

By Senator Oelrich

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1 A bill to be entitled

2 An act relating to postsecondary education; repealing
3 s. 6, ch. 2006-58, Laws of Florida, which provides for
4 the expiration of s. 1004.226, F.S.; reviving and
5 reenacting s. 1004.226, F.S., relating to the 21st
6 Century Technology, Research, and Scholarship
7 Enhancement Act; providing for retroactive operation;
8 providing an effective date.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Section 6 of chapter 2006-58, Laws of Florida,
13 is repealed.

14 Section 2. Notwithstanding the expiration date contained in
15 section 6 of chapter 2006-58, Laws of Florida, operating
16 retroactive to June 30, 2011, section 1004.226, Florida
17 Statutes, is revived and reenacted to read:

18 1004.226 The 21st Century Technology, Research, and
19 Scholarship Enhancement Act.—

20 (1) LEGISLATIVE FINDINGS AND INTENT.—

21 (a) The Legislature finds that diversifying this state's
22 economy requires a focus on building a growing base of high-wage
23 jobs and on nurturing those technologies and clusters that will
24 be the foundation of Florida's growing economic diversity and
25 prosperity.

26 (b) The Legislature further finds that special programs are
27 needed to facilitate the recruitment of exceptional talent to
28 Florida's research universities and centers and to provide the
29 infrastructure and resources that precipitate joint efforts and

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30 coinvestment among state research and development institutions,
31 private industry, and government. Florida needs consistent
32 commitment and investment in order to further the state's
33 strategy of capitalizing on innovative research and development
34 to build a thriving, technology-rich economy.

35 (2) CREATION.—The 21st Century Technology, Research, and
36 Scholarship Enhancement Act is created for the purpose of:

37 (a) Investing in programs that attract world class scholars
38 and building Centers of Excellence as an important means of
39 increasing technology-based business in this state;

40 (b) Requiring coinvestment as a means of leveraging state
41 dollars;

42 (c) Aligning research and development efforts with
43 established, statewide economic development strategies,
44 including an emphasis on identified economic clusters;

45 (d) Facilitating value-added job creation through
46 continuous improvement in university research, as well as
47 entrepreneurship and capital development programs; and

48 (e) Establishing Florida as a leading state for
49 entrepreneurship and innovation, with continued commitment to
50 university Centers of Excellence and an expanding base of
51 research and development.

52 (3) DEFINITIONS.—As used in this section, the term:

53 (a) "A 21st Century World Class Scholar" means a principal
54 researcher/investigator who has high academic credentials,
55 demonstrated competence, and experience that meets the
56 requirements established by the board for a 21st Century World
57 Class Scholar.

58 (b) "Applicant" means any state university, private

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59 university located in this state, or any private or public
60 research center, Florida College System institution, or training
61 center in this state which coordinates with a state university
62 for purposes of this act.

63 (c) "Board" means the Florida Technology, Research, and
64 Scholarship Board.

65 (d) "Center of Excellence" means an organization of
66 personnel, facilities, and equipment established to accomplish
67 the purposes and objectives of this act.

68 (e) "Florida College System institution" means a Florida
69 College System institution in this state as defined in s.
70 1000.21.

71 (f) "Private university" means a baccalaureate degree-
72 granting independent nonprofit university that is accredited by
73 the Commission on Colleges of the Southern Association of
74 Colleges and Schools and that is located in and chartered as a
75 domestic corporation by the state.

76 (g) "Research center" means an institute, center, or clinic
77 that includes research and development or education as a
78 principal mission of the organization.

79 (h) "State university" means a public university in this
80 state as defined in s. 1000.21.

81 (4) FLORIDA TECHNOLOGY, RESEARCH, AND SCHOLARSHIP BOARD.—
82 The Florida Technology, Research, and Scholarship Board is
83 created within the Board of Governors of the State University
84 System to guide the establishment of Centers of Excellence, the
85 attraction of world class scholars, and the commercialization of
86 products and services developed from the research and
87 development conducted at state universities.

