

Amendment No. 1 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
1		.	
2		.	
3		.	
4		.	

ORIGINAL STAMP BELOW

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

The Committee on Health Promotion offered the following:

Amendment (with title amendment)

Remove from the bill: Everything after the enacting clause
and insert in lieu thereof:

Section 1. Subsection (4) of section 17.41, Florida Statutes, is amended to read:

17.41 Department of Banking and Finance Tobacco Settlement Clearing Trust Fund.--

(4) Net proceeds of the sale of the tobacco settlement agreement received by the state shall be immediately deposited into the Lawton Chiles Endowment Fund, created in s. 215.5601 ~~s. 215.5601(4)~~, without deposit to the Tobacco Settlement Clearing Trust Fund.

Section 2. Paragraph (h) of subsection (1) of section 20.435, Florida Statutes, is amended to read:

20.435 Department of Health; trust funds.--

(1) The following trust funds are hereby created, to be administered by the Department of Health:

(h) Biomedical Research Trust Fund.

Amendment No. 1 (for drafter's use only)

1 1. Funds to be credited to the trust fund shall
2 consist of funds deposited pursuant to s. 215.5601 ~~s.~~
3 ~~215.5601(4)~~. Funds shall be used for the purposes of the
4 Florida Biomedical Research Program as specified in s.
5 215.5602. The trust fund is exempt from the service charges
6 imposed by s. 215.20.

7 2. Notwithstanding the provisions of s. 216.301 and
8 pursuant to s. 216.351, any balance in the trust fund at the
9 end of any fiscal year shall remain in the trust fund at the
10 end of the year and shall be available for carrying out the
11 purposes of the trust fund.

12 3. The trust fund shall, unless terminated sooner, be
13 terminated on July 1, 2004.

14 Section 3. Section 215.5601, Florida Statutes, is
15 amended to read:

16 (Substantial rewording of section. See
17 s. 215.5601, F.S., for present text.)

18 215.5601 Lawton Chiles Endowment Fund.--

19 (1) LEGISLATIVE INTENT.--It is the intent of the
20 Legislature to:

21 (a) Provide a perpetual source of enhanced funding for
22 state children's health programs, child welfare programs,
23 children's community-based health and human services
24 initiatives, elder programs, and biomedical research
25 activities related to tobacco use.

26 (b) Use tobacco settlement moneys as the source of
27 enhanced funding to ensure the financial security of vital
28 health and human services programs for children and elders.

29 (c) Ensure that enhancement revenues will be available
30 to help finance these important programs and initiatives.

31 (d) Provide funds to help support public-health and

Amendment No. 1 (for drafter's use only)

1 biomedical research for the prevention, diagnosis, and
2 treatment of diseases related to tobacco use by creating an
3 annual and perpetual source of funding for biomedical research
4 in the state in order to expand the foundation of biomedical
5 knowledge relating to the prevention, diagnosis, and treatment
6 of diseases related to tobacco use, including cancer,
7 cardiovascular disease, stroke, and pulmonary disease; improve
8 the quality of the state's academic health centers by bringing
9 the advances of biomedical research into the training of
10 physicians and other health care providers; and increase the
11 state's per capita funding for biomedical research by
12 undertaking new initiatives in biomedical research which will
13 attract additional funding from outside the state while also
14 stimulating economic activity in the state in areas related to
15 biomedical research, such as the research and production of
16 pharmaceuticals, biotechnology, and medical devices.

17 (e) Encourage the development of community-based
18 solutions to strengthen and improve the quality of life of
19 Florida's most vulnerable citizens, its children and elders.

20 (2) DEFINITIONS.--As used in this section, the term:

21 (a) "Board" means the State Board of Administration
22 established by s. 16, Art. IX of the State Constitution of
23 1885 and incorporated into s. 9(c), Art. XII of the State
24 Constitution of 1968.

25 (b) "Endowment" means the Lawton Chiles Endowment
26 Fund.

27 (c) "Earnings" means all income generated by
28 investments and the net change in the market value of assets.

