

Bill No. CS for CS for SB 6-E

Amendment No. ____ Barcode 885350

CHAMBER ACTION

Senate

House

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Senators Atwater and Klein moved the following amendment:

Senate Amendment (with title amendment)

On page 8, line 27, through
page 15, line 22, delete those lines

and insert:

(8) CONTRACT.--

(a) By January 30, 2004, the corporation shall negotiate and execute a contract with the grantee for a term of 20 years. Such contract shall govern the disbursement and use of funds under this section. The board may, by a simple majority vote, authorize one 45-day extension of this deadline. The corporation may not execute the contract unless the contract is approved by the affirmative vote of at least seven of the nine members of the board of directors. At least 14 days before execution of the contract, The Scripps Research Institute must submit to the board, the Governor, the President of the Senate, and the Speaker of the House of Representatives an organizational plan, in a form and manner prescribed by the board, for the establishment of a

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1 state-of-the-art biomedical research institution and campus in
2 this state, and the board must submit a copy of the proposed
3 contract to the Governor, the President of the Senate, and the
4 Speaker of the House of Representatives.

5 (b) The contract, at a minimum, must contain
6 provisions:

7 1. Specifying the procedures and schedules that govern
8 the disbursement of funds under this section and specifying
9 the conditions or deliverables that the grantee must satisfy
10 before the release of each disbursement.

11 2. Requiring the grantee to submit to the corporation
12 a business plan in a form and manner prescribed by the
13 corporation.

14 3. Prohibiting The Scripps Research Institute or the
15 grantee from establishing other biomedical science or research
16 facilities in any state other than this state or California
17 for a period of 12 years from the commencement of the
18 contract. Nothing in this subparagraph shall prohibit the
19 grantee from establishing or engaging in normal collaborative
20 activities with other organizations.

21 4. Governing the ownership of or security interests in
22 real property and personal property, including, but not
23 limited to, research equipment, obtained through the financial
24 support of state or local government, including a provision
25 that in the event of a breach of the contract or in the event
26 the grantee ceases operations in this state, such property
27 purchased with state funds shall revert to the state and such
28 property purchased with local funds shall revert to the local
29 governing authority.

30 5. Requiring the grantee to be an equal opportunity
31 employer.

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1 6. Requiring the grantee to maintain a policy of
2 awarding preference in employment to residents of this state,
3 as defined by law, except for professional scientific staff
4 positions requiring a doctoral degree, postdoctoral training
5 positions, and graduate student positions.

6 7. Requiring the grantee to maintain a policy of
7 making purchases from vendors in this state, to the extent it
8 is cost-effective and scientifically sound.

9 8. Requiring the grantee to use the Internet-based
10 job-listing system of the Agency for Workforce Innovation in
11 advertising employment opportunities.

12 9. Requiring the grantee to establish accredited
13 science degree programs.

14 10. Requiring the grantee to establish internship
15 programs to create learning opportunities for educators and
16 secondary, postsecondary, graduate, and doctoral students.

17 11. Requiring the grantee to submit data to the
18 corporation on the activities and performance during each
19 fiscal year and to provide to the corporation an annual
20 accounting of the expenditure of funds disbursed under this
21 section.

22 12. Establishing that the corporation shall review the
23 activities of the grantee to assess the grantee's financial
24 and operational compliance with the provisions of the contract
25 and with relevant provisions of law.

26 13. Authorizing the grantee, when feasible, to use
27 information submitted by it to the Federal Government or to
28 other organizations awarding research grants to the grantee to
29 help meet reporting requirements imposed under this section or
30 the contract, if the information satisfies the reporting
31 standards of this section and the contract.

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1 14. Requiring the grantee during the first 7 years of
2 the contract to create 545 positions and to acquire associated
3 research equipment for the grantee's facility in this state,
4 and pay for related maintenance of the equipment, in a total
5 amount of not less than \$45 million.

6 15. Requiring the grantee to progress in the creation
7 of the total number of jobs prescribed in subparagraph 15. on
8 the following schedule: At least 38 positions in the 1st year,
9 168 positions in the 2nd year, 280 positions in the 3rd year,
10 367 positions in the 4th year, 436 positions in the 5th year,
11 500 positions in the 6th year, and 545 positions in the 7th
12 year. The board may allow the grantee to deviate downward from
13 such employee levels by 25 percent in any year, to allow the
14 grantee flexibility in achieving the objectives set forth in
15 the business plan provided to the corporation; however, the
16 grantee must have no fewer than 545 positions by the end of
17 the 7th year.

18 16. Requiring the grantee to allow the corporation to
19 retain an independent certified public accountant licensed in
20 this state pursuant to chapter 473 to inspect the records of
21 the grantee in order to audit the expenditure of funds
22 disbursed to the grantee. The independent certified public
23 accountant shall not disclose any confidential or proprietary
24 scientific information of the grantee.

25 17. Requiring the grantee to purchase liability
26 insurance and governing the coverage level of such insurance.