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88 (a) The board shall consist of 11 members. Five members
89 shall be appointed by the Governor, one of whom the Governor
90 shall appoint as chair of the board, one of whom must be a
91 member of the board of directors of Enterprise Florida, Inc.,
92 and one of whom must be a member of the Board of Governors of
93 the State University System. Three members shall be appointed by
94 the President of the Senate, and three members shall be
95 appointed by the Speaker of the House of Representatives.
96 Appointed members must be representative of business leaders,
97 industrial researchers, academic researchers, scientists, and
98 leaders in the emerging and advanced technology sector.
99 Appointed members may not serve for more than 4 years, and any
100 vacancy that occurs during these appointees' terms shall be
101 filled in the same manner as the original appointment. A
102 majority of members constitutes a quorum.

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

107 (c) The Board of Governors shall provide staff support for
108 the activities of the board and per diem and travel expenses for
109 board members.

110 (d) The board is charged with recommending criteria to the
111 Board of Governors for the 21st Century World Class Scholars
112 Program and with providing guidance to the Board of Governors
113 regarding the implementation and administration of the Centers
114 of Excellence Program.

115 (e) The board shall recommend to the Board of Governors the
116 qualifications, standards, and requirements for approval of

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117 investments in Centers of Excellence under this act. The board
118 may form committees of its members and is encouraged to consult
119 with Enterprise Florida, Inc., the Florida Research Consortium,
120 Bio-Florida, IT Florida, the Florida Aviation Aerospace
121 Alliance, and any other entity whose input may be helpful in
122 determining the requirements and standards for the program.

123 (f) The board shall review and approve State University
124 Research Commercialization Assistance Grants under subsection
125 (7). The board is encouraged to consult with Enterprise Florida,
126 Inc.; entities with prior experience in early stage business
127 investment; and any other entity whose input may be helpful in
128 evaluating grant proposals.

129 (g) Members of the board must agree to refrain from having
130 any direct interest in any contract, franchise, privilege, or
131 other benefit arising from a state university project receiving
132 a State University Research Commercialization Assistance Grant
133 during the term of his or her appointment and for 2 years after
134 the termination of such appointment. It is a misdemeanor of the
135 first degree, punishable as provided in s. 775.082 or s.
136 775.083, for a person to serve on the board in violation of this
137 paragraph or to accept a direct interest in any contract,
138 franchise, privilege, or other benefit granted by the grant
139 recipients within 2 years after the termination of his or her
140 service on the board.

141 (5) THE 21ST CENTURY WORLD CLASS SCHOLARS PROGRAM.—

142 (a) This act allocates state matching funds to attract 21st
143 Century World Class Scholars to state universities.

144 (b) The 21st Century World Class Scholars Program shall be
145 used as a tool to develop the state's capabilities in science

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146 and high-technology research, emphasizing Florida's identified
147 strengths in science and technology while also recognizing new
148 technologies as they may emerge.

149 (c) The board, in consultation with senior administrators
150 of state universities, state university foundation directors,
151 the Department of Economic Opportunity, the board of directors
152 of Enterprise Florida, Inc., and leading members of private
153 industry, shall develop and recommend to the Board of Governors
154 criteria for the 21st Century World Class Scholars Program. Such
155 criteria shall address, at a minimum, the following:

156 1. The presence of distinguished faculty members, including
157 whether the university has a substantial history of external
158 funding, along with the strong potential for attracting a
159 scholar of national or international eminence.

160 2. The presence of academically outstanding students, along
161 with the promise and potential for attracting additional highly
162 qualified students.

163 3. The presence of adequate research and scholarly support
164 services.

165 4. The existence of an academic environment having
166 appropriate infrastructure, including buildings, classrooms,
167 libraries, laboratories, and specialized equipment, that is
168 conducive to the conduct of the highest quality of scholarship
169 and research.

