

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 2376
 SPONSOR: Senator Pruitt
 SUBJECT: Marine Biotechnology
 DATE: April 9, 2003 REVISED: 04/14/03 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Branning</u>	<u>Kiger</u>	<u>NR</u>	<u>Fav/1 amendment</u>
2.	_____	_____	<u>ED</u>	_____
3.	_____	_____	<u>GO</u>	_____
4.	_____	_____	<u>AED</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Florida Marine Biotechnology Consortium. Provides that the consortium is assigned to the Statewide Board of Governors for administrative purposes and for overall mission oversight, but is otherwise governed by a nine-member board of trustees. Provides for the appointment of the board of trustees. Provides for the establishment of a direct-support organization. Specifies powers and duties of the consortium. Provides for the establishment of a facility to house the offices and activities of the consortium. Provides for the creation of a scientific advisory council and a stakeholder advisory council. Provides for annual reports to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairman of the Statewide Board of Governors. Provides an appropriation. Provides for the appointment of interim staff.

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. Florida appears to be uniquely situated to take a leadership role in this emerging industry. Florida has the longest and perhaps most diverse marine coastline in the lower 48 states. Florida's over 1,100 miles of coastline includes marine habitats associated with estuaries, coral reefs, hard bottom, and the deep sea.

Currently, many entities, both public and private, conduct marine research and development programs in Florida. The Florida Sea Grant Program operates through a statewide university-

based research, education and extension partnership of state and federal agencies, businesses and citizens. This partnership, involving university faculty and the public, was created nationally in 1966 with the passage of federal legislation that created the national Sea Grant College Program. Thirty Sea Grant Programs, based within the academic structures of their states, together form the national program.¹ Florida Sea Grant is a Type 1 Center within the Florida Board of Education, Division of Colleges and Universities. The University of Florida serves as the host campus for Florida Sea Grant, but many university, both public and private, in addition to several research laboratories participate in the program. The research laboratories include the Harbor Branch Oceanographic Institution and the Mote Marine Laboratory.²

The Florida Marine Research Institute (FMRI), which is part of the Florida Fish and Wildlife Conservation Commission, conducts applied research and provides synthesized information used to better manage the state's marine resources. The FMRI collaborates with other academic, nonprofit, and private marine research institutions.³ Pursuant to s. 20.331, F.S., the FMRI 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, and coastal technical information and research results.

III. Effect of Proposed Changes:

This bill creates the Florida Marine Biotechnology Consortium to serve as the principal and preeminent marine biotechnology organization for the state and to serve as a global leader for information exchange and expertise, promotion and advocacy, basic and applied research, and commercial and governmental applications of technology in marine biotechnology.

¹ *Florida Sea Grant Program Directory 2002-2004*, page 2.

² See *Id.* at page 3.

³ *Programs of the Florida Marine Research Institute, 2002-2003*, Florida Fish and Wildlife Conservation Commission, letter dated October 2002.

The consortium is assigned to the Statewide Board of Governors created under Section 7, Article IX of the State Constitution⁴, for administrative purposes and for overall mission oversight, but is otherwise governed by a nine-member board of trustees. The initial board of trustees shall be comprised of:

- Two members appointed by the Governor, one of whom is a private-sector business person who has expertise related to marine biotechnology, and one of whom is a scientist or researcher who has expertise related to marine biotechnology;
- One member appointed by the President of the Senate who has expertise related to marine biotechnology; and
- One member appointed by the Speaker of the House of Representatives who has expertise related to marine biotechnology.

The Governor, the President of the Senate, and the Speaker of the House of Representatives shall make their respective appointments before August 1, 2003.

One member appointed by the Governor shall serve for term of 3 years, and one shall serve for a term of 2 years. Members appointed by the President of the Senate and the Speaker of the House of Representatives each shall serve for a term of 2 years.

The four initial board members shall, by majority vote before October 1, 2003, elect five additional members, at least three of whom have expertise related to marine biotechnology. Three of those members shall serve for a term of 4 years, and two shall serve for terms of 3 years.

