

**USTAR AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Scott D. Sandall**

House Sponsor: Tim Quinn

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to the Utah Science Technology and Research Initiative (USTAR).

**Highlighted Provisions:**

This bill:

- ▶ modifies provisions of the Workforce Development Restricted Account;
- ▶ dissolves the USTAR Governing Authority;
- ▶ puts the executive director of USTAR under the supervision of the executive director of the Governor's Office of Economic Development (GOED);
- ▶ modifies provisions related to grants offered by USTAR;
- ▶ modifies the reporting requirements of USTAR, including requiring the reporting of a plan to move USTAR programs to GOED; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2020:

- ▶ to the Utah Science Technology and Research Governing Authority -- Support Programs, as an ongoing appropriation:
  - from the General Fund, (\$3,282,600); and
  - from Dedicated Credits Revenue, (\$16,100);
- ▶ to the Utah Science Technology and Research Governing Authority -- Grant



28 Programs, as a one-time appropriation:

29 • from the General Fund, (\$4,500,000);

30 ▶ to the Governor's Office of Economic Development -- Pass Through, as a one-time  
31 appropriation:

32 • from the General Fund, \$1,705,900;

33 ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as  
34 an ongoing appropriation:

35 • from the General Fund, \$3,282,600; and

36 ▶ to the General Fund Restricted -- Workforce Development Restricted Account, as a  
37 one-time appropriation:

38 • from the General Fund, \$2,794,100.

39 **Other Special Clauses:**

40 None

41 **Utah Code Sections Affected:**

42 AMENDS:

43 **13-1-14**, as enacted by Laws of Utah 2018, Chapter 453

44 **63M-2-301**, as last amended by Laws of Utah 2016, Chapter 240

45 **63M-2-302**, as repealed and reenacted by Laws of Utah 2016, Chapter 240

46 **63M-2-302.5**, as last amended by Laws of Utah 2016, Chapter 240

47 **63M-2-304**, as enacted by Laws of Utah 2018, Chapter 427

48 **63M-2-502**, as last amended by Laws of Utah 2018, Chapter 453

49 **63M-2-503**, as enacted by Laws of Utah 2016, Chapter 240

50 **63M-2-504**, as enacted by Laws of Utah 2016, Chapter 240

51 **63M-2-703**, as enacted by Laws of Utah 2016, Chapter 240

52 **63M-2-802**, as last amended by Laws of Utah 2018, Chapter 453

53 **63M-2-803**, as renumbered and amended by Laws of Utah 2016, Chapter 240

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55 *Be it enacted by the Legislature of the state of Utah:*

56 Section 1. Section **13-1-14** is amended to read:

57 **13-1-14. Workforce Development Restricted Account.**

58 (1) There is created a restricted account within the General Fund known as the

59 Workforce Development Restricted Account.

60 (2) The restricted account shall be administered to provide funding for collaborative  
61 projects that support:

62 (a) economic development in the state;

63 (b) workforce development in the state; and

64 (c) [~~the support of~~] scientific and technical innovation and entrepreneurship in the  
65 state[~~; and~~].

66 [~~(d) the programs and duties of the governing authority in accordance with this~~  
67 ~~chapter.~~]

68 (3) The state treasurer shall invest the money in the restricted account according to the  
69 procedures and requirements of Title 51, Chapter 7, State Money Management Act, except that  
70 interest and other earnings derived from the restricted account shall be deposited into the  
71 restricted account.

72 (4) The restricted account shall be funded by appropriations made to the account by the  
73 Legislature.

74 (5) Subject to appropriation and direction from the Legislature, account money may be  
75 used in accordance with this [~~part~~] section.

76 Section 2. Section **63M-2-301** is amended to read:

77 **63M-2-301. The Utah Science Technology and Research Initiative -- Governing**  
78 **authority -- Executive director.**

79 (1) There is created the Utah Science Technology and Research Initiative.