170 5. The demonstration of concordance with Florida's
171 strategic plan for economic development or an emphasis on one or
172 more emerging sciences or technologies that could favorably
173 impact the state's economic future.

174 (d) A state university must raise a minimum of \$1 million

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175 to be eligible for state matching funds to recruit a 21st
176 Century World Class Scholar. Funds raised by the university
177 shall be eligible for a one-to-one match from the state.
178 Revenues received from state appropriations, student tuition and
179 fees, and state-funded contracts or grants are not eligible for
180 state match.

181 (e) Upon the verification by the Board of Governors that a
182 state university has met the criteria for a 21st Century World
183 Class Scholar, the Board of Governors shall release matching
184 funds to the university. Funds shall be used for the purpose of
185 recruiting a 21st Century World Class Scholar and shall be
186 expended according to an expenditure plan approved by the Board
187 of Governors.

188 (f) This act is not intended to replace or obviate existing
189 programs.

190 (6) CENTERS OF EXCELLENCE.—

191 (a) The purposes and objectives of a Center of Excellence
192 include:

193 1. Identifying and pursuing opportunities for university
194 scholars, research center scientists and engineers, and private
195 businesses to form collaborative partnerships to foster and
196 promote the research required to develop commercially promising,
197 advanced, and innovative science and technology and to transfer
198 those discoveries to commercial sectors.

199 2. Acquiring and leveraging public sector and private
200 sector funding to provide the totality of funds, personnel,
201 facilities, equipment, and other resources needed to support the
202 research required to develop commercially promising, advanced,
203 and innovative science and technology and to transfer those

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204 discoveries to commercial sectors.

205 3. Recruiting and retaining world class scholars, high-
206 performing students, and leading scientists and engineers in
207 technology disciplines to engage in research in this state and
208 to develop commercially promising, advanced, and innovative
209 science and technology.

210 4. Enhancing and expanding science and technology curricula
211 and laboratory resources at universities and research centers in
212 this state.

213 5. Increasing the number of high-performing students in
214 science and technology disciplines who graduate from
215 universities in this state and pursue careers in this state.

216 6. Stimulating and supporting the inception, growth, and
217 diversification of science and technology-based businesses and
218 ventures in Florida and increasing employment opportunities for
219 the workforce needed to support such businesses.

220 (b) The following entities are eligible to submit proposals
221 for a center of excellence:

- 222 1. Any state university.
- 223 2. Any private university.
- 224 3. The H. Lee Moffitt Cancer Center and Research Institute.
- 225 4. The Florida Institute for Human and Machine Cognition,
226 Inc.

227 5. Any Florida College System institution, training center,
228 or other public or private research center in the state which
229 coordinates with a state university for purposes of this act.

230 (c) The board shall recommend to the Board of Governors
231 criteria for approving proposals to create or expand a Center of
232 Excellence. Such criteria shall consider:

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- 233 1. The maturity of the applicant's existing programs
234 relating to a proposed Center of Excellence.
- 235 2. The comprehensiveness and effectiveness of site plans
236 relating to a proposed Center of Excellence.
- 237 3. The existing amount of the applicant's resources
238 dedicated to activities relating to a proposed Center of
239 Excellence.
- 240 4. The regional economic structure and climate.
- 241 5. The degree to which the applicant identifies and seizes
242 opportunities to collaborate with other public or private
243 entities for research purposes.
- 244 6. The presence of a comprehensive performance and
245 accountability measurement system.
- 246 7. The use of an integrated research and development
247 strategy using multiple levels of the educational system.
- 248 8. The ability of the applicant to raise research funds and
249 leverage public and private investment dollars to support
250 advanced and emerging scientific and technological research and
251 development projects.
- 252 9. The degree to which the applicant transfers advanced and
253 emerging sciences and technologies from its laboratories to the
254 commercial sector.
- 255 10. The degree to which the applicant stimulates and
256 supports the creation of new ventures.
- 257 11. The existence of a plan to enhance academic curricula
258 by improving communication between academia and industry.
- 259 12. The existence of a plan to increase the number,
260 quality, and retention rate of faculty and graduate students in
261 advancing and emerging science and technology-based disciplines.