Vacancies on the board, including vacancies among the initial appointees, shall be filled by majority vote of the remaining members of the board, using qualifications and criteria established by the board. Members elected to the board by the appointed members shall serve 4-year terms and may be reelected. Members appointed may be reelected as provided by the board membership.

Each member shall have one vote. The members shall by majority vote elect a chair from among their membership.

To carry out the purpose of the consortium, the board of trustees shall establish a direct-support organization to serve as the staffing and operating unit of the consortium and which is:

- A corporation not for profit incorporated under ch. 617, F.S.
- Organized and operated to request, receive, hold, invest, and administer property and any moneys received from private, local, state, and federal sources and to manage and make expenditures to or for the operations of the consortium.

⁴ This was an amendment to the State Constitution proposed by initiative petition and adopted in 2002. The Statewide Board of Governors shall be a body corporate consisting of seventeen members to operate, regulate, control, and be fully responsible for the management of the whole university system.

- An organization that the Statewide Board of Governors, after review, has certified to be operating in a manner consistent with the goals of the consortium and in the best interests of the state.
- An organization that is not a state agency within the meaning of s. 20.03, F.S.

The board of trustees shall serve as the board of directors for the direct-support organization. The direct-support organization shall be administered by a chief executive officer, who is appointed by and serves at the pleasure of the board, which shall establish the powers and duties of the chief executive officer.

The powers and duties of the consortium are specified. Specifically, the consortium shall:

- Serve as the principal clearinghouse for information and activities on marine biotechnology.
- Provide academic, scientific, and business expertise on marine biotechnology to increase understanding of marine biotechnology.
- Conduct basic and applied research in marine biotechnology through the talents of leading scientists, researchers, technicians, and graduate and post doctoral students from around the world.
- Facilitate the development and commercialization of marine technologies.
- Integrate and coordinate the activities of public organizations and private organizations in the state involved in marine biotechnology research and commercialization.
- Market and advocate the marine biotechnology interests of the state to the private and public sectors in this country and in other countries.
- Secure nonstate funds to support the programs and operations of the consortium or other marine biotechnology activities in the state.
- Promote the state, in cooperation with Enterprise Florida, Inc., as a location for businesses having operations related to marine biotechnology.
- Promote the state as a location for marine biotechnology projects or activities of agencies of the Federal Government or foreign governments.
- Assist educational institutions in the state to enhance marine-science curricula and resources and to encourage students to pursue careers in marine science.
- Identify problems and implement solutions on issues affecting marine science and marine environments.

The programmatic activities of the consortium are organized around the following principal categories: life sciences, medicine, engineering, and computer sciences.

The consortium shall plan and supervise the design and construction of a facility to house its offices and activities. The facility shall include, at a minimum, research laboratories, training centers or classrooms, a library, and meeting and conference rooms with leading communications technology. By February 1, 2004, the consortium shall submit an initial plan for the facility to the Governor, the President of the Senate, the Speaker of the House of Representatives and the chairman of the Statewide Board of Governors. The plan must contain recommended functional and design requirements for the facility, cost estimates, a recommended process and timeline for siting and completing the facility, and identification of potential funding sources and a strategy for securing funds.

The board of trustees shall create a scientific advisory council and a stakeholder advisory council. The membership of each council is specified.

By December 1 of each year, the consortium shall submit an annual report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairman of the Statewide Board of Governors which must include:

- A detailed description of the activities and accomplishments of the consortium.
- Annual financial accounting of resources and expenditures conducted by an independent certified public accountant.
- Any recommendations from the consortium for action by the Legislature or by the agencies of state, county, or municipal governments to foster development of marine biotechnology.
- Until the consortium's facility is opened, a progress report on the status of the facility.

The consortium and its direct-support organization are subject to ch. 119, F.S., relating to public records, and ch. 286, F.S., relating to public meetings.

