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**DATE:** March 26, 2001

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
WORKFORCE AND TECHNICAL SKILLS  
ANALYSIS**

**BILL #:** HB 1847 (formally PCB WFTS 01-01)

**RELATING TO:** Technological and Economic Development

**SPONSOR(S):** Committee on Workforce and Technical Skills

**TIED BILL(S):**

**ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:**

- (1) WORKFORCE AND TECHNICAL SKILLS YEAS 7 NAYS 0
  - (2)
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I. SUMMARY:

The proposed committee bill creates the Sunshine State Commission on Intellectual Capital, Product Design, and Commercialization within the Executive Office of the Governor for the purposes of fostering and facilitating technology-based research, the creation of intellectual capital, the promotion of product development and commercialization, and the creation of new and the expansion of existing companies in the state.

Members of the commission include the Governor, the Chair of the Florida State Board of Education, the Chair of the Education K-20 Policy and Research Commission, the presidents of public and private research universities, the executive director of the Office of Tourism, Trade, and Economic Development, the chairs of Enterprise Florida, Inc., and Workforce Florida, Inc., and seven chief executive officers of existing companies or heads of former companies, and three heads of existing venture capital companies appointed by the Governor by November 1, 2001.

The scope of the commission is broad and covers a wide range of issues related to enhancing and supporting university research and university-business partnerships, technology transfer, commercialization and the creation of new companies and the retention and expansion of existing companies, and economic and workforce development efforts and goals of the state.

The proposed committee bill requires the commission to submit a report to the Legislature by December 31, 2002, and each year thereafter, describing the commission's activities and developing a plan with recommendations addressing a wide range of issues related to the commission's purpose and scope.

Initial efforts of the commission include an evaluation of alternative approaches to facilitate technology transfer and identifying policies and initiatives to promote collaboration and resolve disputes over intellectual property rights and related issues.

The commission will employ an executive director and other staff. The fiscal impact of the proposed committee bill ought not to exceed \$500,000.

The proposed committee bill takes effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |  |   |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

The PCB creates the Sunshine State Commission on Intellectual Capital, Product Design, and Commercialization.

B. PRESENT SITUATION:

**Office of Tourism, Trade, and Economic Development (OTTED)**

Section 14.2015, F.S., creates OTTED within the Executive Office of the Governor and authorizes OTTED to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies for providing economic opportunities for all Floridians.

OTTED administers a number of programs, grants, and activities and serves as the contract administrator for the state with respect to any contract with Enterprise Florida, Inc., and other related entities. OTTED also is responsible for monitoring the activities of public-private partnerships and state agencies to avoid duplication of services and programs and promoting coordinated and consistent implementation of programs in areas including, but not limited to, the following:

- Tourism;
- International trade and investment;
- Business recruitment, creation, retention, and expansion;
- Workforce development;
- Minority and small business development; and
- Rural community development.

OTTED is required to:

- Work with Enterprise Florida, Inc., and Workforce Florida, Inc., to ensure that, to the maximum extent possible, there are direct linkages between the economic development and workforce development goals and strategies of the state;
- Facilitate the direct involvement of the Governor and the Lieutenant Governor in economic and workforce development projects that will create, expand, and retain

Florida businesses, recruit worldwide businesses, and promote other job creating efforts;

- Assist the Governor, in cooperation with Enterprise Florida, Inc., Workforce Florida, Inc., and the Florida Commission on Tourism, in the preparation of an annual report to the Legislature on the state of the business climate and economic development in Florida which notes problems and recommendations for resolving any problems; and
- Convene at least one meeting each year bringing together business, government, education, workforce and economic development leaders for the purpose of:
  1. Discussing the business climate of the state
  2. Developing a common vision for the economic future of the state
  3. Proposing economic development efforts to fulfill the vision.

In addition to the duties and responsibilities provided in s. 14.2015, F.S., OTTED is assigned, through other statutory provisions, responsibility for administering a number of other programs of an economic and workforce development nature. Some of these include the Qualified Target Industry (QTI) tax refund program (s. 288.106, F.S.), qualified defense contractors program (s. 288.1045, F.S.), high impact performance incentives (s. 288.108, F.S.), quick action closing fund (s. 288.1088, F.S.), and numerous other economic development related programs such as defense planning grants and tax refund program, urban high-crime area job tax credit, rural area job tax credit and economic development program, and brownfield redevelopment and guaranteed loan fund.

Section 288.012, F.S., authorizes OTTED to establish and operate offices in foreign countries for the purpose of promoting trade and economic development with Florida and the promotion of collecting trade data and conducting research on trade opportunities in specific countries.

Section 288.039, F.S., authorizes OTTED to implement the Employing and Training our Youths business tax refund program. Eligible businesses may be approved to receive a tax refund payment of up to \$1,600 per eligible youth employee.

Section 288.063, F.S., authorizes OTTED, in collaboration with Enterprise Florida, Inc., to approve expenditures and enter into contracts for the direct costs of transportation projects with the appropriate governmental body.

Section 288.1095, F.S., authorizes OTTED to develop literature on the One-Stop Permitting System and Quick Permitting Counties program established within the Department of Management Services (ss. 288.1092 and 288.1093, F.S.).

Section 288.1162, F.S., designates OTTED as the state agency for screening applicants for state funding and certification as a facility for a new or retained professional sports franchise or a facility for a retained spring training franchise.

