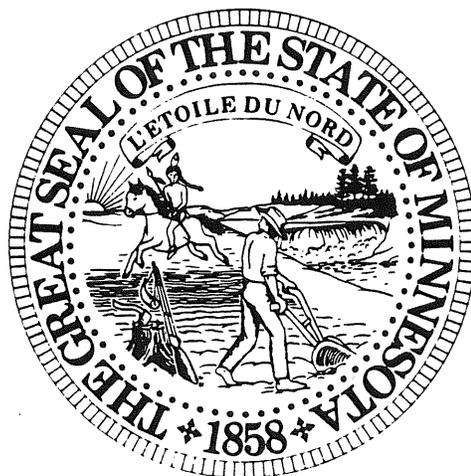


Legislative Commission on Minnesota Resources



**Organization and Management Study
of the Department of Natural Resources**

December 18, 1986

December 18, 1986

Legislative Commission on Minnesota Resources
Room 65, State Office Building
St. Paul, Minnesota

Gentlemen:

The Department of Natural Resources (DNR) is a highly visible state agency. The DNR, as both promoter and protector of the state's resources, often finds itself in the middle of competing demands from sporting groups, environmentalists, land owners and resource industries. During these conflict situations, the DNR is often criticized for its poor public response.

Over the years, the DNR has been the subject of several studies and reorganizations; each attempting to deal with public response problems. Once again in 1986, Legislative concern over the DNR's public response prompted an attempt to legislate a new organization structure for the DNR. This attempt at reorganization led to this study.

The objective of our study was to conduct a comprehensive review of the DNR's organization and management effectiveness. Our approach to this study centered around an assessment and evaluation of the DNR's delivery of services.

We approached this study from the perspective of service delivery because we believe that the fundamental objective of any organization is to efficiently and effectively deliver service. From our experience, we know that changing organizational structure is often disruptive and diverts energies away from service delivery. Major reorganization should, therefore, only be considered when a clear improvement in service delivery can be demonstrated.

During our study, we interviewed over 135 individuals and organizations which interface with the DNR. We also conducted interviews with over 100 DNR employees. During these interviews, we assessed the DNR's broad span of services and evaluated the DNR's management structure from the view of field, regional, divisional and central office personnel.

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While we interviewed a wide range of DNR clientele, we found their complaints to center primarily around issues involving the Fish & Wildlife and Waters Divisions. For the most part, the perception of the DNR being insensitive to the public comes from these two divisions.

The organization of the DNR is complex. Each division has a unique mission and clientele for its services. Solving the DNR's problems must, therefore, recognize the "natural" organization structure which exists around each set of DNR services.

We believe that improvements can be made in the DNR's delivery of public services without major reorganization. The DNR does, however, need to concentrate its management resources to address the major challenges it is facing. These include:

- improving its public response practices,
- improving the operations of Fish & Wildlife and Waters,
- achieving the benefits from the merged divisions of Parks and Trails & Waterways, and
- improving the operations of the Lands and Field Services Bureaus.

To concentrate the necessary management resources to address these problems, we recommend the following organization changes.

- The Regional Administrators should begin reporting to the Office of the Commissioner and become responsible for the coordination and quality of the DNR's public response within each region.
- An Assistant Commissioner of Operations position should be created to provide additional management capabilities for improving divisional performance.
- Parks, Trails & Waterways and Recreational Planning should be merged together to develop a strategic direction for the state's outdoor recreation services and to achieve operation efficiencies.

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- Responsibility for the Personnel and Office Services Bureaus should be transferred to the Assistant Commissioner for Planning and Special Services. This will allow the Assistant Commissioner for Administration to concentrate additional time to implementing solutions for the Lands and Field Services Bureaus.
- The DNR's Special Services groups should be consolidated to produce a reasonable span of control for the Assistant Commissioner for Planning and Special Services.

We would like to thank the many people who contributed to this study, the DNR managers and staff for their excellent cooperation and assistance and the many people outside the DNR who gave us their time and their insights as DNR clientele. We would also like to extend our thanks to the members and staff of the Legislative Commission on Minnesota Resources (LCMR). Both the members and the staff spent a considerable amount of their time with us and provided valuable insight into the issues being studied.

The LCMR is a unique organization in the field of resource management and has made a valuable contribution over the years to both the preservation and the development of the state's natural resources. We hope that the accompanying report, which was sponsored by the LCMR, will serve to improve the ability of the DNR to fulfill its mission and serve as a guide for improving the DNR's delivery of public service.

Very truly yours,

Touche Ross & Co



REPORT ON THE ORGANIZATION AND MANAGEMENT STUDY
OF THE DEPARTMENT OF NATURAL RESOURCES

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BACKGROUND

ORGANIZATIONAL HISTORY

Historically, the Department of Natural Resources (DNR) has had strong, independent operating divisions. At one time, these divisions operated as totally independent agencies. In 1931, they were organized into one agency reporting to a single Commissioner.

