

HCS HB 1671 -- LIFE SCIENCES RESEARCH

SPONSOR: Wright (Hanaway)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on General Laws by a vote of 9 to 0.

Beginning in Fiscal Year 2007, the president of any public university in Missouri may present to the Life Sciences Research Board on behalf of any campus within its system:

(1) A commitment from any budgetary source other than the state to pay to the university as an endowment a minimum of \$2 million or \$100,000 a year for a minimum of 20 years toward the funding of an academic position within the health and life sciences fields to be designated as an endowed life sciences research chair; and

(2) A commitment from the university, including any of its separate campuses, to pay a minimum of \$100,000 a year for the endowed chair position for a minimum of 20 years.

After the funding commitments for the endowed chair position have been made, the board is required to review the commitments and upon approval pay the university from the Life Sciences Research Trust Fund \$100,000 a year for 20 years. The board is also required to commit from the fund a one-time disbursement of research and programmatic start-up moneys of \$500,000 over a two-year period, beginning with the hiring for the endowed chair position. The one-time disbursement is required to include a \$100,000 payment from the fund.

The funding commitments must be confirmed by a notarized letter of intent and the establishment of an escrow account containing at least 10% of the total commitment of moneys by the non-state entity or the university. Matching moneys for the endowed chair position will not exceed \$10 million in any fiscal year. If the commitment of moneys is not fulfilled by either the non-state entity or the university, the board's commitment of moneys will terminate.

When a Missouri public university receives the funding commitments from budgetary sources other than the state or if the funding commitments are made prior to the appointment of any member to the board, the president of the university must document the date and time of the receipt of the funding commitments. The board is also required to provide its matching moneys for the endowed chair position in the order in which funding commitments are received.

Any Missouri public university or other qualified entity that has a formal contract with a public university may hold the matching moneys provided by the board for the endowed chair position and any life sciences research conducted under the direction of the endowed chair. A university or entity is prohibited from spending, loaning, or encumbering the matching moneys for any other purpose.

Within 90 days of receipt of the funding commitments for the endowed chair and annually thereafter, any public or private entity may submit a proposal for life sciences research to be conducted. The funding commitments may be made in conjunction with the entities desiring to submit proposals. The board is required to establish criteria for selecting proposals competitively.

Any moneys withdrawn from the Life Sciences Trust Fund but not expended according to the substitute are to be distributed in accordance with the provisions of Sections 196.1100 - 196.1130, RSMo, pertaining to life sciences research. Financial resources from any source will be treated as though they had been appropriated to the research board and must be used in accordance with Section 196.1127, which limits how public funds may be used.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that the state needs a tool to recruit scientists to public universities. Endowed chairs are very cost effective, returning many times the cost of the investment. The life sciences are a major focus of economic development for Missouri.

Testifying for the bill were Speaker Hanaway; University of Missouri System; University of Missouri, Kansas City; Stowers Medical Institute; and Kansas City Southern.

OPPOSERS: There was no opposition voiced to the committee.

Becky DeNeve, Senior Legislative Analyst