80 (2) [~~For~~] Subject to Subsection (10), to oversee USTAR, there is created the Utah  
81 Science Technology and Research Governing Authority consisting of:

82 (a) the state treasurer or the state treasurer's designee;

83 (b) the executive director of the Governor's Office of Economic Development;

84 (c) three members appointed by the governor, with the consent of the Senate;

85 (d) two members appointed by the president of the Senate;

86 (e) two members appointed by the speaker of the House of Representatives; and

87 (f) one member appointed by the commissioner of higher education.

88 (3) (a) The eight appointed members under Subsections (2)(c) through (f) shall serve  
89 four-year staggered terms.

- 90 (b) An appointed member under Subsection (2)(c), (d), (e), or (f):  
91 (i) may not serve more than two full consecutive terms; and  
92 (ii) may be removed from the governing authority for any reason before the member's  
93 term is completed:
- 94 (A) at the discretion of the original appointing authority; and  
95 (B) after the original appointing authority consults with the governing authority.
- 96 (4) A vacancy on the governing authority in an appointed position under Subsection  
97 (2)(c), (d), (e), or (f) shall be filled for the unexpired term by the appointing authority in the  
98 same manner as the original appointment.
- 99 (5) (a) Except as provided in Subsection (5)(b), the governor, with the consent of the  
100 Senate, shall select the chair of the governing authority to serve a one-year term.
- 101 (b) The governor may extend the term of a sitting chair of the governing authority  
102 without the consent of the Senate.
- 103 (c) The executive director of the Governor's Office of Economic Development shall  
104 serve as the vice chair of the governing authority.
- 105 (6) The governing authority shall meet at least six times each year and may meet more  
106 frequently at the request of a majority of the members of the governing authority.
- 107 (7) Five members of the governing authority are a quorum.
- 108 (8) A member of the governing authority may not receive compensation or benefits for  
109 the member's service, but may receive per diem and travel expenses as allowed in:
- 110 (a) Section [63A-3-106](#);  
111 (b) Section [63A-3-107](#); and  
112 (c) rules made by the Division of Finance:  
113 (i) pursuant to Sections [63A-3-106](#) and [63A-3-107](#); and  
114 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 115 (9) (a) [~~After consultation with the governing authority, the~~] The governor, with the  
116 consent of the Senate, shall appoint a full-time executive director to [~~provide staff support for~~  
117 ~~the governing authority~~] oversee USTAR.
- 118 (b) The executive director is an at-will employee who may be terminated with or  
119 without cause by[~~;~~] the governor or the executive director of the Governor's Office of  
120 Economic Development.

121 ~~[(i) the governor; or]~~

122 ~~[(ii) majority vote of the governing authority.]~~

123 (10) On July 1, 2019, the governing authority is dissolved and the executive director is  
124 under the supervision of the executive director of the Governor's Office of Economic  
125 Development.

126 Section 3. Section **63M-2-302** is amended to read:

127 **63M-2-302. USTAR powers and duties.**

128 ~~[(1) The governing authority shall:]~~

129 (1) Before July 1, 2019, the governing authority shall, and on or after July 1, 2019, the  
130 executive director and the executive director of the Governor's Office of Economic  
131 Development shall:

132 (a) ensure that funds appropriated to USTAR are used appropriately, effectively, and  
133 efficiently in accordance with this chapter;

134 (b) in cooperation with a research university's administration, work to expand research  
135 at the research university;

136 (c) enhance technology transfer and commercialization of research and technology  
137 developed at a higher education institution to create high-quality jobs and new industries in the  
138 private sector in the state;

139 (d) ensure that USTAR programs do not duplicate existing or planned programs of  
140 other state agencies;

141 (e) establish written economic development objectives for USTAR that are measurable  
142 and verifiable;

143 (f) consider input from the Governor's Office of Economic Development and higher  
144 education institutions;

145 (g) establish and administer a grant program, as provided in Section [63M-2-503](#), and  
146 provide USTAR support, as provided in Section [63M-2-504](#), consistent with and to further  
147 economic development objectives that ~~[the governing authority]~~ USTAR establishes; and

148 (h) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
149 make rules to implement this chapter.

