



# 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, Tourism, Business Development, and the Pete Suazo Athletic 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 focuses on business outreach and international trade, and corporate recruitment and business services.

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

**ISSUES AND RECOMMENDATIONS**

The subcommittee should consider the following items in its deliberations:

**Base Budget Adoption**

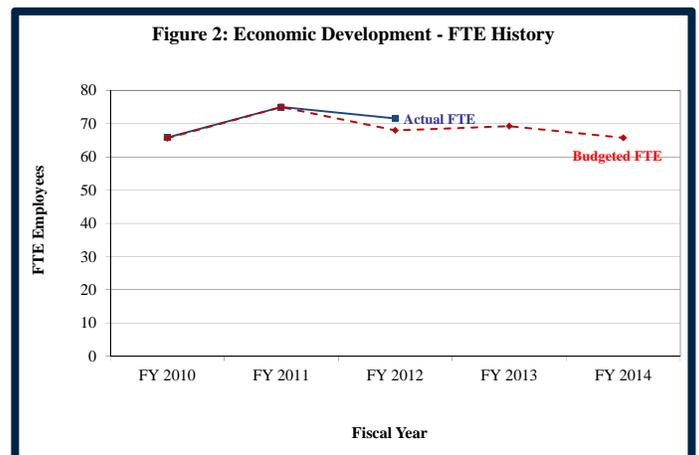
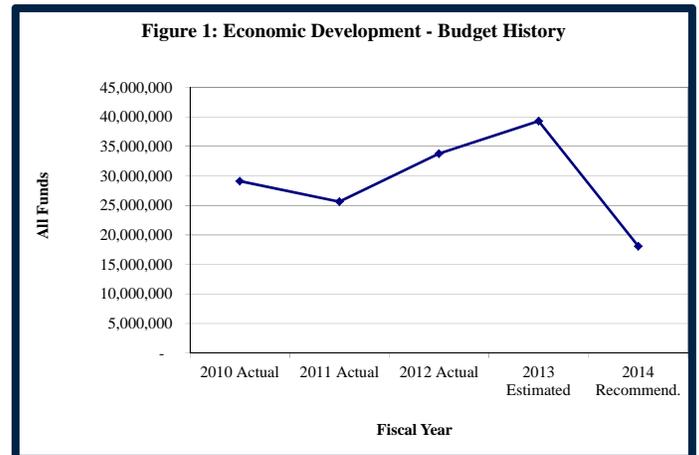
For the Governor's Office of Economic Development budget, the Fiscal Analyst recommends an FY 2014 budget of \$18,076,700 as shown in the budget detail on page 4.

**Adoption of Fees**

For the FY 2014 fee schedule for the Governor's Office of Economic Development, please refer to the issue brief, *Governor's Office of Economic Development: FY 2014 Fee Schedule*.

**Federal Funds**

The committee should take action on the federal funds shown in the Issue Brief *Business, Economic Development and Labor: Federal Funds*. The aggregated federal fund totals for the Governor's Office of Economic Development are shown in the budget detail tables. GOED has asked the committee to consider reducing the FY 2013 federal funds by \$740,900 and increasing the FY 2014 federal funds by \$700,000.



**Intent Language**

*Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Governor's Office of Economic Development Administration in Item 12, Chapter 10, Laws of Utah 2012, shall not lapse at the close of FY 2013. The use of any non-lapsing funds is limited to system management enhancements: \$200,000; business marketing efforts: \$500,000; and health system reform (Avenue H): \$600,000.*

*Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Governor's Office of Economic Development Office of Tourism, in Item 13, Chapter 10, Laws of Utah 2012, shall not lapse at the close of FY 2013. The use of any non-lapsing funds is limited to contractual obligations and support: \$350,000*

