

(Draft-waiting final approval)
**MINUTES OF THE
BUSINESS, ECONOMIC DEVELOPMENT, AND LABOR APPROPRIATIONS
SUBCOMMITTEE**

Wednesday, February 1, 2017 • 8:00 a.m. • 25 House Building

Members Present:

Sen. Brian E. Shiozawa, Senate Chair
Rep. R. Curt Webb, Chair
Rep. Scott D. Sandall, Vice Chair
Sen. Jacob L. Anderegg
Sen. Curtis S. Bramble
Sen. D. Gregg Buxton
Sen. Gene Davis
Sen. Wayne A. Harper
Sen. Deidre M. Henderson
Rep. Stewart E. Barlow

Rep. Adam Gardiner
Rep. Carol Spackman Moss
Rep. Jeremy A. Peterson
Rep. Val L. Peterson
Rep. Elizabeth Weight
Rep. John R. Westwood
Rep. Brad R. Wilson

Staff Present:

Dr. Andrea Wilko, Chief Economist
Mr. Sean C. Faherty, Fiscal Analyst
Sally Thompson, Administrative Assistant

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at le.utah.gov.

Sen. Shiozawa called the meeting to order at 8:03 a.m.

1. 8:00 to 8:05 a.m. Call to Order and Minutes

2. 8:05 to 8:20 a.m. EDCUtah

Ms. Theresa Foxley, CEO of EDCUtah, introduced Mr. Mike Flint, Chief Operating Officer, then addressed the committee and described the mission of EDCUtah and gave an overview of their partnership with the State.

Rep. Adam Gardiner asked for an update on the non-profit status of EDCUtah.

Ms. Foxley explained that the non-profit status has been reinstated.

3. 8:50 to 9:15 a.m. Department of Alcoholic Beverage Control Building Blocks

Mr. Sal Petilos, Director, Dept. of Alcoholic Beverage Control (DABC), introduced himself and along with Cade Meier, Deputy Director, and asked for a few minutes to set up their presentation.

4a-SB0008

4b-Issue Brief - 2017 General Session - Performance Intent

4c-Issue Brief - 2017 General Session - Non-State Funds and Reallocations

4d-Issue Brief - 2017 General Session - Agency Federal Funds Summary

4e-Issue Brief - 2017 General Session - Non-lapsing Intent

Chair Shiozawa suggested that the Committee use the time to ask DABC questions concerning their previous presentation, prior to reviewing the DABC Building Blocks. He also requested a response from Mr. Petilos on regulatory activities going forward, and what the results would be on their organization if legislation took away the Zion Curtain.

Mr. Petilos responded to the question.

Rep. Webb asked how DABC is affected by the Zion Curtain, Mr. Petilos responded.

Rep. Stewart E. Barlow spoke to the issue of compliance problems and inequities. Mr. Petilos responded to the question.

Rep. Carol Spackman Moss added a comment concerning a flaw in the Zion Curtain.

Mr. Petilos, spoke to the challenges of increased workloads in retail stores, the need to increase salaries, hiring issues, and the need to replace failing equipment in the warehouse.

Dr. Andrea Wilko introduced the potential motion items for the Base Budget Bill.

MOTION: Rep. Webb moved to approve the fees for the agencies reviewed in the Business, Economic Development, and Labor Appropriations Subcommittee and found in S.B. 8, State Agency Fees and Internal Service Fund Rate Authorization and Appropriations, pages 64-105 with the following exceptions: In the Department of Commerce Change:

Real Estate Sales Agent Renewal From:	\$ 42 to \$ 60
Real Estate Broker Renewal from:	\$ 48 to \$ 66
Appraisal Fees from:	\$350 to \$250
Proprietary Schools Initial Application from:	\$250 to \$500

Sen. Deidre M. Henderson asked for an explanation for the Proprietary Schools initial application fee being doubled. Dr. Wilko responded to Sen. Henderson's question.

SUBSTITUTE MOTION: Sen. Henderson made a substitute motion to approve the fees for the agencies reviewed in the Business, Economic Development, and Labor Appropriations

Subcommittee and found in S.B. 8, State Agency Fees and Internal Service Fund Rate Authorization and Appropriations, pages 64-105 with the following exceptions: In the Department of Commerce Change:

Real Estate Sales Agent Renewal From:	\$ 42 to \$ 60
Real Estate Broker Renewal from:	\$ 48 to \$ 66
Appraisal Fees from:	\$350 to \$250

Mr. Peter Anjewierden, Budget Officer, Department of Commerce made a comment to the motion and provided clarification.

