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An Act To Implement the Recommendations of the Joint Select Committee on Research, Economic Development and the Innovation Economy

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §1664, sub-§3-A is enacted to read:

3-A. Funding for research and development. Beginning in fiscal year 2008-09, the Governor, when submitting the budget document to the Legislature pursuant to section 1666, shall submit a funding level recommendation for research and development. The recommendation must be transmitted to the Legislature within the time schedules set forth in section 1666. The Governor shall submit legislation setting forth appropriations for applied research and development that are the equivalent of not less than 1% of total actual General Fund revenue of the previous fiscal year. For each successive year for the next 10 fiscal years, the Governor shall increase the funding level recommendations by at least 2/10 of 1%. By fiscal year 2018-19, the Governor shall submit legislation setting forth appropriations for research and development that are the equivalent of not less than 3% of total actual General Fund revenue of the previous fiscal year. If the Governor's budget sets forth recommendations for research and development that differ from the levels described in this subsection, the Governor shall simultaneously submit a report to the joint standing committees of the Legislature having jurisdiction over appropriations and financial affairs and research and development matters explaining the funding difference.

Sec. 2. 5 MRSA §12004-I, sub-§6-G is enacted to read:

6-G.

Economic
Development

Not
Authorized

10 MRSA
§949

Maine
Innovation Economy
Advisory Board

Sec. 3. 5 MRSA §13106, sub-§1, as enacted by PL 2003, c. 673, Pt. M, §8, is amended to read:

1. Action plan. An action plan for the application of science and technology to improve the State's position in the global economy. The action plan must be based on the State's overall economic development strategy as determined by the commissioner. The action plan must identify specific steps that public and private institutions must implement to improve the State's science and technology infrastructure. The action plan must also identify action steps that could be implemented immediately without new state appropriations and resources and action steps that will require new state appropriations or major reallocation of state appropriations and resources.

The action plan must include numerical objectives, costs and an evaluation protocol. The action plan must also include a provision for assigning and ensuring accountability for those who receive state research and development funds through the office. In the preparation of this action plan, the office shall seek the advice of state agencies, the Maine Economic Growth Council established in Title 10, section 929-A, the University of Maine System and the business, education and research communities; ~~and~~.

This subsection is repealed January 1, 2008; and

Sec. 4. 5 MRSA §13107, as enacted by PL 2003, c. 673, Pt. M, §8, is amended to read:

§ 13107. Comprehensive research and development evaluation

The office shall develop and submit to the Governor and the Legislature by July 1, 2006 and on July 1st every 5 years thereafter an evaluation of state investments in research and development, as well as an annual progress report from the office and the independent reviewers under subsection 2 beginning on February 1, 2008 and on February 1st every year thereafter. The evaluation must:

1. Outcome measures. Establish outcome measures considered appropriate by public and private practitioners inside and outside of the State in the fields of research and development and economic development. Practitioners in this State must include, but are not limited to, a representative from the University of Maine System, a representative of the targeted technology sectors, a representative of the Executive Department, State Planning Office and representatives of other state agencies having economic development responsibility;

2. Independent reviewers. Utilize independent reviewers to assess the competitiveness of technology sectors in this State and the impact of research and development activities in this State on economic development in this State. The independent reviewers must incorporate the goals and objectives described in the State's innovation economy action plan, as described in Title 10, chapter 107-D, in their analysis of the success of the State's investments in research and development; and

3. Recommendations. Include recommendations to the Legislature on existing and proposed state-supported research and development programs and activities to affect technology-based economic development in this State.

By February 1, 2008 and by February 1st every year thereafter, the office and the independent reviewers under subsection 2 shall submit to the Governor and the Legislature a progress report related to the 5-year evaluation required under this section. The independent reviewers must incorporate the goals and objectives described in the State's innovation economy action plan, as described in Title 10, chapter 107-D, in their analysis of the success of the State's investments in research and development.

Sec. 5. 10 MRSA §929-A, sub-§2, as amended by PL 1995, c. 688, §9, is further amended to read:

2. Membership. The council consists of 19 members. The Governor, President of the Senate and Speaker of the House of Representatives shall jointly appoint the following 18 members, 2 of whom shall serve as cochairs of the council:

- A. ~~Fourteen~~Thirteen members having a broad range of expertise in areas including but not limited to: labor, environment, business; and education; ~~and~~
- B. Four members of the Legislature with a demonstrated interest in economic development; ~~and~~
- C. One member from the Maine Innovation Economy Advisory Board under section 949.

The Commissioner of Economic and Community Development or the commissioner's designee is a member of the council.

Sec. 6. 10 MRSA §929-C is enacted to read:

§ 929-C. Research and development budgetary recommendations

The Maine Economic Growth Council, established in section 929-A, with input from the Office of Innovation, established pursuant to Title 5, section 13105, and the Maine Innovation Economy Advisory Board, under section 949, shall review the innovation economy action plan, as described in Title 10, chapter 107-D, and develop specific annual budgetary recommendations to support the plan's vision and goals. These recommendations must include specific bonding and General Fund appropriations investment levels. By June 1st of each year, the council shall submit its recommendations, along with an annual accountability update that summarizes the State's commitment to research and development investments in the prior year, to the Governor, the Legislature and the joint standing committee of the Legislature having jurisdiction over business, research and economic development issues.

