

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

SECOND REGULAR SESSION-2000

Legislative Document

No. 2365

S.P. 913

In Senate, January 12, 2000

An Act to Enhance Biomedical Research in Maine.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Business and Economic Development suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator KONTOS of Cumberland.
Cosponsored by Representative BRUNO of Raymond and
Senators: AMERO of Cumberland, BENNETT of Oxford, GOLDTHWAIT of Hancock,
Representatives: MURPHY of Kennebunk, SAXL of Portland, TESSIER of Fairfield.

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

Sec. 1. 5 MRSA c. 383, sub-c. V-A is enacted to read:

SUBCHAPTER V-A

RESEARCH

§13103. Maine Biomedical Research Program

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Biennium" means that period of time encompassed by the state budget fiscal biennium.

B. "Eligible institution" means any Maine-based nonprofit institution that:

(1) Performs competitive biomedical research, as evidenced by publication in recognized peer review journals; and

(2) Receives or expends funds to perform biomedical research from federal agencies or private foundations.

C. "Fund" means the Maine Biomedical Research Fund established in subsection 3.

D. "Program" means the Maine Biomedical Research Program established in subsection 2.

2. Program established. The Maine Biomedical Research Program is established to disburse program funds from the Maine Biomedical Research Fund to eligible institutions pursuant to this section. The department shall administer the program. The department shall:

A. Develop and modify detailed program guidelines consistent with this section in consultation as needed with members of the biomedical community;

B. Review and if necessary verify applications for funds from eligible institutions;

C. Determine whether the institution is an eligible institution;

2 D. Verify that the proposed use of program funds is
3 consistent with subsection 4;

4 E. Determine the allocation that each eligible institution
5 will receive in a given biennium;

6 F. Advertise the availability of funds each biennium; and

7 G. Submit each biennium a summary report to the Governor
8 and the Legislature that compiles information reported to
9 the department as required by subsection 8 by all the
10 institutions that receive program funding.

11 3. Fund established. The Maine Biomedical Research Fund is
12 established as an Other Special Revenue fund for the purposes
13 specified in this section. The source of the fund is set out in
14 Title 22, section 1511, subsection 3. Any unexpended balance in
15 the fund may not lapse, but must be carried forward for the
16 benefit of the fund.

17 4. Use of funds. Program funds are intended to support
18 biomedical research, with priority given to research and research
19 technologies with the potential to affect diseases, biomedical
20 mechanisms or conditions that are either caused by or related to
21 tobacco use, such as, but not limited to, cancer, heart disease,
22 diabetes, asthma, emphysema and stroke. An eligible institution
23 receiving program funds under this section may use those funds
24 for any of the following purposes:

25 A. Project funding;

26 B. Facilities funding, including debt service;

27 C. Equipment used in research, including debt service; or

28 D. Ancillary support.

29 An eligible institution that receives funds under this section
30 may charge overhead expenses consistent with federal research
31 granting criteria. The institution may utilize up to 2% of the
32 program funds it receives to evaluate the impact of the research
33 it is conducting. An institution is not obligated to expend
34 program funds during the period in which those funds are
35 received, but may carry over funding for up to 5 years.

36 5. Application procedure. In order to receive program
37 funds, an eligible institution must submit to the program;

2 A. A preliminary plan describing how the institution would
4 utilize program funds and what research and economic
6 benefits it anticipates as a result of this funding;

8 B. Citations of articles from peer review journals
10 published within the previous 2 years that show the
12 institution is engaged in competitive biomedical research;

14 C. Copies of the institution's Internal Revenue Service
16 form 990, showing the amount of funding from outside sources;

18 D. A breakdown and explanation of all funding from federal
20 agencies and private foundations for biomedical research,
22 listing each specific source of funding and its use; and

24 E. A statement signed by the institution's chief executive
26 officer asserting that all the submitted materials are
28 accurate.

