

A Systemic Performance Audit of the

Governor's Office of Economic Development

A Review of Oversight and Outcomes

Office of the Legislative
Auditor General

Report to the UTAH LEGISLATURE







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September 15, 2026

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report:

“A Systemic Performance Audit of the Governor’s Office of Economic Development”
Report #2026-18.

An audit summary is found at the front of the report. The scope and objectives of the audit are included in the audit summary. In addition, each chapter has a corresponding chapter summary found at its beginning.

[Utah Code 36-12-15.3\(2\)](#) requires the Office of the Legislative Auditor General to designate an audited entity’s chief officer. Therefore, the designated chief officer for the Governor’s Office of Economic Development is Commissioner Jefferson Moss. Commissioner Moss has been notified that they must comply with the audit response and reporting requirements as outlined in this section of *Utah Code*.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

Kade R. Minchey, CIA, CFE

Auditor General

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***Audit. Lead. Achieve.** These principles reflect both what we do and how we do it. We believe every organization can improve, and we can help. Our goal is to provide decision-makers with actionable information that supports continuous improvement, informed governance, and long-term success. To meet this goal, our findings must be objective, independent, and grounded in evidence. We design recommendations to be constructive, practical, and focused on helping organizations build upon their strengths. Our audits are designed to help policymakers better serve the people of Utah.*

What the Governor's Office of Economic Development Is Doing Well

This audit identified several strengths within the Governor's Office of Economic Development (GOED) and among its leadership and staff. Throughout the audit, we observed a clear commitment to improving accountability, strengthening oversight, and enhancing the effectiveness of the state's economic development efforts. New leadership has taken meaningful steps to address longstanding challenges by reorganizing agency functions, clarifying roles and responsibilities, strengthening compliance processes, and increasing oversight of grant and pass-through funding programs. GOED also demonstrated a willingness to evaluate its own operations through internal reviews and audits, using those results to implement corrective actions and improve program administration. In addition, the agency continues to manage a broad portfolio of economic development initiatives that support business growth, workforce opportunities, tourism, and statewide economic prosperity. These efforts reflect GOED's commitment to continuous improvement, responsible stewardship of public resources, and advancing Utah's long-term economic development goals.

How This Report Supports Improvement

While GOED has made meaningful progress, this audit identified opportunities to further strengthen oversight, accountability, and performance measurement. We found that GOED could improve how it monitors funded activities, evaluates program outcomes, and uses data to inform decision-making. Our recommendations are intended to enhance transparency, strengthen stewardship of public resources, and support more effective economic development efforts. By building on recent improvements and formalizing key oversight and evaluation practices, GOED can better demonstrate results and ensure resources are aligned with statewide objectives.

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PERFORMANCE AUDIT

AUDIT REQUEST

Our office was asked to review the operational efficiency and effectiveness of the Governor's Office of Economic Development (GOED).

The request also included a review of the millions of dollars in pass-through funding administered by GOED.

BACKGROUND

The Governor's Office of Economic Development (GOED) serves as Utah's lead economic development agency and is responsible for creating and implementing the state's unified economic development strategy. The office administers economic development programs, incentives, and services. In 2026, the Legislature expanded GOED's role as the coordinating entity for economic development activities throughout the state.

Before and during this audit, GOED experienced significant leadership and organizational change.

A SYSTEMIC PERFORMANCE AUDIT OF THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT



KEY FINDINGS

- ✓ 1.1 Past GOED Leadership Did Not Prioritize Pass-Through Oversight, Managing Millions of Dollars without Adequate Safeguards
- ✓ 1.2 GOED Can Continue to Improve IAA Fund Oversight
- ✓ 2.1 GOED's Improved Strategic Plan Creates an Opportunity to Strengthen Economic Development Program Evaluation



RECOMMENDATIONS

- ✓ 1.1 Leadership at GOED should appropriately prioritize pass-through oversight to ensure the following:
 - Initial grant budgets are documented before initial funds are disbursed.
 - Final reports meet statutory requirements before final funds are disbursed.
 - Grantees provide required financial reports to the State Auditor.
- ✓ 1.2 Leadership at GOED should establish clear oversight expectations and accountability for Industrial Assistance Account reporting by implementing a structured review framework that requires staff to collect, review, and approve all required grantee reports against contract and statutory requirements. This framework will help ensure that grant funds are used for their intended purpose.
- ✓ 2.1 The Governor's Office of Economic Development should incorporate its Incentive Decision Framework into the evaluation and reporting processes for all administered programs. Use of the framework should be monitored for fidelity. Applying the framework consistently would help the office demonstrate outcomes, accountability, transparency, and program effectiveness.

REPORT SUMMARY

GOED's Previously Limited Oversight of Certain Funds Increased Risk of Misuse and Ineffectiveness, but New Executive Director Is Making Improvements

GOED's previous oversight of pass-through awards and Industrial Assistance Account funding did not consistently meet statutory or contract requirements. GOED did not consistently collect required budgets, review required reports, or verify that grantees met reporting obligations. As a result, GOED could not always demonstrate how public funds were used or whether funded projects achieved intended outcomes. Since 2025, new GOED leadership has taken steps to strengthen oversight, improve accountability, and increase monitoring of these programs.

GOED Can Better Measure Program Results to Support Strategic Goals

GOED's new strategic plan creates an opportunity to strengthen how the office evaluates and reports on the effectiveness of its economic development programs. While GOED administers more than 40 programs and tracks many program activities and outputs, it does not consistently measure long-term outcomes or evaluate whether programs are achieving their intended economic impact.

The chapter recommends that GOED apply its Incentive Decision Framework across all programs, develop outcome measures tied to its strategic goals, and expand the use of rigorous program evaluation to improve accountability and inform future funding and policy decisions.

Pass-through dollars and IAA awards have less oversight than other GOED programs.

Many GOED programs have strong oversight mechanisms that ensure dollars are being spent on their intended use. However, pass-through grants and Industrial Assistance Account awards have fewer oversight mechanisms and weaker monitoring practices.

		GOED Program Oversight			
		Annual Disbursement Schedule*	Expenditure Compliance Review	Budget Required Before Disbursement	Annual/Final Report Required
Selected GOED Grants	Co-Op Marketing Grant	50/50	✓	✓	✓
	Rural Communities Opportunity Grant	90/10	✓	✓	✓
	Economic Assistance Grant	Variable - 75/25 or 90/10	✓	✓	✓
	Industrial Assistance Account	Variable - largely 100%	✗	✗	✓
	Pass-Through Grants	Variable - 75/25 or 90/10	✗	✓	✓
✓ Required and Implemented Statute or GOED policy requires this oversight activity, and GOED generally performs it through contract terms, program rules, or agency procedures.		✓ Required but Inconsistently Implemented Statute or GOED policy requires this oversight activity, but implementation was incomplete, inconsistent, or inadequately documented.		✗ Not Required or Not Routinely Performed Neither statute nor GOED policy requires this oversight activity and GOED does not routinely perform it.	

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BACKGROUND

The Governor's Office of Economic Development (GOED) manages a diverse portfolio of state funds and economic development programs, including pass-through funds and the Industrial Assistance Account (IAA).

FINDING 1.1

Past GOED Leadership Did Not Prioritize Pass-Through Oversight, Managing Millions of Dollars without Adequate Safeguards

RECOMMENDATION 1.1

Leadership in the Governor's Office of Economic Development should appropriately prioritize pass-through oversight to ensure the following:

- Initial grant budgets are documented before initial funds are disbursed.
- Final reports meet statutory requirements before final funds are disbursed.
- Grantees provide required financial reports to the State Auditor.

FINDING 1.2

GOED Can Continue to Improve IAA Fund Oversight

RECOMMENDATION 1.2

Leadership in the Governor's Office of Economic Development should establish clear oversight expectations and accountability for Industrial Assistance Account reporting by implementing a structured review framework that requires staff to collect, review, and approve all required grantee reports against contract and statutory requirements. This framework will help ensure that grant funds are used for their intended purpose.

RECOMMENDATION 1.3

The Governor's Office of Economic Development should create a process to ensure that statutory reporting requirements of Industrial Assistance Account grantee outcomes and impacts are met. By doing so, GOED can provide policymakers with clear, reliable information on how state funds are used and the extent to which the grants improve economic outcomes.



CONCLUSION

GOED has taken initial steps to strengthen oversight of IAA and pass-through funds, but it must consistently implement structured monitoring practices to ensure grantees meet statutory and contractual requirements. By prioritizing clear expectations, stronger internal controls, and proven grant oversight strategies, GOED can improve accountability and reduce the risk of misuse of taxpayer funds.





Chapter 1

GOED's Previously Limited Oversight of Certain Funds Increased Risk of Misuse and Ineffectiveness, but New Executive Director Is Making Improvements

The Governor's Office of Economic Development (GOED) didn't previously provide adequate oversight of two high-dollar funding mechanisms: pass-through awards¹ and the Industrial Assistance Account (IAA).² Our audit work, which reviewed award activity over the past several years (fiscal years 2023-25), identified gaps in oversight during that period. Oversight practices did not consistently meet statutory requirements, contract terms, or established best practices. As a result, GOED cannot consistently demonstrate how awardees used nearly \$249 million in funds between fiscal years 2023 and 2025, or if those funds achieved the expected outcomes. These issues appear to stem in part from limited follow-through in oversight processes during prior leadership. A 2025 State Auditor report identifying \$1.8 million to \$2.8 million in misspent pass-through funds demonstrates that these risks are not imaginary. Since the appointment of a new executive director in May 2025, GOED has taken steps to improve oversight, and we observed several positive changes. This report builds on those efforts by documenting past challenges and providing recommendations to strengthen oversight going forward and help ensure that previous issues are not repeated.

Pass-Through Grants and the IAA Have Limited Oversight Mechanisms. Our review of oversight mechanisms for pass-through funding, IAA dollars, and select GOED-administered programs found that pass-throughs and IAA grants have fewer oversight structures than other GOED funding.



Pass-throughs and IAA grants have fewer oversight structures than other GOED funding.

¹ Pass-through awards are direct grants awarded to one or more recipients without a competitive process.

² IAA awards are application-only grants to entities providing an economic opportunity to the state.



		GOED Program Oversight			
		Annual Disbursement Schedule*	Expenditure Compliance Review	Budget Required Before Disbursement	Annual/Final Report Required
Selected GOED Grants	Co-Op Marketing Grant	50/50	✓	✓	✓
	Rural Communities Opportunity Grant	90/10	✓	✓	✓
	Economic Assistance Grant	Variable - 75/25 or 90/10	✓	✓	✓
	Industrial Assistance Account	Variable - largely 100%	✗	✗	✓
	Pass-Through Grants	Variable - 75/25 or 90/10	✗	✓	✓

✓ **Required and Implemented**
Statute or GOED policy requires this oversight activity, and GOED generally performs it through contract terms, program rules, or agency procedures.

✓ **Required but Inconsistently Implemented**
Statute or GOED policy requires this oversight activity, but implementation was incomplete, inconsistent, or inadequately documented.

✗ **Not Required or Not Routinely Performed**
Neither statute nor GOED policy requires this oversight activity and GOED does not routinely perform it.

Source: Auditor generated from GOED policies and procedures and review of grant reporting.

*Annual Disbursement Schedule refers to amount of funds disbursed initially, then after completion of the project.

This audit focused on these programs for a few reasons: First, the Legislature specifically requested a review of pass-through funding. Pass-through and IAA dollars represent a large share of GOED grants and pass-through funding, more than 80% in fiscal year 2025.³ In addition, the IAA awards large amounts of state dollars to entities with relatively few constraints on how those funds may be used.

1.1 Past GOED Leadership Did Not Prioritize Pass-Through Oversight, Managing Millions of Dollars without Adequate Safeguards

GOED leadership should continue to develop and implement structures that strengthen oversight of pass-through funds to help prevent misuse of millions in tax dollars. GOED administered \$164 million in pass-throughs between 2023 and 2025. In 2025, the State Auditor reported up to \$2.8 million in misspent funds from recent GOED pass-through contracts.⁴ Previous GOED leadership focused

³ GOED Annual Report: ((expended + encumbered IAA) + pass-through))/grants and pass-through

⁴ The State Auditor found that the Manufacturing Extension Partnership (MEP) pass-through to iMpatc Utah misused between \$1.8 million and \$2.8 million. State funds for MEP are appropriated to GOED, who then passed through the funds to Utah State University (USU). University of Utah and USU then partner with and award the grant funds to various



on disbursing pass-through funds. They did not prioritize oversight, despite statutory requirements to collect initial budgets and adequate final reports. This meant that GOED disbursed millions of dollars without knowing the money's intended or actual use. Without budget and expense records, it is unclear whether funds met their goals, raising the risk that tax dollars are misused. While we did not find any new instances of misspending, adequate oversight by GOED is important to minimize risk to public funds.



In response to the State Auditor's finding and the new executive director's desire to increase oversight and compliance, the new executive director hired a chief compliance officer to strengthen GOED's oversight of pass-through funds.

GOED Recently Appointed a New Executive Director Who Is Dedicated to Addressing Oversight Concerns. In response to the State Auditor's finding and the new executive director's desire to increase oversight and compliance, the new executive director hired a chief compliance officer to strengthen GOED's oversight of pass-through funds. GOED is presently working to develop policies and procedures for pass-through oversight. The recommendations from the State Auditor's finding should provide a framework for developing these new policies.

Our investigation reviewed all aspects of GOED's oversight process for the 21 pass-through grants administered in the fiscal year 2025 contract period, totaling \$39 million. Although these grants accounted for millions of dollars in GOED's budget, prior leadership did not prioritize oversight. GOED has no internal documented structure for managing these funds, and oversight was frequently passed among multiple staff. We identified several instances of noncompliance during our investigation, as outlined below.

Instances of Previous Pass-Through Noncompliance (FY 2025)

19%

received funds before providing a budget.

48%

do not have a detailed expenditure list in their final report.

74%

do not have an up-to-date financial report with the State Auditor.

Source: Auditor generated.

subrecipients to help bring about MEP objectives. The state is currently pursuing litigation against iMPact Utah to recover funds. Related civil and criminal proceedings are pending.



GOED Disbursed Some Funds Before Receiving Initial Budgets, Increasing Risk for Misuse

GOED did not document a budget for 19% of its fiscal year 2025 awardees before disbursing their grant funds. Thus, GOED disbursed \$3.8 million without specific knowledge of what the money was to be spent on. Without a budget, there is no clear framework guiding how funds should be spent, raising the chance of misuse and eliminating the opportunity for performance evaluation.

Utah Code,⁵ enacted in the 2024 General Legislative Session, requires a grantee to provide GOED with a budget of how funds are to be used before grant funds can be disbursed.

For fiscal year 2025, GOED also did not update its pass-through contracts to reflect the new statute, inaccurately referencing reporting requirements. This issue persisted in its fiscal year 2026 contracts. Fiscal year 2025 was the first year GOED should have implemented these new requirements. Past leadership should have implemented these changes given their broad impact on GOED operations.

GOED Made Final Payments to Awardees Despite Incomplete or Missing Final Reporting

Final reports from fiscal year 2025 showed that in many cases, GOED did not enforce statutory requirements or its own contract requirements for satisfactory final reports.

GOED Contract

Final reports must contain:

- (a) each topic outlined in the scope of work;*
- (b) how grantee used funds or will use funds; and*
- (c) the anticipated date that the project or program will be completed.*

Despite these requirements,⁶ GOED made final payments to two entities without a final report on file. Additionally, half of the reports provided did not include an expenditure list of how the funds were used.

⁵ *Utah Code* 63G-6b-201(1)(b).

⁶ *Utah Code* 63G-6b-201(3)(a) (enacted in the 2024 General Legislative Session 2024), and existing GOED contract language.



Utah Code 63G-6b-201 (3)(a)

“An administering agency may not make the final grant funds disbursement until: (a) the grant recipient delivers to the administering agency a final report that details the extent to which the grant recipient fulfilled the grant’s purpose, including the deliverables and performance metrics described in the agreement made in accordance with Subsection (4);”

This is problematic because final reports provide critical information that allows GOED to evaluate whether grantees spent the \$39 million appropriately and what outcomes they produced. GOED also needs this information to provide feedback to the Legislature if any issues arise. Because prior GOED leadership believed in limited pass-through oversight, staff were able to neglect contractual and statutory requirements.

Incomplete Financial Reporting to the State Auditor Further Weakens Pass-Through Oversight

Compounding the issue of poor final reporting, most fiscal year 2025 grantees do not have a current accounting report in the State Auditor’s financial reporting database.⁷ Nonprofit corporations who receive more than \$25,000 from the state are required to submit an accounting report⁸ to the State Auditor. Each pass-through grantee agrees to this reporting in its contract. The State Auditor collects these reports and posts them publicly for internal and public review.⁹ These reports are important for fiscal oversight because they provide insight into an organization’s spending on major expenses like leases or employee compensation. State Auditor financial oversight promotes transparency and accountability by ensuring public funds are clearly tracked, properly used, and subject to independent review.

