

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND HUMAN RESOURCES
APPROPRIATIONS SUBCOMMITTEE**

Room W140 West Office Building, State Capitol Complex

January 25, 2006

Members Present: Sen. Al Mansell, Co-Chairman
Rep. Craig Buttars, Co-Chairman
Sen. Dan Eastman
Sen. Scott McCoy
Rep. Jeff Alexander
Rep. Brad Dee
Rep. Patrick Painter
Rep. Jackie Biskupski

Members Excused:

Staff Present: Dr. Andrea Wilko, Fiscal Analyst
Juliette M. Tennert, Fiscal Analyst
Jennifer Eyring, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Buttars called the meeting to order at 2:16 p.m.

Dr. Andrea Wilko, Fiscal Analyst, discussed the budget for the Governor's Office of Economic Development. Issue briefs concerning GOED Restructuring and Incentives were explained. The committee was asked to make a recommendation to the Executive Appropriation Committee for the replenishment of funds for the Industrial Assistance Fund for the amount of \$3,479,400. The Analyst recommended the committee prioritize funding for Tax Increment Financing incentives, Centers for Excellence, Disadvantaged Rural Communities program and the Rural Partnership Board. A copy of a limited scope audit report was distributed.

Richard Bradford, Governor's Office of Economic Development, endorsed Dr. Wilko's recommendation to create 3 line items for the Office. The Office requested that they be given non-lapsing authority.

Martin Frey, Governor's Office of Economic Development, distributed a handout giving an overview of the Office's strategies and programs. New programs, changes in existing programs and success metrics were discussed. Areas of focus for economic clusters include life sciences, energy, IT and software development, aerospace, defense and Homeland Security.

Mike Thompson, SetPoint Systems Inc. and Rocky Mountain Testing Solutions, discussed how GOED's gap analysis assistance helped them in the startup of their new business, Rocky Mountain Testing Solutions.

Martin Frey, GOED, discussed Business Development programs, highlighting the partnership of industry, academic programs and government partnerships.

Jolet Olsen, DTS, discussed how she used the Talent Acquisition Program to locate an equivalent job opportunity in Utah so she could relocate from New York.

Martin Frey, GOED, gave an overview of Capital Formation and Procurement Assistance Programs.

Phil Thompson, Industrial Supply, spoke on the impact that the Procurement Technical Assistance Center had on their business in obtaining contracts with the state of Utah.

Nicole Toomey Davis, Director, Centers of Excellence Program, discussed the program's mission to accelerate the movement of new technology created in the state's universities and colleges and move them into industry where they can be productive and help create jobs.

Steve Kubisen, Vice President for Technology Commercialization, Utah State University, spoke to the benefits of the Centers of Excellence's assistance in moving technology from the universities, through the development stage, into startup companies, and then retaining these companies in Utah.

Glenn Prestwich, University of Utah, spoke of companies started with the assistance of the Centers of Excellence and the need for continued efforts and funding to start and retain companies in the state.

Kirk Ririe, Idaho Technology, spoke in behalf of the Centers of Excellence program. With the program's help, his company was relocated to Utah, in proximity to the University of Utah, the primary collaborator, instead of the Bay Area with its vast biotechnology resources.

Greg Jones, State science advisor, was recognized for his work with the Centers for Excellence. His role is to help universities and industry align research and funding to bring new technology into industry.

Martin Frey, GOED, gave an overview of state incentives for recruitment and retention, and entrepreneurial development.

Jerry Oldroyd, GOED Board of Directors, spoke to the benefits of changes made in the GOED under the direction of Martin Frey.

The GOED FY 2007 Budget Summary was distributed to the committee.

The Office requested \$1,795,000 in ongoing funding for Clusters, Business and Tech Parks, Business Resource Centers, and Business Development.

The Office requested \$3,651,700 as one time funding for Business Resource Center equipment, additional Centers of Excellence, New Program Marketing/Awareness, Rural Disadvantaged Community Grants, Proactive Recruiting, and Management Talent Acquisition.

A handout, "Establishing Utah Business Resource Centers", was distributed to the committee and discussed by Martin Frey.

Rep. Buttars reminded the committee that final votes will be taken in the next meeting, Monday, January 30, 2006.

MOTION: Sen. Mansell moved to adjourn the meeting. The motion passed unanimously.

Rep. Buttars adjourned the meeting at 3:50 p.m.

Sen. Al Mansell, Co-Chair

Rep. Craig Buttars, Co-Chair