29 (d) "State agency" or "state agencies" means the
30 Department of Health, the Department of Children and Family
31 Services, the Department of Elderly Affairs, or the Agency for

Amendment No. 1 (for drafter's use only)

1 Health Care Administration, or any combination thereof, as the
2 context indicates.

3 (3) LAWTON CHILES ENDOWMENT FUND; CREATION;
4 PRINCIPAL.--

5 (a) There is created the Lawton Chiles Endowment Fund,
6 to be administered by the State Board of Administration. The
7 endowment shall serve as a clearing trust fund, not subject to
8 termination under s. 19(f), Art. III of the State
9 Constitution. The endowment fund shall be exempt from the
10 service charges imposed by s. 215.20.

11 (b) The endowment shall receive moneys from the sale
12 of the state's right, title, and interest in and to the
13 tobacco settlement agreement as defined in s. 215.56005,
14 including the right to receive payments under such agreement,
15 and from accounts transferred from the Department of Banking
16 and Finance Tobacco Settlement Clearing Trust Fund established
17 under s. 17.41. Amounts to be transferred from the Tobacco
18 Settlement Clearing Trust Fund to the endowment shall be in
19 the following amounts for the following fiscal years:

- 20 1. For fiscal year 1999-2000, \$1.1 billion;
21 2. For fiscal year 2000-2001, \$200 million;
22 3. For fiscal year 2001-2002, \$200 million; and
23 4. For fiscal year 2002-2003, \$200 million.

24 (c) Amounts to be transferred under subparagraphs 2.,
25 3., and 4. of paragraph (a) may be reduced by the amount the
26 endowment receives in that fiscal year from the sale of the
27 state's right, title, and interest in and to the tobacco
28 settlement agreement.

29 (d) Beginning in fiscal year 2001-2002, \$150 million
30 of the existing principal in the endowment shall be reserved
31 and accounted for within the endowment to be used solely for

Amendment No. 1 (for drafter's use only)

1 the funding for biomedical research activities as provided in
2 s. 215.5602. The remaining principal shall be used solely as
3 the source of funding for health and human services programs
4 for children and elders as provided in subsection (5). The
5 dedicated funding for public-health and biomedical research
6 shall end and the entire principal in the endowment shall be
7 used exclusively for health and human services programs when
8 cures have been found for tobacco-related cancer, heart, and
9 lung disease.

10 (4) ADMINISTRATION.--

11 (a) The board is authorized to invest and reinvest
12 funds of the endowment in accordance with s. 215.47 and
13 consistent with an investment plan developed by the executive
14 director and approved by the board.

15 (b) The endowment shall be managed as an annuity. The
16 investment objective shall be long-term preservation of the
17 real value of the principal and a specified regular annual
18 cash outflow for appropriation, as nonrecurring revenue. From
19 the annual cash outflow, a pro rata share shall be used solely
20 for public-health and biomedical research activities as
21 provided in paragraph (3)(d), until such time as cures are
22 found for tobacco-related cancer and heart and lung disease.

23 Five percent of the annual cash outflow dedicated to the
24 public-health and biomedical research portion of the endowment
25 shall be reinvested and applied to that portion of the
26 endowment's principal, with the remainder to be spent on
27 public-health and biomedical research activities consistent
28 with this section. The schedule of annual cash outflow shall
29 be included within the investment plan adopted under paragraph
30 (a).

31 (c) In accordance with s. 215.44, the board shall

Amendment No. 1 (for drafter's use only)

1 include separate sections on the financial status of the
2 endowment in its annual investment report to the Legislature.

3 (d) Accountability for funds from the endowment which
4 have been appropriated to a state agency and distributed by
5 the board shall reside with the state agency. The board is not
6 responsible for the proper expenditure of or accountability
7 concerning funds from the endowment after distribution to a
8 state agency.

9 (e) Costs and fees of the board for investment
10 services shall be deducted from the earnings accruing to the
11 endowment. Fees for investment services shall be no greater
12 than fees charged to the Florida Retirement System.

13 (5) AVAILABILITY OF FUNDS; USES.--

14 (a) Funds from the endowment which are available for
15 legislative appropriation shall be transferred by the board to
16 the Tobacco Settlement Clearing Trust Fund, created in s.
17 17.41, and disbursed in accordance with the legislative
18 appropriation.

19 1. Appropriations by the Legislature to the Department
20 of Health for biomedical research shall be from a category
21 called Florida Biomedical Research Program and shall be
22 deposited into the Biomedical Research Trust Fund in the
23 Department of Health established in s. 20.435.