⁷ Of the 21 pass-throughs, 2 are for-profit entities that aren’t required to report. Five of the 19 remaining entities are up-to-date, and the other 14 are missing or not up-to-date.

⁸ There are four monetary thresholds in statute that indicate the detail of accounting report required.

⁹ <https://reporting.auditor.utah.gov/searchreports/s/>



GOED Can Implement Best Practices in Grant Oversight to Reduce Risk of Fund Misuse

Effective oversight and internal controls provide assurance to the Legislature and taxpayers that pass-through grants are not misused. Outside of pass-throughs, GOED has administrative rules and policies for many of its other programs, some of which receive compliance reviews by staff who do not directly oversee the program. GOED can strengthen pass-through oversight by using some of its existing strategies, as well as considering the addition of best practices in grant monitoring from the Government Accountability Office (GAO) and other states.¹⁰ These strategies may include the following:

- Evaluate grantee's risk of fraud or noncompliance to determine an appropriate level of monitoring.
- Perform site visits to review program operations.
- Require grantees to submit performance reports in a form and format created by GOED.
- Document substantive communication with the grantee in Salesforce.



Because previous GOED leadership did not prioritize oversight, there was no structure for managing pass-throughs, and staff only focused on disbursing funds.

Because previous GOED leadership did not prioritize oversight, there was no structure for managing pass-throughs, and staff only focused on disbursing funds. Without adequate oversight, these millions of dollars of taxpayer funds are at a heightened risk of misuse. Thus, new GOED leadership should continue to appropriately prioritize oversight of pass-through funds.



Effective oversight and internal controls provide assurance to the Legislature and taxpayers that pass-through grants are not misused.

¹⁰ Report Links: [GAO-Grants Management Recent Guidance Could Enhance Subaward Oversight](#); [Texas Grant Management Standards v2.1](#); [Arizona Grants Management Manual](#); [Connecticut Guide to Grants Management For the State as Grantee and Grantor](#); and [Minnesota Department of Transportation Agency Grants Management Manual](#).



RECOMMENDATION 1.1

Leadership in the Governor's Office of Economic Development should appropriately prioritize pass-through oversight to ensure the following:

- Initial grant budgets are documented before initial funds are disbursed.
- Final reports meet statutory requirements before final funds are disbursed.
- Grantees provide required financial reports to the State Auditor.

1.2 GOED Can Continue to Improve IAA Fund Oversight

GOED's prior oversight of IAA awards did not ensure that economic development funds were used or reported as required. GOED administered nearly \$85 million through the IAA program from fiscal years 2023 through 2025. However, it did not consistently collect, review, or verify required grantee reports on expenditures and economic outcomes. Weak oversight occurred because GOED lacked a formal monitoring framework and procedures for IAA grantee reporting. As a result, millions of dollars of program spending lacked supporting documentation, and GOED could not consistently demonstrate program impacts as required by statute. GOED has been actively working to improve its oversight of these funds. To continue to address this issue, GOED should strengthen oversight practices to ensure it uses public funds effectively and aligns them with program goals.

GOED Provided Limited Documented Oversight of IAA Grantees from FY 2023 to FY 2025

The Legislature created the IAA in 1991 to provide loans and financial assistance to help establish, relocate, or develop industry in Utah. Current statute allows GOED to award loans, grants, or other financial assistance to entities that offer economic opportunities.¹¹ From fiscal years 2021 through 2025, the fund's ending balance ranged from \$19 million to \$43 million. This audit reviewed the IAA's funding over multiple years to capture changes in annual funding levels and shows that, despite fluctuations, this program consistently represents a high-dollar investment.

Statute gives the GOED executive director discretion to award funds and set up-front oversight and documentation requirements. Because of this discretion, GOED must ensure that recipients use funds in compliance with contract obligations and deliverables. *Utah Code* also requires GOED to regularly review

¹¹ *Utah Code* 63N-3-1, Industrial Assistance Account.



grant recipients and report on the outcomes and economic impacts of IAA-funded projects.

Utah Code 63N-3-103(7)

"The office shall review the activities and progress of grant recipients under this chapter on a regular basis and, as part of the office's annual written report described in Section 63N-1a-306, report on the economic impact of activities funded by each grant."

The Office Did Not Publicly Report the Impacts of These Awards in Recent Annual Reports as Required by Statute. Annual reports from fiscal years 2021 through 2025 only describe total expenditures and do not identify grant recipients or report project outcomes. Although the fiscal year 2022 report identified some recipients, it did not include information on the economic impacts of funded activities.

GOED has not consistently collected or reviewed required grantee reports. As a result, GOED cannot reliably measure or report the outcomes and economic impacts of these projects to the Legislature, limiting transparency and accountability.



GOED has not consistently collected or reviewed required grantee reports.

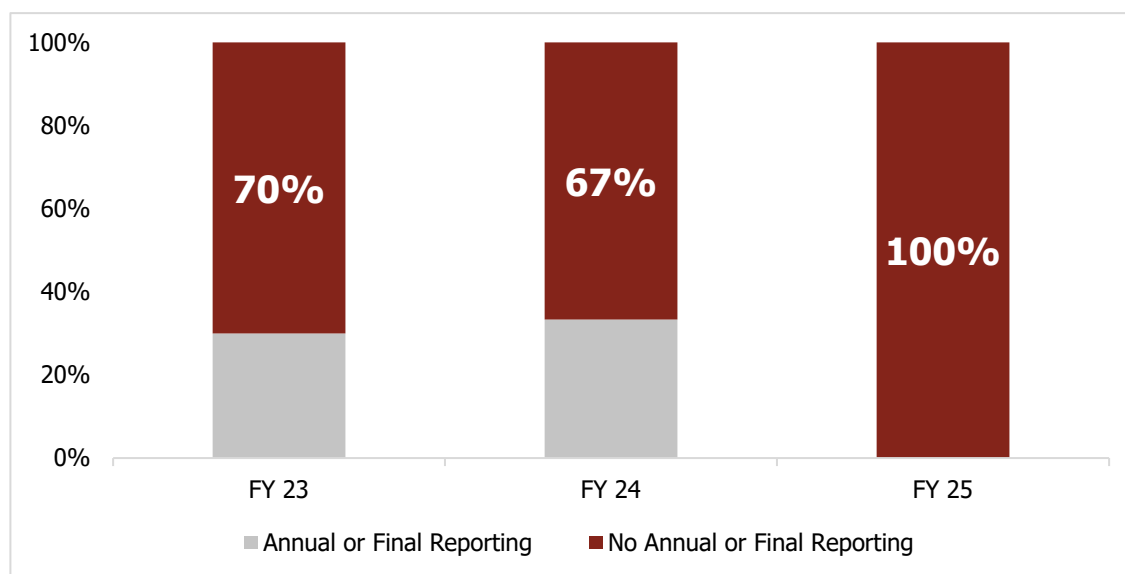
In addition to statutory reporting requirements, GOED contracts require IAA grantees to submit reports within one year of the contract effective date. These agreements require grantees to document the following:

- How they used the funds
- How they met the goals, objectives, and deliverables in their scope of work
- How the funding contributed to economic development in the state

From fiscal years 2023 through 2025, many grantees did not have annual or final reports documented in GOED's internal tracking system. As a result, GOED cannot demonstrate how many awardees used funds or contributed to economic development. Figure 1.1 shows totals of documented reporting.



Figure 1.1 GOED Lacks Documented Reporting on the Use of Funding and Deliverables for Many IAA Grantees from FY 2023 – FY 2025. In fiscal year 2023, only 6 of 20 grantees had reported documentation (30%). In fiscal year 2024, 7 of 21 grantees had documented reporting (33%). In fiscal year 2025, none of the 7 (0%) grantees had documented reporting.



Source: GOED internal Salesforce data, auditor generated.

Additionally, even when reports were submitted, GOED program leadership did not review or approve some of them.

GOED did not establish a consistent process to review IAA grantee reports. The program also lacked clear reporting requirements for grantees and standard procedures to evaluate submitted information, such as project spending and economic outcomes. As a result, grantee reporting remained incomplete or missing. This limited GOED's ability to monitor projects and meet statutory requirements.

Utah Beef Producers Case Highlights the Need for Stronger Oversight of Program Funding. Limited oversight restricts GOED's ability to identify project risks and monitor progress. In January 2024, the GOED board approved a \$2 million nonmatching IAA grant to the Utah Beef Producers (UBP) to support the development of a meat processing facility. After executing the contract, GOED disbursed the full amount upfront to fund a biochar incinerator, wastewater infrastructure, and a sewer connection. The contract initially set a performance period through June 30, 2025.¹²

¹² The original Utah Beef Producer contract did include a provision to allow GOED to have priority over other creditors, should the grantee become insolvent.



GOED's limited due diligence and contract oversight may have contributed to UBP spending most of the funds without demonstrating progress or success. UBP began operations without a full permit, engaged in improper dumping, and closed less than 20 months after receiving the grant. We recognize that starting a successful business is inherently difficult, and UBP made some efforts to bring the facility into compliance. However, this case demonstrates the risks that arise when GOED does not adequately account for disbursed funds or ensure they are used effectively.

At the end of 2024, GOED and UBP revised the contract scope of work for non-performance of the project's original biochar contractor. In June of 2025, GOED amended the contract again to extend the performance period through June 2026. GOED approved these amendments without requiring additional supporting documentation to demonstrate project viability or progress toward contract objectives.

In the first year and a half of its contract, UBP did not submit the annual report required by the grant contract. During this same period, UBP struggled to obtain required permits for key components of the project and sought additional



Without regular oversight to monitor progress, identify risks, and require corrective action, GOED lacked assurance that the project could be completed as planned.

funding from another state source. Although GOED does not oversee permitting compliance, these challenges highlight the need to monitor project feasibility and risks when administering IAA funds. Without regular oversight to monitor progress, identify risks, and require corrective action, GOED lacked assurance that the project could be completed as planned. As a result, the grant produced no measurable impact and resulted in a loss of economic opportunity dollars.

GOED's records contain only one project report: an expenditure list submitted in September 2025 after the facility had already closed. As a result, GOED's reporting process at the time did not identify that the project had failed to meet key deliverables or that the facility had ceased operations. Instead, new leadership learned of the closure through other sources in August 2025 and subsequently initiated efforts to recover project funds.

At the conclusion of this audit, GOED recovered approximately 11% of the original award, leaving nearly \$1.8 million in state funds ineffective following



the facility's closure.¹³ Previous leadership had not established a structured process to require or review supporting documentation for project performance throughout the contract period. Although GOED may have identified noncompliance at the end of the contract, limited oversight during the early stages prevented timely detection of performance issues and reduced the state's ability to recover funds.

New GOED Leadership Is Strengthening Oversight Processes and Previous Awards

We identified concerns with program oversight under previous GOED leadership. However, current leadership has taken steps to improve oversight and strengthen the review of projects funded through the IAA program. The following graphic shows how GOED leadership strengthened oversight of the IAA program after identifying prior weaknesses.

IAA Oversight Improvements



Source: Auditor generated.

GOED internal audit conducted an audit of the IAA to evaluate program compliance concerns. The internal audit identified additional weaknesses in front-end contract processes and oversight, which GOED is working to correct. Recent legislative changes reinstated board oversight and increased accountability for grantee selection. New GOED leadership terminated a \$3.2

¹³ Although approximately \$1.8 million of the original grant award was not recovered, the state retains an ownership interest in certain infrastructure and other fixed assets funded through the grant agreement.



million contract with the Salt Lake Chamber Foundation due to contract timing concerns. In addition, GOED began recovering misspent and unspent funds, both from the projects discussed above and from other grants not addressed in this chapter. GOED leadership has taken additional steps to strengthen grant oversight. These efforts include revising the Economic Assistance Grant selection process to improve clarity and the evaluation of applicants. Together, these actions reflect a shift toward stronger oversight, greater accountability, and more proactive management of public funds.¹⁴

GOED Should Continue to Ensure IAA Grantees Are Meeting Their Reporting Obligations.

GOED has recently strengthened its oversight of IAA funds through internal audit recommendations and other efforts to improve grant administration. However, our audit found that GOED did not clearly define oversight expectations, establish a formal monitoring framework, or implement consistent procedures to collect and review grantee reports. As a result, the program cannot consistently demonstrate results or accountability for the taxpayer dollars it expends. To build on recent improvements and strengthen stewardship of public funds, GOED leadership should establish a consistent framework for reporting requirements, oversight expectations, and monitoring activities. This framework should include implementing internal audit recommendations related to front-end award oversight, as well as strengthening back-end monitoring processes by reviewing expenditures, verifying deliverables, and assessing program outcomes.



To build on recent improvements and strengthen stewardship of public funds, GOED leadership should establish a consistent framework for reporting requirements, oversight expectations, and monitoring activities.

RECOMMENDATION 1.2

Leadership in the Governor's Office of Economic Development should establish clear oversight expectations and accountability for Industrial Assistance Account reporting by implementing a structured review framework that requires staff to collect, review, and approve all required grantee reports against contract and statutory requirements. This framework will help ensure that grant funds are used for their intended purpose.

¹⁴ Only one IAA grant was approved in 2026 while the office strengthened its oversight processes and controls.



RECOMMENDATION 1.3

The Governor's Office of Economic Development (GOED) should create a process to ensure that statutory reporting requirements of Industrial Assistance Account grantee outcomes and impacts are met. By doing so, GOED can provide policymakers with clear, reliable information on how state funds are used and the extent to which the grants improve economic outcomes.





BACKGROUND

GOED recently launched a new strategic plan that clarifies its role in advancing Utah's economic success. This chapter assesses how GOED evaluates the effectiveness of its programs and incentives and whether they contribute to the state's economic development goals.

FINDING 2.1

GOED's Improved Strategic Plan Creates an Opportunity to Strengthen Economic Development Program Evaluation

RECOMMENDATION 2.1

The Governor's Office of Economic Development should incorporate its Incentive Decision Framework into the evaluation and reporting processes for all administered programs. Use of the framework should be monitored for fidelity. Applying the framework consistently would help the office demonstrate outcomes, accountability, transparency, and program effectiveness.

RECOMMENDATION 2.2

Leadership within the Governor's Office of Economic Development (GOED) should identify meaningful outcome measures that connect program activities and outputs to the broader goals in GOED's Strategic Plan Opportunity Framework. Leadership should regularly track and report these measures to the Economic Development and Workforce Services Interim Committee. This information should be used to inform program funding and other operational decisions.

RECOMMENDATION 2.3

The Legislature could consider selecting a program administered by the Governor's Office for Economic Development (GOED) for evaluation under the Senate Bill 324 2026 Outcome-Based Investment Grant Pilot Framework (*Utah Code* 63G-6b-402). If the Legislature chooses to fund a program under this framework, GOED should work with stakeholders to develop stronger approaches for evaluating other economic development programs. Results from these evaluations should inform future funding and program decisions.



CONCLUSION

Without systematic and rigorous evaluation, the state cannot determine how individual programs contribute to these outcomes or whether public dollars achieve intended results.





Chapter 2

GOED Can Better Measure Program Results to Support Strategic Goals

While Utah demonstrates strong economic performance overall, it's unclear how much the Governor's Office of Economic Development (GOED, the office) programs contribute to that success. GOED administers 42 programs, incentives, and services intended to promote economic opportunity, support businesses, and strengthen Utah's economy. These programs represent a public investment. However, GOED primarily tracks outputs, such as dollars awarded, projects approved, and jobs created. It does not consistently measure broader outcomes, such as sustained job growth, wage gains, or long-term business expansion. As a result, GOED cannot determine which programs are most effective, whether incentives influence business decisions, or how much economic value these public funds generate. These limitations reduce GOED's ability to prioritize resources and refine programs based on evidence. It also constrains policymakers' ability to assess return on investment (ROI) and make informed decisions about continuing, expanding, or modifying programs. Although outcome measurement is not perfect and can require additional effort, it strengthens the link among public investments, services and projects delivered, and intended economic impacts.

2.1 GOED's Improved Strategic Plan Creates an Opportunity to Strengthen Economic Development Program Evaluation

GOED administers millions of dollars in state funds and tax incentives for economic development. Given this public investment, it's important to understand whether these resources are achieving their intended purposes and providing value to the state. GOED's recently adopted strategic plan creates an opportunity to strengthen how the office measures and evaluates program performance. However, GOED has not consistently applied best practices for evaluating program outcomes. Broad program purposes and reporting that focuses primarily on activities and outputs provide limited information about whether programs are producing desired results.



