

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1311 Office of the Blue Economy

SPONSOR(S): Regulatory Reform & Economic Development Subcommittee, LaMarca and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 1754

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Regulatory Reform & Economic Development Subcommittee	13 Y, 0 N, As CS	Phelps	Anstead
2) Higher Education Appropriations Subcommittee	14 Y, 0 N	Stenson	Smith
3) Education & Employment Committee			

SUMMARY ANALYSIS

The blue economy, or the ocean economy, is a term used to describe the economic activities associated with the oceans and seas. Florida has the second longest coastline among US states and territories, which contains natural resources and infrastructure that represents a large portion of the state's economy. Recently, it has been found that in order to support Florida's coastal natural resources and infrastructure, and mitigate related threats, certain strategies and actions, such as developing and expanding the resources that support Florida's blue economy, would be beneficial.

The State University System (SUS) is composed of 12 public universities with the purpose of achieving academic excellence through teaching students, advancing research, and providing public service for the benefit of Florida's citizens and their communities and economies. The Board of Governors (BOG) operates, regulates, controls, and manages of the SUS.

The bill:

- Establishes the Office of the Blue Economy (Office) within the SUS.
- Requires the Office to be housed within a state university and administered by the BOG of the SUS.
- Requires the Office, in part, to connect the state's ocean and coastal resources to certain economic development strategies, survey state universities and colleges on the development of academic research, collaborate with relevant industries, develop and facilitate academic research and startup funding, promote the state's blue economy on national and international platforms, and maintain a website on which the Office must publish information related to its responsibilities.
- Requires the Office, by December 30, 2025, and annually thereafter, to report on the economic benefits of the Office and the development of emerging marine and maritime industries.

The bill will have an indeterminate fiscal impact on the expenditures of the BOG and the state university that will house the Office. See fiscal comments.

The bill provides an effective date of July 1, 2024

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Blue Economy

The blue economy, or the ocean economy, is a term used to describe the economic activities associated with the oceans and seas. Defined as the “sustainable use of ocean resources to benefit economies, livelihoods and ocean ecosystem health,” the activities of a blue economy typically include maritime shipping, fishing and aquaculture, coastal tourism, renewable energy, water desalination, undersea cabling, seabed extractive industries and deep sea mining, marine genetic resources, and biotechnology.¹

Globally, the blue economy is estimated to be worth over \$1.5 trillion per year, provides over 30 million jobs and supplies certain foods to over three billion people. It is predicted that the ocean economy may double to \$3 trillion by 2030.²

The US marine economy, including goods and services, contributed approximately \$373 billion to the nation’s gross domestic product in 2018 and grew faster than the nation’s economy as a whole, according to statistics released by the US Department of Commerce.³ The sectors making the largest contributions to the nation’s gross domestic product, include:

- Tourism and recreation, including recreational fishing (\$143 billion).
- National defense and public administration (\$124 billion).
- Offshore minerals (\$49 billion).
- Transportation and warehousing (\$25 billion).
- Living resources, including commercial fishing and aquaculture (\$13 billion).
- Ship and boat building (\$9 billion).
- Power generation (\$4 billion).
- Research and education (\$3 billion).
- Construction (\$2.5 billion).
- Professional and technical services (\$31 million).

Strategic Plan for Florida’s Oceans and Coasts

Recently, the Florida legislature awarded a grant to the Florida Ocean Alliance⁴ to create the strategic policy plan for Florida’s oceans and coasts (plan).⁵ According to the plan, Florida has 8,436 miles of coastline, the second longest coastline among US states and territories, which contain essential, valuable, and iconic natural resources and human-built infrastructure. In 2018, Florida’s coastal counties generated more than \$797 billion of economic value, or 77 percent of the state’s more than \$1 trillion economy at the time. Direct and indirect use of ocean and coastal resources contributed to \$73.9

¹ The London School of Economics and Political Science, *What is the blue economy?* <https://www.lse.ac.uk/granthaminstitute/explainers/what-is-the-role-of-the-blue-economy-in-a-sustainable-future/> (last visited Feb. 9, 2024).

² *Id.*

³ National Oceanic and Atmospheric Administration, *Marine economy in 2018 grew faster than U.S. overall* (June 2, 2020), <https://www.noaa.gov/media-release/marine-economy-in-2018-grew-faster-than-us-overall> (last visited Feb. 9, 2024).

⁴ The Florida Ocean Alliance is a nonpartisan organization dedicated to bringing together the private sector, academia, and non profit research organizations in Florida to protect and enhance Florida’s coastal and ocean resources for continued social and economic benefits. Florida Ocean Alliance, <https://www.floridaoceanalliance.org/> (last visited Feb. 9, 2024).

⁵ Florida Ocean Alliance, *Securing Florida’s Blue Economy: A Strategic Plan for Florida’s Oceans and Coasts* Florida Ocean Alliance, *Executive Summary* (June 2020), <https://static1.squarespace.com/static/614dece04ec1fe659b8317d5/t/616376221a6d513c75428a1a/1633908258963/2020+Securing+floridas+blue+economy.pdf> (last visited Feb. 9, 2024).

billion to the state's economy, and more than one million jobs in Florida were directly and indirectly created by activities that used ocean and coastal resources.⁶

In order to support Florida's coastal natural resources and infrastructure, and mitigate related threats, the plan outlines the following strategies and actions:⁷

- Blue Economy: Developing and expanding the resources that support a major portion of Florida's economy.
- Ocean and coastal resilience: Ensuring the elements of Florida's Blue Economy are more resilient to the effects of local and global threats.
- Human and natural infrastructure: Improving the water, wastewater, stormwater, power infrastructure, and natural habitats that support Florida's diverse and valuable living resources.
- Implementation, outreach, and financing: Building and sustaining broad support and partnerships for executing the Plan with accountability and transparency.