27 (c) An amendment to the contract is not effective
28 unless it is approved by the affirmative vote of at least
29 seven of the nine members of the board of directors.

30 (9) PERFORMANCE EXPECTATIONS.--In addition to the
31 provisions prescribed in subsection (8), the contract between

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1 the corporation and the grantee shall include a provision that
2 the grantee, in cooperation with the Office of Tourism, Trade,
3 and Economic Development, shall report to the corporation on
4 performance expectations that reflect the aspirations of the
5 Governor and the Legislature for the benefits accruing to this
6 state as a result of the funds appropriated pursuant to this
7 section. These shall include, but are not limited to,
8 performance expectations addressing:

9 (a) The number and dollar value of research grants
10 obtained from the Federal Government or sources other than
11 this state.

12 (b) The percentage of total research dollars received
13 by The Scripps Research Institute from sources other than this
14 state which is used to conduct research activities by the
15 grantee in this state.

16 (c) The number or value of patents obtained by the
17 grantee.

18 (d) The number or value of licensing agreements
19 executed by the grantee.

20 (e) The extent to which research conducted by the
21 grantee results in commercial applications.

22 (f) The number of collaborative agreements reached and
23 maintained with colleges and universities in this state and
24 with research institutions in this state.

25 (g) The number of collaborative partnerships
26 established and maintained with businesses in this state.

27 (h) The total amount of funding received by the
28 grantee from sources other than the State of Florida.

29 (i) The number or value of spin off businesses created
30 in this state as a result of commercialization of the research
31 of the grantee.

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1 (j) The number or value of businesses recruited to
2 this state by the grantee.

3 (k) The establishment and implementation of policies
4 to promote supplier diversity using the guidelines developed
5 by the Office of Supplier Diversity under s. 287.09451 and to
6 comply with the ordinances, including any small-business
7 ordinances, enacted by the county and which are applicable to
8 the biomedical research institution and campus located in this
9 state.

10 (l) The designation by the grantee of a representative
11 to coordinate with the Office of Supplier Diversity.

12 (m) The establishment and implementation of a program
13 to conduct workforce recruitment activities at public and
14 private colleges and universities and community colleges in
15 this state which request the participation of the grantee.

16
17 The contract shall require the grantee to provide information
18 to the corporation on the progress in meeting these
19 performance expectation on an annual basis.

20 (10) DISBURSEMENT CONDITIONS.--In addition to the
21 provisions prescribed in subsection (8), the contract between
22 the corporation and the grantee shall include disbursement
23 conditions that must be satisfied by the grantee as a
24 condition for the continued disbursement of funds under this
25 section. These disbursement conditions shall be negotiated
26 between the corporation and the grantee and shall not be
27 designed to impede the ability of the grantee to attain full
28 operational status. The disbursement conditions may be
29 appropriately varied as to timeframes, numbers, values, and
30 percentages. The disbursement conditions shall include, but
31 are not limited to, the following areas:

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- 1 (a) Demonstrate creation of jobs and report on the
2 average salaries paid.
- 3 (b) Beginning 18 months after the grantee's occupancy
4 of its permanent facility, the grantee shall annually obtain
5 \$100,000 of nonstate funding for each full-time equivalent
6 tenured-track faculty member employed at the Florida facility.
- 7 (c) No later than 3 years after the grantee's
8 occupancy of its permanent facility, the grantee shall apply
9 to the relevant accrediting agency for accreditation of its
10 Florida graduate program.
- 11 (d) The grantee shall purchase equipment for its
12 Florida facility as scheduled in its contract with the
13 corporation.
- 14 (e) No later than 18 months after occupying its
15 permanent facility, the grantee shall establish a program for
16 qualified graduate students from Florida universities
17 permitting them access to the facility for doctoral,
18 thesis-related research.
- 19 (f) No later than 18 months after occupancy of the
20 permanent facility, the grantee shall establish a summer
21 internship for high school students.
- 22 (g) No later than 3 years after occupancy of the
23 permanent facility, the grantee shall establish a research
24 program for middle and high school teachers.
- 25 (h) No later than 18 months after occupancy of the
26 permanent facility, the grantee shall establish a program for
27 adjunct professors.
- 28 (i) No later than 6 months after commissioning its high
29 throughput technology, the grantee shall establish a program
30 to allow open access for qualified science projects.
- 31 (j) Beginning June, 2004, the grantee shall commence

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1 collaborative efforts with Florida public and private colleges
2 and universities, and shall continue cooperative collaboration
3 through the term of the agreement.

4 (k) Beginning 18 months after the grantee occupies the
5 permanent facility, the grantee shall establish an annual
6 seminar series featuring a review of the science work done by
7 the grantee and its collaborators at the Florida facility.