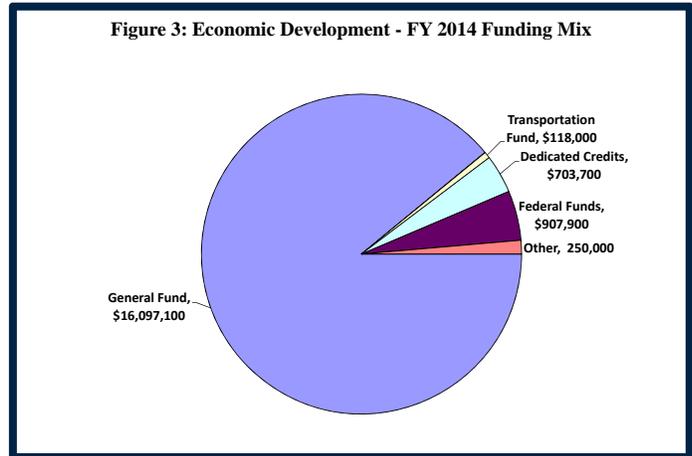
*Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Motion Picture Incentive Fund, shall not lapse at the close of FY 2013. The use of any non-lapsing funds is limited to \$2,121,500.*

*Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Tourism Marketing Performance Fund in item 67, chapter 416, Laws of Utah 2012, not lapse at the close of FY 2013. The use of any non-lapsing funds is limited to advertising and promotion: \$5,500,000.*

*Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Governor's Office of Economic Development Business Development, in Item 14, Chapter 10, Laws of Utah 2012, shall not lapse at the close of FY 2013. The use of any non-lapsing funds is limited to Business Cluster support: \$50,000; Business Resource Centers: \$300,000; Technology Commercialization and Innovation Program contracts: \$3,000,000; International Development contracts and support: \$200,000; Procurement and Technical Assistance Center contracts: \$150,000; Rural Development contracts and support: \$200,000; and Corporate Recruitment contracts and support: \$75,000.*

*Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Pete Suazo Utah Athletic Commission in Item 15, Chapter 10, Laws of Utah, shall not lapse at the close of Fiscal Year 2013. The use of any non-lapsing funds is limited to the Pete Suazo Utah Athletic Program: \$151,200.*

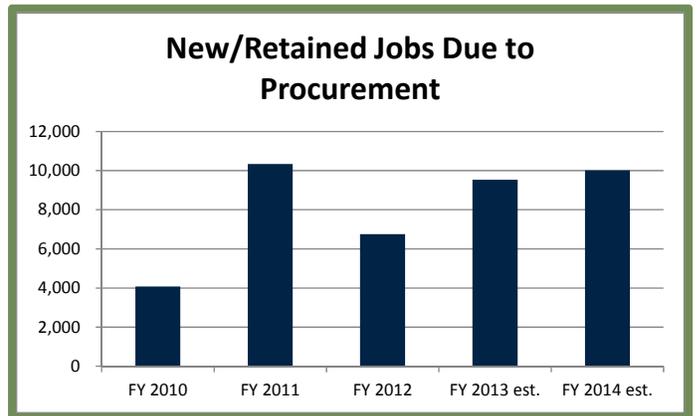
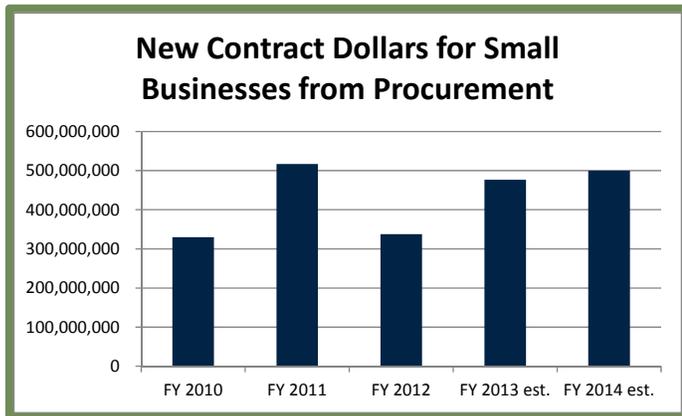
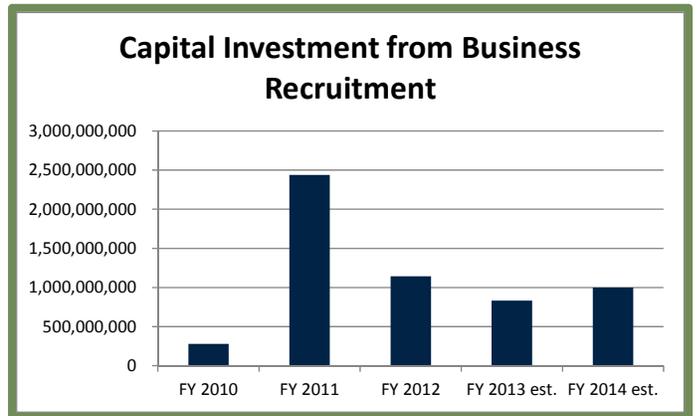
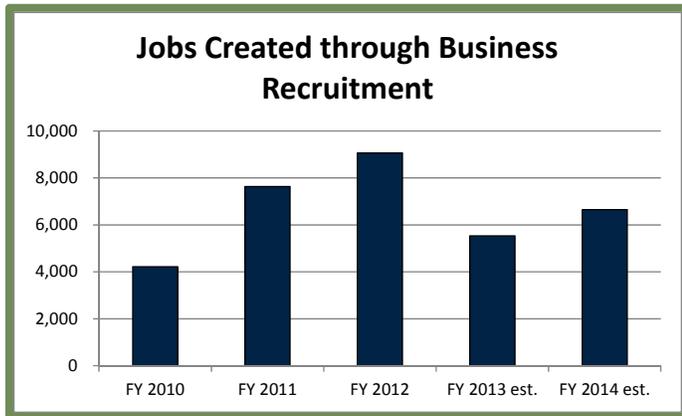
*Under Section 63J-1-603 of the Utah Code, the Legislature intends that appropriations provided for the Industrial Assistance Fund (Fund 1054) be non-lapsing.*