150 ~~[(2) The governing authority may:]~~

151 (2) Before July 1, 2019, the governing authority may, and on or after July 1, 2019, the

152 executive director and the executive director of the Governor's Office of Economic  
153 Development may:

154 (a) in addition to receiving money appropriated by the Legislature, receive  
155 contributions to USTAR from any source, in the form of money, property, labor, or other thing  
156 of value;

157 (b) subject to restrictions imposed by a donor or legislative appropriation, allocate  
158 money for programs and activities described in this chapter;

159 (c) enter into an agreement necessary to obtain private equity investment in USTAR;

160 (d) charge and collect rent for space in a facility or building that USTAR controls;

161 (e) in fulfilling [~~the governing authority's~~] USTAR's duties and responsibilities under  
162 this chapter, collaborate with:

163 (i) the Governor's Office of Economic Development and other state agencies with an  
164 interest in economic development; and

165 (ii) private entities with an interest in economic development; and

166 (f) delegate powers and duties to the executive director.

167 [~~(3) A state agency, higher education institution, or political subdivision with which~~  
168 ~~the governing authority seeks to collaborate in fulfilling the governing authority's duties under~~  
169 ~~this chapter shall cooperate with the governing authority as reasonably necessary to enable the~~  
170 ~~governing authority to fulfill its duties under this chapter.]~~

171 Section 4. Section **63M-2-302.5** is amended to read:

172 **63M-2-302.5. USTAR requirements.**

173 [~~The governing authority~~] USTAR is subject to the requirements of an executive branch  
174 agency and is:

175 (1) an agency for purposes of Title 63J, Chapter 1, Budgetary Procedures Act;

176 (2) an executive branch procurement unit for purposes of Title 63G, Chapter 6a, Utah  
177 Procurement Code;

178 (3) a governmental entity for purposes of Title 63G, Chapter 2, Government Records  
179 Access and Management Act; and

180 (4) a public body for purposes of Title 52, Chapter 4, Open and Public Meetings Act.

181 Section 5. Section **63M-2-304** is amended to read:

182 **63M-2-304. Background checks for employees.**

183 (1) As used in this section, "bureau" means the Bureau of Criminal Identification  
184 created in Section 53-10-201.

185 (2) Beginning July 1, 2018, ~~[the governing authority]~~ USTAR:

186 (a) shall require all applicants for Schedule A positions, in accordance with Section  
187 67-19-15, to submit to a fingerprint-based local, regional, and national criminal history  
188 background check and ongoing monitoring as a condition of employment; and

189 (b) may require applicants for time limited positions to submit to a fingerprint-based,  
190 local, regional, and national criminal history background check and ongoing monitoring as a  
191 condition of employment if the applicant, as an employee:

192 (i) will interact with children, or vulnerable adults as defined in Section 62A-2-120; or

193 (ii) may have access to sensitive personal and financial information.

194 (3) Each individual in a position listed in Subsection (2) shall provide a completed  
195 fingerprint card to ~~[the governing authority]~~ USTAR upon request.

196 (4) The ~~[governing authority]~~ executive director shall require that an individual  
197 required to submit to a background check under Subsection (3) provide a signed waiver on a  
198 form provided by ~~[the governing authority]~~ USTAR that meets the requirements of Subsection  
199 53-10-108(4).

200 (5) For a noncriminal justice background search and registration in accordance with  
201 Subsection 53-10-108(13), ~~[the governing authority]~~ USTAR shall submit to the bureau:

202 (a) the applicant's personal identifying information and fingerprints for a criminal  
203 history search of applicable local, regional, and national databases; and

204 (b) a request for all information received as a result of the local, regional, and  
205 nationwide background check.

206 (6) ~~[The governing authority]~~ USTAR is responsible for the payment of all fees  
207 required by Subsection 53-10-108(15) and any fees required to be submitted to the Federal  
208 Bureau of Investigation by the bureau.

209 (7) ~~[The governing authority]~~ USTAR may make rules in accordance with Title 63G,  
210 Chapter 3, Utah Administrative Rulemaking Act, that:

211 (a) determine how ~~[the governing authority]~~ USTAR will assess the employment status  
212 of an individual upon receipt of background information; and

213 (b) identify the appropriate privacy risk mitigation strategy to be used in accordance

214 with Subsection 53-10-108(13)(b).