Sen. Henderson requested additional clarification concerning renewal fees and application fees. Mr. Anjewierden explained the reason for the increase in fees.

Sen. Curtis S. Bramble asked for an explanation for Mr. Anjewierden's comment concerning "barriers to entry". Mr. Anjewierden corrected the way he worded his comment concerning "barriers to entry".

Rep. Spackman-Moss spoke to the issue of the Proprietary School Fees.

Sen. Bramble spoke in favor of the request to cover the cost of the Application Fee. Mr. Anjewierden made some final comments.

Sen. Henderson withdrew her substitute motion and agreed to proceed with the original motion.

Chiar Shiozawa accepted Sen. Henderson's request to withdraw the substitute motion and gave a reminder to the agencies that the policy makers are the legislators and the governor.

MOTION: Rep. Webb waived summation and moved to approve the Base Budget items. The motion passed with a vote of 14-0-3.

Yeas:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Nays:

Abs:

Sen. J. Anderegg
Sen. G. Davis
Rep. B. Wilson

Sen. Bramble spoke to the issue of the Proprietary Schools application fee increase.

MOTION: Rep. Webb moved to approve performance measures for the agencies reviewed in the Business, Economic Development, and Labor Appropriations Subcommittee and found in the document titled: Performance Intent.

The motion passed with a vote of 14-0-3.

Yeas:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Nays:

Abs:

Sen. J. Anderegg
Sen. G. Davis
Rep. B. Wilson

MOTION: Rep. Webb moved to approve the non-state fund adjustments and reallocations identified in the document titled: Non-state Funds and Reallocations.

The motion passed with a vote of 14-0-3.

Yeas:

Nays:

Abs:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Sen. J. Anderegg
Sen. G. Davis
Rep. B. Wilson

MOTION: Rep. Webb moved to approve the Federal Fund Amounts for FY 2017 and FY 2018 as shown in the Issue Brief titled: Business, Economic Development, and Labor Agency Requests for Federal Funds.

The motion passed with a vote of 14-0-3.

Yeas:

Nays:

Abs:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Sen. J. Anderegg
Sen. G. Davis
Rep. B. Wilson

MOTION: Rep. Sandall moved to approve the intent language identified in the document titled: Intent Language.

The motion passed with a vote of 13-0-4.

Yeas:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Nays:

Abs:

Sen. J. Anderegg
Sen. G. Davis
Sen. B. Shiozawa
Rep. B. Wilson

MOTION: Rep. Sandall moved to authorize legislative staff to prepare and number a substitute base budget bill for the Business, Economic Development, and Labor Appropriations Subcommittee. Staff shall include in these bills:

1. Changes to the base authorized in the previous motions
2. Intent language for performance measures previously adopted
3. FY 2018 Federal Funds authorized in a previous motion

The motion passed with a vote of 14-0-3.

Yeas:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Nays:

Abs:

Sen. J. Anderegg
Sen. G. Davis
Rep. B. Wilson

MOTION: Rep. Sandall moved to authorize the analyst to include in subsequent appropriations bills non-lapsing intent, fee changes, and FY 2017 federal funds previously adopted.

The motion passed with a vote of 14-0-3.

Yeas:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Nays:

Abs:

Sen. J. Anderegg
Sen. G. Davis
Rep. B. Wilson

Chair Shiozawa suggested to the committee that they take a look at the ongoing allocations going forward in COBI.

4. 9:15 to 9:45 a.m. Governor's Office of Economic Development Building Blocks

Mr. Val Hale, Executive Director, Governor's Office of Economic Development, spoke to the issue.

Chair Shiozawa interrupted Mr. Hale to make a motion while the subcommittee still had a quorum.

MOTION: Chair Shiozawa moved to approve the minutes dated January 24, 2017. The motion passed with a vote of 14-0-3.

Yeas:

Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Sen. G. Davis
Rep. A. Gardiner
Sen. W. Harper
Sen. D. Henderson
Rep. C. Moss
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood

Nays:

Abs:

Sen. J. Anderegg
Rep. J. Peterson
Rep. B. Wilson

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Mr. Hale continued with his presentation.

Rep. Stewart Barlow asked for an explanation of meeting performance measures.

Ms. Vicki Varela, Managing Director, Film and Global Branding spoke to the office's request.

Rep. Jeremy A. Peterson inquired about the appropriation amount for Outdoor Retailers. Mr. Hale responded to the question.

