

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1019 Centers of Excellence
SPONSOR(S): Hasner
TIED BILLS: none **IDEN./SIM. BILLS:** SB 1900 (i)

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) State Administration		Bond	Everhart
2) Education K-20			
3) Education Appropriations (Sub)			
4) Appropriations			
5)			

SUMMARY ANALYSIS

This bill revises the Florida Technology Development Act to provide for the establishment of additional centers of excellence or the expansion of current centers subject to appropriation by the Legislature.

This bill appropriates \$100 million from the General Revenue Fund to the Department of Education for the purpose of implementing the final plan with the caveat that each center of excellence approved under the plan must receive, at a minimum, \$10 million. In addition, the bill appropriates \$50,000 from the General Revenue Fund to the Executive Office of the Governor for staff and administrative support for the Emerging Technology Commission. This bill does not appear to have a fiscal impact on local governments.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1019.sa.doc
DATE: March 22, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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

This bill extends the life of a commission set for sunset this year, allows for the creation of up to 10 new entities within the state universities, and appropriates over \$100 million.

B. EFFECT OF PROPOSED CHANGES:

Background

Section 1004.225, F.S., the Florida Technology Development Act, provides a mechanism to foster technology transfer, a complex commercialization process through which an entity that develops a new technology, but does not have the means or desire to bring it to market, transfers the new technology to another entity that does have the means. The act begins the technology transfer process by creating centers of excellence for which the 2002 Legislature appropriated \$30 million. A center of excellence is an organization of personnel, facilities, and equipment established at or in collaboration with one or more universities in Florida that:

- Facilitates the identification of collaborative research opportunities between universities and businesses;
- Facilitates the acquisition of public and private funding for collaborative research opportunities and maximizes the leveraging of such funds;
- Creates partnerships between industrial and governmental entities to advance knowledge and research and to move technologies from academic laboratories and research centers to commercial sectors;
- Stimulates and supports new venture creation through partnerships with venture capital firms and other business, governmental, and educational entities;
- Assists in the enhancement of advanced academic curricula through improved communication between academia and businesses;
- Increases the number of graduates and faculty researchers in advanced technology programs while ensuring that a larger percentage of such graduates pursue careers in Florida industries;
- Recruits and retains eminent scholars in advanced technology disciplines; and
- Provides capital facilities necessary to support research and development.

The Act created the Emerging Technology Commission within the Executive Officer of the Governor. The commission consists of:

- Nine regular members who must be recognized business leaders, industrial researchers, academic researchers, scientists, or engineers. The regular members include four members and the chair appointed by the Governor; two members appointed by the President of the Senate, and two members appointed by the Speaker of the House of Representatives;
- The Commissioner of Education as an ex officio nonvoting member; and

- The state senator and state representative who serve as members of the Florida Research Consortium, Inc., as ex officio nonvoting members.

Commission members serve without compensation but are entitled to receive certain per diem and travel expenses while performing their duties. The Governor's Office provides staff support for the commission and per diem and travel expenses for commission members.

Following public hearing and consideration of a by the Florida Research Consortium, Inc., the Emerging Technology Commission developed criteria for evaluating university-submitted proposals for creating centers of excellence. The adopted criteria are:

- Vision for technology transfer
- Research Focus
- Economic Impact Potential
- Economic Climate Issues
- Regional economic structure and climate.
- Leadership and Management
- Leveraging Resources
- Center Collaboration with Other Entities
- Workforce Development

The Emerging Technology Commission received 16 proposals for a center of excellence. The proposals are as follows:

- Florida Atlantic University's Proposal for a Center for Intermodal Transportation, Safety and Security.
- Florida Gulf Coast University's Proposal for a Florida Gulf Coast University Triad.
- Florida International University's Proposal for a Florida Information Security Center.
- The University of Central Florida's Proposal for a Modeling and Simulation Center of Excellence.
- The University of North Florida's Proposal for a Center for Innovation in Information Technology.
- Florida Agricultural and Mechanical University's Proposal for a Center of Excellence for Atomic, Molecular, and Plasma Physics.
- The Florida Space Research Institute's Proposal for a Center for Spaceport Technology, Biotechnology, Remote Sensing, and Telecommunications.
- The Florida Solar Energy Center's Proposal for a Center of Excellence for Hydrogen Research.
- Florida State University's Proposal for Securing Florida and the Nation's Electrical Energy Systems.
- The University of Central Florida's Proposal for a Florida Photonics Center of Excellence.
- Florida Atlantic University's Proposal for a Center for Biomedical and Marine Biotechnology.
- Florida State University's Proposal for the Bio-Nanotechnology Nexus.
- The University of Florida's Proposal for a Center of Excellence in Regenerative Health and Biotechnology.
- The University of Florida's Proposal for a NanoBio Science and Engineering Center of Excellence.
- The University of Miami's Proposal for a Center for Biotechnology Development in Cellular Therapies, Tissue Engineering, and Reparative Medicine.
- The University of South Florida's Proposal for a Center of Excellence in Bioengineering and Life Science.

