

STORAGE NAME: h0111s1a.cu.doc
DATE: April 10, 2001

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
COLLEGES AND UNIVERSITIES
ANALYSIS**

BILL #: CS/HB 111
RELATING TO: Marine Biotechnology Research, Training and Industry Development
SPONSOR(S): Committee on Natural Resources & Environmental Protection; and Representative Detert
TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION YEAS 13 NAYS 0
 - (2) COLLEGES AND UNIVERSITIES
 - (3) EDUCATION APPROPRIATIONS
 - (4) COUNCIL FOR READY INFRASTRUCTURE
 - (5)
-

I. SUMMARY:

CS/HB 111 is a companion measure to CS/SB 296 and establishes the Florida Marine Biotechnology Research, Training, and Development Program ("The Program") by creating partnerships among research scientists at Florida universities, research laboratories, and the marine biotechnology industry. The Program is intended to promote commerce, create jobs and provide benefits to Florida's marine biotechnology industry.

The director of the Florida Marine Research Institute and the director of the Florida Sea Grant College Program will jointly administer the Program with the assistance of a steering committee whose members will consist of representatives from Florida universities, research laboratories, and the marine biotechnology industry.

CS/HB 111 appropriates \$2,000,000 from general revenue for fiscal year 2001-2002 to the Florida Marine Research Institute to fund the first year of the Program. CS/HB 111 requires that funds be awarded to approved projects on a competitive basis with a preference for projects promoting public-private partnerships. Additionally, CS/HB 111 requires that funds be distributed within 42 months of appropriation and that only a certain percentage be used for administrative costs.

CS/HB 111 grants the Fish and Wildlife Conservation Commission the authority, pursuant to sections 120.236(1) and 120.54, F.S., to adopt rules in order to implement this act.

CS/HB 111, if enacted, takes effect July 1, 2001.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Marine biotechnology is the industrial use of living organisms or biological techniques developed through basic research. Biotechnology encompasses the production of a variety of products from medicines and industrial enzymes to the development of microorganisms for specific uses. Current research projects involve synthesizing an organic substance found in sponges that reduces cancer tumors, developing a commercial genetic selection program for sea oats to reduce beach erosion, and developing a non-toxic barnacle repellent for boat anti-fouling coatings.

Much of the state's marine research is currently conducted by the Florida Sea Grant College Program and the Florida Marine Research Institute.

Florida Sea Grant College

The Florida Sea Grant College Program ("Florida Sea Grant"), a Type I institute/center located at the University of Florida, is one of 30 state Sea Grant College Programs under the National Sea Grant College Program,¹ a partnership between the nation's universities and the National Oceanic and Atmospheric Administration (NOAA). Florida Sea Grant is a state university program that coordinates and funds marine research projects for all of Florida's public and private universities and for research facilities throughout the state.²

Over the last several years, marine biotechnology has become a priority area for Florida Sea Grant research funding. Of the currently funded research projects, approximately 25% are related to marine biotechnology. Florida Sea Grant currently receives about \$1,000,000 in federal funding, and a 50% match is required for each funded project dollar.

Board of Regents staff reports that during the 1999-2000 program year, the Florida Sea Grant generated \$9.8 dollars for each \$1 appropriate to the Florida Sea Grant from the Education and General Budget of the State University System. Florida Sea Grant generated \$3.2 million in outside grants during 1999-2000 for Florida faculty and students. Counting federal Sea Grant funds alone, a total of 55 Florida faculty and 24 students participated in Sea Grant programs last year. Nine different universities and/or research laboratories received Florida Sea Grant federal funds in 1999-2000, and all ten public universities participated in research project competitions.

¹ See 33 U.S.C. § 1121 et. seq. (2000).

² See Florida Sea Grant available at <http://www.flseagrant.org> (last visited April 1, 2001).

Every four years a federal review team reviews each of the Sea Grant Programs nationwide. According to Board of Regents staff, The Florida Sea Grant College's review in April 2000, "yielded the highest possible ranking of 'excellent' in all four categories - producing significant results, connecting Sea Grant with users, organizing and managing for success, and effective long-range planning." This ranking resulted in a higher level of federal funds for the next four years, which in turn means that more matching funds will be required.

Florida Marine Research Institute

The Florida Marine Research Institute (FMRI) is a research division of the Fish and Wildlife Conservation Commission (FWCC).³ FMRI has a main office in St. Petersburg and thirteen field laboratories throughout the state and employs about 400 persons, 346 of whom are scientific and technical research staff. FMRI conducts research in coordination with other public and private marine research institutions. FMRI's research efforts are conducted through four research programs: fish assessment, ecosystem assessment and restoration, endangered and threatened species, and information science and management. Pursuant to s. 20.331, F.S., the FMRI shall:

- Serve as the primary resource of research and technical information and expertise on the status of Florida's saltwater resources;
- Monitor the status and health of saltwater habitat, marine life, and wildlife;
- Develop and implement restoration techniques for marine habitat and enhancement of saltwater plant and animal populations;
- Respond and provide critical technical support for marine catastrophes including oil spills, ship groundings, major marine species die-offs, hazardous spills, and natural disaster;
- Identify and monitor marine toxic red tides and their impacts, and provide technical support for state and local public health concerns; and
- Provide state and local governments with estuarine, marine, coastal technical information and research results.

Procurement for Contracted Services

Section 287.057, F.S., requires that contracts for contracted services in excess of \$25,000 be awarded by competitive sealed bidding or through competitive sealed proposals. In certain documented circumstances, services available only from a single source may be excepted from the competitive bid or proposal requirements. When the FMRI contracts for scientific and research services, it has not always done so through the sealed bid or proposal process. Because the bill proposes an academic peer review process for project selection, some argue that the sealed bidding process prescribed by s. 287.057 does not fit with the program's intent.