**ACCOUNTABILITY DETAIL**

A primary mission of the Governor’s Office of Economic Development is to increase the number of quality jobs in Utah. To this end they track the number of jobs created due to incentives provided and capital investment by the companies receiving incentives. These numbers are shown in the charts below.

Another goal of GOED is to grow existing companies in the state. To measure their success under this goal they collect data including new contract dollars received by Utah companies under the Procurement Technical Assistance Program and the new or retained jobs resulting from these contracts. Data is shown below.



**BUDGET DETAIL**

Funding for GOED is used mainly for staff support, contractual obligations, and pass-through funding to eligible entities. Budget tables are provided on subsequent pages detailing the total GOED budget as well as the various line items. One-time funded provided in FY 2013 was allocated to the following: Sundance Film Festival \$500,000, Sports Commission \$500,000, Utah Defense Alliance \$500,000, Business Resource Centers \$250,000, Utah Health Exchange \$600,000, Hill Air Force Show \$150,000.

**BUDGET DETAIL TABLES**

<b>Economic Development</b>						
<b>Sources of Finance</b>	<b>FY 2012 Actual</b>	<b>FY 2013 Appropriated</b>	<b>Changes</b>	<b>FY 2013 Revised</b>	<b>Changes</b>	<b>FY 2014* Recommended</b>
General Fund	14,622,400	16,097,100	0	16,097,100	0	16,097,100
General Fund, One-time	17,201,900	2,500,000	0	2,500,000	(2,500,000)	0
Transportation Fund	118,000	118,000	0	118,000	0	118,000
Federal Funds	1,040,500	1,135,000	1,597,400	2,732,400	(1,824,500)	907,900
Dedicated Credits Revenue	428,500	703,700	0	703,700	0	703,700
Interest Income	39,900	0	0	0	0	0
GFR - Industrial Assistance	223,500	250,000	0	250,000	0	250,000
GFR - Tourism Marketing Performan	7,000,000	9,000,000	0	9,000,000	(9,000,000)	0
Beginning Nonlapsing	10,794,700	70,000	7,814,900	7,884,900	(7,884,900)	0
Closing Nonlapsing	(7,884,900)	0	0	0	0	0
Lapsing Balance	(253,000)	0	0	0	0	0
Beginning Fund Balance	24,067,600	0	0	0	0	0
Ending Fund Balance	(33,627,500)	0	0	0	0	0
<b>Total</b>	<b>\$33,771,600</b>	<b>\$29,873,800</b>	<b>\$9,412,300</b>	<b>\$39,286,100</b>	<b>(\$21,209,400)</b>	<b>\$18,076,700</b>
<b>Line Items</b>						
Administration	9,104,600	6,474,200	2,051,200	8,525,400	(4,051,200)	4,474,200
Office of Tourism	13,612,300	13,412,400	4,538,300	17,950,700	(13,538,300)	4,412,400
Business Development	9,414,600	9,752,800	2,755,600	12,508,400	(3,532,700)	8,975,700
Pete Suazo Utah Athletics Comm	160,100	234,400	67,200	301,600	(87,200)	214,400
