

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 296
 SPONSOR: Senator Carlton
 SUBJECT: Marine Biotechnology Research
 DATE: March 1, 2001 REVISED: 03/07/01 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Gee</u>	<u>Voigt</u>	<u>NR</u>	<u>Fav/2 amendments</u>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	<u>AGG</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Florida Marine Biotechnology Research, Training, and Development Program, to be administered by the Director of the Florida Marine Research Institute and the Director of the Florida Sea Grant College Program. It provides an appropriation to fund research projects on a competitive basis.

This bill creates as yet unnumbered sections of the Florida Statutes.

II. Present Situation:

Marine biotechnology is the development of goods and services derived from marine organisms and processes. Examples include pharmaceuticals for the treatment of cancer and for diseases such as arthritis and others, safe and effective chemicals for agricultural uses, technologies for a marine veterinary industry for aquaculture and oceanaria, technologies to ensure the safety of seafood, technologies for the detection of toxins in the environment, and new varieties of plants for coastal restoration.

It is expected that promotion of the biotechnological industry will create and attract new, clean, high technology industries to the state which should result in increased high paying jobs. Florida appears to be well-suited for the industry due to its enormous coastline and variety of marine habitats.

The Florida Sea Grant College Program located at the University of Florida, is one of 29 state Sea Grant Programs under the National Sea Grant Program. The Sea Grant Program is a partnership between the nation's universities and the National Oceanic and Atmospheric Administration that began in 1966, when the U.S. Congress passed the National Sea Grant

College Program Act. Florida Sea Grant is a state university program that works with and funds projects for private and public Florida universities and research facilities throughout the state. The Florida Sea Grant Program funded 16 projects in 2000-2001, with marine biotechnology as its highest priority. The Florida Sea Grant Program is currently receiving approximately \$1,000,000 in federal funding. The Florida Sea Grant Program is responsible for matching one dollar for every two federal dollars funded.

Pursuant to s. 20.331, F.S., the Florida Marine Research Institute (FMRI), assigned to the Fish and Wildlife Conservation Commission, (FWCC) shall:

- Serve as the primary source 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.

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.

Pursuant to s. 120.52 (15), F.S., a "rule" means each agency statement of general applicability that implements, interprets, or prescribes law or policy or describes the procedure or practice requirements of an agency and includes any form which imposes any requirement or solicits any information not specifically required by statute or by an existing rule. Furthermore, s. 120.54 (1), F.S., provides that rulemaking is not a matter of agency discretion.

Pursuant to s. 216.346, F.S., in any contract between state agencies, including any contract involving the State University System or the Florida Community College System, the agency receiving the contract or grant moneys shall charge no more than 5 percent of the total cost of the contract or grant for overhead or indirect costs or any other costs not required for the payment of direct costs.

BIOFlorida is the Florida section of an industry association of biotechnology companies.

III. Effect of Proposed Changes:

Section 1. This section establishes the Florida Marine Biotechnology Research, Training, and Development Program (Program). The Program is to foster, establish, and enhance partnerships among research scientists in Florida universities and research laboratories and the marine biotechnology industry for the purpose of promoting commerce, creating jobs, and benefiting from potential commercial opportunities in Florida. The Director of the FMRI and the Director of the Florida Sea Grant College Program will jointly administer the program with input from a steering committee appointed jointly by both directors. The steering committee will have a member from each of the following:

University of Florida
Florida Atlantic University
Florida State University
University of South Florida
University of West Florida
Florida A & M University
University of Miami
Nova Southeastern University
Harbor Branch Oceanographic Institution
Mote Marine Laboratory
FMRI
BIOFlorida

The steering committee will determine the research priorities that will be used in requesting project proposals, determine the criteria used to select and fund projects using funds as provided in this act, identify a scientific review committee to evaluate and recommend projects for funding, and make recommendations to the Directors of the Florida Sea Grant College Program and the FMRI for projects to be funded based upon the recommendations of the scientific review committee. The Directors of the FMRI and the Florida Sea Grant College Program will jointly make final project funding decisions and also provide a joint report to the Legislature on program progress by July 1 of each year during which the program is being funded.

