

**Representative Stephen D. Clark** proposes the following substitute bill:

**UTAH BUSINESS RESOURCE CENTERS ACT**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: David Clark**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill provides for the establishment and administration of business resource centers by the Governor's Office of Economic Development.

**Highlighted Provisions:**

This bill:

- ▶ enacts the Utah Business Resource Centers Act;
- ▶ creates a partnership between the Governor's Office of Economic Development and state institutions of higher education to establish business resource centers;
- ▶ specifies that the primary functions of a business resource center are to coordinate economic development activities in a geographical area of the state and to measure economic impact;
- ▶ provides for the composition and administration of the business resource centers;
- ▶ provides duties and responsibilities for the centers; and
- ▶ creates the Utah Business Resource Centers Advisory Board.

**Monies Appropriated in this Bill:**

This bill appropriates:

- ▶ as an ongoing appropriation subject to future budget constraints, \$805,000 from the General Fund for fiscal year 2008-09 of which \$525,000 shall go to the Governor's



26 Office of Economic Development and \$280,000 shall go to the state board of regents.

27 **Other Special Clauses:**

28 This bill takes effect on July 1, 2008.

29 **Utah Code Sections Affected:**

30 ENACTS:

31 **63-38f-2401**, Utah Code Annotated 1953

32 **63-38f-2402**, Utah Code Annotated 1953

33 **63-38f-2403**, Utah Code Annotated 1953

34 **63-38f-2404**, Utah Code Annotated 1953

35 **63-38f-2405**, Utah Code Annotated 1953

36 **63-38f-2406**, Utah Code Annotated 1953

37 **63-38f-2407**, Utah Code Annotated 1953



38  
39 *Be it enacted by the Legislature of the state of Utah:*

40 Section 1. Section **63-38f-2401** is enacted to read:

41 **Part 24. Utah Business Resource Centers Act**

42 **63-38f-2401. Title.**

43 This part is known as the "Utah Business Resource Centers Act."

44 Section 2. Section **63-38f-2402** is enacted to read:

45 **63-38f-2402. Purpose.**

46 The Legislature recognizes that:

47 (1) the development of and assistance to business in Utah is a state public purpose  
48 necessary to assure the growth of the state's economy and provide adequate employment  
49 opportunities for its citizens;

50 (2) public colleges and universities in the state hereafter, referred to as "host  
51 institutions", have academic and physical resources that can enhance economic development  
52 within the state through a partnership with the Governor's Office of Economic Development;

53 (3) state funded economic development agencies, hereafter referred to as "agencies"  
54 could broaden and improve services to business clients through better regional and statewide  
55 coordination;

56 (4) coordination of business clients needs is best done in the regions where they are

57 established;

58 (5) this coordination needs to be done under the direction of one designated state  
59 agency;

60 (6) an important tool in these coordination efforts will be the development of a data  
61 base to identify, track, and assign agencies to be accountable for clients;

62 (7) agency accountability can be improved through client tracking and monitoring at  
63 the regional level;

64 (8) the state has historically experienced a high business start-up rate and has  
65 experienced a commensurate failure rate partially due to lack of coordination and  
66 accountability by state agencies;

67 (9) the state's economy will continue to improve as state agencies and resources  
68 become more responsive to private business by identifying them, focusing on their needs, and  
69 tracking their progress; and

70 (10) the governor and the Legislature will benefit from an annual report measuring tax  
71 revenue increases, new job creation, and other economic impact as a result of tracking and  
72 measuring state agencies' performance in the various regions of the state.

73 Section 3. Section **63-38f-2403** is enacted to read:

74 **63-38f-2403. Definitions.**

75 As used in this part, "business resource centers" means entities established by the  
76 Governor's Office of Economic Development in partnership with state public institutions of  
77 higher education as certified resource centers to provide private businesses with one-stop  
78 technical assistance and access to statewide resources and programs, and to identify,  
79 coordinate, track, and measure the impact of business resource programs provided by state  
80 agencies in the various regions of the state.

