

**MINUTES OF THE
BUSINESS, ECONOMIC DEVELOPMENT, & LABOR
APPROPRIATIONS SUBCOMMITTEE**

Room 210, Senate Building

January 27, 2012

Members Present: Sen. Jerry Stevenson, Senate Chairman
Rep. Todd Kiser, House Chairman
Rep. Ryan Wilcox, House Vice Chair
Sen. Casey Anderson
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Ralph Okerlund
Sen. Stuart C. Reid
Sen. Stephen H. Urquhart
Rep. Stewart E. Barlow
Rep. Brian Doughty
Rep. James A. Dunnigan
Rep. Brian King
Rep. Jeremy Peterson
Rep. Val Peterson
Rep. V. Lowry Snow

Staff Present: Dr. Andrea Wilko, Chief Economist
Mr. Zackery King, Fiscal Analyst
Ms. Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts will be filed with committee minutes.

Sen. Stevenson called the meeting to order at 8:10 a.m.

Department of Community and Culture

Dr. Wilko gave an overview of the Budget Briefs for the divisions in the department, details of which may be accessed on line by clicking on the hyperlinks on the agenda.

Julie Fisher, Executive Director, and Mike Hansen, Deputy Director, distributed a copy of the annual report and emphasized again that the department touches many lives. Committee members were encouraged to come and visit. The department is moving and will be co-locating with State History and Arts and Museums at the Rio Grande which will effect a savings of over \$400,000 annually and will expedite collaboration with other departments.

The Deputy Director presented a slide presentation focusing on positive recognitions of Utah and the on-going department emphasis on optimization, balancing efficiencies and effectiveness. Among the interesting facts pointed out are: more children's books are checked out from the

library per capita than anywhere else in the nation; the Utah braille library is one of the biggest in the world and services are contracted out to other states; 2.9 million people attended arts and museums events; 41,000 Utahns are employed in creative industries. State History must approve historical building projects and is handling applications faster than statute demands.

One in five Utahns is of an ethnic minority. By 2040 that ratio is expected to switch. Cultural Heritage tourism is a growing industry. The state art collection is now available on line as part of the digitization initiative, and the Mountain West digital library through State History is providing content to genealogists, etc. and has 1,000,000 hits monthly.

The department is in the process of reorganization and completed the study required by H.B. 287 and found savings in each of three scenarios. A multi cultural affairs commission was created effecting ongoing savings through reorganization and attrition. The changes to the budget request are minimal, and details may be accessed on line in the Budget Briefs. Some of the budget line items are just pass throughs. There was a discussion about span of control which concerns the number of people who report to a manager. The department has gone from four to six, which is a significant improvement. Rep. Wilcox requested that presenters email their presentations to committee members before the meeting.

Dona Morris, State Librarian, responded to questions as to why our braille library is so large. There is revenue from the blind services to other states which appears as dedicated credits.

The chairs recognized the division heads in attendance and expressed thanks for their services and acknowledged the positive effect on quality of life issues. Sen. Stevenson urged the committee members to get to meetings on time out of courtesy to the agency presenters.

Kathy Bray, Volunteers of America Utah, a nonprofit organization providing homeless services, spoke to the committee. The organization is in support of the Governor's capitol projects. Apartment buildings are being built to provide housing for the homeless. One area of concern is homeless youth. One thousand homeless youth were provided services in Salt Lake County last year; 80 % are from Utah. Present facilities, which used to serve only 20, are inadequate for the 55 individuals now receiving services. The recession is a factor in the increase in numbers.

Governors Office of Economic Development

Dr. Wilko reviewed the GOED Budget Brief and pointed out that through internal reorganization the Business Development line item is now divided into two new program areas which are business outreach and international trade and corporate recruitment and business services. This does not change the budget bottom line. Details of the Budget Brief may be accessed on line through the hyperlinks on the agenda.

Spencer Eccles, Executive Director, and Sophia DiCaro, Deputy Director, distributed a handout and scenic calendar. The deputy director discussed the dedicated credits and a request for an adjustment of \$50,500 for FY2013 in Tourism and an increase of \$3,100 to cover anticipated volume increase for the Pete Suazo Utah Athletic Commission and the amounts of \$201,000 FY2012 and \$251,000 FY2013 for Private Activity Bond. For Utah Health Exchange to comply with HB128 the agency is requesting a dedicated credit appropriation of \$150,000 in FY2013. Intent Language as found in the Budget Brief is requested.

The Executive Director, through a slide presentation, explained the funds and organizational chart. Combined Business and Tourism trade missions to China and Canada have been conducted. The seven Targeted Economic Clusters were discussed and how potential competitors have been brought to work together. The Utah Health Exchange currently has three insurance carriers with over 100 different plans. The retention ratio, conversion ratio, and renewal ratio are all positive. There are fourteen Business Resource Centers. The focus is to see how services are being delivered, how to market those services, and what services are delivered. The centers are a "one-stop shop for business." Collaboration and coordination are the means to accomplish the goals with limited resources.

There was discussion as to why the SBDC budget appears to be reduced and a request that an explanation be given to the committee. How the Business Resource Centers and SBDC's work was explained.

Questions as to the Health Exchange utilization and premium rates were discussed. Unemployment due to ATK losses and unemployment in Iron County were also discussed.

MOTION: Rep. Val Peterson moved to adjourn.

Sen. Stevenson adjourned the meeting at 9:52 a.m.

Sen. Jerry Stevenson, Chair

Rep. Todd Kiser, Chair