

## Fiscal Update

- FY 16-17 Governor Recommended Budget: we are answering the standard round of questions from both the Budget Office and LCB fiscal staff about our FY 16-17 budget. We will be fielding questions about our Budget Enhancements for new programs, new staff, or new activities in the next biennium.
- Met with Governor's Chief of Staff, the Budget Director, and Budget staff in charge of develop the Statewide Cost Allocation Plan (SWCAP). This is what the State's centralized agencies such as the Budget Office, the Controller's Office, the Treasurer's, etc. charge to other state agencies for their services. The SWCAP also includes a component for charging agencies for building depreciation. NDA's SWCAP charges over the last several years has gone from \$164,000 to \$849,000 and increased the burden on a lot of our fee based operating budgets. We are currently working with the Budget Office to find a way for these charges to be decreased and hopefully will have solution in the next few weeks.
- We had an IFC work program (budget adjustment) approved to move a purchase of a truck and a trailer for the Food Commodity program from SFY 2014 to SFY 2015 because the orders will not be completed until December of this year. We will have three IFC work programs slated for December. These are requesting to move positions and funding from one budget to another to cover program and administrative needs. We will also have another work program for starling eradication efforts on dairy farms that will use Dairy Commission funds and PARC labor to carry out this work, this will also save state General Funds.
- The Department of Administration just completed an audit of the Livestock Brand Inspection program and the Department provided responses to the findings. This audit will be submitted to the Executive Branch Audit Committee scheduled for December 10<sup>th</sup>, 2014. This audit is part of three audit plan. The next audit will cover some of our administrative process like Fleet Management, IT purchasing, etc. The third phase will be an audit of our new Food and Nutrition programs.
- Staff is currently working on policies and procedures for contracting, purchasing, grants, and sub-granting. This will bring us closer to complying with 2008 LCB Audit finding requesting that policies and procedures be developed for many of the fiscal processes for the Department.
- We are working with Purchasing to begin to develop the RFP for Food Processing Contracts. These contracts are with major food processors such as Tyson Chicken to take USDA food commodities and produce menu items for the School Lunch Program such as pizzas, burgers, chicken nuggets, etc. The total value of those contacts is roughly \$70,000,000.
- Fiscal staff met with both dairy audit staff and administrative to review the process for licensing and taking in assessment payments as well as producing more accurate reports and information for the dairy auditors. We will develop an online process for some portions.
- We are working with program staff to purchase used Highway Patrol vehicles for the Brand Inspection program to reduce costs. We also are working on the purchase of several legislatively approved and Board of Examiner's approved vehicles and trailers for the Consumer Equitability program and recently submitted purchases for replacement of some Chemistry lab equipment and strychnine for rodent/pest control.
- We reclassified two positions to better function as a fiscal unit and provide more clerical help as well as save costs.

