

**MINUTES OF THE
UTAH TECHNOLOGY COMMISSION**

Thursday, April 22, 2004 – 8:00 a.m. – Room 303 State Capitol

Members Present:

Sen. Beverly Ann Evans, Chair
Rep. David Clark, Chair
Sen. David L. Thomas
Rep. Brad L. Dee
Rep. Brent H. Goodfellow
Rep. Neal B. Hendrickson
Mr. Daniel Becker
Mr. David Harmer
Mr. Val Oveson
Mr. Richard Siddoway

Members Absent:

Sen. Karen Hale
Rep. John Dougall
Dr. Gary Wixom

Staff Present:

Mr. Richard C. North, Policy Analyst
Ms. Cathy Dupont, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the commission secretary, Wendy Bangerter, at 538-1032.

1. Commission Business

Chair Clark called the meeting to order at 8:10 a.m.

MOTION: Mr. Oveson moved to approve the minutes of the November 20, 2003 meeting. The motion passed unanimously with Sen. Thomas, Rep. Dee, and Rep. Goodfellow absent for the vote.

2. 2004 General Session Technology Legislation Wrap-Up

Richard North, Policy Analyst, gave a summary of technology legislation considered during the 2004 General Session.

3. Outsourcing of Publicly Funded Programs

Ms. Cathy Dupont, Associate General Counsel, introduced the issue of outsourcing of jobs in the state eFund program.

Ms. Raylene Ireland, Exec. Director, Department of Workforce Services, explained the process the division followed in developing the RFP for administering the benefit program, which involves a sophisticated banking system to track benefits such as food stamps, child care, and welfare payments. She explained how eFunds was selected to administer the program, and that a very small part of the total contract involves a call center. She indicated that after the initial contract was signed, the call center was moved to India. She indicated that Utah was the beneficiary of offshoring the call center.

Mr. John Nixon, Director of Finance, Workforce Services, explained the call center contract and reviewed the security agreement. He indicated how much money is being saved by locating the call center in India. He discussed the costs of moving the call center back to the United States.

Mr. Michael Sullivan, Customer Relations, Workforce Services, distributed a list of important facts regarding the EBT (Electronic Benefits Transfer) call center and a comparison of contract costs.

Ms. Ireland asked that they be given the opportunity to return with additional information that would assure the Commission of the privacy and security of customer information via eFund oversight.

Mr. Doug Richins, State Procurement Officer, Division of Purchasing, explained preference legislation and the state's requirement in statute that gives preference to state products or contractors only when an out-of-state bidder is from a state that gives in-state preferences. He said other than the reciprocal preferences, the state does not recognize any purchasing preferences.

Mr. David Harmer, Executive Director, Dept. of Community and Economic Development, discussed offshoring from a global perspective, noting that the United States brings in foreign jobs in addition to outsourcing jobs overseas. He noted that offshoring benefits both parties and motivates competition to be more efficient. He expressed the need to help Utah companies be competitive on a world scale and help displaced people find jobs.

Mr. Doug Foxley, Executive Director, Association of Financial Services, explained why financial businesses locate in Utah, and stated that 99 percent conduct business outside of the state. He noted that whatever is done will affect Utah and he encouraged the Commission to proceed cautiously. He offered his company's resources and information to the Commission as they proceed.

Commission discussion followed.

The Commission took a break at 10:10 a.m. before commencing a joint meeting with the Utah Technology Industry Council.