C. EFFECT OF PROPOSED CHANGES:

CS/HB 111 establishes the Florida Marine Biotechnology Research, Training, and Development Program to create partnerships among Florida universities, research laboratories, and the marine biotechnology industry for the purpose of promoting commerce, creating high-paying jobs and providing commercial benefits to the state. The program's long-term goal is to create products and processes that advance the marine biotechnology industry.

³ See s. 20.331, F.S.; see also Florida Marine Research Institute available at <http://floridamarine.org/about> (last visited April 1, 2001).

Focus of Research

The program would support research using modern techniques of cell and molecular biology in the following areas:

- Aquaculture
- Marine Animal Health
- Coastal Human Health Risks
- Coastal Habitat Restoration
- Forensics and monitoring, focusing on bioforensics

Proposed Program Structure

Directors: The director of the Florida Marine Institute and director of the Florida Sea Grant College Program will jointly administer the program.

Steering Committee: The steering committee will provide input to the directors regarding the administration of the program and the identification of research priorities. The steering committee's members are appointed by the directors, with one member from each of the following:

- University of Florida
- Florida Atlantic University
- Florida State University
- University of South Florida
- University of West Florida
- Florida Agricultural and Mechanical University
- Florida Marine Research Institute
- University of Miami
- Nova Southeastern University
- The Harbor Branch Oceanographic Institution
- The Mote Marine Laboratory
- BIOFlorida (an industry association of biotechnology companies)

Selection of Research Projects

Under CS/HB 111, the steering committee would perform several duties in selecting research projects for funding. The steering committee will determine research priorities used to request project proposals and the criteria used to select and fund projects. CS/HB 111 requires that the criteria include: project rationale, scientific merit, potential applications of the research, industrial sponsorship, qualifications of the investigator, partnership potential and plans for transferring the technology to industry and the public sector. After establishing the criteria, the steering committee will select a scientific review committee to evaluate and recommend projects for funding. The steering committee will recommend to the program directors projects for funding based on the evaluation and recommendations by the scientific review committee. The program directors maintain final authority to make funding decisions.

CS/HB 111 requires that appropriated funds be allocated on a competitive basis and that all universities, public research laboratories, and private nonprofit research laboratories in Florida be eligible to compete for funds. The competition will be based on a scientific peer review process. The peer review process may include advice from a nationwide panel of technical experts. CS/HB 111 also requires that any projects receiving funding should promote public-private partnerships where possible.

CS/HB 111 requires that \$2 million from the General Revenue Fund be appropriated to the FMRI for the fiscal year 2001-2002. Funded projects within the FMRI will receive funds directly from the FMRI from this appropriation. Funds awarded to universities and private non-profit research laboratories will be transferred by the FMRI by contract through Florida Sea Grant. CS/HB 111 requires that annual appropriations be spent within 42 months of appropriation. CS/HB 111 also

provides that FMRI and Florida Sea Grant are limited to \$25,000 each for technical administration of the program. Additionally, expenses for the peer review process are limited to \$16,000.

CS/HB 111 provides that contractual services procured under this bill are not subject to s. 287.057, F.S.

Legislative Oversight

CS/HB 111 requires the program directors to submit an annual report to the Legislature discussing the program's progress by July 1 of each year the Program is funded. However, CS/HB 111 does not give any further guidance as to the substance of the report. Additionally, CS/HB 111 automatically repeals this act on July 1, 2006, i.e. five years after the program is started.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

An appropriation of \$2,000,000 from the General Revenue Fund for fiscal year 2001-02 is proposed for the implementation of the first year of the program. Proponents of CS/HB 111 also seek an annual \$2,000,000 of funding for the program's first five years.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments.

D. FISCAL COMMENTS:

There is an indeterminate impact on state and local government revenues dependent upon the success of the program. CS/HB 111 seeks to promote commerce and create jobs in the marine biotechnology field. This economic development could be a source of revenues for state and local government.

CS/HB 111 restricts the FMRI and Florida Sea Grant to allocate no more than \$25,000 of each annual appropriation for Program administration. The Florida Sea Grant may use no more than \$16,000 of each annual appropriation for expenses related to the peer review process for project approval.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

CS/HB 111 does not require counties or municipalities to expend funds, nor does it require counties or municipalities to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

CS/HB 111 does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

CS/HB 111 does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

CS/HB 111 does not raise any constitutional issues.

B. RULE-MAKING AUTHORITY:

CS/HB 111 grants the Fish and Wildlife Conservation Commission the authority, pursuant to sections 120.236(1) and 120.54, F.S., to adopt rules in order to implement this act.

C. OTHER COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Natural Resources and Environmental Protection adopted HB 111 as a committee substitute. The original bill did not grant rule-making power to any government agency. The committee substitute creates a new subsection (8) to Section 1 of HB 111 granting the Fish and Wildlife Conservation Commission the power to adopt rules pursuant to ss. 120.536(1) and 120.54 in order to implement the provisions of the act. The rules are required to address, at a minimum, the solicitation of proposals, award of grants, monitoring of grants, and dispute resolution.

VII. SIGNATURES:

COMMITTEE ON COLLEGES AND UNIVERSITIES:

Prepared by:

Richard H. Martin

Staff Director:

Wayne Kiger

STORAGE NAME: h0111s1a.cu.doc

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PAGE: 7

AS REVISED BY THE COMMITTEE ON COLLEGES AND UNIVERSITIES:

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