Section 288.1223, F.S., creates within OTTED the Florida Commission on Tourism to promote the state's tourism industry. Section 288.1229, F.S., permits OTTED to authorize a direct-support organization to assist OTTED in the promotion and development of professional and amateur sports and related industries for improving the economic presence of these industries in Florida.

Section 288.1251, F.S., creates within OTTED the Office of the Film Commissioner and the Florida Film Advisory Council for the purpose of developing, marketing, promoting, and providing services to the state's entertainment industry.

Section 288.0656, F.S., establishes the Rural Economic Development Initiative within OTTED for the purpose of coordinating and focusing efforts and resources of state and regional agencies on problems which affect the fiscal, economic, and community viability of Florida's economically distressed communities.

### **Enterprise Florida, Inc.**

Part VII of Chapter 288, F.S., establishes and provides statutory authority and the functions, duties, and responsibilities for Enterprise Florida, Inc., (EFI). EFI was created by the Legislature in 1996 to replace and assume the responsibilities of the Florida Department of Commerce. EFI was established as a corporate not-for-profit entity for the purpose of partnering with Florida's business leaders and government agencies and to be the state's principal economic development and international trade organization. EFI's mission statement states that EFI is responsible for increasing economic opportunities for all Floridians by supporting the creation of quality jobs and globally competitive businesses.

EFI is not a unit or entity of state government and is governed by a board of directors consisting of the Governor who serves as the chairman of the board, the Commissioner of Education, the Secretary of the Department of Labor and Employment Security (employment and workforce functions have been transferred to the newly created Agency for Workforce Innovation), a member of the Senate, a member of the House of Representatives, the chair of Workforce Florida, Inc., the Secretary of State, and twelve members from the private sector representing the diversity of Florida's business community.

Section 288.9015(1), F.S., directs EFI to be the primary economic and business development organization of the state by establishing a unified approach to the state's efforts of international trade and reverse investment, marketing the state as pro-business and receptive for new investments, and assisting in the retention and expansion of existing businesses and the creation of new ones.

EFI is responsible for marketing Florida's rural communities and retaining, recruiting, and expanding businesses and assisting in the promotion of economic development opportunities for new job creation (s. 288-9015 (1), F.S.).

EFI, when first created, had responsibility for what is now Workforce Florida, Inc. (WFI- a separate entity discussed below), and together with WFI, is still responsible for developing a comprehensive approach to workforce development (s. 288-9015(3), F.S.).

EFI is responsible for assessing the state's economic development competitiveness, identifying the state's strengths and weaknesses, and using this information in developing a strategic plan (s. 288.9015(4) F.S.). EFI is responsible for incorporating the needs of small and minority businesses into all of EFI's responsibilities (s. 288.9015(5), F.S.). EFI is responsible for creating a business guide and checklist containing basic information on federal, state, and local requirements for starting and operating a business in the state (s. 288-9015(7)).

Section 288.904, F.S., authorizes EFI's board of directors among other things to secure funding for programs and activities of EFI from federal, state, local, and private sources and from fees charged for services and make expenditures with such funds; make and enter into contracts; acquire, use, dispose of patents, copyrights, and trademarks and any licenses, royalties, and other rights and interests obtained by EFI; create and dissolve advisory committees, working groups, and task forces necessary to carry out the mission of EFI.

Section 288.905, F.S., prescribes the following duties of EFI's board of directors: the establishment, implementation, and management of policies, strategies, and programs; the development of a strategic plan for economic development for the state (in conjunction with OTTED and local and regional economic development partners) including strategies for the promotion of business formation, expansion and recruitment through aggressive marketing and other activities; and the development of specific performance measure to assess the degree to which EFI is achieving its goals and expectations. Section 288.905(4)(b), F.S., provides for specific performance measures and standards including, but not limited to, the following:

- Net annual job growth and unemployment rates compared to other states;
- Wage distribution;
- Annual percentage of growth in the production of goods and services;
- Changes in jobs;
- Number of new business startups;
- Goods produced and exported to other countries; and
- Capital investment for commercial and industrial purposes, agricultural production, and international trade.

Section 288.906, F.S., requires EFI to submit an annual report to the Governor and the Legislature describing EFI's operations and accomplishments, and an evaluation of progress towards achieving goals and specific performance outcomes and methods for implementing and funding all operations of EFI.

Section 288.911, F.S., requires EFI in collaboration with the private sector to develop a marketing campaign to attract, develop, and retain information technology business in the state.

According to material prepared by EFI, 43,421 new and retained jobs were created through EFI efforts in FY 1999-00, which included 8,000 new jobs providing export sales services and about 5,400 new and retained jobs in "undervalued" rural and inner-city urban regions of the state. An independent analysis of EFI's return on investment for FY 1999-2000 showed that \$2.66 billion was added to the state's labor income, state and local tax revenues increased by \$147 million, and the state received \$4.04 for each dollar invested in EFI's activities and efforts towards enhancing economic development in the state.

EFI has developed a sector strategy for the state intended to promote Florida as a competitive state, be industry driven, and retain and expand targeted industries in Florida. These targeted sectors include aviation and aerospace, simulation, health technology, information technology (silicon technology, photonics, software development, computer and communications, telecommunications, and information services), and plastics.

Three of EFI's major economic development incentive/investment programs are the Economic Development Transportation "Road Fund", the Qualified Target Industry (QTI) Tax Refund Program, and the Quick Response Training (QRT) Program. These programs are intended to attract new businesses to the state and support the expansion of existing businesses resulting in creating higher paying jobs and enhancing economic development in the state.