215 Section 6. Section 63M-2-502 is amended to read:

216 **63M-2-502. Principal researchers -- Agreement requirements -- Discontinuing**  
217 **funding.**

218 (1) Subject to Subsection (6) and legislative appropriation, the governing authority  
219 shall:

220 (a) provide funding to help a research university honor its commitments to principal  
221 researchers employed by the research university; and

222 (b) give priority to funding provided under Subsection (1)(a).

223 (2) The governing authority shall enter into a written agreement with a higher  
224 education institution that employs a principal researcher:

225 (a) establishing performance standards and expectations for a principal researcher; and

226 (b) requiring the higher education institution to require a principal researcher to comply  
227 with reporting requirements set forth in Section 63M-2-702.

228 (3) (a) A principal researcher may not be hired on or after May 10, 2016 without the  
229 approval of the governing authority and the higher education institution.

230 (b) A higher education institution that enters into or renews an agreement with a  
231 principal researcher on or after May 10, 2016 shall include in the agreement:

232 (i) a specific time period for the commitment of USTAR funding;

233 (ii) the amount of USTAR funding committed to the higher education institution for  
234 the principal researcher, specifying the purpose of the funding;

235 (iii) an acknowledgment that the principal researcher understands and agrees to the  
236 reporting requirements and performance standards under this chapter; and

237 (iv) the governing authority's written approval of the terms of the new or renewed  
238 agreement.

239 (4) The governing authority may not allocate money to a higher education institution  
240 for a principal researcher unless the higher education institution provides the reporting required  
241 under Section 63M-2-702.

242 (5) The governing authority may discontinue allocating money to a higher education  
243 institution for a principal researcher if the governing authority and the president of the higher  
244 education institution employing the principal researcher agree in writing that:



- 245 (a) the principal researcher:
- 246 (i) fails to meet the performance standards and expectations established under
- 247 Subsection (2)(a);
- 248 (ii) receives a reasonable opportunity to remedy the failure to meet performance
- 249 standards and expectations; and
- 250 (iii) fails to remedy the failure to meet performance standards and expectations; and
- 251 (b) under the circumstances, discontinuing USTAR funding to the higher education
- 252 institution for the principal researcher is appropriate and justified.

253 (6) Beginning on July 1, 2018, and subject to Subsection (7), USTAR may not provide

254 funding to help a research university honor its commitments to principal researchers employed

255 by the research university.

256 (7) (a) Beginning on July 1, 2019, and until December 31, 2019, USTAR may liquidate

257 funds from an escrow account that was created before July 1, 2018, related to a research

258 university's commitments to principal researchers, and provide the funds to a research

259 university as previously agreed in a written agreement entered into before July 1, 2018.

260 (b) On January 1, 2020, 66.6% of any money left in an escrow account described in

261 Subsection (7)(a) shall be transferred by USTAR to the University of Utah, and 33.4% of any

262 money left in an escrow account described in Subsection (7)(a) shall be transferred by USTAR

263 to Utah State University.

264 Section 7. Section **63M-2-503** is amended to read:

265 **63M-2-503. USTAR grant programs.**

266 (1) [~~The governing authority~~] USTAR shall establish at least one competitive grant

267 program that:

- 268 (a) is designed to:
- 269 (i) address market gaps in technology development in the state; or
- 270 (ii) facilitate research and development of promising technologies;
- 271 (b) does not overlap with or duplicate other state funded programs; and
- 272 (c) offers grants, on a competitive basis, to:
- 273 (i) researchers employed by higher education institutions;
- 274 (ii) private entities; or
- 275 (iii) partnerships between researchers employed by higher education institutions and

276 private entities.

277 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
278 ~~[the governing authority]~~ USTAR shall make rules that describe, for each grant program:

279 (a) the purpose;

280 (b) eligibility criteria to receive a grant;

281 (c) how ~~[the governing authority]~~ USTAR determines which proposals receive grants;

282 (d) reporting requirements in accordance with Part 7, Reporting by Recipients of  
283 USTAR Support; and

284 (e) other information ~~[the governing authority]~~ USTAR determines is necessary or  
285 appropriate.