We recognize that external factors, such as market conditions and broader economic trends can make long-term economic impacts difficult to attribute to individual programs. As GOED implements its strategic plan, it should identify meaningful outcome measures and evaluate program performance. Doing so can help GOED improve programs and better inform future decisions.



As GOED implements its strategic plan, it should identify meaningful outcome measures and evaluate program performance.

GOED Can Better Measure How Its Programs Influence the State's Economic Success

*Utah Code*¹⁵ establishes and funds many economic development initiatives and designates GOED as the central repository for those programs. GOED administers this wide range of programs intended to support business growth, workforce development, infrastructure, and economic opportunities. These programs represent public investment through tax incentives, grants, and other financial tools. Because GOED manages many programs with different purposes, understanding each program's individual and collective impact on the state's economy is important. Measuring and reporting program performance creates an important feedback loop for the Legislature. Policymakers rely on performance information to assess program effectiveness and make informed funding and policy decisions.

Role of the Legislature in Economic Development:

"The state legislature's job is not only to propose and enact legislation for creating new economic development programs, but to monitor the state's economic development tool kit and decide if its working or not and, if required, how to fix it."

Source: William Schweke, "An Economic Development Strategy for the 21st Century: The Role of State Policy in Strengthening the Economy" (2009).

At the start of the audit, GOED did not maintain a comprehensive inventory of the programs it administered, making it difficult to clearly identify how its various programs and services supported the state's economic development efforts. This lack of clarity suggests that GOED could better communicate its programs and services and explain how they inform its overall strategic purpose. It's one thing to successfully administer a program and deliver a project. It's another to determine whether that project advances the state's economic development goals. Without consistent performance information, the Legislature has limited ability to assess the effectiveness of over \$50 million in annual

¹⁵ *Utah Code* 63N, Chapters 1a, 2, and 3.



economic development investments. As GOED implements its strategic plan, it can strengthen accountability by aligning programs and expenditures with the plan's focus areas, identifying meaningful performance measures and outcomes, and evaluating whether programs are achieving their intended purposes.

GOED's Tax Incentive Decision Framework Represents a Positive Step



New GOED leadership has acknowledged the need for better evaluation of its economic development incentives.

Toward Strengthening Program Evaluation and Decision-Making. New GOED leadership has acknowledged the need for better evaluation of its economic development incentives. The office released a new strategic framework in May 2026. It includes an incentive decision framework, which is meant to guide how the office reviews project and incentive outcomes.

The Incentive Decision Framework

Every incentive is evaluated under five guiding principles:

OUTCOMES	ADDITIONALITY	HUMAN-CENTERED	TRANSPARENCY	ACCOUNTABILITY
Not outputs.	Would it have happened without an incentive?	Does this help our economy and our people?	Full and complete.	Performance is expected and upheld.

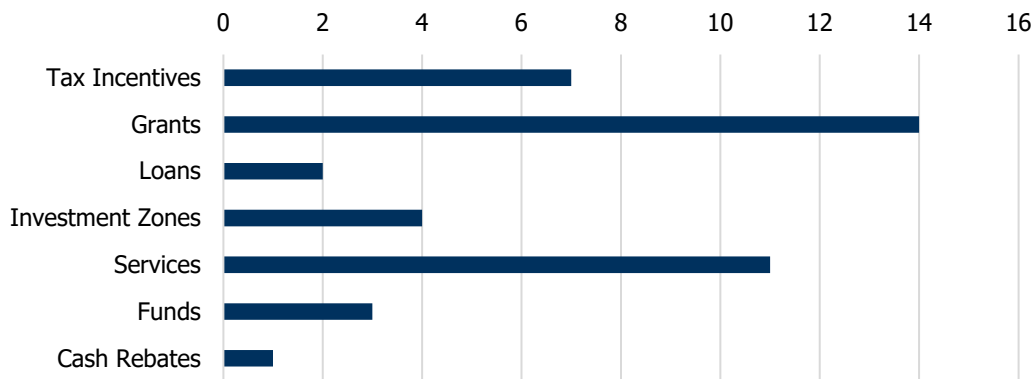
Source: Governor's Office of Economic Development Strategic Plan, p. 51.

This framework aligns with best practices and can be used to help policymakers determine the effectiveness of incentives. We recommend GOED use this framework not only for its tax incentive programs but also for all programs it administers to ensure outcomes and accountability.

The Number and Variety of GOED Programs Make Effective Performance Measurement Especially Important. The following figure provides a high-level overview of the types of programs GOED administers. Appendix A includes a comprehensive list of programs, along with their purpose and fiscal year 2026 funding.



GOED Economic Development Programs by Type



Source: **Utah Code**, GOED website, GOED annual report. Auditor generated.

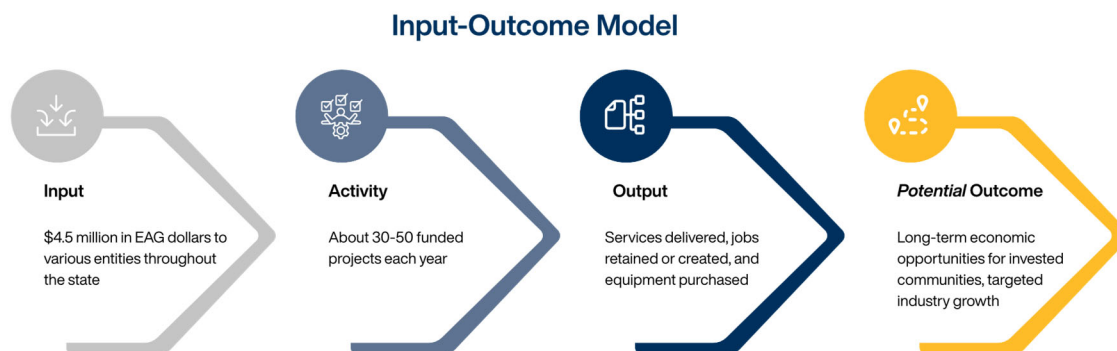
GOED currently reports on program performance through its annual report, strategic plan, and legislative reporting requirements.¹⁶ However, these efforts primarily focus on output and compliance measures, such as grants awarded, projects funded, businesses served, and incentives approved. While these measures demonstrate program activity, they do not consistently show whether programs achieve intended economic outcomes.

Performance management best practices emphasize linking program inputs, activities, outputs, and outcomes to strategic goals. Outputs provide evidence that programs are operating as intended, but outcomes help demonstrate whether those activities contribute to broader economic impacts. For example, GOED's Economic Assistance Grant (EAG) awards approximately \$4.5 million annually to support projects related to industry, education, community development, and infrastructure. While current reporting captures some outputs from funded projects, additional outcome measures could help demonstrate how those investments contribute to GOED's strategic goals.



Performance management best practices emphasize linking program inputs, activities, outputs, and outcomes to strategic objectives.

¹⁶ Statute requires the Revenue and Taxation Interim Committee to review tax credits every five years. The committee shall invite GOED and the Office of the Legislative Fiscal Analyst to present summary and analysis for each tax credit. The committee should evaluate the cost of the tax credit, the purpose and effectiveness of the tax credit, and the extent to which the state benefits from the tax credit.



Source: Auditor generated.

Statute explicitly requires GOED to report annually on the operations, activities, programs, and services it administers. This reporting requires data and metrics used to measure progress, performance, and effectiveness.¹⁷ However, GOED's 2025 annual report does not provide a complete picture of its portfolio. Of the 42 programs and services identified during our audit, 33 were included in the report, and only 12 reported defined performance measures. As a result, policymakers may not have a comprehensive view of GOED's activities or results.¹⁸



Although outcome measurement is not perfect and can require additional effort, it strengthens the link among public investments, services delivered, and intended economic impacts.

Although outcome measurement is not perfect and can require additional effort, it strengthens the link among public investments, services delivered, and intended economic impacts. Strengthening performance expectations and aligning program-level measures with GOED's strategic goals would improve the state's ability to evaluate program effectiveness and make informed policy and funding decisions.

GOED's Internal Audit Findings Support Our Conclusion that Most Programs Do Not Collect ROI

Measures. GOED internal audit reviewed the data collected across its programs. The review showed that most programs focus on compliance and output measures, such as activities completed or funds spent, rather than outcomes or financial returns. As a result, GOED does not have consistent information to

¹⁷ *Utah Code* 63N-1a-306 requires the office to submit an annual report of its operations, activities, programs, and services. The report must include descriptions, budget information, goals, and the data and metrics used to measure performance, effectiveness, scope, and results.

¹⁸ Several partner organizations also administer economic development tools outside of GOED, further fragmenting information and limiting stakeholders' ability to understand the full range of resources available.



assess whether its programs are achieving desired results or providing value for the money spent.

Rigorous Evaluation Can Provide Insight Into Program Effectiveness and Impact

Rigorous program evaluation helps policymakers better assess the effectiveness of economic development incentives and inform future investment decisions.

During this audit, we partnered with the Analytics Solutions Center (ASC) at Utah State University to analyze the relative economic impact of the Economic Development Tax Increment Financing (EDTIF) awards to the state's targeted industries. We conducted this analysis to demonstrate a potential approach to rigorous economic evaluation that shows how the state's economic development programs are driving results. Other states increasingly rely on legislative staff to conduct similar analyses, which can improve the consistency and credibility of performance data.



We partnered with the ASC at Utah State University to analyze the relative economic impact of EDTIF awards to the targeted industries.

One of GOED's main economic development tools is the EDTIF. This program, like incentives offered in other states, is a tax credit to businesses that meet specific job creation and capital investment criteria; EDTIF is a post-performance credit. The goal is to recruit and expand businesses related to Utah's targeted industries.¹⁹ The program is the only economic development program GOED administers that comprehensively measures ROI.²⁰

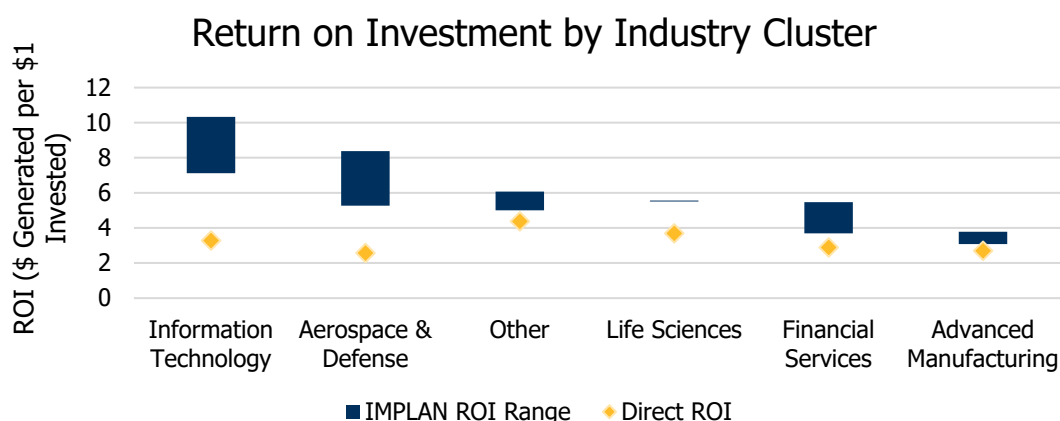
State statute requires GOED to review and update the state's targeted industries at least every five years. To support the review process, policymakers need information about whether past investments have produced meaningful economic benefits for the state. To demonstrate one method of gathering information, the ASC analyzed companies that received EDTIF tax credits over

¹⁹ **Utah Code** 63N-1a-301-3(f) requires the office, at least once every five years, to identify which industry or groups of industries shall be targeted for economic development in the state. The current targeted industries are Aerospace & Defense, FinTech, Tech (AI, Quantum, Blockchain), Lifesciences & Healthcare, and Energy & Minerals.

²⁰ While our initial hope was to capture ROI of a GOED-administered grant program, there are challenges that arise when using an economic modeling tool. Applying IMPLAN (Impact Analysis for PLANning) or similar models is difficult because grants fund a wide range of project types with varying activities and timelines. These models require consistent inputs, such as industry classification and spending patterns. When funding spans diverse projects, it is difficult to define consistent inputs and attribute impacts, which limits the reliability of the results.

the past 10 years. The analysis examined which targeted industries generated the strongest economic returns. Similar evaluations could be used in the future to better understand the results of GOED programs and incentives. Figure 2.1 ranks the targeted industries from highest to lowest ROI and shows two methods for estimating the ROI of EDTIF awards.

Figure 2.1 Information Technology Projects Generated the Highest Estimated ROI Among Prior Industry Clusters. This figure shows two methods for estimating the ROI of EDTIF tax credits. The yellow diamonds represent the **direct ROI**, which compares new state tax revenue generated by participating companies to the value of tax credits awarded. Statute requires an audit of the EDTIF program's return on investment every three years for the entirety of the program, not by industry cluster. The blue boxes represent the **economic impact ROI** estimated using IMPLAN. This approach incorporates direct tax revenue as well as indirect and induced effects, such as spending by suppliers and employees, to estimate broader economic impacts. Because it captures a wider range of economic activity, the IMPLAN analysis produces a larger range of ROI estimates across industry clusters.



Source: Analytics Solutions Center, Jon Huntsman School of Business at Utah State University, using IMPLAN*.

*IMPLAN is an industry standard economic impact modeling software. According to the IMPLAN website, "IMPLAN combines detailed economic, demographic, and industry data with a powerful cloud application, making it possible to simulate how economic changes ripple through a local, state, or national economy."

While the incentive is designed so that all industry clusters have a positive return, the analysis found that returns varied across targeted industries. The Information Technology industry generated the highest return, producing more than 10 dollars in economic activity for every dollar of tax credit awarded (high end of range). Aerospace & Defense and Life Sciences also generated strong returns, while Financial Services and Advanced Manufacturing produced more modest returns.

GOED's Focus on Data-Driven Outbound Recruitment Makes It Important to Understand How Returns Vary Across Targeted Industries. GOED's strategic plan emphasizes data-driven outbound recruitment by focusing on industries that support the state's economic development priorities. Understanding how



economic returns differ across these industries can help GOED and policymakers assess whether recruitment efforts are producing the desired results. While ROI is only one measure of program success, comparing results across industries can provide useful information about how economic impacts vary. To our knowledge, GOED has not routinely conducted this type of analysis. Cross-industry comparisons can help policymakers consider tradeoffs among



While ROI is only one measure of program success, comparing results across industries can provide useful information about how economic impacts vary.

competing objectives, such as maximizing economic returns, supporting strategic industries, promoting regional development, and maintaining a diverse economy. The analysis can also help GOED determine whether its recruitment efforts and program investments align with its strategic goals. Appendix B provides additional information about the methodology, scope, and limitations of this analysis.

National Entities Highlight the Importance of Rigorous Performance Evaluation

There is a growing national emphasis on improving the evaluation of economic development incentives and programs. For more than a decade, The Pew Charitable Trusts (Pew)²¹ has worked with states across the country to identify and promote best practices for measuring the effectiveness of these programs. These efforts have focused on helping states develop consistent evaluation frameworks, incorporate rigorous methodologies, and improve transparency around the use of public resources.

As of 2022, 35 states have implemented evaluation practices that provide policymakers with clearer insight into economic development and incentive performance. During that same time period, nine states also included cash incentives in their evaluation scope as well. The figure below provides two examples.

²¹ The Pew Charitable Trusts. (May 24, 2024). *Economic Development Incentives Evaluation Toolkit*. <https://www.pew.org/en/research-and-analysis/data-visualizations/2024/economic-development-incentives-evaluation-toolkit>.



Florida statute requires the Office of Program Policy Analysis and Government Accountability and the Office of Economic and Demographic Research to provide a detailed analysis of state economic development programs according to a recurring schedule.



Virginia authorizes the Joint Legislative Audit and Review Commission to evaluate spending on incentives, economic benefits to Virginia on total spending on incentives, and effectiveness of incentives on influencing business activity. The Commission produces a ranked assessment of its major tax incentives using input-output modeling and other analytical tools to estimate each program's return on investment.

Source: Florida Statute 288.0001 and the Virginia Joint Legislative Audit and Review Commission.

While Pew highlights the importance of evaluating economic development incentives and notes that while legislative staff offices often play a role in conducting these evaluations, states use a variety of approaches to evaluate incentives and programs. Depending on the state, evaluations may be conducted by legislative staff offices, executive branch agencies, independent evaluators, or a combination of these entities.

Best Practices from NSAA²² and OLAG²³ Emphasize The Importance of Program Evaluation

The National State Auditors Association published a best practices manual on state economic development efforts. The manual highlights the importance of a well-designed program:

Best Practice:

"Having a well-designed economic development program greatly increases the likelihood that the intended outcomes of the program can be achieved. A well-designed program can also identify strategies that are ineffective, and consequently, provide decision-makers with information needed to make future funding decisions."