30 6. Allocation of funds to eligible institutions. The
32 department shall allocate funds from the fund to eligible
34 institutions biennially, based on a formula to be developed by
36 rule of the department. The formula must be designed both to
38 provide an ongoing incentive to leverage outside funding and to
40 make it easier for smaller institutions to grow.

42 A. The formula must link the amount of the program funds to
44 be received by an eligible institution to the total amount
46 of funding that the institution has received or expended to
48 perform biomedical research from federal agencies and
50 private foundations during the previous 2 years. In
 general, an institution receiving more funding from federal
 agencies and private foundations will receive more program
 funds under the formula.

B. The formula must be weighted to provide smaller eligible
 institutions with a proportionally larger share of program
 funds.

C. The formula must guarantee a certain minimum allocation
 to any eligible institution, regardless of size, that has
 attracted a minimum of \$1,000,000 over the previous 2 years
 from federal or foundation sources to perform biomedical
 research. That minimum must be expressed as a percentage of
 the total pool of funds to be allocated from the fund.

7. Final plan. Once funding decisions are made according
 to the formula established pursuant to subsection 6, each
 eligible institution shall revise its preliminary plan into a
 final plan that reflects the actual amount of funding allocated.

2 A final plan must describe how the institution would utilize the
4 allocated program funds and what research and economic benefits
6 it anticipates as a result of this funding. An institution must
8 submit a final plan to the department prior to disbursement of
10 funding.

12 8. Accounting, evaluation and reporting requirements. Each
14 institution receiving funding shall:

16 A. Maintain an accurate accounting of the use of all
18 program funds as required by state procedures and program
20 guidelines;

22 B. Undertake an ongoing process to evaluate the impact of
24 the research undertaken with program funds. At a minimum,
26 the evaluation process must be designed to provide the
28 following:

30 (1) An assessment of the direct and indirect economic
32 impact of the funded research; and

34 (2) An assessment of the contribution of the funded
36 research to scientific advancement and the
38 institution's competitive position; and

40 C. Each biennium, submit a report to the department. The
42 report must include:

44 (1) An accounting of the use of all program funds
46 received in the previous 2 years, prepared by a
48 certified public accountant;

50 (2) A summary of the status of any ongoing research;

(3) A summary of the results of any completed
research; and

(4) Evaluation data and assessment.

2 9. Rulemaking. The department shall adopt routine
4 technical rules, pursuant to Title 5, chapter 375, subchapter
6 II-A to implement this section.

8 **Sec. 2. 22 MRSA §1511, sub-§3, ¶¶A and B, as enacted by PL**
10 **1999, c. 401, Pt. V, §1, are amended to read:**

12 **A. For the first 5 years that the State receives money**
14 **described in subsection 2, paragraph A, the Treasurer of**
16 **State shall report to the Legislature the amount that**
18 **represents 90% of the annual payment that is expected to be**

received pursuant to subsection 2, paragraph A and. One third of that amount must be allocated to the Maine Biomedical Research Fund established in Title 5, section 13103, subsection 3 and 2/3 of that amount is available for allocation for the purposes specified in subsection 6. The remainder of the annual payment is to be allocated to the Trust Fund for a Healthy Maine as established in section 1512 to earn income and provide resources to pay for the purposes specified in subsection 6 if the source of the fund described in subsection 2, paragraph A stops.

B. After the first 5 years that the State receives money pursuant to subsection 2, paragraph A, the Treasurer of State shall report to the Legislature the amount that is available for allocation to the Maine Biomedical Research Fund established in Title 5, section 13103, subsection 3 and for the purposes specified in subsection 6 equal to 90% of the sum of the amount expected to be available in the fund from all sources. Of that 90%, 1/3 must be allocated to the Maine Biomedical Research Fund and 2/3 is available for allocations for the purposes specified in subsection 6. The remaining funds must be held in a contingency reserve.

SUMMARY

This bill earmarks a portion of the State's tobacco settlement funds to be used in the Maine Biomedical Research Program. The program is administered by the Department of Economic and Community Development and provides funding to Maine-based nonprofit institutions to conduct biomedical research.