Industrial Assistance Fund	1,480,000	0	0	0	0	0
<b>Total</b>	<b>\$33,771,600</b>	<b>\$29,873,800</b>	<b>\$9,412,300</b>	<b>\$39,286,100</b>	<b>(\$21,209,400)</b>	<b>\$18,076,700</b>
<b>Categories of Expenditure</b>						
Personnel Services	6,430,800	6,864,000	(5,200)	6,858,800	(518,400)	6,340,400
In-state Travel	88,600	82,400	28,600	111,000	(9,700)	101,300
Out-of-state Travel	241,500	169,700	81,200	250,900	(11,400)	239,500
Current Expense	8,983,800	4,309,400	12,539,900	16,849,300	(11,446,900)	5,402,400
DP Current Expense	434,300	319,800	(91,000)	228,800	(35,800)	193,000
DP Capital Outlay	294,100	34,300	(34,300)	0	0	0
Capital Outlay	0	5,500	(5,500)	0	0	0
Other Charges/Pass Thru	17,075,000	18,088,700	(3,101,400)	14,987,300	(9,187,200)	5,800,100
Transfers	223,500	0	0	0	0	0
<b>Total</b>	<b>\$33,771,600</b>	<b>\$29,873,800</b>	<b>\$9,412,300</b>	<b>\$39,286,100</b>	<b>(\$21,209,400)</b>	<b>\$18,076,700</b>
<b>Other Data</b>						
Budgeted FTE	68	35	34	69	(4)	66
Actual FTE	72	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.

<b>Economic Development - Administration</b>						
	<b>FY 2012</b>	<b>FY 2013</b>		<b>FY 2013</b>		<b>FY 2014*</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Changes</b>	<b>Revised</b>	<b>Changes</b>	<b>Recommended</b>
General Fund	3,324,800	4,324,200	0	4,324,200	0	4,324,200
General Fund, One-time	5,265,000	1,750,000	0	1,750,000	(1,750,000)	0
Federal Funds	539,100	250,000	1,190,900	1,440,900	(1,440,900)	0
Dedicated Credits Revenue	0	150,000	0	150,000	0	150,000
Beginning Nonlapsing	598,500	0	860,300	860,300	(860,300)	0
Closing Nonlapsing	(499,700)	0	0	0	0	0
Lapsing Balance	(123,100)	0	0	0	0	0
<b>Total</b>	<b>\$9,104,600</b>	<b>\$6,474,200</b>	<b>\$2,051,200</b>	<b>\$8,525,400</b>	<b>(\$4,051,200)</b>	<b>\$4,474,200</b>
<b>Programs</b>						
Administration	9,104,600	6,474,200	2,051,200	8,525,400	(4,051,200)	4,474,200
<b>Total</b>	<b>\$9,104,600</b>	<b>\$6,474,200</b>	<b>\$2,051,200</b>	<b>\$8,525,400</b>	<b>(\$4,051,200)</b>	<b>\$4,474,200</b>
<b>Categories of Expenditure</b>						
Personnel Services	1,553,900	1,634,500	200,600	1,835,100	(518,400)	1,316,700
In-state Travel	6,200	7,800	2,200	10,000	(5,000)	5,000
Out-of-state Travel	26,700	19,700	(3,300)	16,400	(11,400)	5,000
Current Expense	1,501,300	1,245,200	2,111,300	3,356,500	(2,729,100)	627,400
DP Current Expense	275,900	205,400	(49,900)	155,500	(10,500)	145,000
DP Capital Outlay	172,700	0	0	0	0	0
<b>Total</b>	<b>\$9,104,600</b>	<b>\$6,474,200</b>	<b>\$2,051,200</b>	<b>\$8,525,400</b>	<b>(\$3,274,400)</b>	<b>\$4,474,200</b>
<b>Other Data</b>						
Budgeted FTE	18	9	9	18	(5)	13
Actual FTE	17	0	0	0	0	0