These best practices emphasize that economic development offices like GOED should actively monitor program performance and use that information to inform decision-making. Specifically, they should take the following measures:

²² National State Auditors Association, *Best Practices in Carrying Out State Economic Development Efforts* (2004).

²³ Office of the Legislative Auditor General, *The Best Practice Handbook: A Practical Guide to Excellence for Utah Government* (Report No. 2023-05); Office of the Legislative Auditor General, *The Best Practice Handbook: Diagnosing Root Causes and Driving Results* (Report No. 2026-04).



- Implement objective processes to ensure recipients comply with program requirements and achieve intended results.
- Analyze performance data, make adjustments to improve effectiveness and efficiency, and report results to policymakers and the public.

OLAG's best practice handbooks identify evaluation as a critical management function that supports organizational learning and improvement. Organizations should establish meaningful performance measures, evaluate whether programs and initiatives are achieving intended outcomes, and use evidence to assess the effectiveness of strategies and operations. These results should be used to recalibrate strategic plans and resource allocations. Evaluation results are particularly relevant to GOED in determining how the dollars invested in economic development initiatives impact the state's goals.

The Legislature Created a Framework for Rigorous Program Evaluation. In 2026, the Utah Legislature passed Senate Bill 324, Outcome-Based Investment Grant Pilot Framework. This legislation provides funds for grant programs to measure outcomes rather than outputs. It requires grant applicants to submit a pre-analysis plan that defines expected outcomes, performance metrics, and evaluation methods before receiving funding. The framework requires the use of independent evaluators to assess whether funded projects achieve identified outcomes. The bill represents a clear effort by the Legislature to promote the identification of program outcomes. To better understand the effectiveness of economic development programs, we recommend the Legislature consider selecting a GOED-administered program for this pilot framework in future years.

RECOMMENDATION 2.1

The Governor's Office of Economic Development should incorporate its Incentive Decision Framework into the evaluation and reporting processes for all administered programs. Use of the framework should be monitored for fidelity. Applying the framework consistently would help the office demonstrate outcomes, accountability, transparency, and program effectiveness.



RECOMMENDATION 2.2

Leadership within the Governor's Office of Economic Development (GOED) should identify meaningful outcome measures that connect program activities and outputs to the broader goals in GOED's Strategic Plan Opportunity Framework. Leadership should regularly track and report these measures to the Economic Development and Workforce Services Interim Committee. This information should be used to inform program funding and other operational decisions.

RECOMMENDATION 2.3

The Legislature could consider selecting a program administered by the Governor's Office for Economic Development (GOED) for evaluation under the Senate Bill 324 2026 Outcome-Based Investment Grant Pilot Framework (*Utah Code* 63G-6b-402). If the Legislature chooses to fund a program under this framework, GOED should work with stakeholders to develop stronger approaches for evaluating other economic development programs. Results from these evaluations should inform future funding and program decisions.

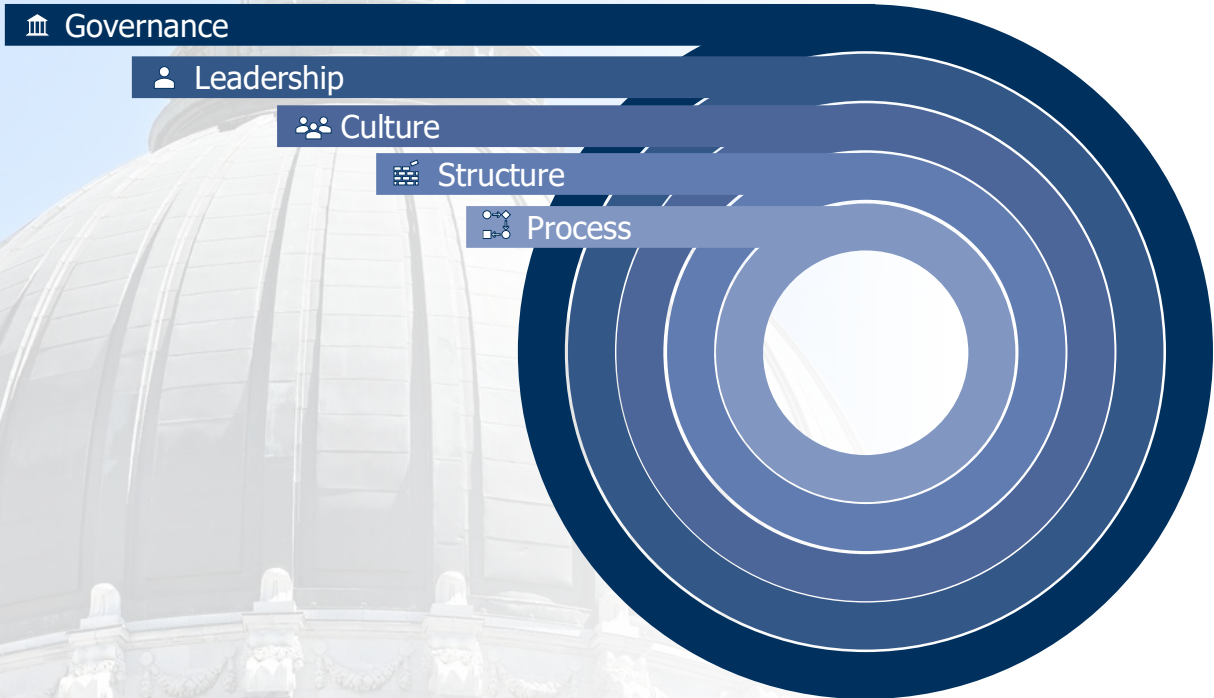




Complete List of Audit Recommendations

THE FIVE LAYERS OF CAUSE

We developed the Five Layers of Cause Framework to assist leaders in identifying the causes of organizational success and failure. To truly improve as an organization, leaders must understand the causes of major risks. Only when leaders understand these causes and their roots can they make meaningful improvements. Root causes are deeper and more fundamental.

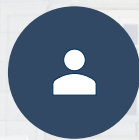


The five layers of cause are defined below. They are ranked from most impactful in organizational change to least. The next page identifies the layer of cause in each recommendation.



GOVERNANCE

The laws and rules that establish the organization's mission, accountability, and funding. Governance empowers the organization with the leadership and resources needed to achieve meaningful results.



LEADERSHIP

The competency and character of the leaders of the organization. Leadership is the decisive force that transforms vision into action and effort into results.



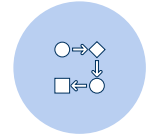
CULTURE

The collective beliefs, values, and behaviors of the organization. An organization's culture can determine employee engagement and morale, willingness to innovate, and quality of product.



STRUCTURE

The policies and standards that guide an organization's work. Structures direct the flow of work and establish what is and is not acceptable.



PROCESS

The steps taken to accomplish a task. Processes are the logistics—the capital, workflows, timing, and practices—that move work along.



Complete List of Audit Recommendations

This report made the following six recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

Recommendation 1.1 (Leadership)

Leadership in the Governor's Office of Economic Development should appropriately prioritize pass-through oversight to ensure the following:

- Initial grant budgets are documented before initial funds are disbursed.
- Final reports meet statutory requirements before final funds are disbursed.
- Grantees provide required financial reports to the State Auditor.

Recommendation 1.2 (Leadership)

Leadership in the Governor's Office of Economic Development should establish clear oversight expectations and accountability for Industrial Assistance Account reporting by implementing a structured review framework that requires staff to collect, review, and approve all required grantee reports against contract and statutory requirements. This framework will help ensure that grant funds are used for their intended purpose.

Recommendation 1.3 (Process)

The Governor's Office of Economic Development (GOED) should create a process to ensure that statutory reporting requirements of Industrial Assistance Account grantee outcomes and impacts are met. By doing so, GOED can provide policymakers with clear, reliable information on how state funds are used and the extent to which the grants improve economic outcomes.

Recommendation 2.1 (Structure)

The Governor's Office of Economic Development should incorporate its Incentive Decision Framework into the evaluation and reporting processes for all administered programs. Use of the framework should be monitored for fidelity. Applying the framework consistently would help the office demonstrate outcomes, accountability, transparency, and program effectiveness.

Recommendation 2.2 (Leadership)

Leadership within the Governor's Office of Economic Development (GOED) should identify meaningful outcome measures that connect program activities and outputs to the broader goals in GOED's Strategic Plan Opportunity Framework. Leadership should regularly track and report these measures to the Economic Development and Workforce Services Interim Committee. This information should be used to inform program funding and other operational decisions.

Recommendation 2.3 (Governance)

The Legislature could consider selecting a program administered by the Governor's Office for Economic Development (GOED) for evaluation under the Senate Bill 324 2026 Outcome-Based Investment Grant Pilot Framework (*Utah Code* 63G-6b-402). If the Legislature chooses to fund a program under this framework, GOED should work with stakeholders to develop stronger approaches for evaluating other economic development programs. Results from these evaluations should inform future funding and program decisions.





Appendices



A. GOED Programs and Partners



Program	Purpose	FY 2026 Budget	Type
Economic Development Tax Increment Financing (EDTIF)	Provides tax credits for creating high-paying jobs, developing targeted industries, and attracting or expanding companies.	Tax credit	Tax Incentive
Rural Economic Development Tax Increment Financing	Provides tax credits for creating high-paying jobs, developing targeted and other industries, and attracting or expanding companies in rural Utah.	Tax Credit	Tax Incentive
Enterprise Zones*	Provides tax incentives for hiring new employees, rehabilitating buildings, and investing in plants, equipment, or other depreciable property in a development zone.	Tax Credit	Tax Incentive
New Convention Facility Development	Provides tax credits to qualifying hotels to attract new conventions and increase state revenue.	Tax Credit	Tax Incentive
Stay Another Day and Bounce Back Fund	Allows the Utah Office of Tourism to use Bounce Back Fund money for statewide tourism advertising, marketing, and branding, while considering the long-term strategic plan, economic trends, and tourism development opportunities.	\$0	Fund
Hotel Impact Mitigation Fund	Provides funding, administered by GOED, to affected hotels to mitigate qualified losses.	\$0	Fund
Technology and Life Science Tax Credit*	Provides tax credits to qualifying technology and life science investors.	Tax credit	Tax Incentive
Industrial Assistance Account	Allows GOED to offer grants or loans to entities that provide an economic opportunity.	\$28,651,357	Grant

Talent Development Grant	Provides funding to for-profit businesses that create new, incremental, high-paying jobs in the state.	Funded through the IAA	Grant
Transient Room Tax Fund	Mitigates traffic and parking impacts related to a convention facility.	\$194,374	Fund
Housing and Transit Reinvestment Zone	Invests in areas to increase public transit use, affordable housing, walkability, efficient land use, improved air quality, and related outcomes.	Tax Increment Financing	Investment zone
Utah Small Business Credit Initiative Program	Provides federal capital access support to small businesses in underserved communities and to socioeconomically disadvantaged business owners.	\$10,929,295	Loan
Strategic Innovation Grant Pilot Program*	Provides grants to businesses for projects that improve air quality and conserve water resources in the state.	\$1,899,389	Grant
Economic Assistance Grant	Provides grants to business entities for projects that support economic opportunities in the state and provide services related to industry, education, community development, or infrastructure.	\$6,460,425	Grant
Manufacturing Modernization Grant*	Awards grants to existing Utah businesses to establish, relocate, retain, or develop manufacturing in the state and reduce dependence on overseas manufacturing.	\$996,267	Grant
Redevelopment Matching Grant*	Provides grants related to the American Rescue Plan Act to local governments for projects or services that increase the supply of affordable housing, and	\$0	Grant

	to water districts to conserve or develop water assets.		
Industrial Hemp Grant	Awards grants to existing Utah businesses with a cannabinoid processor license or industrial hemp producer registration to develop industrial hemp products.	\$0	Grant
Capital City Revitalization Zone	Creates a tax increment financing zone for stadiums and their surrounding areas to benefit the project area through infrastructure and roads, traffic mitigation, security needs, commercial and housing development, and related improvements.	Tax Increment Financing	Investment Zone
Innovation in Artificial Intelligence Program	Awards grants to business entities to develop programs, materials, and curricula that teach students artificial intelligence, emphasize practical training, and prepare students for technology career opportunities.	\$0	Grant
First Home Investment Zone	Creates a tax increment financing zone to improve affordable housing options, address development impediments, conserve water resources, improve air quality, and support related objectives.	Tax Increment Financing	Investment Zone
Major Sporting Event Venue	Promotes redevelopment of existing major sports venues, development of new venues, and supporting infrastructure for sports venues.	Tax Increment Financing	Investment Zone
Center for Rural Development	Fosters and supports economic development	\$2,736,394	Service

	programs, community and county planning, and resource management planning for rural counties and communities.		
Utah Rural Jobs Act	Incentivizes flexible and affordable capital for small businesses in rural counties to support business development and expansion.	Tax Credit	Tax Incentive
Rural Employment Expansion Program (REDI)	Supports businesses that create new high-paying jobs in rural Utah communities.	\$1,500,000	Grant
Rural Coworking and Innovation Center Grant	Supports construction or renovation of rural coworking and innovation centers, broadband utility improvements, and purchases related to innovation center operations.	Funds are now rolled into the RCOG	Grant
Rural County Grant	Awards \$200,000 to each rural county to encourage counties to maintain a county economic opportunity advisory board and address local economic development needs.	\$4,800,000	Grant
Rural Communities Opportunity Grant (RCOG)	Provides grants to rural communities for business recruitment, development, and expansion, workforce training, and infrastructure.	\$15,518,162	Grant
CO-OP Marketing Grant	Awards grants to cities, counties, nonprofit destination marketing organizations, and similar public entities to supplement their funding for advertising and promoting Utah sites and events.	\$3,984,560	Grant

Motion Picture Incentive	Provides incentives for narrative, documentary, and episodic series projects intended for commercial distribution.	\$6,790,000	Tax Incentive
Rural Utah Film Incentive	Provides incentives for narrative, documentary, and episodic series projects filmed in rural Utah.	\$3,000,000	Tax Incentive
Community Film Incentive	Supports new and emerging local filmmakers and productions.	\$1,500,000	Cash Rebate
Affordable Housing Infrastructure Grant[^]	Supports qualified public entities in Salt Lake County with infrastructure for affordable housing.	\$70,000,000	Grant
Facilitating Public-Private Partnerships	Funds a facilitator to serve as a single point of contact and information source for public-private partnerships in the state.	\$225,000	Service
Procurement Assistance (APEX)	Provides guidance to Utah companies seeking procurement opportunities with federal, state, and local government entities.	\$1,370,745	Service
General Regulatory Relief Sandbox Program	Allows businesses to test products, production methods, or services for one year when they would not otherwise fit within the state's regulatory environment.	\$395,129	Service
Utah Center for Immigration and Integration	Assists businesses in recruiting foreign labor and coordinates with state agencies to develop policies related to immigrant integration.	\$348,034	Service
Center for International Business and Diplomacy	Fosters and develops international economic and diplomatic opportunities to support Utah residents' welfare, economic growth, and employment.	\$519,430	Service

Upstart^	Provides preschool children statewide with access to a home-based educational technology program.	\$31,109,677	Service
Business Recruitment and Expansion	Recommends financial incentives for local and out-of-state companies seeking to expand or relocate to Utah.	\$2,087,100	Service
Startup State Initiative	Supports startups, small businesses, and entrepreneurs by improving access to capital, reducing regulatory barriers, strengthening Utah's entrepreneurial ecosystem, and expanding economic opportunity.	\$2,030,918	Service
Tourism Destination Development	Supports community-led tourism destination development through planning, training, technical assistance, marketing support, and quality visitor services and experiences that benefit state and local economies.	\$2,626,849	Service
Tourism Research	Conducts research on visitors, Utah communities, industry trends, and marketing metrics to support measurement-driven tourism decisions.	\$472,918	Service
Utah Inland Port Authority	Pioneers and implements strategic and sustainable logistics-backed economic solutions that enhance the lives of Utahns and establishes Utah as a global industry connector.	\$3,183,200	Partnership
World Trade Center Utah	Supports Utah companies in expanding international sales, attracting foreign	\$1,762,500	Partnership

	investment, and building international partnerships.		
Utah Sports Commission	Promotes Utah's economy, image, and quality of life by attracting, promoting, and developing national and international sporting events and supporting Olympic and Paralympic efforts.	\$7,962,300	Partnership
Point of the Mountain Authority	Guides future development of 600 acres of state-owned land near the Point of the Mountain.	\$1,750,300	Partnership
State Fair Park Authority	Produces and manages the Utah State Fair and hosts public and private events, including music festivals, cultural festivals, rodeos, conferences, and banquets.	\$6,464,100	Partnership
Utah Fairpark Area Investment and Redevelopment District	Leads revitalization of the Utah State Fairgrounds and Power District through projects that support recreation, public spaces, environmental restoration, and economic growth.	\$5,850,000	Partnership

Budget numbers should not be totaled to get GOED's budget.