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262 13. The existence of a plan to increase the likelihood of
263 faculty and graduate students pursuing private sector careers in
264 the state.

265 14. The ability of the applicant to provide capital
266 facilities necessary to support research and development.

267 (d) To call for proposals, the board shall notify the
268 president or chief executive officer of the eligible entities
269 identified in paragraph (b). The board shall periodically
270 solicit proposals for Centers of Excellence.

271 (e) The board shall recommend to the Board of Governors for
272 approval and funding those proposals that meet the criteria
273 approved by the Board of Governors.

274 (f) If no proposal is judged worthy of approval during a
275 solicitation cycle, an approval need not be made. This act does
276 not establish a limit for an investment amount; however, any
277 approval for a single Center of Excellence exceeding \$20 million
278 must be documented to have superior prospects for success in its
279 field of research and offer outstanding opportunities to
280 leverage state dollars.

281 (7) STATE UNIVERSITY RESEARCH COMMERCIALIZATION ASSISTANCE
282 GRANT PROGRAM.—The State University Research Commercialization
283 Assistance Grant Program is established to promote the
284 commercialization of university research products for the
285 purpose of enhancing the state's economy and the state's public
286 universities. All Phase Two and Phase Three grants established
287 by this program require \$1 in private investment for each \$1 in
288 state funding provided. A state university may apply for early
289 stage capital funding for the purpose of developing products and
290 services resulting from university research. An application may

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291 include joint participation in the development of products and
292 services by a cooperating university. Grant funds awarded under
293 this subsection may be used by the university for a variety of
294 pre-marketing activities, including, but not limited to,
295 securing patents, establishing startup companies, developing
296 license agreements, attracting private investment, and
297 supporting other activities that are necessary to establish
298 commercially viable ventures for the marketing and sale of
299 products resulting from university research. Funds may not be
300 used for research or development.

301 (a) State University Research Commercialization Assistance
302 Grants may be provided under the following categories:

303 1. Phase One grants, which may not exceed \$50,000 per
304 project, shall be available to assist with early market
305 research, independent evaluation, consultation, and other
306 initial activities that may be required to develop an initial
307 business model for a university research product that has the
308 potential for commercialization.

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

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

316 (b) Based on the availability of funds, the board shall
317 periodically solicit proposals from state universities for State
318 University Research Commercialization Assistance Grants. The
319 board shall establish guidelines prescribing the criteria and

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320 format for the submission of grant applications by state
321 universities. Any state university, upon approval of its board
322 of trustees, may submit a request to the board for a grant to
323 facilitate the commercialization of a university research
324 product or the commercialization of a patent held by a state
325 agency under a cooperative agreement between the state agency
326 and the university. A state university need not receive prior
327 stage grants to be eligible for Phase Two or Phase Three grants.
328 When evaluating the applications submitted for funding, the
329 board shall consider the following criteria:

330 1. The potential return to the university which may be
331 reasonably assumed based on the business case presented in
332 support of the proposed project.

333 2. The potential for the creation of high-wage jobs
334 resulting from the success of the proposed project.

335 3. The potential of the proposed project to address
336 pressing needs of the residents of the state.

337 4. The potential of the proposed project to enhance the
338 economic competitiveness of the state and the university.

339 5. The technical, financial, organizational, and marketing
340 feasibility of the project and its business plan.

341 6. The potential of the proposed project to create other
342 related business enterprises.