EFI's Strategic Plan for Economic Development, 2001-2006, sets as goals for the state to have globally competitive businesses, good paying jobs for Floridians, and a high quality of life in Florida. The plan makes the following strategic recommendations:

- Make Florida a priority location for national and international business and trade expansion.
- Develop a worldclass workforce.

- Enhance the competitiveness of Florida's business climate.
- Create a worldwide pro-business image.
- Establish the infrastructure for a globally competitive economy.
- Promote growth opportunities for Floridians, including urban core and rural communities.

EFI has identified the health technology industry as being an industry that presents significant growth potential, job opportunities, and having an overall economic impact in the state. EFI reports that the industry employs about 30,000 persons with an average wage of \$35,000.

EFI convened a task force to identify key health technology needs that include among others, the following: producing a larger pool of skilled workers; developing tax policies and other incentives that support research and development activities and the purchase of equipment for manufacturing health-related products; and the need to facilitate the transfer of technology from the university setting and building and enhancing the relationships between universities and the private sector (see the section on the House Fiscal Responsibility Council 2001 Report below).

### **Information Service Technology Development Task Force**

The 1999 Legislature created the Information Service Technology Development Task Force within the Department of Management Services (ch. 99-354, L.O.F.). The task force, which operated under the name "ITFlorida.com" and which dissolves on July 1, 2001, is comprised of 34 members from the public and private sectors. The task force is charged with developing principles to guide state policy decisions with respect to the free-market development and beneficial use of advanced communications networks and information technologies, identifying factors affecting the ability of such technologies to expand and flourish in the state, and developing policy recommendations for each identified factor.

The task force divided its state directives among nine subcommittees in which policy recommendations were developed. The subcommittees included: eBusiness Development, Retention and Recruitment; eEducation K-12; eWorkforce; eAccess and Awareness; eGovernment; eLaws – Administrative and Regulatory; eLaws – Civil and Criminal; eInfrastructure and Technology Development; and eEntertainment.

Among the numerous recommendations from the task force are the following:

- Facilitation of partnerships between the private sector and the education community in targeted activities.
- Development of joint-use advanced digital media research and production facilities at strategic locations in the state, with the facilities serving as focal points for collaboration between the digital media industry and educational institutions.

### **Digital Media**

The 2000 Legislature required the Board of Regents to create a Digital Media Education Coordination Group to develop a plan to enhance the state's ability to meet the current and future workforce needs of the digital media industry (ch. 2000-165, L.O.F.). The group issued its report to the Legislature in January 2001. A recommendation from the group was that there be created a Florida Digital Media Coordinating Council to serve as a coordinating council for digital media education, research, and workforce development. The group provided that one of the council's functions would be to plan and seek public and private funding for a series of regional joint-use digital media production facilities. The facilities are to encourage and facilitate collocation and collaboration between industry and educational entities and provide affordable access to state-of-

the-art facilities for academic and industry partner activities and provide professional development for students through their involvement with industry-based projects.

### **Spaceport Florida Authority**

Part II of ch. 331, F.S., created the Spaceport Florida Authority (SFA) in 1989 for the purpose of providing a unified direction for space-related economic growth and education development, ensuring a stable and dynamic economic to attract and maintain space-related businesses, and to assist in the coordination of the state's economic development efforts. SFA has a board and partners with the federal government, private industry, and Florida's state and private universities and community colleges to conduct research and provide relevant and timely job training programs for the development and expansion of space-related industries.

### **Florida Space Research Institute**

In 1999, the Legislature created the Florida Space Research Institute (s. 331.368, F.S.) As an industry-driven center for research, to leverage the state's resources in a collaborative effort to support space-related industries through research and development efforts and the transfer of inventions and products to the private sector. The institute functions as the academic center for space-related research and development in collaboration with state and private universities. The institute's board of directors consists of the chairs of the Spaceport Florida Authority, Enterprise Florida, Inc., and the Florida Aviation Aerospace Alliance. As of this report, the institute's board has decided to establish the institute as a not-for-profit educational corporation.

### **Divisions of Sponsored Research at State Universities**

Section 240.241, F.S., authorizes each state university, with the approval of the Department of Education, to create divisions of sponsored research which serve the functions of administration and promotion of research programs in the university. Universities are required to set policies to regulate the activities of divisions of sponsored research and administer the research programs in a manner which assures efficiency and effectiveness and produces the maximum benefit for the educational programs and maximum service to the state. Divisions of sponsored research are under the supervision of the university presidents, who is authorized to appoint a director and additional staff and to enter into research contracts.

### **The Enterprise Florida Innovation Partnership and the Technology Development Board**

Section 240.539, F.S., provides legislative intent language that greater collaboration should exist between private industry and universities in the development and application of new technologies and that mechanisms be established to facilitate such collaboration resulting in the enhancement of productivity and stability of Florida's businesses. The term "advanced technology" means the application of new technological developments to cause changes in the workplace and provide the technological basis for the society of the future.

Subsection (3) of s. 240.536, F.S., requires the Enterprise Florida Innovation Partnership (established in 1993 to replace the Florida High Technology and Industry Council – see below) to recommend to the Board of Regents for funding consideration by the Legislature, research priorities in technological areas including, but not limited to, computer technology, lightwave technology, biomedical technology and sciences, materials sciences, microelectronics, sensors, or robotics.

