

Bill No. HB 1885, 1st Eng.

Amendment No.

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
1		.	
2		.	
3		.	
4		.	
5		.	
6		.	
7		.	
8		.	
9		.	
10		.	
11	Senators Latvala and Dyer moved the following amendment:		
12			
13	Senate Amendment (with title amendment)		
14	Delete everything after the enacting clause		
15			
16	and insert:		
17	Section 1. Section 215.5601, Florida Statutes, is		
18	created to read:		
19	<u>215.5601 Lawton Chiles Endowment Fund for Health and</u>		
20	<u>Human Services.--</u>		
21	<u>(1) SHORT TITLE.--This section may be cited as the</u>		
22	<u>"Lawton Chiles Endowment Fund for Health and Human Services</u>		
23	<u>Act."</u>		
24	<u>(2) DEFINITIONS.--As used in this section:</u>		
25	<u>(a) "Board" means the State Board of Administration</u>		
26	<u>established by s. 16, Art. IX of the State Constitution of</u>		
27	<u>1885 and incorporated into s. 9(c), Art. XII of the State</u>		
28	<u>Constitution of 1968.</u>		
29	<u>(b) "Endowment" means the Lawton Chiles Endowment Fund</u>		
30	<u>for Health and Human Services.</u>		
31	<u>(c) "Earnings" means all income generated by</u>		

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 investments and the net change in the market value of assets.

2 (d) "State agency" or "state agencies" means the
3 Department of Health, the Department of Children and Family
4 Services, the Department of Elderly Affairs, or the Agency for
5 Health Care Administration, or any combination thereof, as the
6 context indicates.

7 (3) LEGISLATIVE INTENT.--It is the intent of the
8 Legislature to:

9 (a) Provide a perpetual source of funding for the
10 future of health and human services initiatives, including,
11 but not limited to, facilities and biomedical research
12 activities.

13 (b) Ensure that enhancement revenues will be available
14 to finance these important initiatives.

15 (c) Use tobacco settlement moneys to ensure the
16 financial security of vital health and human services
17 programs.

18 (d) Encourage the development of community-based
19 solutions to strengthen and improve the quality of life of
20 Florida's most vulnerable citizens.

21 (e) Provide funds for cancer research and
22 public-health research for diseases linked to tobacco use.

23 (4) LAWTON CHILES ENDOWMENT FUND FOR HEALTH AND HUMAN
24 SERVICES; CREATION; PURPOSES AND USES.--

25 (a) There is created the Lawton Chiles Endowment Fund
26 for Health and Human Services, to be administered by the State
27 Board of Administration. The endowment shall serve as a
28 clearing trust fund not subject to termination pursuant to s.
29 19(f), Art. III of the State Constitution and shall be funded
30 by settlement moneys received from the tobacco industry. The
31 endowment fund shall be exempt from the service charges

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 imposed by s. 215.20.

2 (b) Funds from the endowment shall be distributed by
 3 the board to trust funds of the state agencies in the amounts
 4 indicated by reference to the legislative appropriations for
 5 the state agencies, except as otherwise provided in this
 6 section.

7 (c) The state agencies shall use the funds from the
 8 endowment to enhance or support increases in clients served or
 9 in program costs in health and human services program areas.

10 (d) The Secretary of Health, the Secretary of Children
 11 and Family Services, the Secretary of Elderly Affairs, and the
 12 Director of Health Care Administration shall conduct meetings
 13 to discuss program priorities for endowment funding prior to
 14 submitting their budget requests to the Executive Office of
 15 the Governor and the Legislature. The purpose of the meetings
 16 shall be to gain consensus for priority requests and
 17 recommended endowment funding levels for those priority
 18 requests. An agency head may not designate a proxy for these
 19 meetings.

20 (e) Funds from the endowment may not be used to
 21 supplant existing revenues.

22 (5) ADMINISTRATION OF THE ENDOWMENT.--

23 (a) The board is authorized to invest and reinvest
 24 funds of the endowment in those securities listed in s.
 25 215.47, in accordance with the fiduciary standards set forth
 26 in s. 215.47(9) and consistent with an investment plan
 27 developed by the executive director and approved by the board.
 28 Costs and fees of the board for investment services shall be
 29 deducted from the earnings accruing to the endowment.

30 (b) The endowment shall be managed as an annuity. The
 31 investment objective shall be long-term preservation of the

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 real value of the principal and a specified regular annual
2 cash outflow for appropriation, as nonrecurring revenue. The
3 schedule of annual cash outflow shall be included within the
4 investment plan adopted pursuant to paragraph (a).

5 (c) The board shall establish a separate account for
6 the funds of the endowment. The board shall design and operate
7 an investment portfolio that maximizes the financial return to
8 the endowment, consistent with the risks inherent in each
9 investment, and that is designed to preserve an appropriate
10 diversification of the portfolio.

11 (d) No later than February 15, 2000, the board shall
12 report on the financial status of the endowment to the
13 Governor, the Speaker of the House of Representatives, the
14 President of the Senate, the chairs of the respective
15 appropriations and appropriate substantive committees of each
16 chamber, and the Revenue Estimating Conference. Thereafter,
17 the board shall make a status report to such persons no later
18 than August 15 and February 15 of each year.