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

Economic Development - Office of Tourism

Sources of Finance	FY 2012	FY 2013	Changes	FY 2013	Changes	FY 2014*
	Actual	Appropriated		Revised		Recommended
General Fund	4,004,500	4,054,900	0	4,054,900	0	4,054,900
Transportation Fund	118,000	118,000	0	118,000	0	118,000
Dedicated Credits Revenue	226,200	239,500	0	239,500	0	239,500
GFR - Tourism Marketing Performance	7,000,000	9,000,000	0	9,000,000	(9,000,000)	0
Beginning Nonlapsing	6,830,300	0	4,538,300	4,538,300	(4,538,300)	0
Closing Nonlapsing	(4,538,300)	0	0	0	0	0
Lapsing Balance	(28,400)	0	0	0	0	0
<b>Total</b>	<b>\$13,612,300</b>	<b>\$13,412,400</b>	<b>\$4,538,300</b>	<b>\$17,950,700</b>	<b>(\$13,538,300)</b>	<b>\$4,412,400</b>
<b>Programs</b>						
Administration	1,043,000	1,009,000	92,000	1,101,000	(92,000)	1,009,000
Operations and Fulfillment	2,565,200	2,644,400	232,100	2,876,500	(232,100)	2,644,400
Marketing and Advertising	6,968,700	9,000,000	1,414,100	10,414,100	(10,414,100)	0
Film Commission	3,035,400	759,000	2,800,100	3,559,100	(2,800,100)	759,000
<b>Total</b>	<b>\$13,612,300</b>	<b>\$13,412,400</b>	<b>\$4,538,300</b>	<b>\$17,950,700</b>	<b>(\$13,538,300)</b>	<b>\$4,412,400</b>
<b>Categories of Expenditure</b>						
Personnel Services	1,871,100	2,017,300	(60,500)	1,956,800	0	1,956,800
In-state Travel	40,900	33,700	4,300	38,000	0	38,000
Out-of-state Travel	66,700	68,200	(3,900)	64,300	0	64,300
Current Expense	5,974,000	1,705,900	7,613,500	9,319,400	(7,268,100)	2,051,300
DP Current Expense	103,400	97,300	(91,200)	6,100	(300)	5,800
DP Capital Outlay	108,500	0	0	0	0	0
Capital Outlay	0	5,500	(5,500)	0	0	0
Other Charges/Pass Thru	5,447,700	9,484,500	(2,918,400)	6,566,100	(6,269,900)	296,200
<b>Total</b>	<b>\$13,612,300</b>	<b>\$13,412,400</b>	<b>\$4,538,300</b>	<b>\$17,950,700</b>	<b>(\$13,538,300)</b>	<b>\$4,412,400</b>
<b>Other Data</b>						
Budgeted FTE	24	25	(2)	24	1	24
Actual FTE	23	0	0	0	0	0
Vehicles	4	4	0	4	0	4