Beginning in October 1, 1989, and every third year thereafter, the Enterprise Florida Innovation Partnership (or any previous or subsequent similar entities) must submit a report to the Governor and the Legislature on the status of the research areas identified above and how each area affects the economic growth of the state. Recommendations are to be made to the Board of Regents regarding the allocation of funds provided in the General Appropriation Act for research programs in advanced technology. Section 240.539(5) authorizes the Board of Regents to allocate or "provide for the investment" of funds in the General Appropriations Act for advanced technology research to the Enterprise Florida Innovation Partnership (or previous or subsequent entity) and to universities or university-affiliated research agencies for the purpose of planning and program development for future designations as research programs in advanced technology. Funds are to be awarded to universities and institutions that can demonstrate the potential to yield a reasonable expectation of future research program priority designation.

In 1996, the Innovation Partnership was renamed the Enterprise Florida Technology Development Board. According to EFI staff, since the Innovation Partnership has ceased being in existence, any statutory cross-reference to it is in error and would need to be revised. In addition, no EFI staff are presently involved in prior partnership activities although EFI's development of sector strategies have been incorporated in state university strategic plans.

According to Board of Regents staff, there is no formal role that Enterprise Florida, Inc., has played under s. 240.539, F.S., although Enterprise Florida, Inc., does play a substantial role with the universities as extensions of the Board of Regents in that EFI hosts industry conferences, shares programs, and develops materials with the universities."

The Enterprise Florida Innovation Partnership was established as a public-private partnership responsible for fostering small and mid-sized high technology manufacturers and increasing the number of high technology jobs in Florida. Three programs within the partnership were created. They were the Innovation and Commercialization Program, the Manufacturing Technology Center Program, and the Technology Research Investment Fund.

The goals of the Technology Research Investment Fund (TRIF) were to stimulate technological innovation by partnering with the private sector and the state's research universities to create marketable technologies and to make research and development affordable and accessible to small and mid-sized companies. For fiscal year 1993-94, the Innovative Partnership allocated \$1.2 million for the TRIF from its \$4.3 million appropriation. The Innovative Partnership did not allocate funds for the TRIF in fiscal years 1994-95 and 1995-96. In FY 1993-94, the Innovative Partnership awarded the \$1.2 million to a total of 36 projects at eight Florida Universities.

In its October 18, 1995 reports (No. 95-08 and 09), the Office of Program Policy Analysis and Government Accountability (OPPAGA) found that the research design in allocating TRIF funds did not include performance measures that specified baselines, expected levels of future performance, or timelines for accomplishments. OPPAGA further found that all 36 TRIF projects were continuations of projects funded by a predecessor program and that little progress had been made towards achieving desired outcomes in that only one of the projects resulted in sales of products and new jobs.

As discussed above, in 1996, the Innovation Partnership was renamed the Enterprise Florida Technology Development Board. The board created six Innovation and Commercialization Centers (ICC) to assist entrepreneurs and emerging companies in moving technology from the university research laboratories to the marketplace. The ICC Program assisted 857 technology-based

companies and entrepreneurs in FY 1997-98 and coordinated with universities in licensing technologies.

In its December 1998 report (No. 98-30), OPPAGA found that the Innovation and Commercialization Centers created by the Technology Development Board exceeded their performance standards in FY 1997-98 and recommended that the Legislature should consider funding the centers for FY 1999-00.

### **Florida High Technology and Industry Council**

In 1983, the Legislature created the Florida High Technology and Industry Council (Chapter 83-326, L.O.F.) that was dissolved and replaced by the Enterprise Florida Innovation Partnership [see above]. Legislative intent language stated that the state's economic development should be coordinated through joint efforts of the Department of Education and public and private postsecondary education institutions in cooperation with the Executive Office of the Governor, other executive agencies, and leaders in high technology and business and industry. The council was created as a not-for-profit corporation and attached to the Department of Commerce for the purpose of planning, coordinating, assisting in and making recommendations for policy decisions, and directing activities for carrying out the intent stated above. The council consisted of 19 members and had the following powers and duties:

- To advise the governor, the Legislature and the Commissioner of Education and others regarding needed policy changes as related to the intent stated above.
- To make recommendations to the Governor, the Legislature and others for coordinating the delivery of resources with meeting needs, establishing priorities for programs, and allocating resources according to the priorities.
- Carrying out a feasibility study for the establishment of a single state school called the Florida School for Applied and High Technology, for talented high school and college students.

The council had staff responsible for, among other things: assisting the efforts of private organizations and other government agencies concerned with the establishment of high technology businesses and industry programs; ensuring that efforts are mutually reinforcing and supportive of state objectives; assisting in efforts to develop programs for employee needs in new emerging high technology occupations; and coordinating the delivery of resources to meeting state needs.

### **Research and Development Authorities**

Sections 159.701-159.7095, F.S., provides for the creation of county-based research and development authorities for the purpose of promoting scientific research and development in affiliation with and related to the research and development activities of one or more state-based, accredited, public or private university or college. The authority may also finance capital projects related to the establishment of a research and development park in affiliation with one or more universities or colleges. An authority so created must request to the Board of Regents to be designated a research and development authority and provide documentation for a plan for the establishment of a research and development park.

According to Board of Regents staff, the following universities have research parks established under s. 159.701, F.S.: the University of Central Florida (Central Florida Research Park); Florida State University and Florida A and M University (Innovation Park); University of South Florida (University Park); Florida Atlantic University (Florida Atlantic University Research and Development Park); and University of North Florida (First Coast Technology Park).