*Some programs are still defined in statute but are either being phased out or no longer funded.

^Funding is not through the GOED budget, but the program is administered by GOED.



B. Economic Impact Analysis of Utah's Economic Development Tax Increment Financing (EDTIF) Program

Prepared by the Analytics Solutions Center

Jon M. Huntsman School of Business

Utah State University

**This report has been modified by OLAG to remove confidential information prior to publication*





Analytics Solutions Center

Experience for students, solutions for business

Economic Impact Analysis of Utah's Economic Development Tax Increment Financing (EDTIF) Program

Findings Report

Prepared for the
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Beyond this acknowledgment, the report uses no personal names. The two parallel implementations of the IMPLAN multiplier analysis are referred to throughout as the "industry-level estimator" and the "company-level estimator," each carried out by ASC analysts.

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Executive Summary

Utah's Economic Development Tax Increment Financing (EDTIF) program is a post-performance refundable tax credit administered by the Governor's Office of Economic Development (GOED). Eligible companies receive a refund of a portion of the new state tax revenue (the "New State Revenue," or NSR) they generate above a baseline established at the start of their contract. Disbursements are made only after audits validate that the company met its job and revenue commitments.

OLAG asked the Analytics Solutions Center to evaluate the return on investment (ROI) of EDTIF, using audit-validated data and a recognized regional economic-impact modeling framework. This report presents the resulting analysis for 70 audited EDTIF companies for the period 2016 through their most recent audited year, grouped into the seven industry clusters used by GOED.

Headline result

Every \$1 of EDTIF disbursement to audited companies between 2016 and the most recent audit year returned \$3.20 in direct, audit-validated state tax revenue, and an estimated \$5.39 to \$7.29 in total state tax revenue once supplier and induced-spending ripple effects are included. Across the 70 audited companies in the analysis, EDTIF generated approximately \$904 million in new state revenue against \$215 million in actual disbursements.

Two complementary measures of return

The report presents ROI along two complementary paths. Both use the same underlying audit-validated data, so they share an identical cost base (\$215 million in disbursements) and an identical direct revenue measure (\$904 million in audit-validated New State Revenue).

Path A — Audit-validated direct ROI. Computed directly from GOED's audit file as (Total New State Revenue – Disbursements) ÷ Disbursements. Captures only the direct fiscal effect of the recipient companies' own operations. This is the conservative floor: every number is audit-validated and recomputable from a single source file.

Path B — Multiplier-expanded ROI via IMPLAN. Uses IMPLAN, a peer-reviewed regional input-output model widely used by state agencies, to capture indirect (supplier) and induced (employee-spending) effects in addition to direct effects. To stress-test this estimate, ASC analysts ran Path B two different ways in parallel — an industry-level aggregation using IMPLAN's 2-digit sector codes, and a company-level aggregation using more granular 3-digit codes. The two methods bracket the true Path B value rather than pinpoint it; the report presents both as a range.

Cluster leaderboard

The chart below ranks the six reported industry clusters by their Path B operations-only return on investment. The gold diamond is Path A, the direct audit-validated ROI; the blue bar is the Path B range, running from the company-level estimator (lower bound) to the industry-level estimator (upper bound). The dashed line marks break-even (\$1 returned per \$1 disbursed) — every reported cluster clears it comfortably.

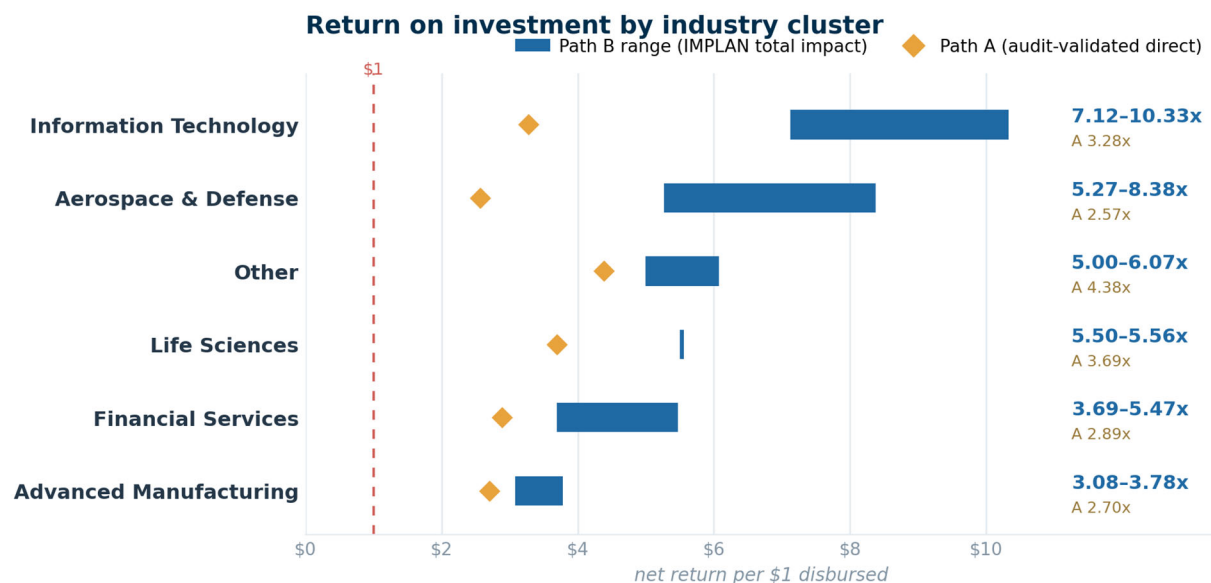


Figure 1. Return on investment by industry cluster (six reported clusters). Net return per \$1 of EDTIF disbursement. Path A is audit-validated; the Path B range brackets the company-level and industry-level IMPLAN estimators.

* All seven industry clusters were analyzed. Six are shown here; Other – Rural is reported separately in Appendix F because, with only three companies, it is too small to compare alongside the others. Its audited return on these projects remains positive.

Three policy takeaways

Information technology is Utah’s highest-return EDTIF cluster by a wide margin. It is also the single largest disbursement bucket (\$63 million across 17 audited companies). Every \$1 of disbursement to IT companies generated an estimated \$7 to \$10 in total state tax revenue and supported an average of roughly 5,800 Utah jobs per year.

Aerospace and defense delivers the most jobs per dollar of any cluster. With about \$36 million disbursed, the cluster supported an average of roughly 3,200 jobs per year and generated \$128 million in audit-validated new state revenue.

The residual “Other” cluster outperforms on direct audit-validated return. Every \$1 disbursed to non-targeted-industry recipients returned \$4.38 directly to the state — the highest direct

return of any cluster. This finding suggests that the GOED-designated targeted industries are not the only places where EDTIF generates strong fiscal returns.

Important limitations

These figures measure realized fiscal impact within the audited post-2016 pool. They do not answer whether the recipient companies would have come to Utah, expanded, or stayed without EDTIF (additionality and counterfactual questions are outside the scope of this engagement). Operations-only ROI is the more defensible measure; the operations-plus-capital figure relies on company-reported capital expenditures, which GOED does not independently validate. A fuller statement of limitations appears in Section 4 and Appendix A.

1. Background and Scope

1.1 The EDTIF program

The Economic Development Tax Increment Financing program is administered by the Governor's Office of Economic Development (GOED, formerly GOEO). EDTIF is a post-performance refundable tax credit: eligible companies receive a refund of a portion of the new state tax revenue (the "New State Revenue," or NSR) they generate above the baseline established at the start of their contract. The rebate is paid only after the company submits an annual report and an auditor validates that the company met its incremental-jobs and incremental-revenue commitments for that year.

GOED has used three distinct sets of targeted industry classifications since 2009. The classification in use today (2021) groups EDTIF recipients into seven clusters: Information Technology, Advanced Manufacturing, Aerospace and Defense, Financial Services, Life Sciences, Other, and Other – Rural. GOED has retroactively reclassified every EDTIF project under the current scheme; this analysis adopts that mapping as given.

1.2 OLAG's charge

OLAG asked the ASC to provide an independent economic-impact analysis of EDTIF for use as supporting evidence in an upcoming legislative audit chapter on Utah's state economic development programs. The engagement was scoped to deliver three classes of output: (i) a documented economic-impact methodology with parameter specifications; (ii) estimates of direct, indirect, and induced economic and fiscal effects, broken down to the cluster level and rolled up program-wide; and (iii) a Findings Report with tables, charts, methodology documentation, and a presentation summarizing results.

1.3 Scope of this analysis

The analysis covers EDTIF projects subject to three filters, applied in sequence:

Stage filter. Projects in Active, Active NP, Contract Complete, Contract In Process, or Disbursement Complete stages are in scope. Projects in Mortuus, Defaulted, Replaced, or Inactive stages are out of scope. This filter was confirmed by OLAG on 2026-04-30.

Audit filter. Within the in-scope population, only projects that have completed at least one audit period are used for ROI computation. Without audited actuals, neither Path A nor Path B can be defensibly computed.

Time filter. Project-years prior to 2016 are excluded. The 2016 cutoff is the earliest year for which GOED's job-creation data is reliably available across the program and aligns with the post-pandemic / post-2015-classification economic regime relevant to the audit.

The funnel from the full historical population to the modeling pool is summarized in the table below.

Population view	Projects	Unique companies
Total historical population (2004–2026)	354	310
In-scope after stage filter	278	252
In-scope and audited at least once	157	147
Final modeling pool (post-2016 audited)	70	70

One company was excluded from the final modeling pool by methodology decision. X Company (Advanced Manufacturing) reported \$1.7 million in audited NSR over 2016–2017 on zero recorded incremental payroll and roughly \$1.6 million in self-reported capital expenditure — a revenue-without-payroll pattern that could not be reconciled and would have distorted the cluster aggregate. The final modeling pool comprises 70 unique companies. One recipient, operates in two different clusters across its audited years (Financial Services in 2019 and 2021; Information Technology in 2016–2018) and is counted in each, so cluster membership totals 71 across the seven clusters: Advanced Manufacturing 8, Aerospace & Defense 8, Financial Services 11, Information Technology 17, Life Sciences 10, and Other 14 — plus the three-company Other – Rural cluster, which is small enough that it is reported separately in Appendix D. The Other – Rural companies remain in the program-wide totals throughout this report but are excluded from the cluster-by-cluster results in Section 3.

2. Methodology

2.1 Two-path framing

ROI is computed along two complementary paths. Both paths share an identical cost base (cumulative audited Disbursements To Date) and an identical direct-revenue measure (cumulative audited Total NSR). They differ only in whether they include indirect and induced economic effects, which require an input-output multiplier model.

Path A — Audit-validated direct ROI (the floor)

Computed per cluster from audit data alone:

$$ROI_{direct} = (\Sigma \text{Total NSR} - \Sigma \text{Disbursements To Date}) / \Sigma \text{Disbursements To Date}$$

Every figure in this calculation is audit-validated by GOED. The result is recomputable from a single source file (the audited contracts file) using only Excel-level arithmetic. This is the conservative, defensible floor of the report: it represents what audited returns say the state actually received from the direct activity of the recipient companies themselves, and does not depend on any model.

Path B — Multiplier-expanded ROI via IMPLAN (the ceiling)

Path B uses the IMPLAN regional input-output model, year-matched to Utah's economic structure for the activity year of each run (2016 through 2024), to estimate the broader economic activity generated by each company's operations and capital expenditure in each audited year. The model produces three concentric layers of effect:

Direct effects — the recipient company's own payroll, output, and tax footprint.

Indirect effects — economic activity in the company's Utah supply chain (firms that sell goods and services to the recipient).

Induced effects — economic activity generated when the direct and indirect employees spend their wages in Utah (housing, groceries, healthcare, services).

All three layers are summed to a "Total" effect, and the resulting total state tax revenue is divided by cumulative disbursements to produce the Path B ROI. Two flavors of Path B are reported:

$$ROI_{ops} = (\Sigma \text{Operations state tax revenue} - \Sigma \text{Disbursements}) / \Sigma \text{Disbursements}$$

$$ROI_{total} = (\Sigma \text{Operations} + \Sigma \text{CapEx state tax revenue} - \Sigma \text{Disbursements}) / \Sigma \text{Disbursements}$$

Because the company-reported capital expenditure figures are not independently validated by GOED, the operations-only figure (ROI_ops) is treated as the defensible Path B measure throughout the report; the operations-plus-capital figure (ROI_total) is reported alongside as a sensitivity.

2.2 Two estimators of Path B (range, not point)

As Path B scaled across the program, ASC analysts produced two independent implementations and ran them in parallel against the same audited dataset. The two approaches were intentionally kept methodologically distinct so that the spread between them would serve as a built-in robustness check.

Industry-level estimator (IMPLAN 2-digit codes). For each cluster, ASC analysts summed every audited company's annual labor income, employment, and capital expenditure into a single set of cluster-level inputs, then ran IMPLAN once per cluster per year using an NSR-weighted blend of 2-digit IMPLAN sector codes representative of the industries inside that cluster.

Company-level estimator (IMPLAN 3-digit codes). For each audited company individually, ASC analysts ran IMPLAN at the more granular 3-digit code level chosen to match the specific Utah operation of that company. The per-company impacts were then summed up to the cluster level.

The two estimators rest on identical raw inputs (jobs, labor income, capital expenditure, NSR, disbursements), so the Path A NSR benchmark is identical across both. They differ only in IMPLAN code granularity and the order of aggregation. For clusters that are structurally close to a single sector (Advanced Manufacturing and Financial Services), the two estimators converge. For sector-heterogeneous clusters (notably Information Technology, the residual Other cluster, and parts of Life Sciences), the industry-level estimator's 2-digit weighted blend tends to produce somewhat higher multipliers than the bottom-up company-level estimator's 3-digit codes. The report treats the two estimators as a range that brackets the true Path B value rather than as alternative point estimates. Because the company-level estimator works at the finest available resolution, it forms the lower bound of that range, while the broader, industry-average production functions of the industry-level estimator place it as the upper bound. Neither is inherently more accurate than the other — they are two valid lenses on the same underlying quantity, one fine-grained and one broad — so reporting the interval between them is more honest about the genuine modeling uncertainty than presenting either endpoint as a precise point estimate.

2.3 The four-tier post-2016 denominator allocation

GOED's audit file reports cumulative Disbursements To Date and cumulative Total NSR over the entire life of a contract, but a number of contracts started before 2016 and run into the 2020s. To isolate the post-2016 share of both the cost side (disbursements) and the benefit side (NSR), ASC analysts applied a four-tier allocation rule, approved by OLAG on 2026-05-21:

Tier 1 — Actual: where year-by-year actual disbursement or NSR data exists from GOED's Salesforce extract, use those values directly.

Tier 2 — Non-audited equals audited: where the per-year non-audited values from the extract sum to the audited cumulative total, treat them as actual.

Tier 3 — Proportional scaling: where the per-year non-audited values are off from the audited cumulative total by less than 15%, scale each year proportionally so that the post-2016 sum ties exactly to the audited cumulative.

Tier 4 — Yearly average: where the discrepancy is greater than 15% or year-by-year detail is absent, divide the audited cumulative total by the number of post-2016 audited years and apply that average to each year.

GOED confirmed during the 2026-05-21 review that the agency does not maintain validated year-by-year disbursement amounts. Using audited cumulative totals as the anchor is therefore the methodologically correct choice; the four-tier allocation produces year-by-year decompositions consistent with that anchor. In the final modeling pool, the large majority of company-years are handled by Tier 1 or Tier 2; only a small share fall to Tier 3 or Tier 4.

2.4 IMPLAN inputs and conventions

Several IMPLAN-specific input conventions are worth noting because they materially affect the resulting impact estimates:

Incremental, not gross. Total Employment for each company-year is computed as (FT Job Count – EDTIF Baseline Jobs). Only the marginal hires attributable to the EDTIF contract are entered into IMPLAN; baseline jobs are excluded.

Withholding-back-solve for labor income. Total Labor Income is computed as (New Employee Withholding Revenue ÷ 0.0485), using Utah’s 4.85% flat individual income tax rate. This ties Path B labor income inputs directly to the same audit-validated withholding figure that feeds Path A’s NSR.

Capital expenditure split. Self-reported capital expenditure is allocated to three IMPLAN industries using industry-typical shares: approximately 35% construction, 55% equipment, and 10% other. GOED does not collect a building-versus-equipment split, so industry-typical shares are the methodologically correct default.

Dollar year and data year. Both are set to the activity year of each IMPLAN run (2016 through 2024). This is critical because IMPLAN defaults to the current calendar year if the dollar year is not set manually, which would inflate older shocks to current dollars and double-count inflation.