Section 2. The program will support research using modern techniques of cell and molecular biology in the following areas:

- Aquaculture, focused on cellular and molecular techniques to improve size, growth rate, disease resistance, survivability, and reproductive yields of aquacultured organisms;
- Marine animal health, focused on marine pathogens, diagnostics, treatments, drug delivery systems, and immunology, physiology, and pharmacology of both wild and cultured marine animals;
- Marine bioproducts, focused on the discovery of drugs, bioadhesives, biominerals, and other economically important products, the development of new models and screens for product discovery, the identification of new drug targets and mechanisms-

of-action of marine-derived drugs, the development of sustainable production methods for marine bioproducts and the development of novel methods for marine by-product utilization;

- Coastal human health risks, focused on the development of new diagnostic tools to assess seafood pathogens and water-borne pathogens and pollutants;
- Coastal habitat restoration, focused on remediation, and molecular and cellular approaches to strain improvement, hybrid development, and production technology for submerged and coastal aquatic vegetation; and
- Forensics and monitoring, focused on bioforensics for identification of threatened and endangered species, seafood identification, evaluation of health risks, regulatory issues as related to economic fraud, and the development of new biosensors.

Section 3. Funds appropriated for the Program must be awarded to projects based on competition as determined by a scientific peer review process, which may include the advice of a nationwide panel of experts. Review criteria will include project rationale, scientific merit, potential applications, industrial sponsorship, investigator qualifications, potential for partnerships, and plans for technology transfer to industry or the public sector. All universities, public research laboratories, and private nonprofit research laboratories in the state are eligible to compete for funding based on the submission of proposals and selection by the competitive process.

This section appropriates \$2 million from the General Revenue Fund to the FMRI for FY 2001-2002 to fund the first year of the Program. Legislative intent is provided that the Program continue for a total of 5 years, with an annual appropriation each year. Annual appropriations used to fund projects must provide that the annual appropriations be spent over a period not to exceed 42 months for each project and activity of the program. The FMRI and the Florida Sea Grant College Program will disburse all funds based on the competitive process prescribed by this act and the steering committee.

Projects funded within the FMRI will receive funds directly from the institute. Funds awarded to universities and private nonprofit research laboratories will be transferred by the FMRI by contract through the Florida Sea Grant College Program. All projects should promote public and private partnerships when possible. No more than \$25,000 each may be used by the FMRI and the Florida Sea Grant College Program for technical administration of the Program. Up to \$16,000 may be used by the Florida Sea Grant College Program for the expenses of the peer review and technical panel.

Section 4. This section provides that the long-term goal of the Program is the creation of products and processes that will advance the marine biotechnology industry in the state. This industry will create new, clean, high-technology businesses, will provide high-paying jobs, and will create employment opportunities that will keep Florida-trained students in the state.

Section 5. This section provides that contractual services procured under this act are not subject to s. 287.057, F.S.

Section 6. This section provides that rules are not required for the implementation of this act.

Section 7. The act shall take effect July 1, 2001

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Private nonprofit research facilities in Florida could receive funds from the program if they successfully compete for grants.

C. Government Sector Impact:

From each annual \$2 million appropriation, the FMRI and the Florida Sea Grant College Program may receive no more than \$25,000 each for program administration, and the Florida Sea Grant College program may use up to \$16,000 for peer review and technical expenses.

VI. Technical Deficiencies:

On page 2, at line 20, it appears that the colon should be a semicolon.

Provisions in Section 6 of this bill that purport to eliminate the need for rules to be adopted may not be sufficient to overcome the requirements of s. 120.54 (1), F.S., which declares that rulemaking is not a matter of agency direction. Besides, procedures are needed to define timeframes for solicitation of grants, criteria for awarding grants, and dispute resolution, just to name a few administrative requirements.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Natural Resources:

Technical – replaces a colon with a semicolon.

#2 by Natural Resources:

Requires the Fish and Wildlife Conservation Commission to adopt rules to implement the act.

The rules, at a minimum, must address the solicitation of proposals, award of grants, monitoring of grants, and dispute resolution.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