Sec. 7. 10 MRSA c. 107-D is enacted to read:

CHAPTER 107-D

Maine Innovation Economy Advisory Board

§ 949. Maine Innovation Economy Advisory Board

1. Establishment. The Maine Innovation Economy Advisory Board, referred to in this chapter as "the advisory board" and established by Title 5, section 12004-I, subsection 6-G, is established to coordinate the State's research and development activities and to foster collaboration among its higher education and nonprofit research institutions and members of the business community.

2. Appointment and composition. The advisory board consists of 19 members. The Governor, the President of the Senate and the Speaker of the House of Representatives shall each appoint 5 members with demonstrated high-level expertise from a broad cross section of industry and technology sectors representing the breadth of research and development activities from basic research to commercialization of new products and services. The advisory board also consists of 4 ex officio members, including the cochair of the Maine Economic Growth Council, established in section 929-A; the Director of the Maine Technology Institute, established in Title 5, section 12004-G, subsection 33-D; and the Director of the Office of Innovation, established pursuant to Title 5, section 13105.

3. Terms; vacancies; limits. The term of office for appointed members of the advisory board is 3 years. When a vacancy occurs, it must be filled by the same appointing authority, and the new member shall serve for the remainder of the term. Members who serve on the advisory board by virtue of their offices serve terms coincident with their terms in office. Members may continue to serve until their replacements are designated. A vacancy in a position held by an ex officio member, except the cochairs of the Maine Economic Growth Council, that occurs other than by the expiration of a term must be filled by a designee appointed by the Commissioner of Economic and Community Development for the unexpired term.

4. Chair; election of officers. The members of the advisory board shall annually elect one of the advisory board's members as chair and one of its members as vice-chair to set the agenda and schedule meetings. The advisory board may elect other officers and designate their duties.

5. Voting rights. Each member of the advisory board has a vote.

6. Meetings. The advisory board shall hold quarterly meetings each year. Additional meetings may be held as necessary to conduct the business of the advisory board.

7. Compensation. Members of the advisory board are not entitled to compensation.

8. Adoption of bylaws. The advisory board shall adopt bylaws consistent with this section for the governance of its affairs and to address the resolution of conflicts of interest that may arise.

9. Quorum. A majority of the members of the advisory board constitutes a quorum.

10. Staff support. The Office of Innovation shall provide staff support the advisory board to carry out the purposes of this section.

11. Powers and duties. The powers and duties of the advisory board are as set out in this subsection.

A. The advisory board shall develop an innovation economy action plan for the application of science and technology to improve the State's position in the global economy. The plan must identify specific steps that public and private research institutions must implement to improve the State's science and technology infrastructure, goals for encouraging collaborative initiatives among public and private research institutions, steps that can be implemented immediately without new state funding and resources and steps that will require new state appropriations or major reallocation of state appropriations and resources. The plan must include numerical objectives, costs and an evaluation protocol, as well as a provision for assigning and ensuring accountability for those who receive state research and development funds from the State.

B. The advisory board shall assist state and federal policy makers in advancing research and development capacity initiatives in Maine and in developing corresponding funding strategies; provide input on economic planning and the commercial application of the State's research and development efforts; facilitate research opportunities that create sustained, interinstitutional, collaborative, multidisciplinary, centers-based research projects; advocate for the State's research

and development sector and interests; disseminate information about its work throughout the State; and serve as the EPSCoR committee, as referred to in Title 5, section 13110, for the State and evaluate proposals made to the EPSCoR and related programs.

12. Annual report. The advisory board shall submit the annual innovation economy action plan developed under subsection 11 to the Maine Economic Growth Council by the first Wednesday in March of each year, beginning in 2008. The advisory board shall also submit its innovation economy action plan to the joint standing committee of the Legislature having jurisdiction over business, research and economic development and to the Governor by the first Wednesday in March of each year, beginning in 2008.

Sec. 8. Maine Innovation Economy Advisory Board; staggered terms for initial appointees. Notwithstanding the Maine Revised Statutes, Title 10, section 949, subsection 3, the terms of the members initially appointed are staggered as follows: 5 are one-year terms, 5 are 2-year terms and 5 are 3-year terms. The initial appointments must be made as follows: of the 5 initial appointments made by the Governor, one is for a one-year term, 3 are for 2-year terms and one is for a 3-year term; of the 5 initial appointments made by the Speaker of the House of Representatives, 2 are for one-year terms, one is for a 2-year term and 2 are for 3-year terms; and of the 5 initial appointments made by the President of the Senate, 2 are for one-year terms, one is for a 2-year term and 2 are for 3-year terms.

Sec. 9. Maine Revised Statutes headnote amended; revision clause. In the Maine Revised Statutes, Title 10, chapter 107, in the chapter headnote, the words "Maine Development Foundation" are amended to read "Maine Development Foundation; Maine Economic Growth Council," and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

SUMMARY

This bill implements recommendations of the Joint Select Committee on Research, Economic Development and the Innovation Economy. The bill establishes the Maine Innovation Economy Advisory Board in statute. It amends the membership of the Maine Economic Growth Council to add a member from the Maine Innovation Economy Advisory Board. It requires the Maine Economic Growth Council to develop research and development budgetary recommendations. It sets a minimum recommendation level for research and development for the Governor's proposed budget to the Legislature. It requires an annual progress report relating to the 5-year evaluation of state investments in research and development.