Total Employment, not Wage & Salary Employment. IMPLAN’s “Total Employment” field captures all workers including proprietors and contract labor; “Wage & Salary Employment” excludes these. Using the latter understates the workforce and can drive direct state tax estimates negative on certain industry codes, an error caught and corrected mid-engagement.

2.5 Cluster-to-IMPLAN industry mapping

For the industry-level estimator, each GOED cluster is mapped to an NSR-weighted blend of 2-digit NAICS sectors, computed from the Utah-specific operations of the audited companies in that cluster. Where the NSR-weighted blend is concentrated in one sector (Advanced Manufacturing is 100% manufacturing), that single sector is used. Where the blend is split (notably Information Technology, Life Sciences, and the residual Other cluster), the cluster’s annual inputs are allocated proportionally across the represented sectors before each IMPLAN run. Percentages below are shares of cluster NSR. (The separately-reported Other – Rural cluster, also 100% manufacturing, is mapped the same way; see Appendix D.)

Cluster	NSR-weighted 2-digit NAICS sector mix
Advanced Manufacturing	100% Manufacturing (31–33) — clean single-sector
Aerospace & Defense	90.8% Manufacturing (31–33) + 4.9% Other Services (81) + 3.4% Transportation & Warehousing (48–49) + 0.9% Professional, Scientific & Technical Services (54)
Financial Services	93.7% Finance & Insurance (52) + 6.3% Information (51)
Information Technology	75.2% Information (51) + 12.2% Manufacturing (31–33) + 6.7% Transportation & Warehousing (48–49) + 5.8% Professional, Scientific & Technical Services (54)
Life Sciences	63.2% Manufacturing (31–33) + 32.5% Management of Companies & Enterprises (55) + 4.4% Administrative & Support & Waste Management (56)
Other	53.3% Transportation & Warehousing (48–49) + 37.0% Manufacturing (31–33) + 5.3% Wholesale Trade (42) + 4.4% Construction (23)

2.6 NAICS classification for spotlight case studies

GOED does not maintain NAICS codes for EDTIF recipients. For the twelve spotlight case studies in this report, ASC analysts inferred each company’s appropriate IMPLAN 3-digit code from a structured combination of (a) the company’s publicly described Utah operations, (b) external classification databases including sam.gov and naics.com, and (c) corroborating evidence from the company’s public filings and product descriptions. A large-language-model classifier was used to assist this research and its outputs were cross-checked against the external databases. The per-company codes used in the report are listed alongside each spotlight in Appendix B.

3. Findings — Cluster-Level Return on Investment

A note on company counts before the results. The full analysis covers 70 unique companies across GOED’s seven clusters. One company, is audited in two of these six clusters across its years (Information Technology in 2016–2018 and Financial Services in 2019 and 2021) and is counted in each, so the six clusters here span 68 company–cluster records covering 67 unique companies; the remaining three companies make up the Other – Rural cluster in Appendix D. Program-wide totals reported throughout cover all 70 companies.

3.1 Master ROI table (six reported clusters)

The table below reports both paths across the six reported clusters and rolled up program-wide. Path A is the audit-validated direct ROI. Path B is reported as a range: the industry-level estimator is shown with its “Industry” suffix, the company-level estimator with its “Company” suffix. Cluster figures are based on the audited post-2016 modeling pool; the program-wide row covers all 70 companies (including the three Other – Rural companies reported in Appendix F).

Cluster	n	Path A (direct)	Path B Ops Company	Path B Ops Industry	Path B + Cap Company	Path B + Cap Industry	Total NSR	Total Disb.
Information Technology	17	3.28x	7.12x	10.33x	8.86x	11.64x	\$267.4M	\$62.5M
Aerospace & Defense	8	2.57x	5.27x	8.38x	7.82x	10.26x	\$128.2M	\$35.9M
Other	14	4.38x	5.00x	6.07x	6.76x	7.61x	\$67.7M	\$12.6M
Life Sciences	10	3.69x	5.50x	5.56x	6.38x	6.26x	\$230.9M	\$49.2M
Financial Services	11	2.89x	3.69x	5.47x	3.78x	5.54x	\$160.4M	\$41.3M
Advanced Manufacturing	8	2.70x	3.08x	3.78x	3.86x	4.51x	\$46.2M	\$12.5M
Program-wide	70	3.20x	5.39x	7.29x	6.72x	8.32x	\$903.8M	\$215.2M

Reading the table. The Path A column shows the cluster’s audit-validated direct return — for example, every \$1 of EDTIF disbursement to Advanced Manufacturing companies returned \$2.70 in directly audited state tax revenue. The Path B columns report the multiplier-expanded total return, with the company-level estimator providing the lower bound and the industry-level estimator the upper bound. For Advanced Manufacturing, the same \$1 of disbursement is estimated to have returned between \$3.08 and \$3.78 in total state tax revenue once supplier and induced effects are added.

3.2 Cluster-by-cluster results

The remainder of this section presents one short subsection per cluster, ranked by the industry-level Path B operations-only return. Each subsection leads with a headline phrasing suitable for legislative summary, gives the three core ROI figures, and offers a brief interpretation explaining why the cluster behaves as it does.

Information Technology

Utah's largest economic-development bet by dollars disbursed. Every \$1 of EDTIF disbursement to information technology companies returned \$3.28 directly to the state in audit-validated tax revenue, and an estimated \$7.12 to \$10.33 in total state tax revenue when supplier and induced-spending ripple effects are included. The cluster supported an average of about 5,800 IT jobs per year and generated \$267 million in net new state revenue on \$63 million disbursed since 2016.

Measure	Value
Audited companies in cluster (post-2016)	n = 17
Total audited NSR generated	\$267.4 million
Total actual disbursements	\$62.5 million
Path A — direct, audit-validated ROI	3.28x
Path B — operations-only ROI (range)	7.12x – 10.33x
Path B — operations + capital ROI (range)	8.86x – 11.64x
Average annual jobs supported (over 9 years)	5,798

Aerospace & Defense

A small group of high-impact firms. Every \$1 of EDTIF disbursement to aerospace and defense companies returned \$2.57 directly to the state, and an estimated \$5.27 to \$8.38 in total state tax revenue when supplier and induced-spending effects are included. The cluster supported an average of about 3,200 jobs per year on \$36 million disbursed — the highest jobs-per-disbursement-dollar of any cluster in the analysis.

Measure	Value
Audited companies in cluster (post-2016)	n = 8
Total audited NSR generated	\$128.2 million
Total actual disbursements	\$35.9 million
Path A — direct, audit-validated ROI	2.57x

Path B — operations-only ROI (range)	5.27x – 8.38x
Path B — operations + capital ROI (range)	7.82x – 10.26x
Average annual jobs supported (over 9 years)	3,193

Other

Where direct audit-validated returns are highest of any cluster in the program. Every \$1 of EDTIF disbursement to the residual ‘Other’ cluster returned \$4.38 directly to the state, and an estimated \$5.00 to \$6.07 in total state tax revenue. The policy lesson: Utah’s designated targeted industries are not the only places where EDTIF pays off — a mixed-industry pool of recipients quietly outperforms on direct return.

Measure	Value
Audited companies in cluster (post-2016)	n = 14
Total audited NSR generated	\$67.7 million
Total actual disbursements	\$12.6 million
Path A — direct, audit-validated ROI	4.38x
Path B — operations-only ROI (range)	5.00x – 6.07x
Path B — operations + capital ROI (range)	6.76x – 7.61x
Average annual jobs supported (over 9 years)	1,685

Life Sciences

The cluster where the two parallel estimators converge most tightly — a sign of structural consistency across the underlying companies. Every \$1 of EDTIF disbursement to life sciences companies returned \$3.69 directly to the state, and an estimated \$5.50 to \$5.56 in total state tax revenue. The cluster supported an average of about 5,400 jobs per year and generated \$231 million in net new state revenue on \$49 million disbursed.

Measure	Value
Audited companies in cluster (post-2016)	n = 10
Total audited NSR generated	\$230.9 million
Total actual disbursements	\$49.2 million
Path A — direct, audit-validated ROI	3.69x

Path B — operations-only ROI (range)	5.50x – 5.56x
Path B — operations + capital ROI (range)	6.26x – 6.38x
Average annual jobs supported (over 9 years)	5,386

Financial Services

Concentrated in back-office banking, insurance, and credit-intermediation operations. Every \$1 of EDTIF disbursement to financial services companies returned \$2.89 directly to the state, and an estimated \$3.69 to \$5.47 in total state tax revenue. The cluster supported an average of about 3,300 jobs per year and generated \$160 million in net new state revenue on \$41 million disbursed.

Measure	Value
Audited companies in cluster (post-2016)	n = 11
Total audited NSR generated	\$160.4 million
Total actual disbursements	\$41.3 million
Path A — direct, audit-validated ROI	2.89x
Path B — operations-only ROI (range)	3.69x – 5.47x
Path B — operations + capital ROI (range)	3.78x – 5.54x
Average annual jobs supported (over 9 years)	3,326

Advanced Manufacturing

Utah's most structurally pure cluster — essentially all of the cluster's NSR-weighted activity is manufacturing. Every \$1 of EDTIF disbursement to advanced manufacturing companies returned \$2.70 directly to the state, and an estimated \$3.08 to \$3.78 in total state tax revenue. The relatively modest multiplier reflects lean Utah supply chains in this sector: advanced manufacturers rely on specialized inputs the state produces little of — specialty metals and alloys, semiconductors and electronic components, and precision tooling and machinery — and IMPLAN's Utah regional purchase coefficients treat that out-of-state spending as imports that generate no in-state supplier (indirect) activity. The thinner the local supplier network, the more of each dollar leaks out of state, which holds the multiplier down.

Measure	Value
Audited companies in cluster (post-2016)	n = 8
Total audited NSR generated	\$46.2 million
Total actual disbursements	\$12.5 million

Path A — direct, audit-validated ROI	2.70x
Path B — operations-only ROI (range)	3.08x – 3.78x
Path B — operations + capital ROI (range)	3.86x – 4.51x
Average annual jobs supported (over 9 years)	819

3.3 Sanity checks

The cluster ROI table was independently sanity-checked along five dimensions per cluster: (a) the Path A formula was recomputed from the audit file; (b) the operations-plus-capital total exceeded the operations-only total; (c) the IMPLAN direct state tax estimate fell within 30%–150% of the audited NSR; (d) the IMPLAN total-to-direct multiplier fell within typical input-output ranges (1.5x to 5.0x); and (e) the Path B operations ROI exceeded the Path A benchmark. Of 30 cluster-level sanity checks (5 checks × 6 reported clusters), all 30 passed cleanly. (The separately-reported Other – Rural cluster carries the analysis’s only two flagged checks, both structural artifacts of rural supply-chain leakage rather than computational errors; they are documented in Appendix D.)

4. Limitations and Caveats

Several limitations of this analysis are important for any reader, and especially any policy maker, to keep in mind. They are summarized briefly here and discussed in fuller detail in Appendix A.

Realized impact, not counterfactual

The analysis measures economic and fiscal impact that has actually been realized — what audited companies generated in Utah after receiving EDTIF disbursements. It does not answer the additionality question: whether those companies would have located, expanded, or remained in Utah in the absence of the EDTIF incentive. A true counterfactual evaluation would require comparison-group methods that are outside the scope of this engagement.

Capital expenditure is self-reported and unvalidated

Annual capital expenditure figures are reported by recipient companies on their annual compliance forms but are not independently validated by GOED. For this reason the report presents both an operations-only ROI and an operations-plus-capital ROI; the operations-only figure is the defensible floor of Path B.

Scope limited to 70 audited post-2016 companies

The ROI estimates apply specifically to this 70-company audited pool. They should not be extrapolated to the 105 in-scope-but-unaudited companies, to projects in stages excluded by the stage filter, or to project-years prior to 2016. Statements about the program as a whole should be read in the context of this audited subset.

Retention versus recruitment is not adjusted

EDTIF awards include both new-recruitment projects and retention projects (existing Utah operations expanding or remaining). The audit file flags retention projects, but the ROI calculations treat them on the same footing as new-recruitment projects. Whether retention projects should be discounted is a policy judgment outside the scope of this engagement.

Jobs are reported as an annual average, not a cumulative sum

Audited job counts rise and fall from year to year as companies hire, retain, and occasionally contract, so summing audit-reported jobs across multiple years would double-count a worker retained across years and overstate the workforce. This report therefore expresses employment as average annual jobs supported — the incremental jobs above baseline summed across a cluster's (or company's) audited years and divided by the number of those years. For the reported clusters that window is the nine years 2016–2024 (the separately-reported Other – Rural cluster spans 2022–2024; see Appendix D). A year-by-year jobs breakdown is provided in each cluster and spotlight.

Geographic detail limited to statewide

Because EDTIF awards are categorized by urban-versus-rural status rather than by specific county, IMPLAN was run at the Utah statewide level. No county-by-county fiscal-impact decomposition is reported.

Nominal cumulative dollars are the headline convention

Both sides of the ROI ratio are expressed in nominal cumulative dollars over the same year window, so inflation bias largely cancels in the quotient. A sensitivity analysis using 2024-dollar real values is included in Appendix A; the headline conclusions are unchanged.

Broader government cost layer is not modeled

IMPLAN's scope is restricted to economic activity and the tax revenue it generates. It does not model the broader government expenditure layer (incremental costs of K-12 and higher education, transportation, water, public safety, and other services driven by the new population and economic activity). A full Fiscal Impact Analysis — for example using REMI PI+ with its fiscal-impact module — would be the natural next step for OLAG if expenditure-side impact becomes a future audit focus.

5. Note on Methodological Reconciliation with Prior Analyses

Prior fiscal-efficiency reviews of the EDTIF program have produced headline ROI percentages in the range of approximately 380% to 450%. The figures in this report are not directly comparable to those prior numbers because the underlying ROI formulas differ in two ways that the legislative reader should be aware of.

First, ROI is presented in this report using the conventional net-return formula $(\text{Revenue} - \text{Cost}) \div \text{Cost}$, which expresses the dollar return per dollar of cost. Prior reviews have at times reported the simple revenue-to-cost ratio $(\text{Revenue} \div \text{Cost})$, which by definition is one full 100-percentage-point higher than the net-return formula. The two are equivalent representations of the same underlying data and a reader can mechanically convert between them; the figures in this report use the net-return convention consistently.

Second, prior reviews have focused on direct fiscal efficiency only — comparable to the Path A measure in this report. The Path B analysis introduced here adds the supplier and household-spending ripple effects via input-output modeling, producing a broader measure of economic return that prior direct-only analyses cannot, by construction, recover. Where this report cites Path B, it is reporting a different (and broader) quantity than direct fiscal efficiency, not a different estimate of the same quantity.

Readers wishing to reconcile this report to any prior fiscal-efficiency review are encouraged to compare against Path A figures only, and to mind the $(\text{Revenue} - \text{Cost}) \div \text{Cost}$ vs $\text{Revenue} \div \text{Cost}$ convention.

6. Conclusions and Recommendations

6.1 What the data say

EDTIF clears its audit-validated benchmark in every cluster of the program. Even Path A — the conservative, audit-only floor — is positive in every cluster, with a program-wide value of \$3.20 returned per \$1 disbursed across all 70 audited companies.

The broader IMPLAN-based estimate (Path B) is uniformly higher than Path A, with a program-wide range of \$5.39 to \$7.29 per \$1 disbursed depending on whether the company-level or industry-level estimator is used. The two estimators bracket the true Path B value and agree closely on clusters with structurally homogeneous industry mix (Advanced Manufacturing, Life Sciences) and diverge most where the cluster contains a heterogeneous mix of industries (IT, Other).

Cluster rank order is the most policy-relevant output of the analysis. Information Technology is the highest-return cluster by Path B. Aerospace and Defense delivers the most jobs per dollar disbursed. The residual Other cluster delivers the highest direct (Path A) return of any cluster.

Operations-only Path B figures are the conservative, defensible measure. Path B figures that include unvalidated company-reported capital expenditure should be read as sensitivity indicators, not as primary results.

6.2 Recommendations for further work

Additionality and counterfactual analysis. The single largest gap between this analysis and a complete economic evaluation of EDTIF is the absence of a counterfactual. A future phase of work using comparison-group methods or quasi-experimental analysis would substantially strengthen any policy conclusions about the program's causal effect.

Government expenditure layer. The natural extension of the IMPLAN revenue analysis is a REMI-style fiscal impact analysis on the expenditure side, capturing the marginal cost to the state of educating, transporting, housing, and providing public services to the new population and economic activity that EDTIF helps catalyze. This is feasible but is outside the scope of the present engagement.

Periodic refresh. The audited modeling pool grows each year as additional contracts complete their audit cycle. Refreshing the analysis annually, in the same form, would let OLAG track program performance over time without methodological discontinuity.

