



1           (4) FLORIDA TECHNOLOGY, RESEARCH, AND SCHOLARSHIP  
2 BOARD.--The Florida Technology, Research, and Scholarship  
3 Board is created within the Board of Governors of the State  
4 University System to guide the establishment of Centers of  
5 Excellence, ~~and~~ the attraction of world class scholars, and  
6 the commercialization of products and services developed from  
7 the research and development conducted at state universities.

8           (a) The board shall consist of 11 members. Five  
9 members shall be appointed by the Governor, one of whom the  
10 Governor shall appoint as chair of the board, one of whom must  
11 be a member of the board of directors of Enterprise Florida,  
12 Inc., and one of whom must be a member of the Board of  
13 Governors of the State University System. Three members shall  
14 be appointed by the President of the Senate, and three members  
15 shall be appointed by the Speaker of the House of  
16 Representatives. Appointed members must be representative of  
17 business leaders, industrial researchers, academic  
18 researchers, scientists, and leaders in the emerging and  
19 advanced technology sector. Appointed members may not serve  
20 for more than 4 years, and any vacancy that occurs during  
21 these appointees' terms shall be filled in the same manner as  
22 the original appointment. A majority of members constitutes a  
23 quorum.

24           (b) Members of the board shall serve without  
25 compensation, but are entitled to receive reimbursement for  
26 per diem and travel expenses in accordance with s. 112.061  
27 while in the performance of their duties.

28           (c) The Board of Governors shall provide staff support  
29 for the activities of the board and per diem and travel  
30 expenses for board members.

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1           (d) The board is charged with recommending criteria to  
2 the Board of Governors for the 21st Century World Class  
3 Scholars Program and with providing guidance to the Board of  
4 Governors regarding the implementation and administration of  
5 the Centers of Excellence Program.

6           (e) The board shall recommend to the Board of  
7 Governors the qualifications, standards, and requirements for  
8 approval of investments in Centers of Excellence under this  
9 act. The board may form committees of its members and is  
10 encouraged to consult with Enterprise Florida, Inc., the  
11 Florida Research Consortium, Bio-Florida, IT Florida, the  
12 Florida Aviation Aerospace Alliance, and any other entity  
13 whose input may be helpful in determining the requirements and  
14 standards for the program.

15           (f) The board shall review and approve State  
16 University Research Commercialization Assistance Grants under  
17 subsection (7). The board is encouraged to consult with  
18 Enterprise Florida, Inc., entities that have prior experience  
19 in early state business investment, and any other entity whose  
20 input may be helpful in evaluating grant proposals.

21           (g) Members of the board must agree to refrain from  
22 having any direct interest in any contract, franchise,  
23 privilege, or other benefit arising from a state university  
24 project receiving a State University Research  
25 Commercialization Assistance Grant during the term of his or  
26 her appointment and for 2 years after the termination of such  
27 appointment. It is a misdemeanor of the first degree,  
28 punishable as provided in s. 775.082 or s. 775.083, for a  
29 person to serve on the board in violation of this paragraph or  
30 to accept a direct interest in any contract, franchise,  
31 privilege, or other benefit granted by the grant receipts

1 within 2 years after the termination of his or her service on  
2 the board.

3 (7) STATE UNIVERSITY RESEARCH COMMERCIALIZATION  
4 ASSISTANCE GRANT PROGRAM.--The State University Research  
5 Commercialization Assistance Grant Program is established to  
6 promote the commercialization of university research products  
7 for the purpose of enhancing the state's economy and the  
8 state's public universities. All phase two and phase three  
9 grants established by this program require one dollar in  
10 private investment for each one dollar in state funding  
11 provided. A state university may apply for early stage capital  
12 funding for the purpose of developing products and services  
13 resulting from university research. An application may include  
14 joint participation in the development of products and  
15 services by a cooperating university. Such funding may be used  
16 by the university for a variety of premarketing activities,  
17 including, but not limited to, securing patents, establishing  
18 start-up companies, developing license agreements, attracting  
19 private investment, and supporting other activities that are  
20 necessary to establish commercially viable ventures for the  
21 marketing and sale of products resulting from university  
22 research. Funds may not be used for research or development.

23 (a) State University Research Commercialization  
24 Assistance Grants may be provided under the following  
25 categories:

26 1. Phase one grants, which may not exceed \$50,000 per  
27 project, shall be available to assist with early market  
28 research, independent evaluation, consultation, and other  
29 initial activities that may be required to develop an initial  
30 business model for a university research product that has the  
31 potential for commercialization.

1           2. Phase two grants, which may not exceed \$100,000 per  
2 project, shall be available to assist with the development of  
3 a complete business plan for the commercialization of a  
4 university research product.

