

By the Committees on Transportation and Economic Development
Appropriations; Finance and Tax; Governmental Operations;
Commerce; and Senator Ring

606-2647-07

1 A bill to be entitled
2 An act relating to venture capital investment;
3 amending s. 1004.226, F.S.; amending the 21st
4 Century Technology, Research, and Scholarship
5 Enhancement Act to include the
6 commercialization of products and services
7 developed from the research and development
8 conducted at state universities; requiring the
9 Florida Technology, Research, and Scholarship
10 Board to review and approve State University
11 Research Commercialization Assistance Grants;
12 requiring board members to refrain from having
13 any direct interest or derive any benefit from
14 a project receiving a grant under the program
15 created by the act; providing guidelines for a
16 state university to receive funding through the
17 program; requiring private matching funds;
18 requiring the board to periodically solicit
19 proposals of state universities; requiring that
20 the board submit an annual report to the
21 Governor and the Legislature; creating s.
22 288.9625, F.S.; creating the Institute for the
23 Commercialization of Public Research; providing
24 that the institute is a not-for-profit
25 corporation; providing that the purpose of the
26 institute is to commercialize the products of
27 public research; providing for membership of
28 the board of directors; requiring the institute
29 to provide data to certain entities; providing
30 responsibilities of the institute; prohibiting
31 the institute from having any interest in any

1 product supported by the institute; creating s.
2 288.9621, F.S.; providing a short title;
3 creating s. 288.9622, F.S.; providing
4 legislative findings and intent; creating s.
5 288.9623, F.S.; providing definitions; creating
6 s. 288.9624, F.S.; requiring Enterprise
7 Florida, Inc., to facilitate creation of the
8 Florida Opportunity Fund; specifying criteria
9 of the fund; providing for appointment of an
10 appointment committee; providing for selection
11 of a board of directors of the fund by
12 Enterprise Florida, Inc.; specifying criteria;
13 providing for terms and requirements of the
14 directors; providing purposes of the fund;
15 providing duties and responsibilities of the
16 fund; authorizing the fund to negotiate all
17 contract terms; providing for reimbursement for
18 travel and other direct expenses; providing for
19 powers of the fund; providing investment
20 requirements for the fund; requiring the board
21 of directors to issue an annual report on the
22 activities of the fund; providing report
23 requirements; requiring a review by the Office
24 of Program Policy Analysis and Government
25 Accountability; providing appropriations;
26 providing an effective date.

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

29
30 Section 1. Subsection (4) of section 1004.226, Florida
31 Statutes, is amended, present subsection (7) of that section

1 is redesignated as subsection (8) and amended, and a new
2 subsection (7) is added to that section, to read:

3 1004.226 The 21st Century Technology, Research, and
4 Scholarship Enhancement Act.--

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

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

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

1 (c) The Board of Governors shall provide staff support
2 for the activities of the board and per diem and travel
3 expenses for board members.

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

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

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

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

1 person to serve on the board in violation of this paragraph or
2 to accept a direct interest in any contract, franchise,
3 privilege, or other benefit granted by the grant receipts
4 within 2 years after the termination of his or her service on
5 the board.

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

26 (a) State University Research Commercialization
27 Assistance Grants may be provided under the following
28 categories:

29 1. Phase One grants, which may not exceed \$50,000 per
30 project, shall be available to assist with early market
31 research, independent evaluation, consultation, and other

1 initial activities that may be required to develop an initial
2 business model for a university research product that has the
3 potential for commercialization.

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

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

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

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

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

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1 3. The potential of the proposed project to address
2 pressing needs of the residents of the state;

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

5 5. The technical, financial, organizational, and
6 marketing feasibility of the project and its business plan;
7 and

8 6. The potential of the proposed project to create
9 other related business enterprises.

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11 Each proposed project shall be evaluated on its individual
12 merits.

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

20 1. Specify the procedures and schedules that govern
21 the disbursement of funds under this section and specify the
22 conditions or deliverables that the state university must
23 satisfy before the release of each disbursement.

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

26 3. Require the state university to submit data to the
27 board concerning the activities and performance of projects
28 funded pursuant to this subsection and to provide to the board
29 an annual accounting of the expenditure of funds disbursed
30 under this subsection.

