

**MINUTES OF THE
WORKFORCE SERVICES AND COMMUNITY
AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**
Wednesday, October 19, 2011 – 2:00 p.m. – Room 20 House Building

Members Present:

Sen. Stuart C. Reid, Senate Chair
Sen. Karen W. Morgan
Sen. Aaron Osmond
Sen. Jerry W. Stevenson
Rep. Johnny Anderson
Rep. Gregory H. Hughes
Rep. David Litvack
Rep. Marie H. Poulson
Rep. Brad R. Wilson

Members Absent:

Rep. Jim Bird, House Chair
Sen. Patricia W. Jones
Rep. Keith Grover
Rep. Jeremy A. Peterson
Rep. Dixon M. Pitcher

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Mr. Peter Asplund, Associate General Counsel
Mr. Robert H. Rees, Associate General Counsel
Ms. Debra Hale, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Reid called the meeting to order at 2:41 p.m. Sen. Jones, Rep. Bird, Rep. Grover, and Rep. Peterson were excused from the meeting.

There was not a quorum present required to approve the minutes of the September 21, 2011 meeting. Therefore, the minutes of September and October will be addressed in the November interim meeting.

2. Economic Development Regulatory Environment

Rep. Brad R. Wilson referred to the handout "Utah Business Rankings," which shows that the state is consistently a state leader in economic vitality. He stated that with these strengths also comes opportunities for the state to continue and improve its position, such as with regulatory and cost structure.

Mr. Michael Mower, Deputy Chief of Staff/State Planning Coordinator, Governor's Office of Planning and Budget, expressed that, because other states overregulate business, many businesses choose Utah. He distributed and discussed the executive summary of a draft report to Gov. Herbert entitled "Utah Business Regulation Review," identifying and reviewing business regulations that work for the state.

Mr. Kenneth A. Hansen, Director, Utah's Division of Administrative Rules, stated that Utah's agency business regulation process relies on public involvement and feedback. He also discussed licensure of individuals and businesses.

Mr. Wesley G. Smith, Director, Public Policy, Salt Lake Chamber of Commerce, stated that the massive annual burden of the state's business regulation is \$1.8 trillion (more than individual income tax generates); however, this financial burden is primarily a result of federal (not state or local) regulatory issues. He said the Chamber is pleased, in general, with the state, so their focus is mainly on federal regulatory issues.

Mr. Smith explained that the Chamber has expressed enthusiasm in assisting the state in improving its business regulation status. He described a meeting the Chamber conducted with Sen. Hatch and 30 business leaders, where they discussed business regulation. Because businesses have a cumulative burden of regulatory issues, Mr. Smith requested that the Committee look at individual regulatory issues. He said that the Chamber has a list of federal, state, and local regulatory issues to be addressed to find ways to relieve burdens on state businesses without jeopardizing public health and safety.

Mr. Spencer P. Eccles, Executive Director, GOED, discussed a visual presentation "Why Utah?" and distributed a handout entitled "Utah's #1 Rankings," both citing the advantages for businesses to locate in Utah.

MOTION: Rep. Wilson moved to form a task force that would open a bill file with four emphases: (a) repeal regulation that is not helpful; (b) create a process for a business review note when a bill is passed; (c) deregulate, where possible; and (d) find ways to reduce business cost to attract business to the state. Not having a quorum present, Chair Reid asked if there was opposition to Rep. Wilson moving forward with his request, and there was not. Chair Reid requested that this bill include an annual report of progress regarding this matter.

3. Governor's Office of Economic Development (GOED) Organizational Efficiency

Mr. Eccles continued with a visual presentation of how GOED is organized to perform its essential functions and increase efficiency by discussing: (a) Teamwork; (b) Formula for Success: Coordination and Collaboration and Efficiency and Effectiveness; (c) Economic Development Partners; (d) GOED's Efforts to Maximize Resources; (e) GOED's Organization Chart of officers and departments; (f) "The Process" - Key Components of Strategy; and (g) GOED's Efforts to Maximize Resources and Leverage Partnerships.

4. Department of Workforce Services (DWS) - Organizational Efficiency

Ms. Kristen Cox, Executive Director, DWS, distributed and discussed "Department of Workforce Services - Public Assistance - Eligibility Services," addressing how the department is organized to perform its essential functions and increase efficiency. Ms. Cox stated that DWS is determined to solve its internal problems prior to coming before the Committee for additional funds. She expressed that DWS's Throughput Operating Strategy creates new strategies and actions that lead to correct decisions, reducing time and effort to get complete information. Ms. Cox assured the Committee that DWS is more knowledgeable regarding employers' current and future needs to provide better job creation and access to available jobs.

Ms. Cox then addressed topics requested by Chair Reid and questions from the Committee.

5. Department of Community and Culture (DCC) Restructuring -- Final Report

Ms. Julie Fisher, Executive Director, DCC, outlined the six divisions of the DCC and distributed "DCC Response to HB287 - October 2011," addressing the final report recommendations from the study DCC was directed to conduct to: (a) improve efficiency; (b) reduce costs; and (c) better focus the state and its

employees on providing community and cultural development opportunities and administering related federal grant programs.

Mr. Michael Hansen, Deputy Director, DCC, gave a visual presentation, "DCC Response to HB 287," and discussed an overview of DCC. He stated its objective is to improve the quality of life for the people of Utah by creating, preserving, and promoting communities and culture. He offered three options for addressing DCC's organization: Scenario A - Baseline (DCC continues to optimize internally); Scenario B - Dissolution (reduce the number of agencies by reassignment of its programs to other departments); and Scenario C - Cultural Commission (realign DCC in order to focus on being more of a cultural-based department). He explained the Impact Comparison, which requests the legislature to look at each scenario holistically. Mr. Hansen further summarized DCC's response by presenting their handout "HB287 - Restructuring of the Department of Community & Culture - Summary Response - October, 2011."

Ms. Fisher and Mr. Hansen entertained comments and questions from the Committee.

6. Other Items /Adjourn

MOTION: Rep. Wilson moved to adjourn the meeting. The motion passed unanimously. Rep. Hughes and Rep. Poulson were absent for the vote.

Chair Reid adjourned the meeting at 4:59 p.m.