286 (3) ~~[The governing authority]~~ USTAR:

287 (a) shall solicit proposals for each grant program; and

288 (b) may, subject to legislative appropriation and Subsection [63M-2-502\(1\)\(b\)](#), award  
289 grants for each program.

290 (4) In evaluating a grant proposal received in response to a solicitation under this  
291 section, ~~[the governing authority]~~ USTAR shall consider, as applicable:

292 (a) the extent to which the planned research has the potential for commercialization;

293 (b) the market gap the technology or research fills; and

294 (c) other factors ~~[the governing authority]~~ USTAR determines are relevant, important,  
295 or necessary.

296 (5) ~~[The governing authority]~~ USTAR shall require a recipient of a grant under this  
297 section, as a condition of receiving a grant, to comply with the reporting requirements  
298 described in:

299 (a) Section [63M-2-702](#), for a USTAR researcher; or

300 (b) Section [63M-2-703](#), for a private entity or for a partnership between a USTAR  
301 researcher and a private entity.

302 (6) Beginning on July 1, 2019, USTAR:

303 (a) may not establish any new competitive grant programs;

304 (b) may not award new grants related to any existing competitive grant program; and

305 (c) may continue to pay grant money for a grant awarded before July 1, 2019, in  
306 accordance with the written terms of the grant.

307 Section 8. Section **63M-2-504** is amended to read:

308 **63M-2-504. Other USTAR support.**

309 (1) [~~The governing authority shall~~] USTAR may:

310 (a) provide mentoring, networking, and entrepreneurial training for a private entity or

311 USTAR researcher to help take a new technology to market;

312 (b) provide support to a private entity or USTAR researcher in assessing the potential  
313 for bringing a technology to market; and

314 (c) encourage industry partnerships between a private entity and a USTAR researcher.

315 (2) [~~The governing authority~~] USTAR shall require a recipient of USTAR support

316 under this section, as a condition of receiving USTAR support, to comply with the reporting  
317 requirements in:

318 (a) Section **63M-2-702**, for a USTAR researcher; or

319 (b) Section **63M-2-703**, for a private entity or for a partnership between a USTAR  
320 researcher and a private entity.

321 Section 9. Section **63M-2-703** is amended to read:

322 **63M-2-703. Reporting requirements for private entities.**

323 (1) On or before September 1 of each year, the [~~governing authority~~] executive director  
324 shall collect the information described in Subsection (2) from each private entity that:

325 (a) receives USTAR support;

326 (b) receives more than 20 hours of training from USTAR;

327 (c) purchases a private entity that previously received USTAR support; or

328 (d) licenses a technology developed by a USTAR researcher.

329 (2) The [~~governing authority~~] executive director shall collect information on:

330 (a) public or private investment received by the private entity after the private entity:

331 (i) begins to receive USTAR support;

332 (ii) licenses a technology from a USTAR researcher; or

333 (iii) purchases a private entity that previously received USTAR support;

334 (b) sales or revenue generated by the product or technology;

335 (c) the number of jobs created by the private entity and the average wage for each  
336 position; and

337 (d) the location of the private entity.

338 (3) (a) To collect the information described in Subsection (2), the [~~governing authority~~]  
339 executive director shall, in accordance with Title 63G, Chapter 6a, Utah Procurement Code,  
340 contract with an independent third party to conduct a survey of each private entity described in  
341 Subsection (1).

342 (b) The independent third party selected under Subsection (3)(a) shall use industry  
343 standard practices to collect the information described in Subsection (2).

344 (4) The [~~governing authority~~] executive director and Department of Workforce  
345 Services shall coordinate to verify the job and average wage information described in  
346 Subsection (2)(c).

