



THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

BUSINESS, ECONOMIC DEVELOPMENT AND LABOR APPROPRIATIONS SUBCOMMITTEE
STAFF: ANDREA WILKO

BUDGET BRIEF

SUMMARY

The Governor's Office of Economic Development is separated into four line items: Administration, Business Development, Tourism and the Incentives/Pete Suazo Athletics Commission. The Administration defines, develops and implements strategies and provides fiscal guidance and support to the programs. The Administration also provides oversight and support to legislative pass through programs.

The Office of Tourism exists to improve the quality of life of Utah citizens through revenue and tax relief by increasing the quality and quantity of tourism visits and spending. The Office promotes tourism through advertising and media contacts. The programs included in the Office of Tourism are as follows: Administration, Operations and Fulfillment, Advertising and Promotion, and Film Commission.

The mission of the Business Development line item is to create jobs that will raise the standard of living of Utah's citizens by enabling companies to be successful. To accomplish this mission Business Development is focused on the following: providing incentives to companies, business creation, business growth, and business recruitment.

The Pete Suazo Athletics Commission regulates professional unarmed combat sports including boxing, kickboxing and mixed martial arts. The commission charges fees which are intended to cover cost of regulation.

ISSUES AND RECOMMENDATIONS

The subcommittee should consider the following items in its deliberations:

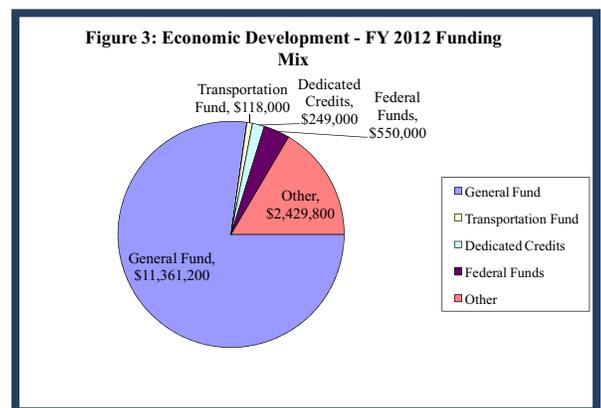
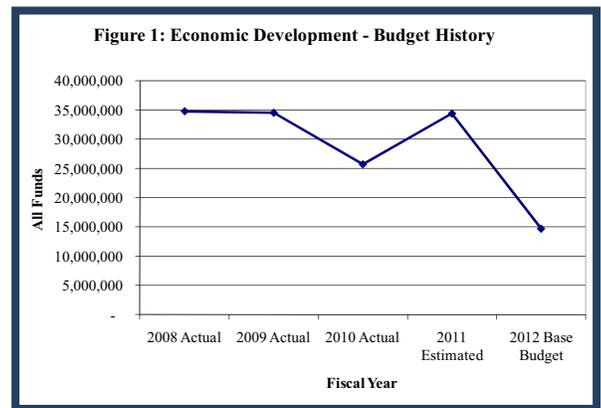
Base Budget Adoption

Adoption of the base budget enables the programs to continue for the next fiscal year. Some changes in the base budgets may occur outside of formal Legislative action, namely non-state fund increases or decreases (i.e. federal funds, transfers, dedicated credits, and non-lapsing balances), and program shifts within a line item.

Adoption of Fees

A fee schedule needs to be adopted for the Pete Suazo Athletics Commission.

Tourism Marketing Performance Fund – The Committee may want to make a recommendation to the Executive Appropriations Committee that the \$6,000,000 base set aside from NAICS earmarks be allocated to the restricted fund. No growth is being recommended as the NAICS earmarks did not reach the statutory growth levels needed for additional appropriations.



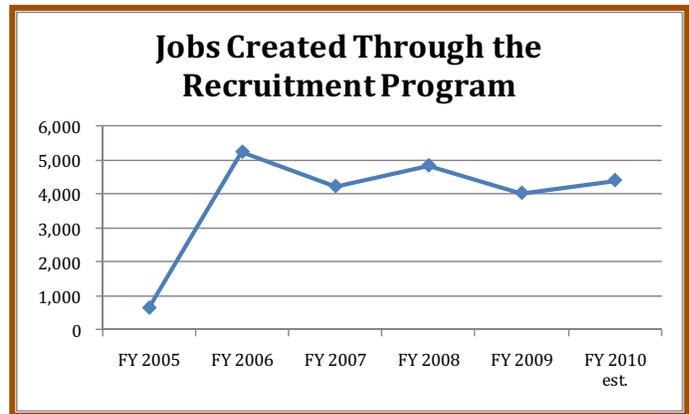
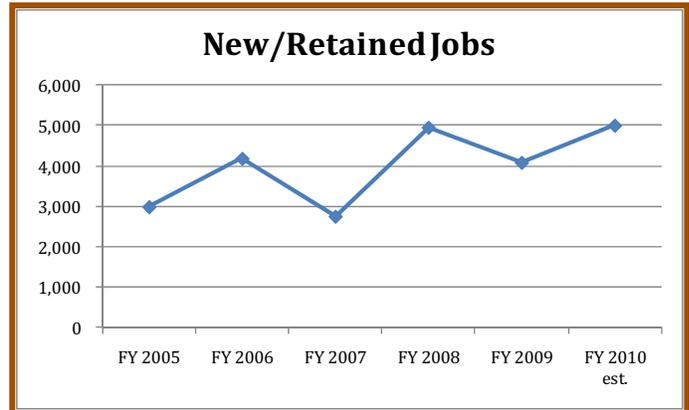
Department Requests for Consideration