81 Section 4. Section **63-38f-2404** is enacted to read:

82 **63-38f-2404. Establishment and administration of business resource centers --**  
83 **Components.**

84 (1) The Governor's Office of Economic Development, hereafter referred to in this part  
85 as "the office", shall establish business resource centers in at least four different geographical  
86 regions of the state where host institutions are located and the host institutions agree to enter  
87 into a business resource center partnership with the office.

88           (2) The office, in partnership with a host institution, shall provide methodology and  
89 oversight for a business resource center.

90           (3) A host institution shall contribute 50% of a business resource center's operating  
91 costs through cash or in-kind contributions, unless otherwise provided under Subsection  
92 63-38f-2407(6).

93           (4) The office shall work with the Business Resource Centers Advisory Board  
94 established under Section 63-38f-2406, hereafter referred to in this part as "the board" to  
95 provide operational oversight and coordination of the business resource centers established  
96 under this part.

97           (5) (a) A business resource center shall work with state agencies in creating methods to  
98 coordinate functions and measure the impact of the efforts provided by the state agencies and  
99 the center.

100           (b) The host institution, state, local and federal governmental entities,  
101 quasi-governmental entities, and private entities may:

102           (i) participate in the activities offered by or through a business resource center; and

103           (ii) provide personnel or other appropriate links to the center.

104           (c) (i) Other entities that are not initially involved in the establishment of a business  
105 resource center and that are capable of providing supportive services to Utah businesses may  
106 apply to the center to become a provider of services at the center.

107           (ii) Entities identified in Subsections (5) and (b) shall provide the board with a service  
108 plan, to include funding, which would be made available or supplied to cover the expenses of  
109 their services offered at a business resource center.

110           (iii) The board shall review each application made under Subsection (5)(c)(i) and make  
111 a recommendation for approval by the office as a precondition for providing the service being  
112 offered.

113           (6) A business resource center may:

114           (a) partner with the Governor's Office of Economic Development, other host  
115 institutions, and other entities to develop and establish web-based access to virtual business  
116 resource center services over the internet to assist in establishing and growing businesses in the  
117 state, particularly in those situations where traveling to a business resource center site is not  
118 practical;

- 119           (b) develop a data base and software for:
- 120           (i) tracking clients and their progress; and
- 121           (ii) tracking responses and services provided by state agencies and evaluating their
- 122 effectiveness; and
- 123           (c) develop outreach programs and services targeted to business clients in rural areas of
- 124 the state.

125           (7) The Governor's Office of Economic Development shall make a report by November  
126 1 of each year to the Workforce Services and Community and Economic Development and  
127 Business and Labor Interim Committees and the state board of regents on measured  
128 performance of economic development programs offered by or through established business  
129 resource centers.

130           Section 5. Section **63-38f-2405** is enacted to read:

131           **63-38f-2405. Duties and responsibilities.**

132           (1) A business resource center shall:

- 133           (a) have a director;
- 134           (b) be the organization responsible for identifying, tracking, coordinating, and
- 135 measuring output of assisted business clients in its region;
- 136           (c) develop programs to aid business clients in finding the resources they need;
- 137           (d) recruit state funded agencies to locate and establish their programs in the business
- 138 center's region;
- 139           (e) initiate and encourage business education programs, including programs in
- 140 collaboration with public, private, and governmental and educational institutions; and
- 141           (f) work with the host institution in providing academic resources, including faculty
- 142 and student assistance.

143           (2) A business resource center shall collaborate with the host institution and state  
144 agencies to:

- 145           (a) provide research, development, or training programs for new or existing businesses,
- 146 industries, or high technology business located in its region;
- 147           (b) assist in providing needs assessment relating to new or existing businesses,
- 148 industries, or high technology business in conjunction with other public or private economic
- 149 development programs or initiatives;

150 (c) assist in providing business incubator space or services, or both, if considered  
151 feasible and practical, to clients based on criteria established by the office in consultation with  
152 the board;

153 (d) work with local business leaders and government officials to help them formulate  
154 and implement sound, coordinated, and measurable economic development programs for their  
155 communities; and

156 (e) work with local government and other entities in its region in developing and  
157 certifying non- state funded satellite business resource centers.