Rep. Peterson requested detailed numbers on how much money is being put out for Outdoor Retailers and how much money they're bringing in. Mr Hale responded to the question.

Rep. Weight requested to know how volatile or how certain the outdoor retailer show is. Mr. Hale responded to the question and continued with his presentation.

Mr. Hale introduced and explained the request for appropriation for the Columbus Hub of Opportunity.

Mr. Hale introduced and explained the request for appropriation for the Sundance Institute.

Chair Shiozawa requested the financial numbers comparing this year to last year.

Ms. Sarah Pearce, Managing Director, Sundance Institute, responded to Chair Shiozawa's question.

Mr. Hale introduced and spoke to the request for The Inland Port.

Sen. Wayne A. Harper made a request that Mr. Hale prioritize a list of their appropriation requests.

5. 8:20 to 8:30 a.m. USTAR Research Request - Sen. Shiozawa

Chair Shiozawa introduced the request for appropriation for USTAR Research.

Ms. Ivy Estabrooke, Ph.D., Executive Director, USTAR spoke to the request.

Ms. Debra Yurgelun Todd, Director, Salt Lake City Mental Illness Research & Clinical Center, spoke to the request.

Dr. Perry Renshaw, Professor of Psychiatry, spoke to the request.

Sen. Jacob L. Anderegg inquired about the study of schedule one drugs and human testing. Ms. Yurgelun responded to the question.

Sen. Anderegg asked if this request is tied to the proposed legislation concerning Rep. Daw's request, which is similar. Chair. Shiozawa responded to the question.

Rep. Anderegg added final comments to the request.

Rep. Barlow spoke to the issue concerning licensing. Ms. Yurgelun responded to Rep. Barlow, and made finale comments.

6. 9:45 to 9:55 a.m. RFA - Murray City Park Amphitheater - Rep. Cutler

Rep. Bruce R. Cutler introduced the request for appropriation for the Murray City Park Amphitheater.

Doug Hill, Public Services Director, Murray City, spoke to the request.

Rep. Carol Spackman-Moss spoke in favor of the request.

7. 10:05 to 10:15 a.m. RFA - Utah Advanced Materials & Manufacturing

Rep. Brad R. Wilson introduced the request for appropriation for Utah Advanced Materials & Manufacturing Initiative.

Mr. Jeff Edwards, Director of Utah Advanced Materials Initiative, spoke to the request.

Mr. Mike Blair - Vice President, General Manager of Albany Engineered Composites, spoke to the request.

Ms. Debbie Lux, Director of Technology, Orbital ATK, spoke to the request.

Former Rep. Brad King spoke in favor of this request.

8. 10:15 to 10:25 a.m. RFA - American Freedom Festival - Sen. Bramble

Sen. Bramble introduced the request for appropriation for the American Freedom Festival.

Mr. Paul Warner, Executive Director, American Freedom Festival spoke to the request.

Sen. Bramble added closing comments to his request.

9. 10:25 to 10:35 a.m. RFA - Utah Unmanned Aerial Systems (UAS) Testing and Training

Sen. Peter C. Knudson introduced the request for appropriation for the Utah Unmanned Aerial Systems.

Mr. Jeremiah Riley, Representative, Utah Unmanned Aerial Systems Testing and Training Center, spoke to the request.

Rep. Scott D. Sandall made comments in favor of this request.

Rep. Elizabeth Weight requested information concerning public awareness. Mr. Riley responded to the request.

10. 10:35 to 10:45 a.m. RFA - Discovery Gateway Children's Museum - Sen. Weiler

Sen. Todd Weiler introduced the request for appropriation for the Discovery Gateway Children's Museum.

Ms. Laurie Hopkins, Executive Director, Discovery Gateway Children's Museum spoke to the request.

Chair Shiozawa requested information concerning the participation of Salt Lake County/Salt Lake City. Ms. Hopkins responded to the request.

13a-BEDL - Motion Sheets - February 1, 2017

MOTION: Rep. Moss moved to adjourn the meeting at 10:38 a.m.
The motion passed with a vote of 13-0-4.

Yeas:

Sen. J. Anderegg
Rep. S. Barlow
Sen. C. Bramble
Sen. D. Buxton
Sen. W. Harper
Rep. J. Peterson
Rep. V. Peterson
Rep. S. Sandall
Sen. B. Shiozawa
Rep. R. Webb
Rep. E. Weight
Rep. J. Westwood
Rep. B. Wilson

Nays:

Abs:

Sen. G. Davis
Rep. A. Gardiner
Sen. D. Henderson
Rep. C. Moss