19 (e) Accountability for funds from the endowment which
20 have been appropriated to a state agency and distributed by
21 the board shall reside with the state agency. The board is not
22 responsible for the proper expenditure or accountability of
23 funds from the endowment after distribution to a state agency.

24 (f) The board may collect a fee for service from the
25 endowment no greater than that charged to the Florida
26 Retirement System.

27 (6) AVAILABILITY OF FUNDS.--

28 (a) Funds from the endowment shall not be available
29 for appropriation to a state agency until July 1, 2000.

30 (b) Notwithstanding the provisions of s. 216.301 and
31 pursuant to s. 216.351, all unencumbered balances of

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 appropriations as of June 30 or undisbursed balances as of
2 December 31 shall revert to the endowment's principal.

3 (7) ENDOWMENT PRINCIPAL; APPROPRIATION OF EARNINGS.--

4 (a) The following amounts are appropriated from the
5 Department of Banking and Finance Tobacco Settlement Clearing
6 Trust Fund to the Lawton Chiles Endowment Fund for Health and
7 Human Services:

8 1. For Fiscal Year 1999-2000, \$750 million;

9 2. For Fiscal Year 2000-2001, \$200 million;

10 3. For Fiscal Year 2001-2002, \$350 million; and

11 4. For Fiscal Year 2002-2003, \$200 million.

12 (b) There is appropriated from the Lawton Chiles
13 Endowment Fund to the Florida Biomedical Research Program 50
14 percent of the interest or other earnings accruing to the
15 endowment. The funds shall be distributed on a competitive
16 project basis as provided herein.

17 Section 2. Section 215.5602, Florida Statutes, is
18 created to read:

19 215.5602 Florida Biomedical Research Program.--

20 (1) There is established within the Lawton Chiles
21 Endowment Fund the Florida Biomedical Research Program to
22 support research initiatives that address the health care
23 problems of Floridians in the areas of cancer, cardiovascular
24 disease, stroke, and pulmonary disease. The long-term goals of
25 the program are to:

26 (a) Improve the health of Floridians by researching
27 better treatments for cancer, cardiovascular disease, stroke,
28 and pulmonary disease.

29 (b) Expand the foundation of biomedical knowledge
30 relating to the diagnosis and treatment of diseases related to
31 tobacco use, including cancer, cardiovascular disease, stroke,

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 and pulmonary disease.

2 (c) Improve the quality of the state's academic health
3 centers by bringing the advances of biomedical research into
4 the training of physicians and other health care providers.

5 (d) Increase the state's per capita funding for
6 biomedical research by undertaking new initiatives in
7 biomedical research that will attract additional funding from
8 outside the state.

9 (e) Stimulate economic activity in the state in areas
10 related to biomedical research, such as the research and
11 production of pharmaceuticals, biotechnology, and medical
12 devices.

13 (2) Funds appropriated from the Lawton Chiles
14 Endowment Fund to the Department of Health for the purposes of
15 this section shall be used exclusively for the award of grants
16 and fellowships under the program established in this section;
17 for research relating to the diagnosis and treatment of
18 diseases related to tobacco use, including cancer,
19 cardiovascular disease, stroke, and pulmonary disease; and for
20 expenses incurred in the administration of this section.

21 (3) There is created within the Department of Health
22 the Biomedical Research Advisory Council.

23 (a) The council shall consist of nine members,
24 including: the chief executive officer of the Florida
25 Division of the American Cancer Society, or a designee; the
26 chief executive officer of the Florida/Puerto Rico Affiliate
27 of the American Heart Association, or a designee; and the
28 chief executive officer of the American Lung Association of
29 Florida, or a designee. The Governor shall appoint the
30 remaining six members of the council, as follows:

31 1. Two members with expertise in the field of

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 biomedical research.

2 2. One member with expertise in the field of
3 behavioral or social research.

4 3. One member from a professional medical
5 organization.

6 4. One member from a research university in the state.

7 5. One member representing the general population of
8 the state.

9
10 In making his appointments, the Governor shall select
11 primarily, but not exclusively, Floridians with biomedical and
12 lay expertise in the general areas of cancer, cardiovascular
13 disease, stroke, and pulmonary disease. The Governor's
14 appointments shall be for a 3-year term and shall reflect the
15 diversity of the state's population. A council member
16 appointed by the Governor may not serve more than two
17 consecutive terms.

18 (b) The council shall adopt internal organizational
19 procedures as necessary for its efficient organization.

20 (c) The department shall provide such staff,
21 information, and other assistance as is reasonably necessary
22 to assist the council in carrying out its responsibilities.

23 (d) Members of the council shall serve without
24 compensation, but may receive reimbursement as provided in s.
25 112.061 for travel and other necessary expenses incurred in
26 the performance of their official duties.

27 (4) The council shall advise the Secretary of Health
28 as to the direction and scope of the biomedical research
29 program. The responsibilities of the council may include, but
30 are not limited to:

31 (a) Providing advice on program priorities and

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 emphases.