24 2. Appropriations by the Legislature to the Department
25 of Children and Family Services or the Department of Elderly
26 Affairs for health and human services programs shall be from a
27 category called the Lawton Chiles Endowment Fund Programs and
28 shall be deposited into each department's respective Tobacco
29 Settlement Trust Fund as appropriated.

30 (b) The secretaries of the state agencies shall
31 conduct meetings to discuss priorities for endowment funding

Amendment No. 1 (for drafter's use only)

1 for health and human services programs for children and elders
2 before submitting their legislative budget requests to the
3 Executive Office of the Governor and the Legislature. The
4 purpose of the meetings is to gain consensus for priority
5 requests and recommended endowment funding levels for those
6 priority requests. No later than September 1 of each year, the
7 secretaries of the state agencies shall also submit their
8 concensus priority requests to the Lawton Chiles Endowment
9 Fund Advisory Council created in subsection (6).

10 (c) Subject to legislative appropriations, state
11 agencies shall use distributions from the endowment to enhance
12 or support increases in clients served or in program costs in
13 health and human services program areas. Funds distributed
14 from the endowment may not be used to supplant existing
15 revenues.

16 (d) Notwithstanding s. 216.301 and pursuant to s.
17 216.351, all unencumbered balances of appropriations as of
18 June 30 or undisbursed balances as of December 31 shall revert
19 to the endowment's principal. Unencumbered or undisbursed
20 balances appropriated for biomedical research shall revert to
21 the principal reserved for biomedical research activities.

22 (e) When advised by the Revenue Estimating Conference
23 that a deficit will occur with respect to the appropriations
24 from the tobacco settlement trust funds of the state agencies
25 in any fiscal year, the Governor shall develop a plan of
26 action to eliminate the deficit. Before implementing the plan
27 of action, the Governor must comply with s. 216.177(2). In
28 developing the plan of action, the Governor shall, to the
29 extent possible, preserve legislative policy and intent, and,
30 absent any specific directions to the contrary in the General
31 Appropriations Act, any reductions in appropriations from the

Amendment No. 1 (for drafter's use only)

1 tobacco settlement trust funds of the state agencies for a
2 fiscal year shall be prorated among the purposes for which
3 funds were appropriated from the Tobacco Settlement Trust Fund
4 for that year.

5 (6) There is established the Lawton Chiles Endowment
6 Fund Advisory Council for the purpose of reviewing the funding
7 priorities of the state agencies, evaluating their requests
8 against the mission and goals of the agencies and legislative
9 intent for the use of endowment funds, and to allow for public
10 input and advocacy.

11 (a) The council shall consist of 13 members including:

12 1. The Director of the United Way of Florida, Inc., or
13 a designee;

14 2. The Director of the Foster Parents Association, or
15 a designee;

16 3. The Director of the Florida branch of the American
17 Association of Retired Persons, Inc., or a designee;

18 4. The Director of the Florida Council on Aging, or a
19 designee;

20 5. The State Long-Term Care Ombudsman, or a designee;

21 6. The Director of the Florida Pediatric Association,
22 or a designee;

23 7. A representative of the Guardian Ad Litem Program
24 appointed by the Governor;

25 8. A representative of a child welfare lead agency for
26 community-based care appointed by the Governor;

27 9. A representative of an elder care lead agency for
28 community-based care appointed by the Governor;

29 10. A representative of a statewide child advocacy
30 organization appointed by the Governor;

31 11. One consumer caregiver for children appointed by

Amendment No. 1 (for drafter's use only)

1 the Governor;

2 12. One person over the age of 60 years to represent
3 the interests of elders appointed by the Governor;

4 13. One consumer caregiver for a functional impaired
5 elderly person appointed by the Governor.

6 (b) Before November 1 of each year, the council shall
7 advise the Governor and the Legislature as to its
8 recommendations with respect to the priorities submitted by
9 the secretaries of the state agencies with respect to
10 endowment funding for health and human services programs for
11 children and elders. The responsibilities of the council may
12 include:

13 1. Evaluating the value of programs and services
14 submitted by the agencies as they relate to the overall
15 enhancement of services to children and elders;

16 2. Developing criteria and guiding principles for
17 ranking the priorities submitted by the state agencies;

18 3. Providing recommendations with respect to funding
19 levels for the programs ranked by the council;

20 4. Participating in periodic evaluation of programs
21 funded by the endowment to determine the need for continued
22 funding;

23 5. Soliciting input from child and elder advocacy
24 organizations, community stakeholders, providers and the
25 public with respect to statewide child and elder needs and the
26 effectiveness of program service delivery systems.

