

SB 1467 AND SB 41 OVERVIEW

RESTRICTIONS							
Restriction 1		Restriction 2		Restriction 3		Restriction 4	
<u>SB 1467</u> A CSU employee may not contract as an independent contractor with the CSU or any other state agency to provide goods/services.	<u>SB 41</u> A CSU employee, except for employees with teaching or research responsibilities, may not contract as an independent contractor with any CSU department to provide goods/services.	<u>SB 1467</u> A CSU employee may not receive compensation for any activity funded/ sponsored by the CSU or any other state agency through or by a CSU or other state contract unless required by his/her employment.	<u>SB 41</u> A CSU employee, except for employees with teaching or research responsibilities, may not engage in any activity for pay funded through/by a CSU contract unless the activity is within the course and scope of the employee's regular CSU employment.	<u>SB 1467 & SB 41</u> For 2 years after termination, a former CSU employee may not enter into a contract in which he/she engaged in any part of the decision making process relevant to the contract.	<u>SB 1467 & SB 41</u> For 12 months after termination, a former employee may not contract with the CSU if he/she was employed by the CSU in a policymaking position that is relevant to the contract. Excepted are contracts for expert witness services and contracts to continue attorney services.		
IMPACT							
Can a CSU employee contract with a non-CSU state agency?		Can a CSU employee contract with the CSU as an independent contractor?		Can a CSU employee have his/her activities funded by a CSU contract?		Can a CSU employee be employed by an outside entity doing work funded by a CSU contract?	
<u>SB 1467</u> No	<u>SB 41</u> Yes	<u>SB 1467</u> No	<u>SB 41*</u> Employees with teaching or research responsibilities can. <u>Other employees cannot.</u>	<u>SB 1467</u> No	<u>SB 41</u> Employees with teaching or research responsibilities can. <u>Other employees cannot</u> , unless the employment/activity is within the course and scope of the employee's regular CSU employment.	<u>SB 1467</u> No	<u>SB 41</u> Employees with teaching or research responsibilities can. <u>Other employees cannot</u> , unless the employment/activity is within the course and scope of the employee's regular CSU employment.
<p>*What does it mean to be an independent contractor? Independent Contractors are not under CSU control. Instead, CSU control is limited to accepting or rejecting the final result. Under the IRS test, workers are employees if the people they work for have the right to direct and control the way they work – including details of when, where and how they do their jobs. CSU is subject to state and federal statutes governing wage reporting and tax collection and the IRS imposes penalties on incorrect reporting.</p> <ul style="list-style-type: none"> • A CSU employee with teaching or research responsibilities could receive a stipend/honorarium for independent contractor services if the work arrangement meets independent contractor criteria. If not, the employee would need to receive an additional employment assignment to be paid for the work. • CSU's Additional Employment policy limits are not impacted by independent contractor assignments. • A FERP participant can contract with the CSU as an independent contractor without jeopardizing his/her FERP employment or CalPERS retirement. 							