The board members shall serve without compensation but are entitled to per diem and travel expenses pursuant to s. 112.061, F.S.

Appropriations to the Statewide Board of Governors on behalf of the consortium shall be distributed to the consortium under a contract between the Statewide Board of Governors and the consortium.

By November 1, 2003, the board of trustees shall submit an operating plan to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairman of the Statewide Board of Governors. The operating plan must include certain specified information.

By February 1, 2004, the board of trustees shall submit an initial strategic plan to the Governor, the President of the Senate, the Speaker of the House of Representative, and the chairman of the Statewide Board of Governors. In developing the strategic plan, the board shall enlist the participation of public and private organizations in the state engaged in marine biotechnology activities or other marine science activities, including, but not limited to, members of the scientific advisory council and the stakeholder advisory council. The strategic plan must include certain specified information.

The bill appropriates from the General Revenue Fund to the Statewide Board of Governors \$750,000 to fund the activities of the Florida Marine Biotechnology Consortium for FY 2003-2004.

The Statewide Board of Governors may appoint interim staff to assist the Florida Marine Biotechnology Consortium and the consortium's direct-support organization during their initial phases of organization.

The act takes effect July 1, 2003.

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:

It is anticipated that the consortium would integrate existing marine research and development programs with new multi-disciplinary marine research and development programs to make more efficient use of available resources. The consortium would act as a clearinghouse for information and activities related to marine biotechnology and would actively seek moneys for research and development programs.

It is anticipated that funding for the consortium's facility would come from mainly private sources. According to some information provided by the Fish and Wildlife Conservation Commission, cost estimates for the facility may be as follows:

- Facility construction — \$75 million
- Land acquisition — unknown (site specific, donation, public lands, low-cost lease, etc.)
- Recurring operational funds — \$15-\$20 million
- Initial start-up project funds — \$45 million over 3 years, then project driven.

It should be noted that these are estimates only based on a similar facility that exists in Missouri for plant research — the Donald Danforth Plant Science Center in St. Louis, MO. The specific cost estimates for the consortium facility cannot be determined at this time.

C. Government Sector Impact:

The bill appropriates \$750,000 to the Statewide Board of Governors for FY 2003-2004 to fund the activities of the consortium. Presumably, these funds would be used to pay for the interim staff needed to assist the Florida Marine Biotechnology Consortium and the

consortium's direct-support organization during their initial phases of organization. The bill requires that by November 1, 2003, the board of trustees must submit an operating plan to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairman of the Statewide Board of Governors. By February 1, 2004, the board of trustees shall submit an initial strategic plan to the Governor, the President of the Senate, the Speaker of the House of Representative, and the chairman of the Statewide Board of Governors.

VI. Technical Deficiencies:

On page 6, line 10, "5." should be "4."

VII. Related Issues:

None.

VIII. Amendments:

#1 by Natural Resources:

The amendment rewrites the bill to clarify certain provisions. Of the five members to the initial board of trustees that are elected by the four appointed members, three must be persons who have expertise related to marine biotechnology, and must be elected from lists of five nominees each submitted by the Governor, President of the Senate, and the Speaker of the House of Representatives. Vacancies must be filled by majority vote of the remaining members of the board from nominees submitted by the Governor, the President of the Senate, and the Speaker of the House of Representatives.

In addition to the duties specified in the bill, the consortium shall pursue opportunities to complement the marine biotechnology mission of the consortium with activities related to freshwater resources which are performed by the consortium or other organizations, in order to promote the advancement of water research and science in general.

Although the primary mission of the consortium involves marine biotechnology, the consortium may integrate freshwater science components into each of the programmatic categories described in the bill. The consortium shall solicit input from the scientific advisory council to identify freshwater science issues and research opportunities that complement or further the mission of the consortium.

The appropriation from the General Revenue Fund to the Statewide Board of Governors of \$750,000 to fund the consortium's activities for FY 2003-2004 is deleted. (WITH TITLE AMENDMENT)