

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: CS/CS/SB 312

INTRODUCER: Governmental Oversight and Accountability Committee; Education Postsecondary Committee and Senators Gaetz and Harrell

SUBJECT: Florida Institute for Human and Machine Cognition, Inc.

DATE: March 26, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Jahnke</u>	<u>Bouck</u>	<u>HE</u>	<u>Fav/CS</u>
2.	<u>McVaney</u>	<u>McVaney</u>	<u>GO</u>	<u>Fav/CS</u>
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 312 modifies requirements related to the Florida Institute for Human and Machine Cognition, Inc. (IHMC) corporation. Specifically, the bill:

- Requires the board of directors of the IHMC to oversee the creation of not-for-profit subsidiaries rather than the Board of Governors.
- Removes the requirement that the Board of Governors approve the articles of incorporation for any authorized and approved subsidiary.
- Requires reporting by the IHMC, rather than the University of West Florida.
- Revises the composition of the board of directors by removing the chair of the Board of Trustees of the University of West Florida and adding a new public representative appointed by the Board of Trustees of the University of West Florida.
- Grants subsidiaries the authority to enter into affiliation agreements.

This bill does not have an impact on state or local government revenues or expenditures.

This bill takes effect July 1, 2025.

II. Present Situation:

The Florida Institute for Human and Machine Cognition

The Florida Institute for Human and Machine Cognition, Inc. (IHMC) is a not-for-profit research institute established at the University of West Florida (UWF) and is affiliated with several Florida universities.¹ The IHMC was founded to advance research in human and machine cognition, with a focus on artificial intelligence, robotics, human performance, and information technology. Faculty and staff collaborate extensively with universities, research institutions, and private-sector partners to conduct cutting-edge scientific research.²

The IHMC is authorized to create not-for-profit corporate subsidiaries to support its mission, provided they are approved by the Board of Governors.³ The corporation and its subsidiaries must comply with Florida's public records and open meetings laws, ensuring transparency in their operations.⁴ However, certain records and meetings of the IHMC and its subsidiaries are exempt from Florida's public records and open meetings laws to protect trade secrets, patentable material, proprietary research, confidential business transactions, donor identities, and information received from government entities under confidentiality agreements, though governmental entities may access this information when necessary for official duties.⁵

The IHMC and its subsidiaries are authorized to:⁶

- Receive, invest, and administer funds from public and private sources, including state and federal grants, private donations, and income derived from research activities.
- Secure patents, trademarks, and copyrights for its research products.
- Obtain comprehensive general liability protection, including professional liability protection, for the corporation and its subsidiaries.
- Enter into affiliation agreements with universities and research organizations.

The IHMC's board of directors manages its affairs and serves without compensation, with each director having one vote. The board of directors consists of:⁷

- The chair of the Board of Governors or the chair's designee.
- The chair of the board of trustees of UWF or the chair's designee.
- The President of UWF or the president's designee.
- Three state university representatives.
- Nine public representatives, who are neither state university employees nor state employees.

The Governor, the President of the Senate, and the Speaker of the House of Representatives each appoint one state university representative for an initial three-year term, while they, along with the UWF Board of Trustees chair, appoint nine public representatives for initial two-year terms.

¹ Sections 1004.447, F.S. and 1004.4471, F.S.

² Florida Institute for Human and Machine Cognition, *The IHMC Story*, <https://www.ihmc.us/aboutihmc/> (last visited Mar. 21, 2025).

³ Section 1004.447(1)(b), F.S.

⁴ Section 1004.447(2)(c), F.S.

⁵ Section 1004.4472, F.S.

⁶ Section 1004.447(2)(e)-(g), F.S.

⁷ Section 1004.447(5)(a), F.S.