8 (l) Beginning June, 2004, the grantee shall commence
9 collaboration efforts with the Office of Tourism, Trade, and
10 Economic Development by complying with reasonable requests for
11 cooperation in economic development efforts in the
12 biomed/biotech industry. No later than July, 2004, the grantee
13 shall designate a person who shall be charged with assisting
14 in these collaborative efforts.

15 (11) DISBURSEMENTS.--

16 (a) The corporation shall disburse funds to the
17 grantee over a period of 7 calendar years starting in the
18 calendar year beginning January 1, 2004, under the terms and
19 conditions of the contract. The corporation shall complete
20 disbursement of the total amount of funds payable to the
21 grantee under the contract no later than December 31, 2010,
22 unless the grantee fails to satisfy the terms and conditions
23 of the contract. Any funds of the corporation that are not
24 disbursed by December 31, 2010, shall be paid to the
25 Biomedical Research Trust Fund of the Department of Health.

26 (b) The contract shall provide for a reduction or
27 elimination of funding in any year if:

28 1. The grantee is no longer operating in this state;

29 2. The grantee has failed to commit in writing to
30 maintain operations in the state for the succeeding year; or

31 3. The grantee commits a material default or breach of

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1 the contract, as defined and governed by the contract.

2 Determination of material default or breach of contract shall
3 require the affirmative vote of at least seven of the nine
4 members of the board.

5 (c) Each disbursement by the corporation to the
6 grantee under this section is conditioned upon the affirmative
7 approval of at least five of the nine members of the board of
8 directors and upon demonstration by the grantee that it has
9 met the particular contractual deliverables that are the basis
10 for that disbursement.

11 (12) USE OF FUNDS.--

12 (a) Funds appropriated in furtherance of this section
13 may not be disbursed or expended for activities that are not
14 primarily related to the establishment or operation of the
15 grantee in this state, except upon approval of the affirmative
16 vote of at least seven of the nine members of the board of
17 directors.

18 (b) No funds appropriated in furtherance of this
19 section may be used for the purpose of lobbying any branch or
20 agency of state government or any political subdivision of the
21 state.

22 (13) REINVESTMENT.--

23 (a) The grantee shall reinvest 15 percent of the net
24 royalty revenues, including the revenues from the sale of
25 stock, received by The Scripps Research Institute from the
26 licensing or transfer of inventions, methods, processes, and
27 other patentable discoveries conceived or reduced to practice
28 using the grantee's Florida facilities or Florida employees,
29 in whole or in part, and to which the grantee becomes entitled
30 during the 20 years following the effective date of the
31 contract between the corporation and the grantee. For purposes

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1 of this paragraph, the term "net royalty revenues" means all
2 royalty revenues less the cost of obtaining, maintaining, and
3 enforcing related patent and intellectual property rights,
4 both foreign and domestic. Reinvestment payments under this
5 paragraph shall commence no later than 6 months after the
6 grantee has received the final disbursement under the contract
7 and shall continue until the maximum reinvestment has been
8 paid.

9 (b) The grantee shall reinvest 15 percent of the gross
10 revenues it receives from naming opportunities associated with
11 any facility it builds in this state. For purposes of this
12 section, the term "naming opportunities" includes charitable
13 donations from any person or entity in consideration for the
14 right to have all or a portion of the facility named for or in
15 the memory of any person, living or dead, or for any entity.
16 The obligation to make reinvestment payments under this
17 section shall commence upon the execution of the contract
18 between the corporation and the grantee.

19
20 All reinvestment payments made pursuant to this section shall
21 be remitted to the state for deposit in the Biomedical
22 Research Trust Fund or, if such fund has ceased to exist, in
23 another trust fund that supports biomedical research, as
24 determined by law. The maximum reinvestment required of the
25 grantee pursuant to this subsection shall not exceed \$200
26 million. At such time as the reinvestment payments equal \$155
27 million or the contract expires, whichever is earlier, the
28 board of the corporation shall determine whether the
29 performance expectations and disbursement conditions have been
30 met. If the board determines that the performance expectations
31 and disbursement conditions have been met, the amount of \$200

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1 million shall be reduced to \$155 million. The grantee shall
 2 annually submit a schedule of the shares of stock held by it
 3 as payment of the royalty referred to in paragraph (a) and
 4 report on any trades or activity concerning such stock. The
 5 grantee's obligations under this subsection shall survive the
 6 expiration or termination of the contract between the
 7 corporation and the grantee.

8

9 (Renumber subsequent subsections.)

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12 ===== T I T L E A M E N D M E N T =====

13 And the title is amended as follows:

14 On page 1, lines 13-20, delete those lines

15

16 and insert:

17 operating plan; requiring the corporation and
 18 Scripps Florida or another entity operating
 19 such an institution to enter into a contract;
 20 specifying contract provisions; providing for
 21 disbursement and reinvestment of funds;
 22 requiring reports, audits, and evaluations;
 23 providing for performance expectations;
 24 providing conditions for disbursement of funds;
 25 limiting the use of funds; providing
 26 requirements for reinvestment; providing that
 27 the

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