

**MINUTES OF THE
WORKFORCE SERVICES AND COMMUNITY
AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**
Wednesday, August 20, 2008 – 9:00 a.m. – Room C250 State Capitol

Members Present:

Sen. Mark B. Madsen, Senate Chair
Rep. Steven R. Mascaró, House Chair
Sen. Allen M. Christensen
Sen. Fred J. Fife
Sen. Patricia W. Jones
Rep. Janice M. Fisher
Rep. Christopher N. Herrod
Rep. Karen W. Morgan
Rep. Gordon E. Snow

Members Absent:

Sen. Dan R. Eastman
Rep. James A. Dunnigan

Staff Present:

Mr. Arthur L. Hunsaker, Policy Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Glenda S. Whitney, 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 Mascaró called the meeting to order at 9:08 a.m.

MOTION: Sen. Christensen moved to approve the minutes of the June 18, 2008 meeting. The motion passed unanimously with Sen. Madsen, Sen. Jones, Rep. Fisher, and Rep. Herrod absent for the vote.

2. Identity Theft Update: State Employee Drug Testing

Mr. Jeff Herring, Executive Director, Department of Human Resource Management, distributed and reviewed the handout, "Intelligence Bulletin Methamphetamine-related Identity Theft, U. S. Department of Justice." He reported on current laws regarding drug testing on state employees and gave an update on how his department is handling highly sensitive data and drug testing.

Mr. Kirk Torgensen, Chief Deputy, Criminal Divisions, Attorney General's Office, noted identity theft is an overwhelming problem for law enforcement. He discussed the process for random drug testing within departments and noted the importance of keeping highly sensitive data safe.

3. Economic Development Incentives

Chair Mascaró thanked Mr. Wilson, Mr. Hunsaker, and Ms. Whitney for their efforts in staffing the Workforce Services and Community and Economic Development Interim Committee meetings.

Mr. Wilson distributed and gave an overview on the handout, "Economic Development Incentives Act - Sections 63M-1-2401 through 2408."

Mr. Hunsaker distributed a copy and gave a slide presentation and overview on, "Economic Development Incentives."

Rep. Mascaró turned the chair over to Sen. Madsen.

Mr. Jason Perry, Executive Director, Governor's Office of Economic Development (GOED), responded to committee members' questions on rural broadband services.

Mr. Jerry Oldroyd, Attorney for Ballard Spahr Andrews and Ingersoll, and Chair of GOED's State Incentives Committee, responded to committee members' questions on the Rural Broadband Service Fund.

Mr. Perry discussed the various economic development incentives provided by the state and how the program is working. He distributed a handout, "Corporate Recruitment & Incentives" and reviewed the revenues from fiscal year 2007 to fiscal year 2008.

Mr. Derek Miller, Managing Director of Corporate Incentives, GOED, gave an overview on the handout "Corporate Recruitment & Incentives" and reviewed the number of jobs incented, new state revenues, capital investments, and new state wages.

Mr. Oldroyd explained the functions of the Economic Development Incentives Committee.

4. Motion Picture Incentives

Mr. Perry discussed GOED's goals and plans for new motion picture incentives to attract business and to increase state revenues. He noted that GOED and the Governor have made reshaping motion picture incentives a high priority.

Mr. Miller referred to the handout that was distributed, "Corporate Recruitment & Incentives" and commented on GOED's strategies for economic development in the film industry.

Mr. Marshall Moore, Director, Utah Film Commission, discussed the history of motion picture incentives for the state. He gave an overview on the motion picture incentive breakdown regarding other states and discussed Utah's lost opportunities with past film productions.

Mr. Bryan Clifton, Redman Movies and Stories, spoke in support of additional motion picture incentives and suggested removing the current incentive cap for film makers.

5. Training Utah's Workforce for Available Jobs

Mr. Gayle McKeachnie, Director, Office of Rural Affairs, GOED, discussed current state efforts to enhance the training of Utah's workforce to meet the job demands of a 21st Century workforce. The state, through GOED, the Department of Workforce Services, and Public and Higher Education is focusing on a system approach to provide training for the state's workforce. He said a final report on this effort will be distributed to the Committee before the 2009 General Session.

Ms. Kristen Cox, Executive Director, Department of Workforce Services, further discussed the process for training Utah's workforce.

Mr. Perry commented on the economic impact in training Utah's workforce for employment in the 21st Century.

6. Offset for Social Security and Workers Compensation

Rep. Wayne Harper explained the history for this agenda item brought about by the enactment of 2008 General Session S.B. 108, "Offset of Workers' Compensation and Social Security."

Ms. Patricia Owen, Associate General Counsel, Office of Legislative Research and General Counsel, gave background information on Social Security and Workers Compensation and the reduction or offset of benefits.

Chair Madsen turned the chair over to Rep. Mascaro.

Mr. Paul Rogers, Workers Compensation Fund of Utah, reported on the status of litigation regarding a social security offset provision as applied to the receipt of workers compensation benefits. He distributed and commented on, "Amicus brief filed by the Workers Compensation Fund with the Utah Supreme Court in the matter of Merrill vs Utah Labor Commission et al."

7. Adjourn

MOTION: Rep. Snow moved to adjourn the meeting. The motion passed unanimously. Sen. Christensen and Sen. Madsen were absent for the vote.

Chair Mascaro adjourned the meeting at 11:58 a.m.