5           3. Phase three grants, which may not exceed \$250,000  
6 per project, shall be available for the implementation and  
7 execution of a completed business plan for a university  
8 research product.

9           (b) Based on the availability of funds, the board  
10 shall periodically solicit proposals from state universities  
11 for State University Research Commercialization Assistance  
12 Grants. The board shall establish guidelines prescribing the  
13 criteria and format for the submission of grant applications  
14 by state universities. Any state university, upon approval of  
15 its board of trustees, may submit a request to the board for a  
16 grant to facilitate the commercialization of a university  
17 research product or the commercialization of a patent held by  
18 a state agency under a cooperative agreement between the state  
19 agency and the university. A state university need not receive  
20 prior stage grants in order to be eligible for phase two or  
21 phase three grants. When evaluating the applications submitted  
22 for funding, the board shall consider the following criteria:

23           1. The potential return to the university which may be  
24 reasonably assumed based on the business case presented in  
25 support of the proposed project;

26           2. The potential for the creation of high-wage jobs  
27 resulting from the success of the proposed project;

28           3. The potential of the proposed project to address  
29 pressing needs of the residents of the state;

30           4. The potential of the proposed project to enhance  
31 the economic competitiveness of the state and the university;

1           5. The technical, financial, organizational, and  
2 marketing feasibility of the project and its business plan;  
3 and

4           6. The potential of the proposed project to create  
5 other related business enterprises.

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7 Each proposed project shall be evaluated on its individual  
8 merits.

9           (c) The board shall negotiate and execute contracts  
10 with state universities governing the terms of State  
11 University Research Commercial Assistance Grants. The board  
12 may not execute a contract unless the contract is approved by  
13 the affirmative vote of at least 6 of the 11 members of the  
14 board. Each contract, at a minimum, must contain provisions  
15 that:

16           1. Specify the procedures and schedules that govern  
17 the disbursement of funds under this section and specify the  
18 conditions or deliverables that the state university must  
19 satisfy before the release of each disbursement.

20           2. Require the state university to submit a business  
21 plan in a form and manner prescribed by the board.

22           3. Require the state university to submit data to the  
23 board concerning the activities and performance of projects  
24 funded pursuant to this subsection and to provide to the board  
25 an annual accounting of the expenditure of funds disbursed  
26 under this subsection.

27           4. Require the state university to negotiate repayment  
28 to the General Revenue Fund of the amount of the grant awarded  
29 to a project when the project generates sufficient revenues to  
30 sustain a profitable operation.

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1           5. Require the state university to expend 95 percent  
2 of grant proceeds for described uses in the approved grant  
3 application and not otherwise reduce grant proceeds with  
4 facilities charges or fees by the university.

5           (d) Upon verification by the Board of Governors that a  
6 state university has executed a contract with the board for a  
7 State University Research Commercialization Assistance Grant,  
8 the Board of Governors shall release grant funds to the  
9 university.

10           ~~(8)(7)~~ ANNUAL REPORT.--The board, in cooperation with  
11 the Board of Governors of the State University System and the  
12 state universities or research centers receiving investments  
13 under this act, shall issue an annual report by December 31  
14 each year of the activities conducted, including the  
15 accomplishments and overall economic benefits to the state,  
16 the number of 21st Century World Class Scholars attracted, the  
17 number of Centers of Excellence created or expanded, the  
18 success of collaborations with related industries, the number  
19 and amount of State University Research Commercialization  
20 Assistance Grants awarded and repaid, and the success of these  
21 programs. The annual report shall be presented to the  
22 Governor, the President of the Senate, and the Speaker of the  
23 House of Representatives. The annual report must include a  
24 copy of an independent audit of the board and a review of the  
25 progress of programs administered by the board.

26           Section 2. The nonrecurring sum of \$10 million is  
27 appropriated to the Board of Governors of the State University  
28 System from the General Revenue Fund for the State University  
29 Research Commercialization Grant Program created by this act.  
30 Funds must be disbursed by the Board of Governors pursuant to  
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1 grant agreements and contracts by the Florida Technology,  
2 Research, and Scholarship Board.

3 Section 3. This act shall take effect July 1, 2007.

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5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
6 COMMITTEE SUBSTITUTE FOR  
7 CS for CS for Senate Bill 2414

8 The Committee Substitute for CS/CS/SB retains the university  
9 commercialization grant program as the State University  
Commercialization Assistance Grant Program.

10 The grants are to be awarded by the Florida Technology,  
11 Research, and Scholarship Board, created by Chapter 2006-58,  
L.O.F. rather than by a newly created independent board. A  
12 \$10 million appropriation for the grant program is provided.

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