343

344 Each proposed project shall be evaluated on its individual
345 merits.

346 (c) The board shall negotiate and execute contracts with
347 state universities governing the terms of State University
348 Research Commercial Assistance Grants. The board may not execute

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349 the contract unless the contract is approved by the affirmative
350 vote of at least 6 of the 11 members of the board. Each
351 contract, at a minimum, must contain provisions that:

352 1. Specify the procedures and schedules that govern the
353 disbursement of funds under this section and specify the
354 conditions or deliverables that the state university must
355 satisfy before the release of each disbursement.

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

358 3. Require the state university to submit data to the board
359 concerning the activities and performance of projects funded
360 pursuant to this section and to provide to the board an annual
361 accounting of the expenditure of funds disbursed under this
362 subsection.

363 4. Require the state university to negotiate repayment to
364 the General Revenue Fund of the amount of the grant awarded to a
365 project when the project generates sufficient revenues to
366 sustain a profitable operation.

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

371 (d) Upon verification by the Board of Governors that a
372 state university has executed a contract with the board for a
373 State University Research Commercialization Assistance Grant,
374 the Board of Governors shall release grant funds to the
375 university.

376 (8) EXEMPTIONS FROM PUBLIC RECORDS AND PUBLIC MEETINGS
377 REQUIREMENTS; STATE UNIVERSITY RESEARCH COMMERCIALIZATION

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378 ASSISTANCE GRANT PROGRAM.—

379 (a) The following information held by the Florida
380 Technology, Research, and Scholarship Board is confidential and
381 exempt from s. 119.07(1) and s. 24(a), Art. I of the State
382 Constitution:

383 1. Materials that relate to methods of manufacture or
384 production, potential trade secrets, patentable material, trade
385 secrets as defined in s. 688.002, or proprietary information
386 received, generated, ascertained, or discovered by or through
387 state university research projects submitted for funding under
388 the State University Research Commercialization Assistance Grant
389 Program.

390 2. Information that would identify an investor or potential
391 investor, who desires to remain anonymous, in projects reviewed
392 by the Florida Technology, Research, and Scholarship Board.

393 3. Any information received from a person or another state
394 or nation or the Federal Government which is otherwise
395 confidential or exempt under the laws of that state or nation or
396 under federal law.

397 (b)1. That portion of a meeting of the Florida Technology,
398 Research, and Scholarship Board at which information is
399 discussed that is confidential and exempt under subsection (1)
400 is exempt from s. 286.011 and s. 24(b), Art. I of the State
401 Constitution.

402 2. Any records generated during that portion of an exempt
403 meeting are confidential and exempt from s. 119.07(1) and s.
404 24(a), Art. I of the State Constitution.

405 (c)1. Information made confidential and exempt pursuant to
406 this section may be released to a governmental entity in the

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407 furtherance of its duties and responsibilities.

408 2. Any public officer or employee who willfully and
409 knowingly releases such confidential and exempt information, in
410 violation of this subsection, commits a misdemeanor of the first
411 degree, punishable as provided in s. 775.082 or s. 775.083.

412 (d) This section is subject to the Open Government Sunset
413 Review Act in accordance with s. 119.15 and shall stand repealed
414 on October 2, 2012, unless reviewed and saved from repeal
415 through reenactment by the Legislature.

416 (9) ANNUAL REPORT.—The board, in cooperation with the Board
417 of Governors of the State University System and the state
418 universities or research centers receiving investments under
419 this act, shall issue an annual report by December 31 each year
420 of the activities conducted, including the accomplishments and
421 overall economic benefits to the state, the number of 21st
422 Century World Class Scholars attracted, the number of Centers of
423 Excellence created or expanded, the success of collaborations
424 with related industries, the number and amount of State
425 University Research Commercialization Assistance Grants awarded
426 and repaid, and the success of these programs. The annual report
427 shall be presented to the Governor, the President of the Senate,
428 and the Speaker of the House of Representatives. The annual
429 report must include a copy of an independent audit of the board
430 and a review of the progress of programs administered by the
431 board.

432 Section 3. This act shall take effect upon becoming a law.