347 Section 10. Section **63M-2-802** is amended to read:

348 **63M-2-802. USTAR annual report.**

349 (1) (a) On or before October 1 of each year, [~~the governing authority~~] USTAR shall  
350 submit, in accordance with Section **68-3-14**, an annual written report for the preceding fiscal  
351 year to:

- 352 (i) the Business, Economic Development, and Labor Appropriations Subcommittee;
- 353 (ii) the Economic Development and Workforce Services Interim Committee;
- 354 (iii) the Business and Labor Interim Committee; and
- 355 (iv) the governor.

356 (b) An annual report under Subsection (1)(a) is subject to modification as provided in  
357 Subsection (5) after an audit described in Section **63M-2-803** is released.

358 (2) An annual report described in Subsection (1) shall include:

359 (a) information reported to [~~the governing authority~~] USTAR through the survey  
360 described in Section **63M-2-703**;

361 (b) a clear description of the methodology used to arrive at any information in the  
362 report that is based on an estimate;

363 (c) starting with fiscal year 2017 data as a baseline, data from previous years for  
364 comparison with the annual data reported under this Subsection (2);

365 (d) relevant federal and state statutory references and requirements;

366 (e) contact information for the executive director;

367 (f) other information determined by [~~the governing authority~~] USTAR that promotes  
368 accountability and transparency; and

369 (g) the written economic development objectives required under Subsection  
370 63M-2-302(1)(e) and a description of progress or challenges in meeting the objectives.

371 (3) [~~The governing authority~~] USTAR shall design the annual report to provide clear,  
372 accurate, and accessible information to the public, the governor, and the Legislature.

373 (4) [~~The governing authority~~] USTAR shall:

374 (a) submit the annual report in accordance with Section 68-3-14; and

375 (b) place a link to the annual report and previous annual reports on USTAR's website.

376 (5) Following the completion of an annual audit described in Section 63M-2-803, [~~the~~  
377 ~~governing authority~~] USTAR shall:

378 (a) publicly issue a revised annual report that:

379 (i) addresses the audit;

380 (ii) responds to audit findings; and

381 (iii) incorporates any revisions to the annual report based on audit findings;

382 (b) publish the revised annual report on USTAR's website, with a link to the audit; and

383 (c) submit, in accordance with Section 68-3-14, written notification of any revisions of  
384 the annual report to:

385 (i) the Business, Economic Development, and Labor Appropriations Subcommittee;

386 (ii) the Economic Development and Workforce Services Interim Committee;

387 (iii) the Business and Labor Interim Committee; and

388 (iv) the governor.

389 (6) In addition to the annual written report described in this section, [~~the governing~~  
390 ~~authority~~] USTAR shall:

391 (a) provide information and progress reports to a legislative committee upon request;

392 [~~and~~]

393 (b) on or before August 1, 2018, and every five years after August 1, 2018, provide to  
394 the same entities that receive the annual report described in Subsection (1)(a) a written analysis  
395 and recommendations concerning the usefulness of the information required in the annual  
396 report and USTAR's ongoing effectiveness, including whether:

397 (i) the reporting requirements are effective at measuring USTAR's performance;

398 (ii) the reporting requirements should be modified;

399 (iii) USTAR is beneficial to the state and should continue; and

400 (iv) whether programs in other agencies could provide similar benefits to the state  
401 more effectively or at a lower cost[-]; and

402 (c) on or before July 1, 2019, and in cooperation with the executive director of the  
403 Governor's Office of Economic Development, provide to the same entities that receive the  
404 annual report described in Subsection (1)(a) a written analysis and recommendations  
405 describing:

406 (i) the most efficient way to move existing USTAR programs to the Governor's Office  
407 of Economic Development by July 1, 2020;

408 (ii) the most cost-effective way to discontinue incubation centers and similar programs  
409 by November 30, 2019;

410 (iii) a complete accounting of USTAR grants and an analysis of any technology that  
411 USTAR or the state may have a financial interest in if the technology is or was successful;

412 (iv) a complete accounting of whether USTAR is owed any money as a result of  
413 previous agreements or the commercialization of technology funded by USTAR;

414 (v) any technology funded in any part by USTAR that has been or should be  
415 commercialized; and

416 (vi) a plan to:

417 (A) terminate or transfer USTAR building leases, including moving USTAR's  
418 headquarters to office space within the Governor's Office of Economic Development by  
419 November 30, 2019;

420 (B) transfer the lease of the Sparrowhawk building at Falcon Hill Drive in Clearfield,  
421 Utah to the Military Installation Development Authority by November 30, 2019; and

422 (C) transfer ownership and title of any USTAR-owned building on the campus of Utah  
423 State University to Utah State University by November 30, 2019.