The FAU Research Park is an example of an entity formed pursuant to s. 159.701, F.S. FAU formed the Florida Atlantic Research and Development Authority in 1985 with the support of the Broward and Palm Beach county commissions. The R&D Authority is responsible for establishing the on-campus Research Park. According to FAU Research Park website information, the Research Park provides businesses locating on site the opportunity to interact with the university community and take advantage of its facilities and expertise. Potential programs of interest to the business and university communities include:

- Applied research directed at the industry's partners' needs;
- Customized educational programs;
- Availability of faculty and students to work for the industry partner on a part-time basis; and
- Industry partners' professional staff participation in advanced degree programs.

FAU, as do all university-based research parks, encourage high technology companies to locate their businesses in the research park.

### **Incubator Facilities Program**

Section 240.540, F.S., authorizes any university-based research and development park established pursuant to ss. 159.701-159.7095, F.S., as described above, to provide incubator facilities to eligible small businesses for the purpose of providing support, technical assistance, equipment, and on-site location to assist the business grow and expand. Incubator facilities may also provide assistance to small businesses in the community and that are not physically located at the facility.

Section 240.3341, F.S., authorizes community colleges to establish incubator facilities for small businesses. A community college establishing such a facility must provide for its management and maintenance, support personnel, equipment, utilities, and mechanisms to assist with the acquisition of technical and other entrepreneurial expertise to residents of the incubator facility and other local small businesses.

### **Workforce Florida, Inc., and the Agency for Workforce Innovation**

In 2000, the Legislature passed CS/SB 2050, which reorganized the state and regional workforce development and former WAGES systems by creating the Agency for Workforce Innovation (AWI) within, but not under the control of, the Department of Management Services, and creating a private nonprofit corporate entity called Workforce Florida, Inc., (WFI) which is responsible for developing workforce policy for the Agency for Workforce Innovation.

CS/SB 2050 merged regional workforce development and WAGES boards/systems into single boards/systems consisting of 24 regional workforce boards responsible for receiving workforce and related funds, establishing one-stop service delivery systems, developing programs, and offering services to link employers with persons seeking job training and employment-related services.

CS/SB 2050 transferred workforce development and unemployment compensation staff, programs, and functions previously located in the Florida Department of Labor and Employment Security to the Agency for Workforce Innovation that became operational October 1, 2000. AWI is the designated state agency for receiving federal workforce funds under the federal Workforce Investment Act and to provide services and programs under the federal Wagner-Peyser Act.

In addition, CS/SB 2050 placed welfare transition and support components of the WAGES program, such as education, transportation, and job training, which were separated from the Florida Department of Children and Family Services' Temporary Assistance for Needy Families-funded cash assistance programs, in AWI. These programs are enhanced by blending them with a wide array of workforce development programs to promote the job retention and economic stability of persons leaving the welfare system.

CS/SB 2050 enhanced the relationship between the workforce development system and the business and educational communities by identifying the workforce needs of employers and linking students and other persons seeking employment information and services through the use of Internet-based technology and private staffing agencies.

AWI is responsible for implementing and administering policy developed by WFI into actions, through contracts with and the provision of services through regional workforce boards. AWI operates through the following offices:

- Office of Workforce Services which is responsible for state merit employees in the workforce development system and for services delivered through regional one-stop service systems which includes services and programs for welfare transition, workforce and job training, diversion assistance, support services, subsidized child care and transportation services, Medicaid services, and any transitional services needed to assist persons succeed in the workplace.
- Office of Workforce Information that is responsible for collecting, analyzing, and reporting labor market data; developing data on employment, occupations, and performance; and developing, implementing, and maintaining information systems.
- Office of Workforce Investment and Accountability is responsible for providing administrative and operational support, developing and monitoring contracts, managing and controlling the budget, accounting and verifying financial and performance information, and providing quality assurance services and reporting performance at the state and local levels.

The WFI board is made up of business executives and public officials and has as its vision that Florida will develop a globally competitive workforce and as its mission that:

Workforce Florida, Inc., will develop the state business climate by designing and implementing strategies that help Floridians enter, remain in and advance in the workforce, becoming more highly skilled and successful, benefiting Florida businesses and the entire state.

Guiding principles driving WFI's policy development and decisions are the following:

- Streamlined services - coordinating and consolidating workforce programs through locally managed one-stop delivery systems.

- Empowering individuals - providing a workforce system that enables participants to make informed choices in selecting the programs and services that best meets their needs and helps them achieve self-sufficiency.
- Universal access - providing a portal to workforce services and programs through one-stop delivery systems.
- Increased accountability - ensuring performance and accountability at all levels.
- Local board and private sector leadership - providing policy, decision-making, strategic planning, and oversight of the local system by choosing local managers to direct the operational details of the one-stop delivery system.
- Local flexibility and integration - allowing flexibility at the local level to build upon existing reforms and to have unified planning and integrated information systems that will free local-based entities from variations in micro-management practices and create a climate for innovation.
- Business driven - workforce and training programs are to respond to employer criteria for basic skills, knowledge, and values and quality standards will be used to evaluate successful performance.
- Commitment to meaningful careers - enabling persons to attain meaningful careers that ensure self-sufficiency.
- Support economic development - coordinate the state's workforce and economic development strategies to advance a business climate that promotes the economic health of the state.
- Leverage statewide resources - maximizing workforce resources by leveraging the considerable resources of workforce partners.

WFI operates through three statutorily created councils that are replicated in each workforce region as committees. These councils/committees are First Jobs/First Wages, Better Jobs/ Better Wages, and High Skills/High Wages.