Public-facing summary. With OLAG's approval, a short (two-page) public version of this report would make the cluster-rank ordering and the Path A versus Path B framing accessible to legislators and the public without exposing audit-protected micro data.

Appendix A. IMPLAN Methodology and Assumptions

A.1 Path A versus Path B in formal notation

Let i index audited companies and y index post-2016 audited years. For company i in year y , denote audited disbursements $D[i,y]$, audited Total NSR $N[i,y]$, reported capital expenditure $C[i,y]$, incremental employment $J[i,y]$, incremental withholding revenue $W[i,y]$, and IMPLAN total state-tax outputs $T_ops[i,y]$ (operations) and $T_cap[i,y]$ (operations + capital).

Then the three ROI measures used throughout the report are:

$$\text{Path A: } ROI_direct(cluster) = (\sum N - \sum D) / \sum D$$

$$\text{Path B ops: } ROI_ops(cluster) = (\sum T_ops - \sum D) / \sum D$$

$$\text{Path B ops+cap: } ROI_total(cluster) = (\sum T_cap - \sum D) / \sum D$$

with all sums taken over the audited (i, y) pairs that belong to that cluster.

A.2 The four-tier denominator allocation, worked example

Consider an EDTIF contract that started in 2013 and remains active in 2024. Its audited cumulative Total NSR is \$24 million and its cumulative Disbursements To Date are \$5 million. The Salesforce extract supplies per-year non-audited NSR estimates from 2014 forward. Suppose the per-year sum of those non-audited values from 2016 through 2024 is \$20 million.

If the company's lifetime non-audited sum equals or closely matches \$24 million audited (Tier 1 or Tier 2), the post-2016 numerator is the \$20 million sum directly. If the lifetime non-audited sum differs from \$24 million by less than 15% (Tier 3), each post-2016 year is scaled proportionally so that the post-2016 audited share aligns to the audited cumulative; for example, if the non-audited lifetime sum is \$26 million, every post-2016 value is scaled by $24/26 = 0.923$. If the discrepancy exceeds 15% (Tier 4), the audited cumulative is divided by the number of post-2016 audited years to produce a per-year average and that average is applied uniformly.

The same four-tier rule is applied independently to disbursements. GOED confirmed during the 2026-05-21 review that the agency does not maintain validated year-by-year disbursement amounts; anchoring to audited cumulative totals via the four-tier rule is therefore the methodologically correct choice rather than an approximation around an authoritative annual figure.

A.3 The withholding-back-solve for Total Labor Income

IMPLAN's Industry Impact Analysis (Detailed) event accepts a Total Labor Income input that encompasses wages, salaries, employer-paid benefits, and proprietor income. Annual reports

filed by EDTIF recipients include projected average salary fields, but these are forecasts and are not audit-validated. The audited annual reports do, however, include New Employee Withholding Revenue: the actual incremental Utah individual income tax withheld during the period.

Because Utah’s individual income tax rate is a flat 4.85%, the audited withholding revenue can be inverted to recover audit-validated incremental wages and salaries:

$$\text{Total Labor Income} = \text{New Employee Withholding Revenue} \div 0.0485$$

Using this back-solve rather than the unaudited projected-salary field ties Path B labor income inputs directly to Path A’s NSR via a single audited quantity (withholding revenue), which makes the two paths fully reconcilable.

A.4 The capital expenditure split and per-cluster IMPLAN codes

EDTIF annual reports collect a single self-reported capital expenditure figure per year. GOED does not require companies to break this figure down into construction, equipment, and other components, and the agency does not independently validate the breakdown.

For IMPLAN input, capital expenditure must be allocated across the relevant 2-digit IMPLAN sectors. ASC analysts applied industry-typical shares derived from regional capital-formation data: approximately 35% to construction (IMPLAN sector 23), 55% to equipment purchases (IMPLAN sector 31–33), and 10% to other categories (legal, design, soft costs). These shares are applied uniformly across companies and clusters in the absence of company-specific information.

Per-cluster IMPLAN code assignments

For every cluster, capital expenditure is split 35% to Construction (IMPLAN 23) and 55% to Equipment (Manufacturing, IMPLAN 31–33); the remaining 10% (“Other”) is assigned to the cluster’s next-largest represented sector, listed in the final column below. Operations inputs are allocated across the NSR-weighted sectors identified in Section 2.5 — clusters that are at least 90% concentrated in a single sector are modeled as that single sector, while the more heterogeneous clusters (Information Technology, the residual Other cluster, and Life Sciences) are split across multiple sectors.

Cluster	Operations sectors (IMPLAN 2-digit)	CapEx “Other” 10% sector
Information Technology	51 Information; 31–33 Manufacturing; 48–49 Transportation & Warehousing; 54 Professional, Scientific & Technical Services	51 (Information)
Aerospace & Defense	31–33 Manufacturing (single sector — 90.8% of cluster NSR)	81 (Other Services)
Other	48–49 Transportation & Warehousing; 31–33 Manufacturing; 42 Wholesale Trade; 23 Construction	51 (Information)

Life Sciences	31–33 Manufacturing; 55 Management of Companies & Enterprises; 56 Administrative & Support & Waste Management	54 (Professional, Scientific & Technical Services)
Financial Services	52 Finance & Insurance (single sector — 93.7% of cluster NSR)	51 (Information)
Advanced Manufacturing	31–33 Manufacturing (single sector — 100% of cluster NSR)	54 (Professional, Scientific & Technical Services)

Construction (IMPLAN 23) and Equipment (Manufacturing, IMPLAN 31–33) are the same for every cluster and are omitted from the table for brevity. Source: the cluster tabs of the industry-level analysis workbook.

A.5 IMPLAN UI conventions used in every run

Region: Utah statewide single region.

Dollar Year and Data Year: both set to the activity year (2016 through 2024) for each run. This prevents IMPLAN from defaulting to the current calendar year and double-inflating older shocks.

Employment field: Total Employment (not Wage & Salary Employment). The latter excludes proprietors and contract workers and produced negative direct state-tax estimates on certain sectors during early piloting; correcting to Total Employment resolved this.

Operations events: Industry Impact Analysis (Detailed) with Total Employment and Total Labor Income filled in and Intermediate Inputs and Total Output left blank for IMPLAN to model internally.

CapEx events: Industry Output with the 35%/55%/10% split described above.

A.6 Sanity-check results in detail

Five sanity checks were run per cluster. Across the six reported clusters, all 30 cluster-level checks (5 × 6) passed cleanly. The seventh cluster, Other – Rural, carries the analysis’s only two flagged checks; they reflect structural rural supply-chain leakage rather than computation errors and are documented in Appendix D.

Sanity check	Result
Benchmark ROI formula recomputable from audit file	PASS for all 6 reported clusters
Ops + CapEx total exceeds ops-only total	PASS for all 6 reported clusters
IMPLAN Direct state tax within 30%–150% of audited NSR	PASS for all 6 reported clusters
IMPLAN Total / Direct multiplier within 1.5x–5.0x	PASS for all 6 reported clusters
IMPLAN Ops ROI > Path A benchmark ROI	PASS for all 6 reported clusters

A.7 Company excluded from the modeling pool

One company was excluded from the final 70-company modeling pool. The exclusion is documented here.

X Company (Advanced Manufacturing) — excluded for both of its audited years (2016 and 2017). The company reported approximately \$1.7 million in audited NSR over the two years on zero recorded incremental payroll and approximately \$1.6 million in self-reported capital expenditure. The combination of substantial revenue with zero payroll could not be reconciled against the audited tax composition. Excluding the row produces a cleaner and more defensible cluster aggregate; the Advanced Manufacturing cluster retains eight audited companies after the exclusion.

A.8 Real-dollar (2024 USD) sensitivity

The headline ROI figures throughout the report are expressed in nominal cumulative dollars. Because both the numerator (NSR or IMPLAN-modeled tax revenue) and denominator (disbursements) span the same window of activity years, inflation bias largely cancels in the ratio.

A sensitivity analysis was run with both sides deflated to 2024 USD using the BEA implicit GDP price deflator. Program-wide Path A ROI shifts by less than 5 percent (from 3.20x nominal to approximately 3.15x real), and the cluster rank order is preserved. The headline conclusions of the report are robust to this choice of convention.

Appendix B. IMPLAN Walkthrough (Screenshots and Captions)

This appendix illustrates the IMPLAN modeling workflow with screenshots from an actual run. The worked example is the Information Technology cluster for the 2024 activity year, modeled with the industry-level estimator — the run that produces the IT cluster’s entry in the Section 3 master table. Each run is executed twice: once for operations only, and once for operations plus capital expenditure. The two figure pairs below show the model inputs (the event setup) and the model outputs (the impact and tax results) for both variants.

Two IMPLAN event types are used. Operations impacts are modeled using Industry Impact Analysis (Detailed) events (driven by Total Employment and Total Labor Income), while capital expenditure impacts are modeled using Industry Output events, with the NSR-weighted CapEx allocation entered across the applicable sectors. Because the operations-plus-capital run contains more events than fit on a single screen, the CapEx Industry Output events are not all visible in Figure B2.

B.1 Setting up an IMPLAN run — model inputs

Each cluster-year is modeled in IMPLAN as a set of events. For the operations component, the cluster’s audited incremental employment and labor income are allocated across the NSR-weighted 2-digit sectors that make up the cluster (for Information Technology: Information, Manufacturing, and Transportation & Warehousing — see Section 2.5), and each operations sector is entered as an Industry Impact Analysis (Detailed) event. Only Total Employment and Total Labor Income are entered; Intermediate Inputs and Total Output are left blank for IMPLAN to model internally. The Dollar Year and Data Year are both set to the activity year (2024) and the region is Utah statewide. Industry codes are chosen to reflect what the Utah operation actually does rather than the firm’s broader corporate classification — the same principle that, for the Company X pilot, selected commercial-banking code 423 over securities code 421.

IMPLAN IT Operations 2024

Events 4 + ADD EVENT FILTER TAGS 0/4 SAVE MRIO

Title	Type	Specification	Value	Sort
Operations (Manufacturing)	Industry Impact Analysis...	5 - 31-33 - Man...	NAICS Enter Value(s) Below	
Industry Impact Analysis (Detailed) Wage & Salary Employment: Enter a value Employee Compensation: Enter a value EC Commute Rate: SAM Total Output: Total Output = EC + PI + TOPI + OPI + II Proprietor Employment: Enter a value Proprietor Income: Enter a value Taxes on Production and Imports Net of ...: Enter a value Other Property Income: Enter a value Total Employment: 513.72 Total Labor Income: \$42,310,152.23 Intermediate Inputs: Enter a value SPENDING PATTERN				
Operations (Information)	Industry Impact Analysis...	9 - 51 - Inform...	NAICS Enter Value(s) Below	
Industry Impact Analysis (Detailed) Wage & Salary Employment: Enter a value Employee Compensation: Enter a value EC Commute Rate: SAM Total Output: Total Output = EC + PI + TOPI + OPI + II Proprietor Employment: Enter a value Proprietor Income: Enter a value Taxes on Production and Imports Net of ...: Enter a value Other Property Income: Enter a value Total Employment: 3,167.70 Total Labor Income: \$260,890,563.05 Intermediate Inputs: Enter a value SPENDING PATTERN				
Operations (Transportation and Warehousing)	Industry Impact Analysis...	8 - 48-49 - Tra...	NAICS Enter Value(s) Below	IMPLAN 2 Digit NAICS 528

Utah Group
 Dollar Year: 2024 Data Year: 2024 Scale: 1
 Region: Utah
 SHOW EVENTS 4

VIEW RESULTS

Figure C1. IMPLAN event setup — Information Technology, operations only, 2024. The operations events for the cluster, one per NSR-weighted 2-digit sector (Manufacturing 31–33, Information 51, Transportation & Warehousing 48–49). Each is an Industry Impact Analysis (Detailed) event carrying Total Employment and Total Labor Income; Dollar Year and Data Year are both 2024 and the region is Utah.

IMPLAN IT Operations + CapX 2024

Events 7 + ADD EVENT FILTER TAGS 0/7 SAVE MRIO

Title	Type	Specification	Value	Sort
Operations (Manufacturing)	Industry Impact Analysis...	5 - 31-33 - Man...	NAICS Enter Value(s) Below	
Industry Impact Analysis (Detailed) Wage & Salary Employment: Enter a value Employee Compensation: Enter a value EC Commute Rate: SAM Total Output: Total Output = EC + PI + TOPI + OPI + II Proprietor Employment: Enter a value Proprietor Income: Enter a value Taxes on Production and Imports Net of ...: Enter a value Other Property Income: Enter a value Total Employment: 513.72 Total Labor Income: \$42,310,152.23 Intermediate Inputs: Enter a value SPENDING PATTERN				
Operations (Information)	Industry Impact Analysis...	9 - 51 - Inform...	NAICS Enter Value(s) Below	
Industry Impact Analysis (Detailed) Wage & Salary Employment: Enter a value Employee Compensation: Enter a value EC Commute Rate: SAM Total Output: Total Output = EC + PI + TOPI + OPI + II Proprietor Employment: Enter a value Proprietor Income: Enter a value Taxes on Production and Imports Net of ...: Enter a value Other Property Income: Enter a value Total Employment: 3,167.70 Total Labor Income: \$260,890,563.05 Intermediate Inputs: Enter a value SPENDING PATTERN				
Operations (Transportation and Warehousing)	Industry Impact Analysis...	8 - 48-49 - Tra...	NAICS Enter Value(s) Below	IMPLAN 2 Digit NAICS 528

Utah Group
 Dollar Year: 2024 Data Year: 2024 Scale: 1
 Region: Utah
 HIDE EVENTS 7

Operations (Manufacturing) Scale: 1
 Operations (Information) Scale: 1
 Operations (Transportation and Warehousing) Scale: 1

VIEW RESULTS

Figure C2. IMPLAN event setup — Information Technology, operations + capital expenditure, 2024. The same operations events with capital expenditure added. Capital expenditure is split using industry-typical shares

(≈35% construction / 55% equipment / 10% other) and entered as additional Industry Output events, bringing this run to seven events in total (not all are visible on screen).

B.2 Reading IMPLAN results — economic and tax impact

Running the events produces an Impact Results Overview. The Economic Indicators panel decomposes the result into Direct, Indirect, and Induced layers across Employment, Labor Income, Value Added, and Output. The Tax Results panel reports the tax revenue generated by that activity, broken out by jurisdiction (sub-county, county, State, and Federal). The State column is the quantity carried into Path B: the operations-only State total drives the Path B operations ROI, and the operations-plus-capital State total drives the Path B operations-plus-capital sensitivity.

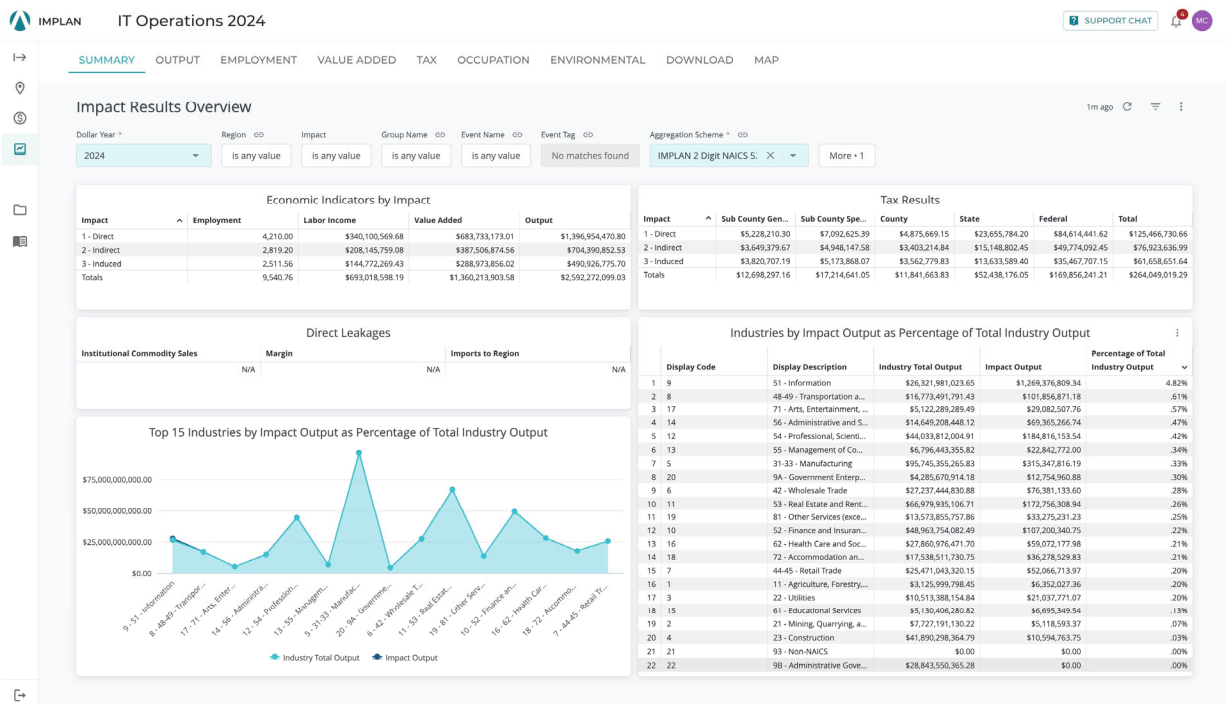


Figure B3. IMPLAN results overview — Information Technology, operations only, 2024. Economic Indicators by Impact (Direct / Indirect / Induced) and the Tax Results panel. The State column of the Tax Results table is the operations-only state tax revenue that feeds Path B.