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1 4. Require the state university to negotiate repayment
2 to the General Revenue Fund of the amount of the grant awarded
3 to a project when the project generates sufficient revenues to
4 sustain a profitable operation.

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

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

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

30 Section 2. Section 288.9625, Florida Statutes, is
31 created to read:

1 288.9625 Institute for the Commercialization of Public
2 Research.--There is established the Institute for the
3 Commercialization of Public Research.

4 (1) The institute shall be a not-for-profit
5 corporation registered, incorporated, and operated in
6 accordance with chapter 617.

7 (2) The purpose of the institute is to assist in the
8 commercialization of products developed by the research and
9 development activities of universities and colleges, research
10 institutes, and publicly supported organizations within the
11 state. The institute shall operate to fulfill its purpose and
12 in the best interests of the state. The institute:

13 (a) Shall be a corporation primarily acting as an
14 instrumentality of the state, pursuant to s. 768.28(2), for
15 the purposes of sovereign immunity;

16 (b) Is not an agency within the meaning of s.
17 20.03(11);

18 (c) Is subject to the open records and meetings
19 requirements of s. 24, Art. I of the State Constitution,
20 chapter 119, and s. 286.011;

21 (d) Is not subject to the provisions of chapter 287;

22 (e) Shall be governed by the code of ethics for public
23 officers and employees as set forth in part III of chapter
24 112;

25 (f) Is not authorized to create corporate
26 subsidiaries;

27 (g) Shall support existing commercialization efforts
28 at Florida universities; and

29 (h) May not supplant, replace, or direct existing
30 technology transfer operations or other commercialization
31 programs, including incubators and accelerators.

1 (3) The articles of incorporation of the institute
2 must be approved in a written agreement with Enterprise
3 Florida, Inc. The agreement and the articles of incorporation
4 shall:

5 (a) Provide that the corporation shall provide equal
6 employment opportunities for all persons regardless of race,
7 color, religion, gender, national origin, age, handicap, or
8 marital status;

9 (b) Provide that the corporation is subject to the
10 public records and meeting requirements of s. 24, Art. I of
11 the State Constitution;

12 (c) Provide that all officers, directors, and
13 employees of the corporation shall be governed by the code of
14 ethics for public officers and employees as set forth in part
15 III of chapter 112;

16 (d) Provide that members of the board of directors of
17 the corporation are responsible for the prudent use of all
18 public and private funds and that they will ensure that the
19 use of funds is in accordance with all applicable laws,
20 bylaws, and contractual requirements; and

21 (e) Provide that the fiscal year of the corporation is
22 from July 1 to June 30.

23 (4) Members of the board shall serve without
24 compensation, but members, the president of the board, and
25 other board employees may be reimbursed for all reasonable,
26 necessary, and actual expenses as determined and approved by
27 the board pursuant to s. 112.061.

28 (5) The affairs of the institute shall be managed by a
29 board of directors. Each director shall have only one vote.
30 The chair of the board of directors shall be selected by a
31 majority vote of the directors, a quorum being present. The

1 board of directors shall consist of the following five
2 members:

3 (a) The chair of Enterprise Florida, Inc., or the
4 chair's designee.

5 (b) The president of the university where the
6 institute is located or the president's designee unless
7 multiple universities jointly sponsor the institute, in which
8 case the presidents of the sponsoring universities shall agree
9 upon a designee.

10 (c) Three directors appointed by the Governor to
11 3-year staggered terms, to which directors may be reappointed.

12 (6) The board shall provide a copy of the institute's
13 annual report to the Governor, the President of the Senate,
14 the Speaker of the House of Representatives, Enterprise
15 Florida, Inc., and the president of the university at which
16 the institute is located. The report shall include, at a
17 minimum:

18 (a) Any assistance and activities provided to assist
19 publicly supported universities, colleges, research
20 institutes, and other publicly supported organizations in the
21 state, by institute.

22 (b) A description of the benefits to this state
23 resulting from the institute, including the number of
24 businesses created, associated industries started, the number
25 of jobs created, and the growth of related projects.

26 (c) Independently audited financial statements,
27 including statements that show receipts and expenditures
28 during the preceding fiscal year for personnel,
29 administration, and operational costs of the institute.