424 Section 11. Section **63M-2-803** is amended to read:

425 **63M-2-803. Audit requirements.**

426 (1) Every third year beginning 2018, an audit of USTAR shall be made as described in  
427 this section.

428 (2) (a) As approved by the Legislative Audit Subcommittee, the audit shall be  
429 conducted by:

430 (i) the legislative auditor; or

- 431 (ii) an independent auditor engaged by the legislative auditor.
- 432 (b) An independent auditor used under Subsection (2)(a)(ii) may not have a direct
- 433 financial conflict of interest with USTAR [~~or the governing authority~~].
- 434 (3) [~~The governing authority~~] USTAR shall pay the costs associated with the [~~annual~~]
- 435 audit.
- 436 (4) The [~~annual~~] audit shall:
- 437 (a) include a verification of the accuracy of the information required to be included in
- 438 the annual report described in Section 63M-2-802; and
- 439 (b) be completed by December 1 of the year the report is required under Subsection (1).

440 Section 12. **Appropriations.**

441 The following sums of money are appropriated for the fiscal year beginning July 1,  
 442 2019, and ending June 30, 2020. These are additions to amounts previously appropriated for  
 443 fiscal year 2020.

444 Subsection 12(a). **Operating and Capital Budgets.**

445 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
 446 Legislature appropriates the following sums of money from the funds or accounts indicated for  
 447 the use and support of the government of the state of Utah.

448 ITEM 1

449 To Utah Science Technology and Research Governing Authority -- Support Programs

450 From General Fund (\$3,282,600)

451 From Dedicated Credits (\$16,100)

452 Schedule of Programs:

453 Incubation Programs (\$2,160,600)

454 Regional Outreach (\$736,400)

455 SBIR/STTR Assistance Center (\$401,700)

456 ITEM 2

457 To Utah Science Technology and Research Governing Authority -- Grant Programs

458 From General Fund, One-time (\$4,500,000)

459 Schedule of Programs:

460 Industry Partnership Program (\$2,375,000)

461 Technology Acceleration Program (\$2,125,000)

462 ITEM 3

463 To Governor's Office of Economic Development -- Pass-Through  
 464 From General Fund, One-time \$1,705,900

465 Schedule of Programs:

466 Pass-Through \$1,705,900

467 The Legislature intends that:

468 (1) the Governor's Office of Economic Development shall pass-through the  
 469 appropriation described in this item to the Military Installation Development Authority; and

470 (2) the Military Installation Development Authority shall expend this appropriation to  
 471 pay for at least three years of lease payments for the Sparrowhawk building at Falcon Hill  
 472 Drive in Clearfield, Utah, except that the Military Installation Development Authority may  
 473 expend up to \$150,000 of this appropriation to manage the administration of programs at the  
 474 Sparrowhawk building at Falcon Hill Drive in Clearfield, Utah.

475 Subsection 12(b). **Restricted Fund and Account Transfers.**

476 The Legislature authorizes the State Division of Finance to transfer the following  
 477 amounts between the following funds or accounts as indicated. Expenditures and outlays from  
 478 the funds or accounts to which the money is transferred must be authorized by an  
 479 appropriation.

480 ITEM 4

481 To General Fund Restricted -- Workforce Development Restricted Account  
 482 From General Fund \$3,282,600

483 Schedule of Programs:

484 Workforce Development Restricted Account \$3,282,600

485 ITEM 5

486 To General Fund Restricted -- Workforce Development Restricted Account  
 487 From General Fund, One-time \$2,794,100

488 Schedule of Programs:

489 Workforce Development Restricted Account \$2,794,100