

By the Committee on Commerce; and Senators Saunders and Lynn

577-2598-07

1 A bill to be entitled
2 An act relating to the Florida Research
3 Commercialization Matching Grant Program;
4 creating s. 288.9552, F.S.; providing
5 legislative findings and intent; creating the
6 program; providing definitions; creating a
7 statewide advisory committee for certain
8 purposes; providing for the members of the
9 committee to be reimbursed for per diem and
10 travel expenses; requiring reports; designating
11 a fiduciary actor; providing for program
12 administrative costs, award disbursement, and
13 carry forward of program funding; providing for
14 a program administrator; providing
15 responsibilities; creating a grant selection
16 committee; providing responsibilities;
17 providing applicant eligibility guidelines;
18 providing an effective date.

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20 Be It Enacted by the Legislature of the State of Florida:

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22 Section 1. Section 288.9552, Florida Statutes, is
23 created to read:

24 288.9552 Florida Research Commercialization Matching
25 Grant Program.--

26 (1) PURPOSE; GOALS AND OBJECTIVES; CREATION OF
27 PROGRAM.--

28 (a) The purpose of the Florida Research
29 Commercialization Matching Grant Program is to increase the
30 amount of federal funding coming to this state which will
31 produce the kind of distinctive technologies that drive

1 today's knowledge-based economy. By leveraging federal, state,
2 and private-sector resources, the program intends to
3 accelerate the innovation process and more efficiently
4 transform research results into products in the marketplace.

5 (b) The matching grant program is specifically
6 intended to be a catalyst for small or startup companies that
7 can take advantage of federal and state partnerships in order
8 to accelerate their growth and market penetration by helping
9 to overcome the funding gap faced by many small companies that
10 are based in this state. Specific goals and objectives of the
11 program include:

12 1. Increasing the amount of federal research moneys
13 received by small businesses in this state through awards from
14 the Small Business Innovation Research Program and Small
15 Business Technology Transfer Program of the Office of
16 Technology of the United States Small Business Administration.

17 2. Accelerating the entry of new technology-based
18 products into the marketplace.

19 3. Producing additional technology-based jobs for the
20 state.

21 4. Providing leveraged resources to increase the
22 effectiveness and success of applicants' projects.

23 5. Speeding commercialization of promising
24 technologies.

25 6. Encouraging the establishment and growth of
26 high-quality, advanced technology firms in the state.

27 7. Accelerating deal flow and enhancing the state's
28 investment infrastructure.

29 (c) The Legislature creates the Florida Research
30 Commercialization Matching Grant Program for the purpose of
31

1 accomplishing the goals and objectives specified in this
2 section.

3 (2) STATEWIDE ADVISORY COMMITTEE.--A statewide
4 advisory committee is created to develop programmatic policy,
5 ensure statewide applicability of the matching grant program,
6 establish grant award criteria, approve grant awards, review
7 program progress and results, and communicate program results
8 to state policymakers.

9 (a) The committee shall consist of 15 members
10 representing the diverse geography of the state. The Governor,
11 President of the Senate, and the Speaker of the House of
12 Representatives shall each appoint one member for a 4-year
13 term from each of the following:

14 1. Florida university technology commercialization
15 organizations.

16 2. Research institutes in the state.

17 3. The state's early stage venture capital community.

18 4. Entrepreneurs representing a startup company.

19 (b) In addition, the Governor shall appoint one member
20 representing a regional technology development organization in
21 the state and one member of the board of the Florida Research
22 Consortium.

23 (c) The chair of the Enterprise Florida, Inc.,
24 Technology Entrepreneurship and Capital Board Committee shall
25 serve on the committee. Committee members shall elect from the
26 membership a person to serve as the chair of the committee.
27 Seats vacated on the committee shall be filled in the same
28 manner in which they were appointed.

29 (d) Members of the committee shall serve without
30 compensation but are entitled to reimbursement for per diem
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1 and travel expenses in accordance with s. 112.061 while
2 performing their duties.

3 (e) Enterprise Florida, Inc., shall provide staff
4 support for the committee.

5 (f) The committee shall hold its initial meeting no
6 later than October 1, 2007. Subsequent meetings shall be held
7 upon the call of the chair.

8 (g) Beginning September 1, 2008, and annually
9 thereafter, the committee shall transmit an annual report to
10 the Governor, the President of the Senate, and the Speaker of
11 the House of Representatives for the previous fiscal year.