### **Leadership Board for Applied Research and Public Service**

Section 240.706, F.S., creates the Leadership Board for Applied Research and Public Service which is staffed by the Institute of Science and Public Affairs at Florida State University. The purpose of the board is to focus and coordinate applied research and public service activities throughout the State University System (SUS) by expanding and facilitating the access that citizens and elected officials have to resources found throughout the SUS. The mission of the board is to help ensure that the SUS's applied research and public service activities are responsive to the needs of the state and local governments and that accurate, timely, useful, and relevant information is provided. The board is responsible for:

- Providing strategic direction and planning that supports a coordinated approach to applied research and public service in the state;
- Addressing SUS policy matters as they relate to applied research and public service;

- Making recommendations to the Board of Regents to provide policy direction and oversight for the SUS;
- Serving as a clearinghouse for services requested by public officials; and
- Providing analysis, endorsements, and support for funding and fiscal initiatives involving applied research and public service.

The board's activities include, among other things:

- Developing a clearinghouse for persons to locate specialized resources within the SUS on the Internet.
- Building a network of SUS research centers and institutes that will facilitate persons in accessing information on groups of research faculty in the SUS.
- Building an information database about individual faculty members within the SUS who have demonstrated expertise and the ability to work with government agencies and private-sector groups.

A part of the board's activities is the creation of the Florida ExpertNet [<http://expertnet.org>] that is a web-based network of applied research expertise in Florida's public universities. The network can be used to provide persons with university-based resources and expertise in providing practical solutions for government, business, and industry. The network is fully interactive and allows for persons to do a comprehensive search for research groups and university faculty researchers, identify research centers and institutes, and locate information on funded research projects. The network also provides links to state universities' offices of sponsored research.

### **House Fiscal Responsibility Council Report Dated February 2001**

Council staff were directed to prepare a report [entitled *Reinventing Florida: The Opportunity to Transform Florida's Economy in the 21st Century*] that identified and described initiatives which Florida could consider adopting that would foster high technological industrial development through research universities. A premise of the report is that although efforts to develop high technology industry have largely emphasized industrial recruitment through Enterprise Florida, Inc., efforts and by supporting existing industries, such as the those in the I-4 Corridor, the rapid pace of technological change is primarily stimulated through the constant and rapid development of young, high technology companies that introduce new products in new manufacturing sectors.

The report describes a plan that includes, among other proposals, the following:

- Establish as state and university priority the enhancement of technology transfer in support of high technology economic development.
- Protect and enhance funding for scientific and technical research at universities by recruiting faculty and students who can take advantage of research and academic opportunities of an enhanced entrepreneurial university environment and building state-of-the-art research facilities.

- Require as part of their mission, that state universities should facilitate the commercialization of intellectual property developed through university research efforts and create incentives for accelerating commercialization by using proceeds from the results of such activities to reward researchers and improving their academic departments.
- Enhance technology transfer offices at state universities.
- Invest in high-speed communication links between research universities and high technology industries to facilitate inter-university and university-industry collaboration on research, continuing education, and technology transfer.
- Establish a state high level organization composed of state leadership, the chief executive officer's of high technology industry and financial and investment interests of the state, and the presidents of the state's research universities to provide focus, direction, and evaluation of state high technology initiatives.

The report describes a number of case studies of areas of the country where active research universities have contributed to the accelerated development of the high technology industry and have created a climate where small as well as large companies have brought innovation, expansion, and economic and jobs growth to the region. Case studies described in the report include the role the Massachusetts Institute of Technology had and continues to have in impacting the economic and jobs market of the Boston area, the role Stanford University played and continues to play in the development of Silicon Valley, the roles state and private universities in North Carolina played and continue to play in the development of the North Carolina Research Triangle Park, and the creation and impact on Georgia's economy by the Georgia Research Alliance.

Founded in 1990, the Georgia Research Alliance is a public-private partnership of the state's research universities, the business communities, and state government whose purpose is to foster economic development in Georgia by expanding and leveraging the research capabilities of private and public research universities and assisting in the development and expansion of scientific and technology-based industry, commerce, and business. The alliance has targeted three strategic areas: communications technology, biotechnology, and environmental technology. University-based centers in collaboration with industry have formed around these technology areas that promote cross-disciplinary and cross-institutional research and facilitate the transfer of technology into applications relevant to the marketplace. University research and economic conditions have been nurtured in Georgia through efforts of the alliance where leading scholars and graduate students conduct research, develop innovative inventions and products, and move them into the marketplace. Such centers serve as magnets for innovation and aggressive economic activity resulting in technology-based companies seeking to form partnerships with such centers.

The report also presents a discussion of technology transfer in Florida's universities and identifies issues which may be barriers to establishing an environment or culture which encourages and nurtures entrepreneurial activities by university research faculty, students, and staff.

An area of discussion in the report addresses s. 112.313, F.S., which prevents an employee of an agency (which includes any public school, community college, or state university) from any employment or contractual relationship with any business entity which is subject to the regulation of or doing business with the agency in which the employee works. This results in a conflict of interest and may create barriers for university faculty who may wish to consult for or establish a company based on the licensing of the researcher's own scientific discovery or invention (s. 112.313(7), F.S.). Section 112.313(7), F.S., further provides that any agency employee shall not "have or hold

any employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impeded the full and faithful discharge of his or her public duties.” The state’s conflict of interest policies have been cited as one of the factors affecting the transfer of technology from the university setting to the marketplace (see the section on Enterprise Florida, Inc. above).