158 Section 6. Section **63-38f-2406** is enacted to read:

159 **63-38f-2406. Utah Business Resource Centers Advisory Board -- Creation --**  
160 **Membership -- Vacancies -- Chairs.**

161 (1) There is created the Utah Business Resource Centers Advisory Board, composed of  
162 at least nine members appointed by the executive director of the Governor's Office of  
163 Economic Development.

164 (2) The executive director:

165 (a) shall appoint one member from each host institution;

166 (b) shall appoint three members from urban areas in the state; and

167 (c) shall appoint two members from rural areas in the state.

168 (3) Each board member shall have a background or expertise in any one or all of the  
169 following:

170 (a) state or local economic development;

171 (b) business networking, growth, or development;

172 (c) entrepreneurship;

173 (d) business management or administration; or

174 (e) the establishment of partnerships or collaborative efforts with state, local, and  
175 federal agencies and institutions, as well as private entities.

176 (4) (a) The executive director shall appoint board members for four-year terms.

177 (b) The board shall, at the time of appointment or reappointment, adjust the length of  
178 terms to ensure that the terms of these members are staggered so that approximately half of the  
179 members are appointed every two years.

180 (c) When a vacancy occurs in the membership for any reason, the replacement shall be

181 appointed by the executive director for the unexpired term in the same manner as the vacated  
182 member was chosen.

183 (5) The board shall elect one of its members as a chair of the board for a two-year term.

184 (6) The board shall meet at the call of the chair, but at least quarterly.

185 (7) (a) A majority of the members of the board constitute a quorum.

186 (b) The action of a majority of a quorum constitutes the action of the board.

187 (8) (a) A board member may not receive compensation or benefits for the member's  
188 service, but may receive per diem and expenses incurred in the performance of the member's  
189 official duties at the rates established by the Division of Finance under Sections 63A-3-106 and  
190 63A-3-107.

191 (b) A member may decline to receive per diem and expenses authorized under Section  
192 (8)(a).

193 Section 7. Section **63-38f-2407** is enacted to read:

194 **63-38f-2407. Duties.**

195 The board shall:

196 (1) make recommendations to the office on requirements for the requisite certification  
197 of each business resource center and staff at each center by the executive director;

198 (2) make recommendations to the office for certification of the business plans the  
199 board is required to review under Subsection 63-38f-2404(5)(c)(iii);

200 (3) if requested by the executive director, assist the office in providing operational  
201 oversight to and coordination of the business resource centers established under this part;

202 (4) identify issues and make recommendations to the office regarding programs,  
203 policies, and procedures that could be implemented by business resource centers in fulfilling  
204 their duties and responsibilities under Section 63-38f-2405;

205 (5) make budget recommendations to the office regarding the operation and staffing of  
206 business resource centers established under this part; and

207 (6) recommend matching fund exceptions under Section 63-38f-2404(3);

208 (7) recommend certification of all non-state funded satellite business resource centers;  
209 and

210 (8) establish metrics to report the performance of economic development output in  
211 each region serviced by a business resource center.

212           Section 8. **Appropriation.**

213           As an ongoing appropriation subject to future budget constraints, there is appropriated  
214 from the General Fund for fiscal year 2008-09, \$525,000 to the Governor's Office of Economic  
215 Development and \$280,000 to the state board of regents to fund the Utah Business Resource  
216 Centers Act.

217           Section 9. **Effective date.**

218           This bill takes effect on July 1, 2008.



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**H.B. 37 1st Sub. (Buff) - Utah Business Resource Centers Act**

**Fiscal Note**

2008 General Session

State of Utah

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**State Impact**

Enactment of this bill appropriates \$805,000 in ongoing General Fund for the establishment of Business Resource Centers throughout the state. The Governor's Office of Economic Development will receive \$525,000 of the total and the Board of Regents will receive the remaining \$280,000.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$805,000	\$805,000	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$805,000</b>	<b>\$805,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments. Businesses may directly benefit from resources provided by Business Resource Centers established in this bill.