

DATE: May 9, 2000

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
WATER AND RESOURCE MANAGEMENT
FINAL ANALYSIS**

BILL #: CS/HB 1015

RELATING TO: Florida Marine Biotechnology and Research

SPONSOR(S): Committee on Colleges & Universities and Representative Minton

TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) WATER AND RESOURCE MANAGEMENT YEAS 11 NAYS 0
 - (2) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE YEAS 7 NAYS 0
 - (3) COLLEGES & UNIVERSITIES YEAS 7 NAYS 0
 - (4) EDUCATION APPROPRIATIONS YEAS 12 NAYS 0
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I. SUMMARY:

CS/HB 1015 would have established the Florida Marine Biotechnology Research and Development Program and directed the Program to establish partnerships among research scientists in Florida universities, research laboratories, and the marine biotechnology industry for the purpose of promoting commerce, creating jobs, and benefiting from potential commercial opportunities in Florida. The long term goal of the Program was the creation of products and processes to advance the marine biotechnology industry in Florida which in turn would have created new, high-technology businesses, high-paying jobs, and training opportunities.

The program would have been jointly administered by the Director of the Florida Marine Research Institute and the Director of the Florida Sea Grant College Program, with the assistance of a steering committee appointed by both directors. The steering committee would have consisted of representatives from Florida universities, research laboratories, and the marine biotechnology industry. The Florida Marine Research Institute and the Florida Sea Grant College Program would have been required to make a joint progress report to the Legislature every year the program is funded.

CS/HB 1015 identified the focus areas of the program, required that funds be awarded on a competitive basis using a scientific review process, and prescribed the review criteria.

The bill provided for disbursement of funds by the Florida Marine Research Institute and the Florida Sea Grant College Program. The program was intended to continue for five years with an annual appropriation each year. The bill limited administrative costs and the expenses of the peer review process. In addition, CS/HB 1015 called for an appropriation of \$2 million from general revenue for fiscal year 2000-2001 for implementation of the first year of the program -- although a trailing amendment proposed replacing that with a would have replaced that with \$1.5 million from the Coastal Protection Trust Fund.

CS/HB 1015 would not have created new rulemaking authority for the participating entities. It did not appear to raise constitutional or other legal concerns.

CS/HB 1015 would have taken effect July 1, 2000.

(NOTE: This bill died on the House Calendar and its Senate companion, CS/SB 704, died in the Senate Fiscal Policy Committee when the Legislature adjourned on May 5, 2000.)

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Biotechnology is the industrial use of living organisms or biological techniques developed through basic research. Biotechnology encompasses the production of a variety of products from medicines and industrial enzymes to the development of microorganisms for specific uses such as removing toxins from bodies of water or pesticides.

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 (NOAA) 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 all 15 private and public Florida universities and research facilities throughout the state. The Florida Sea Grant Program funded 17 projects in aquaculture, coastal processes, fisheries, and marine biotechnology in 1998.

Over the last four years, marine biotechnology has become a priority area for Florida Sea Grant research funding. The Florida Sea Grant Program is currently funding 11 marine biotechnology projects throughout the state and is receiving \$1,000,000 in federal funding for 1999-2000. The Florida Sea Grant Program is responsible for matching one dollar for every two federal dollars funded.

Current marine biotechnology projects include: the development of methods to improve detection of poor water quality caused by waste contamination in coastal waters; projects to identify and grow microorganisms in the hope of discovering new compounds for pharmacological uses; and research into discodermolide which is a potent anti-tumor compound produced by a microorganism associated with sponges that shows great promise as an anticancer agent.

The Florida Marine Research Institute is an administrative unit of the Fish and Wildlife Conservation Commission. The mission of the Institute is to: (1) Serve as the primary source of research and technical information and expertise on the status of Florida's saltwater resources; (2) Monitor the status and health of saltwater habitat, marine life, and wildlife; (3) Develop and implement restoration techniques for marine habitat and enhancement of saltwater plant and animal populations; (4) Respond and provide critical technical support for marine catastrophes including oil spills, ship groundings, major marine species die-offs, hazardous spills, and natural disaster; (5) Identify and monitor marine

toxic red tides and their impacts, and provide technical support for state and local public health concerns; and (6) Provide state and local governments with estuarine, marine, coastal technical information and research results.

The provisions of s. 287.057, F.S., require that, unless otherwise authorized by law, all contracts for the purchase of commodities or contractual services in excess of the threshold amount provided in s. 287.017, F.S., for CATEGORY TWO shall be awarded by competitive sealed bidding. The threshold amount for CATEGORY TWO is \$25,000.

C. EFFECT OF PROPOSED CHANGES:

CS/HB 1015 would have established the Florida Marine Biotechnology Research and Development Program to create partnerships among the Florida universities, research laboratories, and marine biotechnology industry.