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

Economic Development - Business Development						
	FY 2012	FY 2013		FY 2013		FY 2014*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Recommended
General Fund	7,144,500	7,566,800	0	7,566,800	0	7,566,800
General Fund, One-time	936,900	750,000	0	750,000	(750,000)	0
Federal Funds	501,400	885,000	406,500	1,291,500	(383,600)	907,900
Dedicated Credits Revenue	153,400	251,000	0	251,000	0	251,000
GFR - Industrial Assistance	223,500	250,000	0	250,000	0	250,000
Beginning Nonlapsing	3,316,100	50,000	2,349,100	2,399,100	(2,399,100)	0
Closing Nonlapsing	(2,759,700)	0	0	0	0	0
Lapsing Balance	(101,500)	0	0	0	0	0
<b>Total</b>	<b>\$9,414,600</b>	<b>\$9,752,800</b>	<b>\$2,755,600</b>	<b>\$12,508,400</b>	<b>(\$3,532,700)</b>	<b>\$8,975,700</b>
<b>Programs</b>						
Business Creation	3,345,300	0	0	0	0	0
Business Growth	4,909,100	0	0	0	0	0
Corporate Recruitment & Incentives	1,160,200	0	0	0	0	0
Outreach and International Trade	0	4,465,200	2,292,200	6,757,400	(2,342,200)	4,415,200
Corporate Recruitment and Bus Svcs	0	5,287,600	463,400	5,751,000	(1,190,500)	4,560,500
<b>Total</b>	<b>\$9,414,600</b>	<b>\$9,752,800</b>	<b>\$2,755,600</b>	<b>\$12,508,400</b>	<b>(\$3,532,700)</b>	<b>\$8,975,700</b>
<b>Categories of Expenditure</b>						
Personnel Services	2,892,400	3,092,400	(141,300)	2,951,100	0	2,951,100
In-state Travel	30,400	24,300	18,700	43,000	(4,700)	38,300
Out-of-state Travel	143,400	70,300	92,900	163,200	0	163,200
Current Expense	1,483,400	1,287,100	2,731,000	4,018,100	(1,362,500)	2,655,600
DP Current Expense	51,600	13,700	50,000	63,700	(25,000)	38,700
DP Capital Outlay	12,900	34,300	(34,300)	0	0	0
Other Charges/Pass Thru	4,800,500	5,230,700	38,600	5,269,300	(2,140,500)	3,128,800
<b>Total</b>	<b>\$9,414,600</b>	<b>\$9,752,800</b>	<b>\$2,755,600</b>	<b>\$12,508,400</b>	<b>(\$3,532,700)</b>	<b>\$8,975,700</b>
<b>Other Data</b>						
Budgeted FTE	26	0	27	27	1	28
Actual FTE	31	0	0	0	0	0
Vehicles	2	2	0	2	0	2

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

Economic Development - Pete Suazo Utah Athletics Commission

Sources of Finance	FY 2012	FY 2013	Changes	FY 2013	Changes	FY 2014*
	Actual	Appropriated		Revised		Recommended
General Fund	148,600	151,200	0	151,200	0	151,200
Dedicated Credits Revenue	48,900	63,200	0	63,200	0	63,200
Beginning Nonlapsing	49,800	20,000	67,200	87,200	(87,200)	0
Closing Nonlapsing	(87,200)	0	0	0	0	0
<b>Total</b>	<b>\$160,100</b>	<b>\$234,400</b>	<b>\$67,200</b>	<b>\$301,600</b>	<b>(\$87,200)</b>	<b>\$214,400</b>
<b>Programs</b>						
Pete Suazo Utah Athletics Comm	160,100	234,400	67,200	301,600	(87,200)	214,400
<b>Total</b>	<b>\$160,100</b>	<b>\$234,400</b>	<b>\$67,200</b>	<b>\$301,600</b>	<b>(\$87,200)</b>	<b>\$214,400</b>
<b>Categories of Expenditure</b>						
Personnel Services	113,400	119,800	(4,000)	115,800	0	115,800
In-state Travel	11,100	16,600	3,400	20,000	0	20,000
Out-of-state Travel	4,700	11,500	(4,500)	7,000	0	7,000
Current Expense	27,500	71,200	84,100	155,300	(87,200)	68,100
DP Current Expense	3,400	3,400	100	3,500	0	3,500
Other Charges/Pass Thru	0	11,900	(11,900)	0	0	0
<b>Total</b>	<b>\$160,100</b>	<b>\$234,400</b>	<b>\$67,200</b>	<b>\$301,600</b>	<b>(\$87,200)</b>	<b>\$214,400</b>
<b>Other Data</b>						
Budgeted FTE	1	1	0	1	0	1
Actual FTE	1	0	0	0	0	0

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