27 (c) Members of the council shall serve without
28 compensation, but may receive reimbursement as provided in s.
29 112.061 for per diem and travel expenses incurred in the
30 performance of their official duties. The Department of
31 Children and Family Services shall provide staff and other

Amendment No. 1 (for drafter's use only)

1 administrative assistance as is reasonably necessary to assist
2 the council in carrying out its responsibilities.

3 Administrative costs of the council shall be charged equally
4 to endowment funds deposited into the respective Tobacco
5 Settlement Trust Fund of the Department of Children and Family
6 Services and the Department of Elderly Affairs.

7 Section 4. Section 215.5602, Florida Statutes, is
8 amended to read:

9 215.5602 Florida Biomedical Research Program.--

10 (1) There is established within the Department of
11 Health the Florida Biomedical Research Program funded by the
12 proceeds of the Lawton Chiles Endowment Fund pursuant to s.
13 215.5601 ~~s. 215.5601(4)~~. The purpose of the Florida Biomedical
14 Research Program is to provide an annual and perpetual source
15 of funding in order to support research initiatives that
16 address the health care problems of Floridians in the areas of
17 tobacco-related cancer, cardiovascular disease, stroke, and
18 pulmonary disease. The long-term goals of the program are to:

19 (a) Improve the health of Floridians by researching
20 better prevention, diagnoses, and treatments for cancer,
21 cardiovascular disease, stroke, and pulmonary disease.

22 (b) Expand the foundation of biomedical knowledge
23 relating to the prevention, diagnosis, and treatment of
24 diseases related to tobacco use, including cancer,
25 cardiovascular disease, stroke, and pulmonary disease.

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

29 (d) Increase the state's per capita funding for
30 ~~biomedical~~ research by undertaking new initiatives in public
31 health and biomedical research that will attract additional

Amendment No. 1 (for drafter's use only)

1 funding from outside the state.

2 (e) Stimulate economic activity in the state in areas
3 related to biomedical research, such as the research and
4 production of pharmaceuticals, biotechnology, and medical
5 devices.

6 (2) Funds appropriated for the Florida Biomedical
7 Research Program shall be used exclusively for the award of
8 grants and fellowships as established in this section; for
9 research relating to the prevention, diagnosis, and treatment
10 of diseases related to tobacco use, including cancer,
11 cardiovascular disease, stroke, and pulmonary disease; and for
12 expenses incurred in the administration of this section.

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

15 (a) The council shall consist of nine members,
16 including: the chief executive officer of the Florida Division
17 of the American Cancer Society, or a designee; the chief
18 executive officer of the Florida/Puerto Rico Affiliate of the
19 American Heart Association, or a designee; and the chief
20 executive officer of the American Lung Association of Florida,
21 or a designee. The Governor shall appoint the remaining six
22 members of the council, as follows:

23 1. Two members with expertise in the field of
24 biomedical research.

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

27 3. One member from a professional medical
28 organization.

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

30 5. One member representing the general population of
31 the state.

Amendment No. 1 (for drafter's use only)

1

2 In making his or her appointments, the Governor shall select
3 primarily, but not exclusively, Floridians with biomedical and
4 lay expertise in the general areas of cancer, cardiovascular
5 disease, stroke, and pulmonary disease. The Governor's
6 appointments shall be for a 3-year term and shall reflect the
7 diversity of the state's population. A council member
8 appointed by the Governor may not serve more than two
9 consecutive terms.

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

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

15 (d) Members of the council shall serve without
16 compensation, but may receive reimbursement as provided in s.
17 112.061 for travel and other necessary expenses incurred in
18 the performance of their official duties.

19 (4) The council shall advise the Secretary of Health
20 as to the direction and scope of the biomedical research
21 program. The responsibilities of the council may include, but
22 are not limited to:

23 (a) Providing advice on program priorities and
24 emphases.

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

26 (c) Participating in periodic program evaluation.

27 (d) Assisting in the development of guidelines to
28 ensure fairness, neutrality, and adherence to the principles
29 of merit and quality in the conduct of the program.

30 (e) Assisting in the development of appropriate
31 linkages to nonacademic entities, such as voluntary

Amendment No. 1 (for drafter's use only)

1 organizations, health care delivery institutions, industry,
2 government agencies, and public officials.