The report also raises issues concerning what may be restrictive elements of s. 112.313, F.S., which may create disincentives for university researchers to pursue high risk, highly speculative efforts that may not have readily apparent commercialization value to warrant the efforts to pursue the process necessary to seek approval to pursue such research activities [see report for more detailed discussion].

### **University Offices of Technology Transfer**

Each state university has an office of technology transfer whose purpose is to assist faculty, staff, and students in moving their innovative technologies into commercial use in public and private enterprises. For example, the mission of the Office of Technology Transfer at Florida State University, which was established in 1996 and is a unit of the university’s Office of Research, is to facilitate the transfer of innovations developed in the university to business and industry and to:

“Encourage and assist technological development at FSU and facilitate the transfer of intellectual property to business and industry to provide benefits to the university, the economy, and to improve the quality of life.”

The FSU Office of Technology Transfer has established four core goals. They are:

- Encouraging and assisting faculty members, staff, and students to consider alternative applications of technology developed as part of their research;
- Developing an effective and efficient technology transfer program and assess, document, and communicate the full value of technology transfer;
- Increasing research and development income to FSU from public and private sources by utilizing various technology licensing and research funding strategies; and
- Enhancing economic development in the region and state by building strong ties between the public and private sectors.

The FSU Office of Technology Transfer has also developed an intellectual property handbook and instructions for using invention and work disclosure forms for university faculty, staff, and students and have produced documents describing university policy regarding copyright, patent, human subjects, outside employment, and conflict of interest and the manner in which conflict of interest activities may be permitted, if they are disclosed, monitored, and reported according to university policy and state law.

The FSU Office of Technology Transfer is also the contact point for outside organizations and persons who want access for commercial or other public purposes to the skills, inventions, and other resources of the FSU research community. The office also assists with the formation of new companies wishing to commercialize an invention, product, or material resulting from university-based research activities or initiating licensing agreements to an existing company.

### **Community of Science**

Community of Science, Inc., (COS at <http://www.cos.com/>) is the leading Internet site for the global research and development community. COS brings together the world's most prominent scientists and researchers located in more than 1,300 universities, corporations, and government agencies. COS provides a mechanism for these professionals to communicate, exchange information, and locate people and technologies that are relevant to their research and development work.

Services at COS include:

- A database of detailed profiles of more than 460,000 research and development professionals;
- A database of research and development grant funding available;
- An online publishing system for universities and professional societies and organizations; and
- Customized access to a range of professional reference databases including U.S. Patents, MEDLINE, AGRICOLA, EiCompendex, and GeoRef

COS services are accessed through a COS Workbench which is a customized work space for the professional development and purchasing needs of persons who register at COS at no cost.

### **New York State Office of Science, Technology, and Academic Research (NYSTAR)**

Created in law in 1999, NYSTAR is designed to foster and facilitate high technology academic research and economic development in New York. Goals of NYSTAR are the following.

- Encourage and expand high technology, academic research, and economic development in New York State.

NYSTAR is intended to encourage and expand high technology academic research and economic development by creating world-class academic research centers, attracting the best and brightest faculty to the state's research universities, and promoting the rapid transfer of technology innovations from the research labs to the marketplace. Such centers will provide the physical and intellectual infrastructure necessary to allow unprecedented breakthroughs in science and technology. Such centers will attract a critical mass of nationally recognized researchers, generate significant new research funding, spur the establishment of spin-off enterprises, and increase the development and transfer of technology, and create an entrepreneurial and technological mindset coupled with business principles.

- Coordinate and organize New York's wide array of science and technology informational resources and provide academic, business, and research communities' access to these resources.

NYSTAR will implement initiatives which will provide New York research centers an opportunity to access the state's high-speed, fiber-optic network and create a comprehensive information resource database to which New York's academic, business, and research communities will have access. These initiatives and others are designed to facilitate limitless opportunities for unimpeded and instantaneous collaboration among the state's research community.

- Reform and improve New York's policies regarding royalties and licensing fees, enabling the state to realize a greater amount of revenue from its high technology investments and reinvest that revenue in new technology development programs.

NYSTAR and the creation of a technology law center will help formulate policies that will allow New York to realize a greater return on its investments, while allowing research universities the freedom to undertake cutting edge research.

- Substantially increase the amount of federal research dollars New York and its researchers obtain.

NYSTAR will facilitate the development of world-class research facilities that will offer the combination of state-of-the-art facilities, cutting edge technology, and the most sought after academic talent and researchers that should result in additional funding.

- Develop and recommend policies to the Governor and the Legislature that will allow the state to take greater advantage of the tremendous economic power of its inherent science, technology, and academic research assets.

NYSTAR will serve as a critical resource to the Governor and the Legislature by developing and recommending policies that will set the state on a course to take greater advantage of the state's economic power of its inherent science, technology, and academic research assets.

In his 2001 State of the State address, Governor Pataki announced his \$1 billion five-year plan which will make New York the worldwide leader in university-based research, business creation, and job development. The Governor's plan uses \$283 million in state funds over the next five years to leverage more than \$700 million in combined federal, university, and private funds to among other things, create new business incubators and business parks, train and recruit highly skilled employees, and increase support to emerging and growing high technology companies. Three Centers of Excellence, currently under development, would be funded under the Governor's proposal. They are the following:

- Center of Excellence in Bioinformatics at the University of Buffalo's Center for Computational Research in partnership with a number of companies.
- Center of Excellence in Photonics and Optoelectronics at the University of Rochester in collaboration with the Rochester Institute of Technology, the Rensselaer Polytechnic Institute, and companies including Corning and Kodak.
- Center of Excellence in Nanoelectronics at the University of Albany in collaboration with IBM.