The goal of the program would have been to advance the marine biotechnology industry in Florida. Advancement of the industry would have promoted clean, high-technology businesses, created jobs in Florida, and kept Florida-trained students working in state.

State funds appropriated to the program would have helped match federal funds from the National Sea Grant Program to increase the money available to enhance the marine biotechnology industry in Florida. The program would have been funded for five years at which time the program should be self-sufficient.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Would have established the Florida Marine Biotechnology Research and Development Program to create partnerships among research scientists in Florida universities, research laboratories and the marine biotechnology industry. The establishment of these partnerships would have served to promote commerce, create jobs and potential commercial opportunities in Florida.

Provided for the program to be administered by the Director of the Florida Marine Research Institute and the Director of the Florida Sea Grant College Program, with input from a steering committee. The steering committee would have been appointed by both directors and must include a member from each of the following: University of Florida, Florida Atlantic University, Florida State University, University of South Florida, Nova Southeastern University, University of Miami, University of West Florida, Harbor Branch Oceanographic Institution, Inc., Mote Marine Laboratory, Florida Marine Research Institute, and BIO+Florida.

Specified the focus areas of the program: aquaculture, marine animal health, marine natural products, biofilm/bioadhesion, bioremediation, and marine ecology.

Provided for funds to be awarded based on competition among all the state universities, public research laboratories, and private nonprofit research laboratories in the state of Florida. Upon submission of proposals, selection would have been made as determined by a scientific peer review process based on the following criteria: project rationale, scientific merit, potential applications, industrial sponsorship, and investigator qualifications. The program was intended to run for five years with each project being funded over a 30-month period.

The Florida Marine Research Institute and the Florida Sea Grant College Program would have disbursed all funds. Funds awarded to projects within the Florida Marine Research Institute would have been distributed directly to the institute and funds awarded to universities and research laboratories would have been transferred by the Florida Marine Research Institute by contract through the Florida Sea Grant College Program.

Promoted public and private partnerships in all projects. Limited the funds that can be used by the Florida Marine Research Institute and the Florida Sea Grant College Program for technical administration of the program to no more than \$25,000 each of each annual appropriation. Limited the funds that can be used by the Florida Sea Grant College Program for the expenses of the peer review process to \$16,000 of each annual appropriation.

Specified the long-term goal of the program would have been the creation of products and processes that would advance the marine biotechnology industry in Florida. This bill provided that this industry would create new, clean, high technology businesses; would provide high paying jobs' and would create training opportunities that will keep Florida-trained students in Florida. Provides that contractual services procured under this bill are not subject to the provisions of s. 287.057, Florida Statutes.

Section 2: Would have provided an appropriation of \$2 million in FY 2000-2001 from the General Revenue Fund to the Florida Marine Research Institute for the implementation of the first year of the program.

Section 3: Specified this act would have taken effect July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

CS/HB 1015 provided an appropriation of \$2 million from the General Revenue Fund for FY 2000-2001 for implementation of the first year of the program.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments.

D. FISCAL COMMENTS:

The fiscal impact of CS/HB 1015 on state and local governments was indeterminate, because of the inability to forecast whether the proposed program would have promoted commerce and created jobs, thus generating new revenues.

The Florida Marine Research Institute and the Florida Sea Grant College program each would have been allocated no more than \$25,000 of every annual appropriation for administration of the program, and the Florida Sea Grant College Program would have been able to use up to \$16,000 of each annual appropriation for expenses of the peer review process.

Proponents of the bill recommended an appropriation of \$2 million for each of the five years of the program. Additional funding provisions stipulated that any projects initiated using funds appropriated for this act must be spent over a 30-month period. This provision may have been in conflict with s. 216.301, F.S., relating to undisbursed balances of appropriations.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

CS/HB 1015 did not require counties or municipalities to expend funds, nor did it require them to take an action requiring the expenditures of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

CS/HB 1015 did not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

CS/HB 1015 did not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

CS/HB 1015 did not raise any constitutional issues.

B. RULE-MAKING AUTHORITY:

CS/HB 1015 neither expands nor restricts the rule-making authority of the state or local agencies.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 10, 2000, the Committee on Colleges and Universities adopted an amendment to add representatives from Nova Southeastern University, the University of Miami, and the University of West Florida to the steering committee. The bill, as amended, was made into a committee substitute.

On April 26, 2000, the Education Appropriations Committee adopted an amendment which replaced the \$2 million General Revenue appropriation in Section 2 of the bill with a \$1.5 million appropriation from the Coastal Protection Trust Fund in the Department of Environmental Protection. The amendment trailed the bill.

VII. SIGNATURES:

COMMITTEE ON WATER AND RESOURCE MANAGEMENT:

Prepared by:

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AS REVISED BY THE COMMITTEE ON BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE:

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AS FURTHER REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

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FINAL ANALYSIS PREPARED BY THE COMMITTEE ON WATER AND RESOURCE MANAGEMENT:

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