After the initial terms, directors are appointed under this process and are reappointed for three-year terms by a majority vote of the board.⁸

The Board of Trustees of UWF is responsible for certifying that IHMC operates in compliance with state regulations and must report annually to the Governor, Legislature, and Board of Governors.⁹

The Board of Governors

The State University System of Florida consists of 12 public universities,¹⁰ each governed by an individual board of trustees. The Board of Governors (BOG) is responsible for overseeing, regulating, and managing the entire State University System,¹¹ ensuring compliance with local, state, and federal laws that govern its institution.¹²

If the BOG determines that an institution is not in compliance with applicable laws or regulations, it has the authority to take disciplinary actions, including:¹³

- Withholding state or other funding.
- Requiring periodic reports until compliance is achieved.
- Reporting noncompliance to the Legislature.

The BOG has established regulation¹⁴ that outlines the structure, oversight, and reporting requirements for institutes and centers within Florida's State University System. The regulation classifies institutes and centers into three main categories: State of Florida institutes and centers, legislatively established institutes and centers, and university institutes and centers.¹⁵ While most institutes and centers require BOG approval and oversight, certain entities, such as incorporated institutes with university affiliations, including the IHMC, are explicitly excluded from these requirements.¹⁶ Instead, the IHMC operates as an independent not-for-profit research institute affiliated with UWF, and its governance follows specific statutory provisions.¹⁷ Despite this exemption, the host university, UWF, retains responsibilities related to financial oversight and compliance reporting to ensure accountability.

III. Effect of Proposed Changes:

CS/CS/SB 312 modifies s. 1004.447, F.S., by replacing the Board of Governors with the board of directors of the Florida Institute for Human and Machine Cognition, Inc. (IHMC) as the authority to approve the creation of not-for-profit subsidiaries. The bill removes the requirement

⁸ Section 1004.447(5)(b), F.S.

⁹ Section 1004.447(9), F.S.

¹⁰ See State University System of Florida, *Universities*, <https://www.flbog.edu/universities/> (last visited Mar. 12, 2025) (identifying 12 state universities).

¹¹ FLA. CONST. art. IX, s. 7(a)-(d).

¹² Section 1001.705(2), F.S.

¹³ See generally s. 1008.322(5), F.S.

¹⁴ Board of Governors Regulation 10.015.

¹⁵ *Id.* at (1)(a)-(c).

¹⁶ See *id.* at (1)(e).

¹⁷ Section 1004.447, F.S.

that the Board of Governors approve the articles of incorporation for any authorized and approved subsidiary.

The bill maintains the requirement that records and meetings of the corporation and subsidiaries are subject to Florida's public records and open meetings laws but acknowledges the exemptions in s. 1004.4472, F.S., that make certain information of the corporation or subsidiary confidential or exempt from public disclosure requirements and certain portions of meetings exempt from public meetings requirements.

The bill revises the composition of the IHMC's board of directors. Specifically, the bill removes the chair of the Board of Trustees of the University of West Florida from the board of directors and increases the number of public representatives from nine to ten. This new public representative will be appointed by the Board of Trustees of the University of West Florida.

Additionally, the bill requires the IHMC, rather than the Board of Trustees of the University of West Florida, to certify compliance with state requirements.

The bill amends s. 1004. 4471, F.S., by authorizing IHMC subsidiaries to enter into affiliation agreements with certain universities. The bill includes conforming cross-references.

The bill is effective July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Not applicable. The bill does not require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, or reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None identified.

C. Trust Funds Restrictions:

None identified.

D. State Tax or Fee Increases:

None identified.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None identified.

B. Private Sector Impact:

None identified.

C. Government Sector Impact:

This bill does not have an impact on state or local government revenues or expenditures.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None identified.

VIII. Statutes Affected:

This bill substantially amends sections 1004.447 and 1004.4471 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS/CS by Governmental Oversight and Accountability on March 25, 2025:**

The committee substitute provides that the new public representative on the board of directors of the IHMC will be initially appointed by the Board of Trustees of the University of West Florida.

CS by Education Postsecondary on March 10, 2025:

The committee substitute:

- Removes provisions from the bill that specified subsidiaries as not-for-profit.
- Revises the composition of the Florida Institute for Human and Machine Cognition's board of directors. Specifically:
 - Removes the chair of the Board of Trustees of the University of West Florida.
 - Increases the number of public representatives from nine to ten.

B. Amendments:

None.