Following three public hearings with access to public policy and technology experts, the Emerging Technology Commission recommended three centers of excellence to the State Board of Education. The three are, with the rationale for their selection:

- Florida Atlantic University's Proposal for a Center of Excellence for Biomedical and Marine Biotechnology at \$10 million. This center would focus on the discovery and development of compounds and medicines capable of treating various diseases including cancer, cardiovascular disease, and arthritis. Collaborative efforts with industry and other universities would be used in a long-term commercialization strategy, and the center would house faculty capable of attracting research funds at levels necessary for continued research.
- The University of Central Florida's Proposal for a Photonics Center of Excellence at \$10 million. This center would build upon efforts already underway at UCF to make Florida the world leader in optics, lasers, and photonics research and education. The center would also expand its research into the areas of nanophotonics and biophotonics. The center would work closely with existing industry, the High Tech Corridor Council, and the UCF Technology Incubator to commercialize new applications.
- The University of Florida's Proposal for a Center of Excellence in Regenerative Health Biotechnology at \$10 million. The center would house two facilities for microbial fermentation and vector production. Both facilities would be used for developing probiotics and gene therapies for treating cancer and genetic diseases. It would also provide technological advances in gene therapy and adult stem cell transplantation. The very nature of the research and production being performed at the center would have immediate and long-term economic impact and would serve as a magnet for future state and federal funds.

The Emerging Technology Commission is directed to report quarterly to the Commissioner of Education on the progress of the implementation of the final plan and the success of the centers of excellence established under that plan.

Effect of Bill

This bill revises the Florida Technology Development Act to provide for the establishment of additional centers of excellence or the expansion of current centers subject to appropriation by the Legislature. The bill appropriates \$100 million from the General Revenue Fund to the Department of Education to establish or expand centers of excellence. At least \$10 million must be allocated to any approved center of excellence.

This bill extends the automatic repeal of the Florida Technology Development Act from July 1, 2004, to June 30, 2006. This bill also imposes term limits of 4 years on regular members of the Emerging Technology Commission, although it is unclear why this is necessary as the life of the commission upon this repeal date will only be 4 years.

This bill requires the Florida Research Consortium to conduct a new round of solicitation and proposal review. The consortium must review and revise, if necessary, the factors contributing to success of a center of excellence. In turn, the Emerging Technology Commission is required to approve criteria for evaluating proposals for establishing or expanding a center of excellence for submission to the State Board of Education along with a recommended plan for establishing or expanding centers of excellence. In addition, the Emerging Technology Commission must inform each university in the state concerning the proposal criteria. The State Board of Education must develop and approve a final plan for establishing or expanding centers of excellence along with authorizing expenditures for implementing the plan. The final plan must contain performance and accountability measures to assess plan implementation and each center's progress and must be submitted to the Legislature and the Governor.

This bill also appropriates \$50,000 from the General Revenue Fund to the Executive Office of the Governor for staff and administrative support for the Emerging Technology Commission.

C. SECTION DIRECTORY:

Section 1 amends s. 1004.225, F.S., to extend the life of the Emerging Technology Commission by 2 years, to June 30, 2006.

Section 2 provides for an evaluation of the criteria for awarding monies to a center of excellence, and for a new round of applications from universities.

Section 3 appropriates \$50,000 to the Executive Office of the Governor.

Section 4 appropriates \$100 million for centers of excellence.

Section 5 provides an effective date of upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

This bill contains specific appropriations from the General Revenue Fund of \$50,000 to the Executive Office of the Governor and \$100 million from the General Revenue Fund to the Department of Education for distribution to centers of excellence.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None. This bill does not affect local governments.

2. Expenditures:

None. This bill does not affect local governments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The effective date of this bill is upon becoming law, and thus it is unclear which fiscal year the appropriation will be made in. If the bill passes and the Governor signs it into law (or allows it to become law) prior to July 1, 2004, the funds cannot be appropriated from the General Revenue Fund, but must come from the Working Capital Fund (if the fund balance is sufficient). The bill should perhaps be amended to either provide the fiscal year of the appropriation, or the effective date should be changed.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not affect local governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

n/a