

Analysis

Department of Geology and Mineral Industries

Report on business practices

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Request: Acknowledge receipt of a report on the Department's progress in implementing appropriate measures to improve the agency's business practices.

Recommendation: Acknowledge receipt of the report with instructions.

Analysis: Attached to SB 5512 (2015), the budget bill for the Department of Geology and Mineral Industries (DOGAMI), was a budget note instructing the agency to report on progress in implementing appropriate measures to improve business practices. The budget note required DOGAMI to report on specific measures taken to address six different areas of concern. DOGAMI reported to the Legislature in February 2016 on its initial progress to address those areas of concern, including the successful establishment of detailed accounting budget structures. The Department was then directed to provide a second report on further progress.

DOGAMI has provided the required report on the continued progress. The report indicates that DOGAMI has put in place written policies and procedures related to recording and reporting federal revenues and expenditures, and established a formal process for determining indirect cost rate plans. These were specific areas of concern for the agency, as the timely capture of available federal revenues had contributed to the agency's cash flow issues in prior biennia and formal indirect cost rates had not been established. The Department continues to work on the creation of policies and procedures related to project management and is working to provide leadership development opportunities and succession planning within the agency in order to prevent the loss of institutional knowledge and build stability.

As directed by the budget note, DOGAMI is currently undertaking a comprehensive review of the Mined Land Regulation and Reclamation (MLRR) Program. The review includes assessing all areas of the program, including current fees and cash flow, operations and service delivery, and staffing levels. Currently, the program has three vacancies, but anticipates filling one of those in the spring of 2017, now that the fee increase established by HB 3563 (2015) has been fully implemented and cash flow has improved. DOGAMI anticipates conducting a similar comprehensive review of the Geologic Survey and Services (GS&S) Program upon completion of the MLRR program review.

In this report, DOGAMI provided an update on the IT remediation plan developed and implemented in 2016. The Department has successfully moved all IT services and hardware to the State Data Center or to a dedicated server room and hired a full-time IT administrator. The Department is continuing to proceed with the recommendations in the remediation plan which extends to 2020.

The Legislative Fiscal Office recommends acknowledging receipt of the report with the understanding that the Department will return to the Joint Committee on Ways and Means in the 2018 legislative session to report on continued progress, by program, on the comprehensive review of the agency's core operations, program priorities, delivery of services, and funding sources and cash flows.