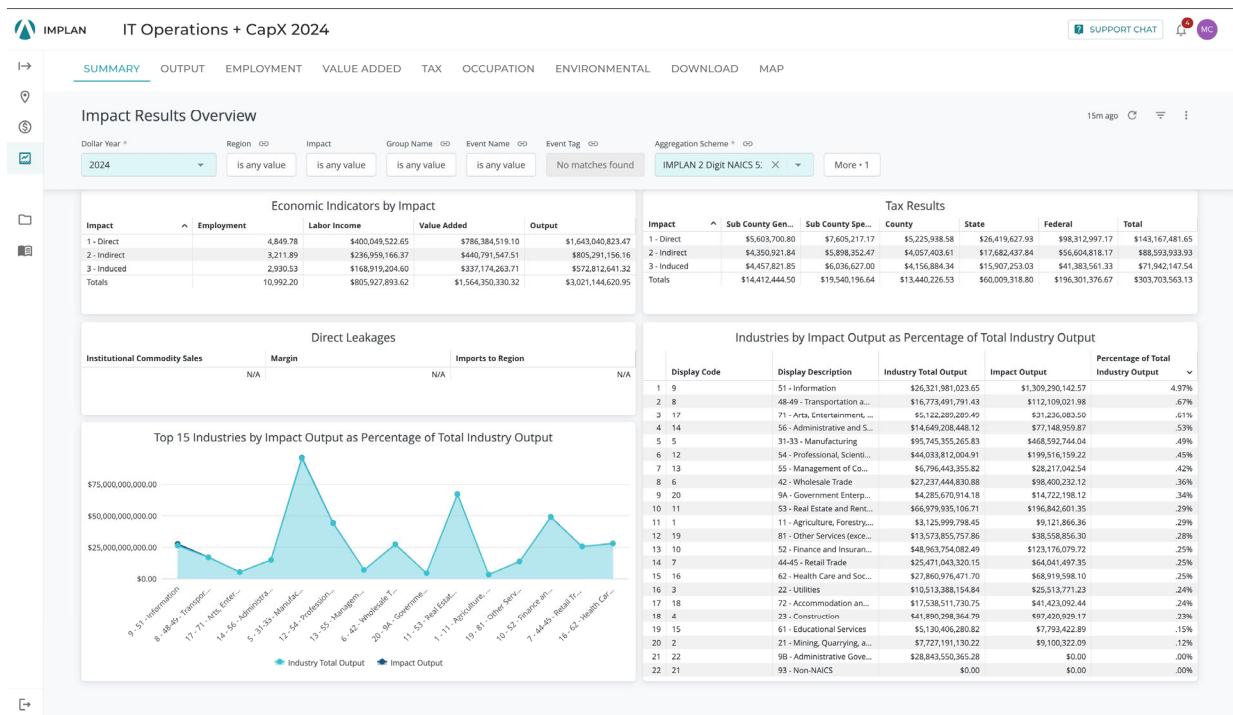


Figure B4. IMPLAN results overview — Information Technology, operations + capital expenditure, 2024. The same results for the operations-plus-capital run. Every layer is larger; the increase over Figure C3 is the modeled fiscal contribution of construction and equipment spending, which drives the Path B operations-plus-capital figure reported alongside the operations-only result.

Appendix C. Data Dictionary

The two GOED-source data files used in this analysis are documented here at the column level. The column names below appear verbatim in the GOED workbooks.

C.1 “Incented Companies with at least one audit” (File 1)

GOED Salesforce export of EDTIF Active Contracts merged with audit metrics, county, and urban/rural type. Coverage: 252 active contracts / 229 companies; 157 with ≥ 1 completed audit / 147 unique. This is the cost-side and Path A source.

Column	Definition / use
Updated Cluster	GOED’s 2021 industry-cluster classification (seven categories). Used to group companies for cluster-level ROI.
Incentive: Incentive Name	Unique identifier for each EDTIF contract.
Company	Company name.

Incentive Stage	Lifecycle stage (Active, Active NP, Contract Complete, Contract In Process, Disbursement Complete, Mortuus, Defaulted, Replaced, Inactive). Used to apply the stage filter.
Last Approved Audit Period	Number of audit periods completed. Non-null indicates the company is in the audited modeling pool.
Latest Approved Jobs Reported	Most recent audit-validated incremental jobs figure.
Total NSR	Cumulative audit-validated New State Revenue across all completed audit periods. Path A numerator.
Disbursements To Date	Cumulative actual disbursements paid. Denominator for both Path A and Path B.
Total CapX Reported	Cumulative self-reported capital expenditure. Used as the Path B capital input.
County	Utah county. Eighteen counties represented in the audited pool.
Type	Urban / Rural / Shoulder classification used by GOED to determine award terms.
Relationship with Utah	New, Existing, Expansion, or Retention. Flagged in the methodology but not adjusted for in the ROI calculation.
Start Date / End Date	Contract dates. Start Date is the baseline anchor.
EDTIF Award	Total committed award amount.
EDTIF Award Remaining	Unutilized portion of the committed award.

C.2 “NSR Breakdown” (File 3)

GOED Salesforce export with per-period audit detail. One row per audit period per incentive. Used to support the four-tier post-2016 denominator allocation in Path A and to construct year-by-year IMPLAN inputs for Path B.

Column	Definition / use
FT Job Count (AE)	Audited full-time job count for the period.
EDTIF Baseline Jobs (AQ)	Baseline employment as of the contract start date. Subtracted from FT Job Count to give the incremental employment used in IMPLAN.
New Employee Withholding Revenue (AZ)	Audited incremental Utah individual income tax withholding for the period. Divided by 0.0485 to back out incremental Total Labor Income.
New Employee Sales Tax Revenue (AY)	Audited state portion of incremental sales tax.

New Corporate Tax Revenue (BA)	Audited incremental Utah corporate tax.
New Use Tax Revenue (BB)	Audited incremental Utah use tax.
New Revenue Eligible for Rebate (AX)	Sum of the four components above. Reconciles to File 1's Total NSR column when summed over all audit periods.
Capital X for Disbursement Period (O)	Reported capital expenditure for the period.
Assessed EDTIF Disbursement (AW)	GOED-assessed rebate amount. Used only as a proxy for inter-year weighting; does not represent actual paid disbursement.
Rebate Rate (L)	Period rebate rate.

Appendix D. The Other – Rural Cluster

The Other – Rural cluster comprises only three audited companies — too few to support a cluster-level estimate on the same footing as the six larger clusters. To keep the cluster comparisons in the body of the report on equal footing, Other – Rural is reported here in full rather than alongside the others in Section 3. Its three companies remain in the program-wide totals throughout the report; they are immaterial to those totals (about \$2.9 million of \$903.8 million in audited NSR). The audit-validated return on these projects is positive; the modeled (Path B) figure is lower than usual for the structural reasons explained in D.2.

D.1 Cluster results

Measure	Value
Audited companies in cluster (post-2016)	n = 3
Total audited NSR generated	\$2.9 million
Total actual disbursements	\$1.1 million
Path A — direct, audit-validated ROI	1.64x
Path B — operations-only ROI (range)	1.15x – 1.15x
Path B — operations + capital ROI (range)	6.59x – 6.75x
Average annual jobs supported (over 3 years)	104

For this cluster, the audit-validated Path A figure of 1.64x — recomputable straight from the audit file, with no model involved — is the number to rely on. Unusually, the Path B operations-only figure (1.15x) falls below it. That inversion is explained next.

D.2 Why the modeled return falls below the audited return (spending leakage)

A company's economic impact has three layers: the direct effect (its own payroll, output, and taxes), the indirect effect (the money it spends with its suppliers), and the induced effect (the money its employees spend in the local economy). Path A captures only the direct layer; Path B adds the indirect and induced layers — the supplier-and-spending 'ripple.' Normally that ripple makes Path B larger than Path A.

The ripple is only counted to the extent it stays in Utah. Dollars a company spends on materials or equipment made out of state, or that workers spend outside the local economy, 'leak' out and stop generating further Utah activity. IMPLAN captures this through each commodity's regional purchase coefficient — the share of an input dollar actually sourced inside the region. All three Other – Rural plants buy baskets of specialized inputs Utah produces little of (furnace-grade minerals and resins for fiberglass; films, inks, and adhesives for flexible packaging; imported botanical and vitamin actives for supplements), and two of the three are brand-new or expanding plants whose large one-time capital equipment was built out of state. With thin local supply chains and heavily imported inputs, the regional purchase coefficients are low, so little of the ripple lands in Utah and the Path B multiplier stays close to 1.

A second, more technical reason the inversion appears at all: IMPLAN's modeled direct state tax is not the same quantity as the audited NSR. Even though the model is fed the companies' actual labor income (Total Labor Income back-solved from audited withholding), IMPLAN converts that activity into state and local tax using average effective tax rates and its own tax taxonomy, which run below the specific statutory NSR that EDTIF measures. IMPLAN's direct tax therefore starts below the audited NSR in every cluster; ordinarily the indirect and induced ripple more than makes up the difference, lifting Path B above Path A. In Other – Rural the ripple leaks out of state, so the modeled total never climbs back above the audited number. The effect is real and conservative, not a computational error — which is why the report leads with the audited 1.64x for this cluster.

D.3 Sanity-check flags

Of the analysis's 35 cluster-level sanity checks (five per cluster across all seven clusters), 33 passed cleanly; the only two flags both fall in Other – Rural and are the quantitative signature of the leakage described above.

Sanity check	Result for Other – Rural
IMPLAN Direct state tax within 30%–150% of audited NSR	FLAG — ~26% (low end of band)
IMPLAN Ops ROI > Path A benchmark ROI	FLAG — 1.15x ops vs 1.64x benchmark



Agency Response Plan





**Governor's Office of
Economic Development**

**Governor
Spencer J. Cox**

**Lieutenant Governor
Deidre M. Henderson**

Commissioner
Jefferson Moss

August 21, 2026

Kade R. Minchey, CIA, CFE, Auditor General
Office of the Legislative Auditor General
Utah State Capitol Complex
Rebecca Lockhart House Building, Suite W315
PO Box 145315
Salt Lake City, UT 84114-5315

Dear Mr. Minchey,

The Governor's Office of Economic Development (GOED) appreciates the time and effort the Office of the Legislative Auditor General (OLAG) has taken to audit the various programs and processes of GOED, as well as the professional and collaborative nature in which your office performed the audit. We accept the audit recommendations provided by OLAG and look forward to implementing them to further strengthen the programs, policies, and procedures of GOED in addition to the changes that we continue to make to strengthen Utah's economy. Please find our audit responses below.

Kind Regards,

A handwritten signature in black ink, appearing to read "Jeff Moss", written in a cursive style.

Jeff Moss
Commissioner
Governor's Office of Economic Development

Chapter 1

Recommendation 1.1: We recommend leadership in the Governor’s Office of Economic Development should appropriately prioritize pass-through oversight to ensure the following:

- Initial grant budgets are documented before initial funds are disbursed.
- Final reports meet statutory requirements before final funds are disbursed.
- Grantees provide required financial reports to the State Auditor.

Department Response:

Who: Aaron Price, Chief Compliance Officer, 801.538.8680; Kamron Dalton, Chief Financial Officer, 801.538.8680

What: GOED accepts the recommendation and will take necessary steps to implement.

How: Compliance will develop policy to ensure all pass-through contracts are reviewed for budgets prior to initial fund disbursement and that all contracts are reviewed against final reports to ensure statutory requirements before final fund disbursement, including that grantees provide required financial reports to State Auditor. Finance will establish procedures to check for budgets prior to initial fund disbursement and for compliance sign-off on final reports prior to final fund disbursement.

Documentation: Policy: Enhanced pass-through policy specifically requiring budget information prior to initial disbursement and compliance review of final report prior to final disbursement and required report are provided to State Auditor.

Procedure: Enhanced disbursement procedure requiring budget confirmation prior to initial disbursement and compliance sign-off prior to final disbursement.

Timetable: Review current policy and procedure and draft revisions – 6-month mark; finalized policy and procedure – 12-month mark.

When: 31 August 2027

Chapter 1

Recommendation 1.2: We recommend leadership in the Governor’s office of Economic Development should establish clear oversight expectations and accountability for Industrial Assistance Account reporting by implementing a structured review framework that requires staff to collect, review, and approve all required grantee reports against contract and statutory requirements. This framework will help ensure that grant funds are used for their intended purpose.

Department Response:

Who: Aaron Price, Chief Compliance Officer, 801.538.8680

What: GOED accepts the recommendation and will take necessary steps to implement.

How: Compliance will develop a policy requiring reviews of IAA recipients at regular intervals, as per statute, to ascertain progress and IAA recipients will follow similar compliance review as other programs within GOED.

Documentation: Policy: Updated IAA policy to require regular review intervals throughout the project and increased compliance review.

Timetable: Review current policy and draft revisions – 6-month mark; finalized policy – 12-month mark.

When: 31 August 2027

Chapter 1

Recommendation 1.3: We recommend the Governor’s Office of Economic Development should create a process to ensure that statutory reporting requirements of Industrial Assistance Account grantee outcomes and impacts are met. By doing so, GOED can provide policymakers with clear, reliable information on how state funds are used and the extent to which the grants improve economic outcomes.

Department Response:

Who: Kamron Dalton, Chief Financial Officer, 801.538.8680

What: GOED accepts the recommendation and will take necessary steps to implement.

How: GOED will add additional section to annual report template to include discussion of IAA economic impact in addition to change of position currently provided.

Documentation: Annual Report Template

Timetable: Update template - 3-month mark

When: 31 August 2027

Chapter 2

Recommendation 2.1: We recommend the Governor’s Office of Economic Development should incorporate its Incentive Decision Framework into the evaluation and reporting processes for all administered programs. Use of the framework should be monitored for fidelity. Applying the framework consistently would help the office demonstrate outcomes, accountability, transparency, and program effectiveness.

Department Response:

Who: Aaron Price, Chief Compliance Officer, 801.538.8680

What: GOED accepts the recommendation and will take necessary steps to implement.

How: GOED will review each program and create overarching procedure to include Incentive Decision Framework analysis into all contract templates and Scopes of Work within contract templates.

Documentation: Program list, Contract templates, Procedure

Timetable: Review Procedures – 3-month mark; Review programs – 6-month mark; Review contract templates – 9-month mark

When: 31 August 2027

Chapter 2

Recommendation 2.2: We recommend leadership in the Governor’s Office of Economic Development (GOED) should identify meaningful outcome measures that connect program activities and outputs to the broader goals in GOED’s Strategic Plan Opportunity Framework. Leadership should regularly track and report these measures to the Economic Development and Workforce Services Interim Committee. This information should be used to inform program funding and other operational decisions.

Department Response:

Who: Jefferson Moss, Commissioner, 801.538.8680; Aaron Price, Chief Compliance Officer, 801.538.8680

What: GOED accepts the recommendation and will take necessary steps to implement.

How: In conjunction with Recommendation 2.1, GOED will review programs to ascertain, based on statute, meaningful outcome measures for programs that connect to the strategic plan. The executive team will decide on appropriate measures and implement procedure to include appropriate measures in program contracts for reporting.

Documentation: Program lists, Contract templates, Procedure

Timetable: Review programs – 6-month mark; Contract templates – 9-month mark, Procedure – 12-month mark

When: 31 August 2027

Chapter 2

Recommendation 2.3: We recommend the legislature could consider selecting a program administered by the Governor’s Office of Economic Development (GOED) for evaluation under the Senate Bill 324 2026 Outcome-Based Investment Grant Pilot

Framework (Utah Code 63G-6b-402). If the Legislature chooses to fund a program under this framework, GOED should work with stakeholders to develop stronger approaches for evaluating other economic development programs. Results from these evaluations should inform future funding and program decisions.

Department Response:

Who: Jefferson Moss, Commissioner, 801.538.8680

What: GOED accepts the recommendation and will work with legislature to implement.

How: GOED will work with legislature should a program be funded under the framework.

Documentation: Documentation of stronger approaches for evaluation



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