#### C. EFFECT OF PROPOSED CHANGES:

The proposed committee bill creates s. 288.9521, F.S., which establishes the Sunshine State Commission on Intellectual Capital, Product Design, and Commercialization within the Executive Office of the Governor. Members of the commission consists of the Governor, the Chair of the Florida State Board of Education or designee, the Chair of the Education K-20 Policy and Research Commission, the presidents of the public and private research universities or their appointees, the executive director of the Office of Tourism, Trade, and Economic Development, and the chairs of Enterprise Florida, Inc., and Workforce Florida, Inc. In addition, the Governor is to appoint to the

commission seven chief executive officers of existing companies or heads of former companies, and three heads of existing venture capital companies.

The proposed committee bill authorizes the commission to create and dissolve advisory committees, working groups, and task forces that may be made up of commission members and other persons selected for their expertise. The commission is required to meet at least three times a year and all members must be appointed by November 1, 2001.

The proposed committee bill requires the purposes of the commission to:

- Foster and facilitate technology-based research and the enhancement of intellectual capital;
- Promote product development and commercialization; and
- Create new and expand existing companies.

The commission is required to develop a plan with recommendations to address the following and all related issues:

- Targeting industrial development in the state.
- Facilitating the collaboration between state universities, state agencies, and the private sector for conducting research and accelerating the transfer and commercialization of technology and intellectual products into the private sectors.
- Determining the extent to which provisions in s. 112.313, F.S., create barriers to technology transfer.
- Recommending to the Legislature and the Florida Board of Education funding initiatives to enhance university-based or university-affiliated scientific and technical research in targeted areas to create top-tiered employment in Florida's economy.
- Recommending to the Legislature initiatives and funding that will recruit outstanding university research faculty and to develop world-class research facilities.
- Promoting collaboration among multiple universities on research projects to create a force that will support economic development goals of the state.
- Ensuring that appropriate business, financial, and technical assistance is available in the early, high-risk stages of development.
- Identifying opportunities and mobilizing state efforts to establish government and private sector supported research labs.
- Building strong and long-term partnerships among worldwide industries, Florida's universities, and vocational training programs.
- Developing incentive mechanisms and performance measures for the activities of universities, vocational training programs, and other government programs that support technology-based industry.

- Building an entrepreneurial culture in Florida's universities and state agencies that supports and nurtures technology transfer and the formation of new products and new companies.
- Coordinating commission efforts with Enterprise Florida, Inc., Workforce Florida, Inc., the Agency for Workforce Innovation, the Florida Board of Education, the Education K-20 Policy and Research Commission, and the state's postsecondary education institutions.

The proposed committee bill requires the commission to submit a report to the Legislature by December 31, 2002, and each year thereafter, describing commission activities and accomplishments and participating institutions and businesses. The report shall include the plan described above as well as the following:

- A description of activities such as the patenting and licensing of intellectual property by participating universities, state agencies and businesses.
- The production of graduates from programs as a result of targeted efforts.
- The activities of business-education collaboration.
- Evaluating the impact of commission and legislative initiatives to promote the development of new technology in the state and recommend new or amended initiatives.
- Describing and evaluating existing programs that support small businesses and determine if new programs are needed or if existing programs should be improved, consolidated, or organized differently.

The proposed committee bill requires the commission to focus initial efforts on evaluating alternative approaches needed to facilitate technology transfer, examining how technology transfer matters are handled outside of Florida, and identifying policies and initiatives intended to promote collaboration and resolve disputes over intellectual property rights and related issues. The commission is also required to develop a set of criteria for targeting and funding enhancements to universities and vocational programs.

The proposed committee bill requires the appointment of an executive director who will serve at the pleasure of the commission and who will employ staff sufficient to carry out the commission's responsibilities and functions.

The proposed committee bill takes effect upon becoming law.

**D. SECTION-BY-SECTION ANALYSIS:**

This section need be completed only in the discretion of the Committee.

**III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

**1. Revenues:**

N/A

2. Expenditures:

There will be an indeterminate fiscal impact not to exceed \$500,000 for staff and operating expenses for the commission.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The PCB does not require counties or municipalities to spend funds or to take action that requires the expenditures of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The PCB does not reduce the authority that counties and municipalities have to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The PCB does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

Two appointments to the commission (chairs of the Florida State Board of Education and the Education K-20 policy and research Commission) created in this proposed committee bill are dependent upon the passage in the 2001 session of HB 1533 or comparable legislation related to education governance reorganization. Representation from the postsecondary education

component of the state's K-20 education system to the commission created in this proposed committee bill would need to reflect the current or the proposed education governance structure.

A factor contributing to the commission's effectiveness will be the extent to which the commission rises above the interests and responsibilities of each of the offices, agencies, corporations, and even systems - such as the K-20 education, the workforce development, and education development systems – that form the larger network that contributes to the economic and workforce status of the state. The extent to which the commission is both independent and innovative as it pursues its purposes and statutorily required activities will also contribute to its effectiveness.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON WORKFORCE AND TECHNICAL SKILLS:

Prepared by:

Staff Director:

\_\_\_\_\_  
Ken Winker

\_\_\_\_\_  
Ken Winker