30 (7) Enterprise Florida, Inc., the president and the
31 board of trustees of the university where the institute is

1 located, the Auditor General, and the Office of Program Policy
2 Analysis and Government Accountability may require and receive
3 from the institute or its independent auditor any detail or
4 supplemental data relative to the operation of the
5 corporation.

6 (8) Enterprise Florida, Inc., shall issue a request
7 for proposals to public universities in Florida requesting
8 proposals to fulfill the purposes of the institute as
9 described in this section and provide for its physical
10 location in a major metropolitan area in the southern part of
11 the state having extensive commercial air service to
12 facilitate access by Venture Capital providers. Enterprise
13 Florida, Inc., shall review the proposals in a committee
14 appointed by its board of directors which shall make a
15 recommendation for final selection. Final approval of the
16 selected proposal must be by the board of directors of
17 Enterprise Florida, Inc., at one of its duly noticed meetings.

18 (a) To be eligible for assistance, the company or
19 organization attempting to commercialize its product must be
20 accepted by the institute before receiving the institute's
21 assistance.

22 (b) The institute shall receive recommendations from
23 any publicly supported organization on behalf of any company
24 that is commercializing the research, technology, or patents
25 from a qualifying publicly supported organization and which
26 should be accepted into the institute.

27 (c) The institute shall review the business plans and
28 technology information of each such recommended company. If
29 accepted, the institute shall mentor the company, develop
30 marketing information on the company, and use its resources to
31 attract capital investment into the company, as well as bring

1 other resources to the company which may foster its effective
2 management, growth, capitalization, technology protection,
3 marketing or business success.

4 (9) The institute shall:

5 (a) Maintain a centralized location to showcase
6 companies and their technologies and products;

7 (b) Develop an efficient process to inventory and
8 publicize companies and products that have been accepted by
9 the institute for commercialization;

10 (c) Routinely communicate with private investors and
11 venture capital organizations regarding the investment
12 opportunities in its showcased companies;

13 (d) Facilitate meetings between prospective investors
14 and eligible organizations in the institute;

15 (e) Hire full-time staff who understand relevant
16 technologies needed to market companies to the angel investors
17 and venture capital investment community;

18 (f) Operate within an allocated annual budget of \$1
19 million or less; and

20 (g) Develop cooperative relationships with publicly
21 supported organizations all of which work together to provide
22 resources or special knowledge that is likely to be helpful to
23 institute companies.

24 (10) The institute may not develop or accrue any
25 ownership, royalty, patent, or other such rights over or
26 interest in companies or products in the institute and shall
27 maintain the secrecy of proprietary information.

28 (11) The institute may not charge for services
29 rendered to state universities and affiliated organizations,
30 community colleges, or state agencies.

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1 Section 3. Sections 288.9621, 288.9622, 288.9623, and
2 288.9624, Florida Statutes, are created to read:

3 288.9621 Short title.--Sections 288.9621-288.9624 may
4 be cited as the "Florida Capital Formation Act."

5 288.9622 Findings and intent.--

6 (1) The Legislature finds and declares that there is a
7 need to increase the availability of seed capital and early
8 stage venture equity capital for emerging companies in the
9 state, including, without limitation, enterprises in life
10 sciences, information technology, advanced manufacturing
11 processes, aviation and aerospace, and homeland security and
12 defense, as well as other strategic technologies.

13 (2) It is the intent of the Legislature that this act
14 serve to mobilize private investment in a broad variety of
15 venture capital partnerships in diversified industries and
16 geographies; retain private-sector investment criteria focused
17 on rate of return; use the services of highly qualified
18 managers in the venture capital industry regardless of
19 location; facilitate the organization of the Florida
20 Opportunity Fund as a fund-of-funds investor in seed and early
21 stage venture capital and angel funds; and precipitate capital
22 investment and extensions of credit to and in the Florida
23 Opportunity Fund.

24 (3) It is the intent of the Legislature to mobilize
25 venture equity capital for investment in such a manner as to
26 result in a significant potential to create new businesses and
27 jobs in this state which are based on high growth potential
28 technologies, products, or services and which will further
29 diversify the economy of this state.

1 (4) It is the further intent of the Legislature that
2 an institute be created to mentor, market, and attract capital
3 to such commercialization ventures throughout the state.