12 (3) FIDUCIARY.--Enterprise Florida, Inc., shall accept
13 money appropriated by the Legislature for providing grants
14 through the matching grant program. Enterprise Florida, Inc.,
15 shall award money to an applicant if:

16 (a) The statewide advisory committee approves the
17 award;

18 (b) The applicant demonstrates that it has obtained a
19 federal Small Business Innovation Research Program or Small
20 Business Technology Transfer Program Phase II award; and

21 (c) The applicant executes a performance contract with
22 Enterprise Florida, Inc.

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24 Unallocated legislative appropriations for the matching grant
25 program at the end of the fiscal year shall carry forward to
26 succeeding fiscal years under s. 288.904(1)(j).

27 (4) PROGRAM ADMINISTRATOR.--Subject to appropriations,
28 Enterprise Florida, Inc., shall serve as program
29 administrator. Enterprise Florida, Inc., may contract for the
30 performance of all or some of its functions with a third
31 party. Not more than 10 percent of a legislative appropriation

1 may be used for administrative purposes. The responsibilities
2 of the program administrator include, but are not limited to:
3 (a) Establishing and coordinating the grant selection
4 committee;
5 (b) Administering the grant-selection process,
6 including, but not limited to, issuing open-call requests for
7 grant applications and receiving, reviewing, and processing
8 grant applications;
9 (c) Serving as grant contract manager for recipients
10 of a matching grant;
11 (d) Reporting program progress and results and
12 programmatic recommendations for change to the statewide
13 advisory committee;
14 (e) Establishing a technical assistance network
15 composed of small business development centers, technology
16 incubators, and university technology transfer offices within
17 the state. Network members shall publicize the program and
18 facilitate participation in the matching grant program; and
19 (f) Establishing a mechanism by which information
20 regarding grant projects may be made available to facilitate
21 additional angel, seed, or venture capital investment.
22 (5) GRANT SELECTION COMMITTEE.--The grant selection
23 committee shall consist of not fewer than five members chosen
24 by the program administrator. The members must be experienced
25 in conducting, reviewing, and evaluating research and
26 development projects for commercialization potential or must
27 have a successful track record in developing technology
28 commercialization programs or managing investments in early
29 stage companies. The grant selection committee must review
30 grant applications using adopted grant criteria, recommend
31 grant awards and grant amounts to the statewide advisory

1 committee, and perform other duties as required by the program
2 administrator. The amount of each grant awarded may not be
3 less than \$100,000 and not more than \$250,000.

4 (6) ELIGIBILITY GUIDELINES.--

5 (a) An applicant for a research commercialization
6 matching grant must be a corporation that is registered with
7 the Secretary of State to operate in this state. If an
8 applicant is not based in this state, a grant award is
9 contingent upon the applicant successfully registering to do
10 business in this state.

11 (b) An applicant must be a small company for which a
12 state matching grant is necessary for project development and
13 implementation.

14 (c) An applicant must have received a federal Small
15 Business Innovation Research Program or Small Business
16 Technology Transfer Program Phase I award and have received an
17 invitation to submit an application for a Phase II award. If a
18 Phase II award has already been issued, the end date of the
19 federal award must be identified and justification must be
20 provided as to how these additional funds will enhance, not
21 supplant, the existing award.

22 (d) An applicant must identify all sources of project
23 funding. Reported project funding must demonstrate that:

24 1. At least 20 percent of the project's total funding
25 must come from the federal government.

26 2. No more than 25 percent of the project's total
27 funding may be provided by the state grant. Funds from the
28 state matching grant program may not supplant or lessen the
29 amount of funds committed by other project partners.

30 3. At least 25 percent of the project's total funding
31 must be provided by sources other than the state grant and the

1 Federal Government. Funding from the applicant or a partner
2 may be used to satisfy this requirement. External funds may
3 consist of either cash or in-kind contributions.

4 (e) Projects funded by the matching grant program must
5 be conducted in this state.

6 Section 2. This act shall take effect July 1, 2007.

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8 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
9 COMMITTEE SUBSTITUTE FOR
10 Senate Bill 2378

11 This committee substitute clarifies provisions in the bill,
12 and:

- 13 - Specifies the duties and composition of the Statewide
14 Advisory Committee and the Grant Selection Committee;
15 - Establishes Enterprise Florida, Inc., as the "fiduciary"
16 through which program funds will flow and as the grant
17 program administrator;
18 - Establishes a technical advisory network;
19 - Revises applicant eligibility criteria; and
20 - Deletes the \$5 million appropriation.