2 (b) Providing advice on the overall program budget.

3 (c) Participating in periodic program evaluation.

4 (d) Assisting in the development of guidelines to
5 ensure fairness, neutrality, and adherence to the principles
6 of merit and quality in the conduct of the program.

7 (e) Assisting in the development of appropriate
8 linkages to nonacademic entities, such as voluntary
9 organizations, health care delivery institutions, industry,
10 government agencies, and public officials.

11 (f) Developing criteria and standards for the award of
12 research grants.

13 (g) Developing administrative procedures relating to
14 solicitation, review, and award of research grants and
15 fellowships, to ensure an impartial, high-quality peer review
16 system.

17 (h) Developing and supervising research peer review
18 panels.

19 (i) Reviewing reports of peer review panels and making
20 recommendations for research grants and fellowships.

21 (j) Developing and providing oversight regarding
22 mechanisms for the dissemination of research results.

23 (5)(a) Applications for biomedical research funding
24 under the program may be submitted from any university or
25 established research institute in the state. All qualified
26 investigators in the state, regardless of institution
27 affiliation, shall have equal access and opportunity to
28 compete for the research funding.

29 (b) Grants and fellowships shall be awarded by the
30 Secretary of Health, after consultation with the council, on
31 the basis of scientific merit, as determined by an open

Bill No. HB 1885, 1st Eng.

Amendment No.

1 competitive peer review process that ensures objectivity,
2 consistency, and high quality. The following types of
3 applications shall be considered for funding:

- 4 1. Investigator-initiated research grants.
- 5 2. Institutional research grants.
- 6 3. Predoctoral and postdoctoral research fellowships.

7 (6) To ensure that all proposals for research funding
8 are appropriate and are evaluated fairly on the basis of
9 scientific merit, the Secretary of Health, in consultation
10 with the council, shall appoint a peer review panel of
11 independent, scientifically qualified individuals to review
12 the scientific content of each proposal and establish its
13 scientific priority score. The priority scores shall be
14 forwarded to the council and must be considered in determining
15 which proposals shall be recommended for funding.

16 (7) The council and the peer review panel shall
17 establish and follow rigorous guidelines for ethical conduct
18 and adhere to a strict policy with regard to conflict of
19 interest. No member of the council or panel shall participate
20 in any discussion or decision with respect to a research
21 proposal by any firm, entity, or agency with which the member
22 is associated as a member of the governing body or as an
23 employee, or with which the member has entered into a
24 contractual arrangement. Meetings of the council and the peer
25 review panels shall be subject to the provisions of chapter
26 119, s. 286.011, and s. 24, Art. I of the State Constitution.

27 (8) The department may contract on a competitive-bid
28 basis with an appropriate entity to administer the program.
29 Administrative expenses may not exceed 15 percent of the total
30 funds available to the program in any given year.

31 (9) The department, after consultation with the

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 council, may adopt rules as necessary to implement this
2 section.

3 (10) The council shall submit an annual progress
4 report on the state of biomedical research in this state to
5 the Governor, the Secretary of Health, the President of the
6 Senate, and the Speaker of the House of Representatives by
7 February 1. The report must include:

8 (a) A list of research projects supported by grants or
9 fellowships awarded under the program.

10 (b) A list of recipients of program grants or
11 fellowships.

12 (c) A list of publications in peer reviewed journals
13 involving research supported by grants or fellowships awarded
14 under the program.

15 (d) The total amount of biomedical research funding
16 currently flowing into the state.

17 (e) New grants for biomedical research which were
18 funded based on research supported by grants or fellowships
19 awarded under the program.

20 (f) Progress in the treatment of diseases related to
21 tobacco use, including cancer, cardiovascular disease, stroke,
22 and pulmonary disease.

23 Section 3. This act shall take effect July 1, 1999.

24
25
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

29
30 and insert:

31 A bill to be entitled

Bill No. HB 1885, 1st Eng.

Amendment No. ____

1 An act relating to trust funds; creating s.
2 215.5601, F.S.; creating the Lawton Chiles
3 Endowment Fund for Health and Human Services;
4 providing definitions; providing legislative
5 intent; specifying the purposes and uses of
6 endowment funds; providing for administration
7 of the endowment by the State Board of
8 Administration; providing for the availability
9 of endowment funds; providing appropriations;
10 creating s. 215.5602, F.S.; establishing the
11 Florida Biomedical Research Program within the
12 Lawton Chiles Endowment Fund; providing the
13 goals of the program; specifying the use of
14 funds appropriated under the program; creating
15 the Biomedical Research Advisory Council within
16 the Department of Health; providing for
17 membership of the council; providing
18 reimbursement for travel and other expenses for
19 council members; providing duties of the
20 council; providing for applications for funding
21 under the program; requiring the Secretary of
22 Health to award grants and fellowships, in
23 consultation with the council; providing for
24 the appointment of a peer review council to
25 review proposals for funding; requiring the
26 Department of Health to contract with an entity
27 to administer the program; providing rulemaking
28 authority; requiring the council to submit an
29 annual report to the Governor, the Secretary of
30 Health, and the Legislature; providing an
31 effective date.