

Bill No. CS for CS for SB 2414

Barcode 025220

CHAMBER ACTION

Senate

House

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The Committee on Higher Education Appropriations (Lynn)
recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Subsection (4) of section 1004.226, Florida
Statutes, is amended, present subsection (7) of that section
is redesignated as subsection (8) and amended, and a new
subsection (7) is added to that section, to read:

1004.226 The 21st Century Technology, Research, and
Scholarship Enhancement Act.--

(4) FLORIDA TECHNOLOGY, RESEARCH, AND SCHOLARSHIP
BOARD.--The Florida Technology, Research, and Scholarship
Board is created within the Board of Governors of the State
University System to guide the establishment of Centers of
Excellence, ~~and~~ the attraction of world class scholars, ~~and~~
the commercialization of products and services developed from
the research and development conducted at state universities.

(a) The board shall consist of 11 members. Five

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1 members shall be appointed by the Governor, one of whom the
 2 Governor shall appoint as chair of the board, one of whom must
 3 be a member of the board of directors of Enterprise Florida,
 4 Inc., and one of whom must be a member of the Board of
 5 Governors of the State University System. Three members shall
 6 be appointed by the President of the Senate, and three members
 7 shall be appointed by the Speaker of the House of
 8 Representatives. Appointed members must be representative of
 9 business leaders, industrial researchers, academic
 10 researchers, scientists, and leaders in the emerging and
 11 advanced technology sector. Appointed members may not serve
 12 for more than 4 years, and any vacancy that occurs during
 13 these appointees' terms shall be filled in the same manner as
 14 the original appointment. A majority of members constitutes a
 15 quorum.

16 (b) Members of the board shall serve without
 17 compensation, but are entitled to receive reimbursement for
 18 per diem and travel expenses in accordance with s. 112.061
 19 while in the performance of their duties.

20 (c) The Board of Governors shall provide staff support
 21 for the activities of the board and per diem and travel
 22 expenses for board members.

23 (d) The board is charged with recommending criteria to
 24 the Board of Governors for the 21st Century World Class
 25 Scholars Program and with providing guidance to the Board of
 26 Governors regarding the implementation and administration of
 27 the Centers of Excellence Program.

28 (e) The board shall recommend to the Board of
 29 Governors the qualifications, standards, and requirements for
 30 approval of investments in Centers of Excellence under this
 31 act. The board may form committees of its members and is

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1 encouraged to consult with Enterprise Florida, Inc., the
 2 Florida Research Consortium, Bio-Florida, IT Florida, the
 3 Florida Aviation Aerospace Alliance, and any other entity
 4 whose input may be helpful in determining the requirements and
 5 standards for the program.

6 (f) The board shall review and approve State
 7 University Research Commercialization Assistance Grants under
 8 subsection (7). The board is encouraged to consult with
 9 Enterprise Florida, Inc., entities that have prior experience
 10 in early state business investment, and any other entity whose
 11 input may be helpful in evaluating grant proposals.

12 (g) Members of the board must agree to refrain from
 13 having any direct interest in any contract, franchise,
 14 privilege, or other benefit arising from a state university
 15 project receiving a State University Research
 16 Commercialization Assistance Grant during the term of his or
 17 her appointment and for 2 years after the termination of such
 18 appointment. It is a misdemeanor of the first degree,
 19 punishable as provided in s. 775.082 or s. 775.083, for a
 20 person to serve on the board in violation of this paragraph or
 21 to accept a direct interest in any contract, franchise,
 22 privilege, or other benefit granted by the grant receipts
 23 within 2 years after the termination of his or her service on
 24 the board.

25 (7) STATE UNIVERSITY RESEARCH COMMERCIALIZATION
 26 ASSISTANCE GRANT PROGRAM.--The State University Research
 27 Commercialization Assistance Grant Program is established to
 28 promote the commercialization of university research products
 29 for the purpose of enhancing the state's economy and the
 30 state's public universities. All phase two and phase three
 31 grants established by this program require one dollar in

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1 private investment for each one dollar in state funding
 2 provided. A state university may apply for early stage capital
 3 funding for the purpose of developing products and services
 4 resulting from university research. An application may include
 5 joint participation in the development of products and
 6 services by a cooperating university. Such funding may be used
 7 by the university for a variety of premarketing activities,
 8 including, but not limited to, securing patents, establishing
 9 start-up companies, developing license agreements, attracting
 10 private investment, and supporting other activities that are
 11 necessary to establish commercially viable ventures for the
 12 marketing and sale of products resulting from university
 13 research. Funds may not be used for research or development.

14 (a) State University Research Commercialization
 15 Assistance Grants may be provided under the following
 16 categories:

17 1. Phase one grants, which may not exceed \$50,000 per
 18 project, shall be available to assist with early market
 19 research, independent evaluation, consultation, and other
 20 initial activities that may be required to develop an initial
 21 business model for a university research product that has the
 22 potential for commercialization.

23 2. Phase two grants, which may not exceed \$100,000 per
 24 project, shall be available to assist with the development of
 25 a complete business plan for the commercialization of a
 26 university research product.