4 288.9623 Definitions.--As used in ss.

5 288.9621-288.9624, the term:

6 (1) "Board" means the board of directors of the
7 Florida Opportunity Fund.

8 (2) "Fund" means the Florida Opportunity Fund.

9 288.9624 Florida Opportunity Fund; creation; duties.--

10 (1)(a) Enterprise Florida, Inc., shall facilitate the
11 creation of the Florida Opportunity Fund, a private,
12 not-for-profit corporation organized and operated under
13 chapter 617. Enterprise Florida, Inc., shall be the fund's
14 sole shareholder or member. The fund is not a public
15 corporation or instrumentality of the state. The fund shall
16 manage its business affairs and conduct business consistently
17 with its organizational documents and the purposes set forth
18 in this section. Notwithstanding the powers granted under
19 chapter 617, the corporation may not amend, modify, or repeal
20 a bylaw or article of incorporation without the express
21 written consent of Enterprise Florida, Inc.

22 (b) The vice chair of Enterprise Florida, Inc., shall
23 select from among its sitting board of directors a five-person
24 appointment committee. The appointment committee shall select
25 five initial members of a board of directors for the fund.

26 (c) The persons selected to the initial board of
27 directors by the appointment committee shall include persons
28 who have expertise in the area of the selection and
29 supervision of early stage investment managers or in the
30 fiduciary management of investment funds and other areas of

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1 expertise as considered appropriate by the appointment
2 committee.

3 (d) After selection of the initial board of directors,
4 vacancies on the board shall be filled by vote of the board of
5 directors of Enterprise Florida, Inc., and board members shall
6 serve terms as provided in the fund's organizational
7 documents.

8 (e) Members of the board are subject to any
9 restrictions on conflicts of interest specified in the
10 organizational documents and may not have an interest in any
11 venture capital investment selected by the fund under ss.
12 288.9621-288.9624.

13 (f) Members of the board shall serve without
14 compensation, but members, the president of the board, and
15 other board employees may be reimbursed for all reasonable,
16 necessary, and actual expenses as determined and approved by
17 the board pursuant to s. 112.061.

18 (g) The fund shall have all powers granted under its
19 organizational documents and shall indemnify members to the
20 broadest extent permissible under the laws of this state.

21 (2) Upon organization, the board shall conduct a
22 national solicitation for investment plan proposals from
23 qualified venture capital investment managers for the raising
24 and investing of capital by the Florida Opportunity Fund. Any
25 proposed investment plan must address the applicant's level of
26 experience, quality of management, investment philosophy and
27 process, provability of success in fundraising, prior
28 investment fund results, and plan for achieving the purposes
29 of this act. The board shall select only venture capital
30 investment managers that have demonstrated expertise in the
31 management of and investment in companies.

1 (3) The board is responsible for negotiating the terms
2 of a contract with the Florida Opportunity Fund investment
3 manager; executing the contract with the selected venture
4 capital investment fund manager on behalf of the Florida
5 Opportunity Fund; managing the business affairs of the Florida
6 Opportunity Fund, such as accounting, audit, insurance, and
7 related requirements; soliciting and negotiating the terms of,
8 contracting for, and receiving investment capital and loan
9 proceeds with the assistance of the investment manager;
10 receiving investment returns; paying investors and debtors;
11 and reinvesting the investment returns in the fund in order to
12 provide additional venture capital investments designed to
13 result in a significant potential to create new businesses and
14 jobs in this state and further diversify the economy of this
15 state.

16 (4) For the purpose of mobilizing investment in a
17 broad variety of Florida-based, new technology companies and
18 generating a return sufficient to continue reinvestment, the
19 fund shall:

20 (a) Invest directly only in seed and early stage
21 venture capital funds that have experienced managers or
22 management teams with demonstrated experience, expertise, and
23 a successful history in the investment of venture capital
24 funds, focusing on opportunities in this state. The fund may
25 not make direct investments in individual businesses. While
26 not precluded from investing in venture capital funds that
27 have investments outside this state, the fund must require a
28 venture capital fund to show a record of successful investment
29 in this state, to be based in this state, or to have an office
30 in this state staffed with a full-time, professional venture
31 investment executive in order to be eligible for investment.