Requests will be discussed including supplemental revenue requests, fees, dedicated credit revenues and departmental issues for consideration.

PERFORMANCE INDICATORS

The Procurement Technical Assistance program has a goal of creating jobs through government contracts. As a measure they provide the number of new/retained jobs as defined by the Department of Defense. The program also monitors the new contracts acquired by Utah small businesses. The PTAC program has eight locations statewide which are used to provide services such as counseling, workshops, and mentors.

Business Recruitment is responsible for business recruiting and expansions within the State. The success of this program is measured by the number of jobs brought into the state as a result of the program.



BUDGET DETAIL

Funding for GOED is used mainly for staff support, contractual obligations, and pass-through to eligible entities.

The following table shows the budget history for the Department of Community and Culture. To eliminate the structural imbalance and as directed by the Executive Appropriations Committee, the FY 2012 Base Budget column includes 93% of FY 2011 ongoing General and Education Fund appropriations across the board. Targeted budget changes, reflecting policymaker direction, will likely replace the pro-rata reductions here.

Economic Development						
	FY 2010	FY 2011		FY 2011		FY 2012*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	12,954,000	12,216,300	0	12,216,300	(855,100)	11,361,200
General Fund, One-time	3,939,800	2,945,000	0	2,945,000	(2,945,000)	0
Transportation Fund	118,000	118,000	0	118,000	0	118,000
Federal Funds	300,000	300,000	750,000	1,050,000	(500,000)	550,000
American Recovery and Reinvestme	0	0	200,000	200,000	(200,000)	0
Dedicated Credits Revenue	209,200	325,800	(85,800)	240,000	9,000	249,000
GFR - Industrial Assistance	223,500	223,500	0	223,500	0	223,500
GFR - Motion Picture Incentive	2,206,300	2,206,300	0	2,206,300	0	2,206,300
GFR - Tourism Marketing Performan	7,000,000	6,950,000	0	6,950,000	(6,950,000)	0
Beginning Nonlapsing	7,290,500	0	8,275,400	8,275,400	(8,275,400)	0
Closing Nonlapsing	(8,275,400)	0	0	0	0	0
Lapsing Balance	(233,800)	0	0	0	0	0
Total	\$25,732,100	\$25,284,900	\$9,139,600	\$34,424,500	(\$19,716,500)	\$14,708,000
Line Items						
Incentive Funds	181,000	208,600	20,800	229,400	(31,200)	198,200
Administration	3,252,300	3,839,300	1,168,000	5,007,300	(2,884,000)	2,123,300
Office of Tourism	12,229,500	13,461,900	5,411,100	18,873,000	(12,623,200)	6,249,800
Business Development	10,069,300	7,775,100	2,539,700	10,314,800	(4,178,100)	6,136,700
Total	\$25,732,100	\$25,284,900	\$9,139,600	\$34,424,500	(\$19,716,500)	\$14,708,000
Categories of Expenditure						
Personnel Services	5,744,300	6,026,000	316,300	6,342,300	(491,800)	5,850,500
In-state Travel	80,300	96,500	44,700	141,200	(34,200)	107,000
Out-of-state Travel	127,700	188,200	47,800	236,000	(40,000)	196,000
Current Expense	8,286,000	2,926,600	7,790,300	10,716,900	(7,996,200)	2,720,700
DP Current Expense	306,400	309,500	101,400	410,900	(52,000)	358,900
DP Capital Outlay	20,100	0	20,100	20,100	0	20,100
Capital Outlay	0	403,800	(403,800)	0	0	0
Other Charges/Pass Thru	11,167,300	15,334,300	1,222,800	16,557,100	(11,102,300)	5,454,800
Total	\$25,732,100	\$25,284,900	\$9,139,600	\$34,424,500	(\$19,716,500)	\$14,708,000
Other Data						
Budgeted FTE	65.6	65.0	0.6	65.6	(4.6)	61.0
Actual FTE	65.8	0.0	0.0	0.0	0.0	0.0
Vehicles	6	6	0	6	0	6

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.