27 3. Phase three grants, which may not exceed \$250,000
 28 per project, shall be available for the implementation and
 29 execution of a completed business plan for a university
 30 research product.

31 (b) Based on the availability of funds, the board

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1 shall periodically solicit proposals from state universities
 2 for State University Research Commercialization Assistance
 3 Grants. The board shall establish guidelines prescribing the
 4 criteria and format for the submission of grant applications
 5 by state universities. Any state university, upon approval of
 6 its board of trustees, may submit a request to the board for a
 7 grant to facilitate the commercialization of a university
 8 research product or the commercialization of a patent held by
 9 a state agency under a cooperative agreement between the state
 10 agency and the university. A state university need not receive
 11 prior stage grants in order to be eligible for phase two or
 12 phase three grants. When evaluating the applications submitted
 13 for funding, the board shall consider the following criteria:

14 1. The potential return to the university which may be
 15 reasonably assumed based on the business case presented in
 16 support of the proposed project;

17 2. The potential for the creation of high-wage jobs
 18 resulting from the success of the proposed project;

19 3. The potential of the proposed project to address
 20 pressing needs of the residents of the state;

21 4. The potential of the proposed project to enhance
 22 the economic competitiveness of the state and the university;

23 5. The technical, financial, organizational, and
 24 marketing feasibility of the project and its business plan;
 25 and

26 6. The potential of the proposed project to create
 27 other related business enterprises.

28
 29 Each proposed project shall be evaluated on its individual
 30 merits.

31 (c) The board shall negotiate and execute contracts

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1 with state universities governing the terms of State
 2 University Research Commercial Assistance Grants. The board
 3 may not execute a contract unless the contract is approved by
 4 the affirmative vote of at least 6 of the 11 members of the
 5 board. Each contract, at a minimum, must contain provisions
 6 that:

7 1. Specify the procedures and schedules that govern
 8 the disbursement of funds under this section and specify the
 9 conditions or deliverables that the state university must
 10 satisfy before the release of each disbursement.

11 2. Require the state university to submit a business
 12 plan in a form and manner prescribed by the board.

13 3. Require the state university to submit data to the
 14 board concerning the activities and performance of projects
 15 funded pursuant to this subsection and to provide to the board
 16 an annual accounting of the expenditure of funds disbursed
 17 under this subsection.

18 4. Require the state university to negotiate repayment
 19 to the General Revenue Fund of the amount of the grant awarded
 20 to a project when the project generates sufficient revenues to
 21 sustain a profitable operation.

22 5. Require the state university to expend 95 percent
 23 of grant proceeds for described uses in the approved grant
 24 application and not otherwise reduce grant proceeds with
 25 facilities charges or fees by the university.

26 (d) Upon verification by the Board of Governors that a
 27 state university has executed a contract with the board for a
 28 State University Research Commercialization Assistance Grant,
 29 the Board of Governors shall release grant funds to the
 30 university.

31 ~~(8)(7)~~ ANNUAL REPORT.--The board, in cooperation with

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1 the Board of Governors of the State University System and the
 2 state universities or research centers receiving investments
 3 under this act, shall issue an annual report by December 31
 4 each year of the activities conducted, including the
 5 accomplishments and overall economic benefits to the state,
 6 the number of 21st Century World Class Scholars attracted, the
 7 number of Centers of Excellence created or expanded, the
 8 success of collaborations with related industries, the number
 9 and amount of State University Research Commercialization
 10 Assistance Grants awarded and repaid, and the success of these
 11 programs. The annual report shall be presented to the
 12 Governor, the President of the Senate, and the Speaker of the
 13 House of Representatives. The annual report must include a
 14 copy of an independent audit of the board and a review of the
 15 progress of programs administered by the board.

16 Section 2. The nonrecurring sum of \$10 million is
 17 appropriated to the Board of Governors of the State University
 18 System from the General Revenue Fund for the State University
 19 Research Commercialization Grant Program created by this act.
 20 Funds must be disbursed by the Board of Governors pursuant to
 21 grant agreements and contracts by the Florida Technology,
 22 Research, and Scholarship Board.

23 Section 3. This act shall take effect July 1, 2007.

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

27 And the title is amended as follows:

28 Delete everything before the enacting clause

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30 and insert:

31 A bill to be entitled

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1 An act relating to special postsecondary
2 education programs; amending s. 1004.226, F.S.;
3 amending the 21st Century Technology, Research,
4 and Scholarship Enhancement Act to include the
5 commercialization of products and services
6 developed from the research and development
7 conducted at state universities; requiring the
8 Florida Technology, Research, and Scholarship
9 Board to review and approve State University
10 Research Commercialization Assistance Grants;
11 requiring board members to refrain from having
12 any direct interest or derive any benefit from
13 a project receiving a grant under the program
14 created by the act; providing guidelines for a
15 state university to receive funding through the
16 program; requiring private matching funds;
17 requiring the board to periodically solicit
18 proposals of state universities; requiring that
19 the board submit an annual report to the
20 Governor and the Legislature; providing an
21 appropriation; providing an effective date.

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