

VI. GENERAL FUND AND MISCELLANEOUS REVENUE FUND
A.2 Finances – Zero-Base Budget – Information Item

The Division of Financial Management (DFM) implemented the Zero-Base Budget (ZBB) Initiative early in Governor Otter's term. The Idaho Commission for Libraries participated in the fifth-year and developed a zero-based budget for FY2014.

Process: In May 2011 Ann and Roger were introduced to ZBB and started the process of defining cost centers and key players. We identified three cost centers: Digital Repository, Library Development, and Talking Book Service. Using a multiple-step approach we gathered data, reviewed Idaho Code, program requirements and budget expectations, activities performed, and time commitments. After compilation a gap analysis was developed and each cost center's true financial picture became clearer.

Results:

- Library Development is our largest cost center and consumer of resources.
- LD is the foundation upon which the agency mission and vision rests.
- Assessment of duties indicated that we have been successful in creating a flatter organizational structure and support personnel are utilized in every cost center effectively.
- End results indicate that overall ICfL is understaffed and underfunded. We often rob from one cost center to fund another and the support/Admin personnel are in the middle with the most unfilled positions.

Lessons Learned:

- Most importantly, steps taken in previous years to improve organizational structure have been on target.
- Support staff reach across traditional organizational structures to meet a myriad of cost center and program requirements.
- Despite reduced manpower each cost center continues to outperform expectations.
- Idaho Code is, in most cases broad and non-specific. This allows us to select the most important programs or introduce an emerging need to our diverse program list.
- We lack a systematic method to develop actual budgetary needs. We must develop a process for yearly budgets and need identification.

Graphs have been provided indicating resources by cost center and funding shortfalls.

