Restrictions

Effective January 1, 2004, Senate Bill 41 (authored by Senator Bowen) will amend California law by removing the California State University (CSU) from certain civil service conflict of interest provisions located in the Public Contract Code that were made applicable to the CSU as a result of SB 1467. (SB 1467 restrictions were addressed in a notice you received late June 2003.) Instead, SB 41 has created new Public Contract Code (PCC) sections that address certain CSU employee conflict of interest provisions related to contracting. These SB 41 restrictions are less restrictive than those under SB 1467. It is your responsibility to ensure that you do not violate the Code. The new restrictions are as follows:

- ◀ **Restriction 1:** A CSU employee, except for those employees with teaching or research responsibilities, may not “contract on his or her individual behalf as an independent contractor with any California State University department to provide services or goods.” (PCC 10831)
- ◀ **Restriction 2:** A CSU employee, except for those employees with teaching or research responsibilities, may not engage in any employment or activity for which the employee receives compensation through or by a CSU contract, unless the employment or activity is within the course and scope of the employee’s regular CSU employment. (PCC 10831)
- ◀ **Restriction 3:** For two years following retirement or separation from the CSU, no former employee may enter into a contract “in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any CSU department.” (PCC 10832 (a))
- ◀ **Restriction 4:** For 12 months following retirement or separation from the CSU, no former employee may contract with the CSU if he or she was employed by the CSU “in a policymaking position in the same general subject area as the proposed contract within the 12-month period prior to his or her retirement...or separation.” Excepted are contracts for expert witness services and contracts to continue attorney services. (PCC 10832 (b))

If you have questions about these restrictions and their impact on your ability to perform certain activities, please contact your campus human resources office or faculty affairs office, as appropriate.