According to the strategic plan, a top priority is to create a statewide, public-private partnership under the Executive Office of the Governor, similar to Space Florida, CareerSource Florida, and other executive-level state partnerships in order to provide a connected leadership that is critical to the implementation of the plan.⁸

State University System of Florida

The State University System (SUS) is composed of 12 public universities.⁹ The purpose of the SUS is to achieve academic excellence through teaching students, advancing research, and providing public service for the benefit of Florida's citizens and their communities and economies.¹⁰ The Board of Governors (BOG) is responsible to operate, regulate, control, and be fully responsible for the management of the whole SUS.¹¹

Effect of the Bill

Office of the Blue Economy

The bill provides the following Legislative findings:

The Florida Legislature finds that marine and maritime resources play a vital role in the state. The Legislature highly values the partnership between the state and its universities and the Florida College System and finds that through this collaboration significant innovation and investment are driven in targeted industries.

The bill creates the Office of the Blue Economy (Office) within the State University System to promote economic development by connecting the state's research institutions with financial resources. The Office is to be housed within a state university and administered by the BOG of the SUS.

The bill defines "blue economy" as the economic uses of marine and maritime resources with a focus on sustainable practices that benefit the long-term outlook of relevant industry sectors and the competitive positioning of the state in a global economy. Relevant industry sectors include, but are not limited to, industries such as shipyards, marinas, piers, aquaculture, commercial diving, fishing, tourism and recreational activities. The bill requires the Office to:

⁶ Florida Ocean Alliance, *Securing Florida's Blue Economy: A Strategic Plan for Florida's Oceans and Coasts*, 1 (June 2020), <https://static1.squarespace.com/static/614dece04ec1fe659b8317d5/t/616376221a6d513c75428a1a/1633908258963/2020+Securing+floridas+blue+economy.pdf> (last visited Feb. 9, 2024).

⁷ *Id.*

⁸ *Id.*

⁹ State University System of Florida, *Chancellor*, <https://www.flbog.edu/about-us/office-of-the-chancellor/chancellor/> (last visited Feb. 9, 2024).

¹⁰ Art. IX, s. 7(a), Fla. Const.

¹¹ Art. IX, s. 7(d), Fla. Const.

- Support the state's economy by connecting the state's ocean and coastal resources to economic development strategies that enhance or contribute to the blue economy with a focus on:
 - Research and development,
 - Technological innovation,
 - Emerging industries,
 - Strategic business recruitment,
 - Public and private funding opportunities, and
 - Workforce training and education.
- Survey state universities and Florida College System institutions on the development of academic research relating to the blue economy across all disciplines, including:
 - Encourage collaboration between state universities and Florida College System institutions with overlapping areas of academic research.
 - Publish on the Office's website information on such collaboration and the current research inventory.
- Collaborate with relevant industries to identify economic challenges that may be solved through innovation in the blue economy by commercializing or otherwise providing public access to academic research and resources.
- Develop and facilitate a pipeline of academic research, commercialization, accelerator programs, and startup funding.
- Publish on the Office's website reports on the number, growth, and average wages of jobs included in the blue economy.
 - Such reports must identify and address any relevant labor shortages projected by the Labor Market Estimating Conference pursuant to s. 216.136(7), F.S.
- Educate other state and local entities on the interests of the blue economy and how such entities may positively address environmental issues while simultaneously considering the economic impact of their policies.
- Communicate the state's role as an integral component of the blue economy by promoting the state on national and international platforms and other appropriate forums as the premier destination for convening on pertinent subject matters.
- Maintain a website on which the Office shall publish information that is required from its obligations.

Annual Report

The bill requires the Office, by December 30, 2025, and each December 30 thereafter, to provide to the Governor, the President of the Senate, and the Speaker of the House of Representatives a detailed report demonstrating the economic benefits of the Office and the development of emerging marine and maritime industries or technologies.

Effective Date

The bill provides an effective date of July 1, 2024.

B. SECTION DIRECTORY:

Section 1: Creates s. 288.102, F.S., relating to Office of the Blue Economy; creation; powers and duties.

Section 2: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See fiscal comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill will have an indeterminate fiscal impact on the expenditures of the state university that houses the Office and the BOG as it relates to administration. While the cost is indeterminate, any costs associated with the bill can be absorbed within existing resources.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 6, 2023, the Regulatory Reform & Economic Development Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Created the Office of the Blue Economy within the State University System, instead of within the Department of Commerce.
- Required the Office to be administered by the Board of Governors of the State University System.
- Required the Office to maintain a website on which the Office shall publish information that is required from its obligations.
- Removed the creation of the Marine and Maritime Resources Grant Program.
- Removed the \$1 million appropriation to the Department of Commerce.

This analysis is drafted to the committee substitute as passed by the Regulatory Reform & Economic Development Subcommittee.