3 (f) Developing criteria and standards for the award of
4 research grants.

5 (g) Developing administrative procedures relating to
6 solicitation, review, and award of research grants and
7 fellowships, to ensure an impartial, high-quality peer review
8 system.

9 (h) Developing and supervising research peer review
10 panels.

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

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

15 (5)(a) Applications for biomedical research funding
16 under the program may be submitted from any university or
17 established research institute in the state. All qualified
18 investigators in the state, regardless of institution
19 affiliation, shall have equal access and opportunity to
20 compete for the research funding.

21 (b) Grants and fellowships shall be awarded by the
22 Secretary of Health, after consultation with the council, on
23 the basis of scientific merit, as determined by an open
24 competitive peer review process that ensures objectivity,
25 consistency, and high quality. The following types of
26 applications shall be considered for funding:

- 27 1. Investigator-initiated research grants.
- 28 2. Institutional research grants.
- 29 3. Predoctoral and postdoctoral research fellowships.

30 (6) To ensure that all proposals for research funding
31 are appropriate and are evaluated fairly on the basis of

Amendment No. 1 (for drafter's use only)

1 scientific merit, the Secretary of Health, in consultation
2 with the council, shall appoint a peer review panel of
3 independent, scientifically qualified individuals to review
4 the scientific content of each proposal and establish its
5 scientific priority score. The priority scores shall be
6 forwarded to the council and must be considered in determining
7 which proposals shall be recommended for funding.

8 (7) The council and the peer review panel shall
9 establish and follow rigorous guidelines for ethical conduct
10 and adhere to a strict policy with regard to conflict of
11 interest. A ~~No~~ member of the council or panel may not ~~shall~~
12 participate in any discussion or decision with respect to a
13 research proposal by any firm, entity, or agency with which
14 the member is associated as a member of the governing body or
15 as an employee, or with which the member has entered into a
16 contractual arrangement. Meetings of the council and the peer
17 review panels shall be subject to the provisions of chapter
18 119, s. 286.011, and s. 24, Art. I of the State Constitution.

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

23 (9) The department, after consultation with the
24 council, may adopt rules as necessary to implement this
25 section.

26 (10) The council shall submit an annual progress
27 report on the state of biomedical research in this state to
28 the Governor, the Secretary of Health, the President of the
29 Senate, and the Speaker of the House of Representatives by
30 February 1. The report must include:

31 (a) A list of research projects supported by grants or

Amendment No. 1 (for drafter's use only)

1 fellowships awarded under the program.

2 (b) A list of recipients of program grants or
3 fellowships.

4 (c) A list of publications in peer reviewed journals
5 involving research supported by grants or fellowships awarded
6 under the program.

7 (d) The total amount of public-health and biomedical
8 research funding currently flowing into the state.

9 (e) New grants for public-health and biomedical
10 research which were funded based on research supported by
11 grants or fellowships awarded under the program.

12 (f) Progress in the prevention, diagnosis, and
13 treatment of diseases related to tobacco use, including
14 cancer, cardiovascular disease, stroke, and pulmonary disease.

15 Section 5. There is hereby appropriated \$25,000 each
16 to the Department of Children and Family Services and the
17 Department of Elderly Affairs from Lawton Chiles endowment
18 funds deposited into each department's Tobacco Settlement
19 Trust Fund to pay for administrative costs associated with the
20 Lawton Chiles Endowment Fund Advisory Council established in
21 s. 215.5601, Florida Statutes.

22 Section 6. This act shall take effect July 1, 2001.

23
24
25 ===== T I T L E A M E N D M E N T =====

26 And the title is amended as follows:

27 On page ,
28 remove from the title of the bill: the entire title

29
30 and insert in lieu thereof:

31 An act relating to the Lawton Chiles Endowment

Amendment No. 1 (for drafter's use only)

1 Fund; amending ss. 17.41, 20.435, F.S. ;
2 conforming statutory cross-references; amending
3 s. 215.5601, F.S.; providing legislative intent
4 to provide funds for the support of public
5 health and biomedical research; revising
6 procedures for the administration of the
7 endowment fund; revising provisions concerning
8 the availability and use of funds from the
9 endowment; consolidating advisory councils;
10 amending s. 215.5602, F.S.; providing for
11 public health and biomedical research;
12 providing appropriations; providing an
13 effective date.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31