1 (b) Negotiate for investment capital or loan proceeds
2 from private, institutional, or banking sources.

3 (c) Negotiate any and all terms and conditions for its
4 investments.

5 (d) Invest only in funds that have raised capital from
6 other sources so that the amount invested in an entity in this
7 state is at least twice the amount invested by the fund.

8 Investments must be made in Florida-based companies,
9 including, without limitation, enterprises in life sciences,
10 information technology, advanced manufacturing processes,
11 aviation and aerospace, and homeland security and defense, as
12 well as other strategic technologies.

13 (5) By December 1 of each year, the board shall issue
14 an annual report concerning the activities conducted by the
15 fund to the Governor, the President of the Senate, and the
16 Speaker of the House of Representatives. The annual report, at
17 a minimum, must include:

18 (a) An accounting of the amount of investments
19 disbursed by the fund and the progress of the fund.

20 (b) A description of the benefits to this state
21 resulting from the fund, including the number of businesses
22 created, associated industries started, the number of jobs
23 created, and the growth of related research projects.

24 (c) Independently audited financial statements,
25 including statements that show receipts and expenditures
26 during the preceding fiscal year for personnel,
27 administration, and operational costs of the fund.

28 Section 4. The nonrecurring sum of \$30 million is
29 appropriated from the General Revenue Fund to Enterprise
30 Florida, Inc., for the Florida Opportunity Fund for the
31 2007-2008 fiscal year. Of these funds, \$500,000 shall be for

1 the purpose of initiating activities necessary to implement
2 the fund's responsibilities under this act, and \$29.5 million
3 is provided for the purpose of making investments under s.
4 288.9624, Florida Statutes.

5 Section 5. The nonrecurring sum of \$10 million is
6 appropriated to the Board of Governors of the State University
7 System from the General Revenue Fund for the State University
8 Research Commercialization Grant Program created by this act.
9 Funds must be disbursed by the Board of Governors pursuant to
10 grant agreements and contracts by the Florida Technology,
11 Research, and Scholarship Board.

12 Section 6. The nonrecurring sum of \$100,000 is
13 appropriated to Enterprise Florida, Inc., and the nonrecurring
14 sum of \$900,000 is appropriated from the General Revenue Fund
15 to the Institute for the Commercialization of Public Research
16 for the purpose of initiating activities necessary to
17 implement its responsibilities under this act for the
18 2007-2008 fiscal year.

19 Section 7. Prior to the 2012 Regular Session of the
20 Legislature, the Office of Program Policy Analysis and
21 Government Accountability shall conduct an interim review and
22 evaluation of the effectiveness and viability of the Capital
23 Formation Act. The office shall specifically evaluate the
24 total capital investment in the state, private-sector
25 investment, rate-of-return, creation of new business and jobs,
26 debt incurred, and industries impacted. The office shall also
27 recommend outcome measures for further evaluation of the
28 program. The office shall submit a report of its findings and
29 recommendations to the Governor, the President of the Senate,
30 and the Speaker of the House of Representatives no later than
31 January 1, 2012.

1 Section 8. This act shall take effect July 1, 2007.

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3 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
4 COMMITTEE SUBSTITUTE FOR
5 CS/CS/CS Senate Bill 2420

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The Committee Substitute made the following changes to
CS/CS/CS/SB 2420:

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-- Creates the University Research Commercialization
Assistance Grant Program to finance early-stage,
pre-marketing activities geared to commercializing
university research products. The program will be
administered by the Florida Technology, Research, and
Scholarship Board within the State University System.

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-- Appropriates \$10 million in nonrecurring general revenue
as University Research Commercialization Assistance
grants.

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-- Creates the Capital Formation Act and the Florida
Opportunity Fund, which will invest in a "fund-of-funds"
approach in Florida companies with the potential for
high-tech, high-wage jobs.

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-- Appropriates \$29.5 million in nonrecurring general
revenue to make investments, and \$500,000 to pay start-up
costs.

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-- Deletes all references to the SURE Venture Capital Fund
and its appropriation.

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-- Directs the Office of Program Policy and Governmental
Accountability prior to the 2012 legislative session to
conduct an interim review and evaluation of the Capital
Formation Act, focusing on the act's performance, its
creation of businesses and jobs, and investments
attracted.

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