In 1973, the Loaned Executive Action Program (LEAP) performed a study of the DNR. They found that the Department had never, in fact, been consolidated into an integrated organizational unit but rather existed as a loose coalition of independent divisions.

LEAP proposed a major reorganization. It recommended a highly decentralized field structure with regional administrators reporting directly to the Commissioner. Line authority was removed from division directors with the division directors serving only in a planning and advisory role.

According to the LEAP report, the reorganization would improve public responsiveness, improve interdivisional cooperation and improve cost effectiveness. The LEAP recommendations were implemented in 1973 and 1974.

In 1978, an internal task force of DNR managers concluded that the agency had serious problems with public responsiveness and in the accountability of field operations. The DNR was reorganized, restoring line authority for field operations to each division. The reorganization, however, retained the regional structure for Administration and Field Services (fleet and facilities management).

In 1983, the Legislature directed the Department of Administration to study the regional organization of the DNR. This study recommended that line authority for field operations be retained by the divisions. The study, however, recommended strengthening the Regional Administrator's role in departmental decision-making.

In 1986, legislation was introduced to reorganize and decentralize the DNR. This reorganization plan would have restored line authority for field operations to the Regional Administrators. The objective of this reorganization was to improve coordination among divisions, improve public responsiveness, reassign central office functions to the field and increase the DNR's sensitivity to local needs and concerns. While this legislation did not pass, it did give rise to this study.

MANAGEMENT AND ORGANIZATION STUDY

The DNR has been studied and reorganized many times. Each new study and each new reorganization plan has attempted to solve the same common problems of:

- poor public responsiveness,
- poor coordination among divisions, and
- a perceived insensitivity to local concerns.

We approached this study by attempting to understand the "root" causes of these problems.

APPROACH

INTRODUCTION

To understand the "root" causes of these problems, we approached this study from a service delivery perspective. Through extensive interviews of clientele and an internal analysis, we performed an assessment of the Department's delivery of service and developed an understanding of the DNR's problems with public response.

CLIENTELE AND SERVICES

Collectively, the DNR interfaces directly with an extensive clientele base (Exhibit 1) in a variety of capacities including regulatory, promotional, recreational and protection. In every case, the Department can be thought of as delivering a service. For example, the DNR provides a service to anglers by stocking lakes with fish, maintaining a habitat for those fish to prosper in, and providing licensing services to regulate the use of that resource. The DNR also delivers a service to all citizens by protecting the state's natural resources through regulation and enforcement activities. The DNR's services extend to other units of government as a vehicle for regulation, as well as a source of natural resource information and in some areas, by providing specific services such as fire protection.

Within the DNR, service bureaus also provide services, but their clients, for the most part, are the operating divisions of the Department.

OUR APPROACH

The study began with a Diagnostic Phase aimed at understanding what services the Department provides and to whom. This was accomplished through the following activities:

- interviews of DNR personnel,
- review of previous studies on the organization and management of the DNR,
- data collection and analysis,
 - review of the responses to the LCMR letter (See Exhibit 2)
 - review of newspaper articles and news releases involving the DNR
- limited client interviews.

The Diagnostic Phase was followed by an Evaluation Phase which had two objectives. The first was to gain an outside perspective on service delivery effectiveness through more extensive client interviews. The second objective of phase two was to address the organizational structure and management of the DNR.

During this phase of the project, over 135 clients and client organizations were interviewed. These clients were representative of the full range of activities in which the DNR is involved. In these interviews, the following Department performance dimensions were discussed:

- responsiveness,
- accessibility,
- clarity of mission,
- professionalism, and
- decisiveness.

These client interviews provided the background to analyze the organization and management of the DNR.

The primary emphasis during the second part of the Evaluation Phase was to assess the need for the dual focus that has come to characterize the department; that is, answer the question posed in our proposal:

"Are both divisional and regional emphasis required to service DNR's clientele, and, if yes, are the requisite coordinating mechanisms in place?"

During this part of the Evaluation Phase, over 100 field and central office interviews were conducted. Employees were asked to describe their Division's or Bureau's service delivery capacity from policy setting through implementation. The

interviews were designed to assess the quality and quantity of coordinating mechanisms in place to support service delivery such as:

- breadth of training and experience of personnel,
- rules and procedures to guide day-to-day activities,
- clear lines of authority from the field to the central office,
- long-range plans which tie to operating plans and are consistent with budget and staffing levels,
- formal or informal lateral linkages to coordinate interdivisional issues,
- involvement of executive level management in guiding division and departmental direction, and
- formal or informal coordinating committees with regional and divisional representation.

This phase also included an extensive review of both Department documents and related material such as:

- Minnesota Forest Resources Plan Assessment Summary
- Minnesota Forest Resources Plan - 1986 Update
- Peat Management Plan, Base Level Review for 1987-1989
- Legislative Auditor Reports
 - Fish & Wildlife
 - Land Acquisition and Exchange
 - Timber Sales

- 1987-1989 Proposed Budget
- Analyses of 1986 Minnesota DNR Personnel Questionnaire

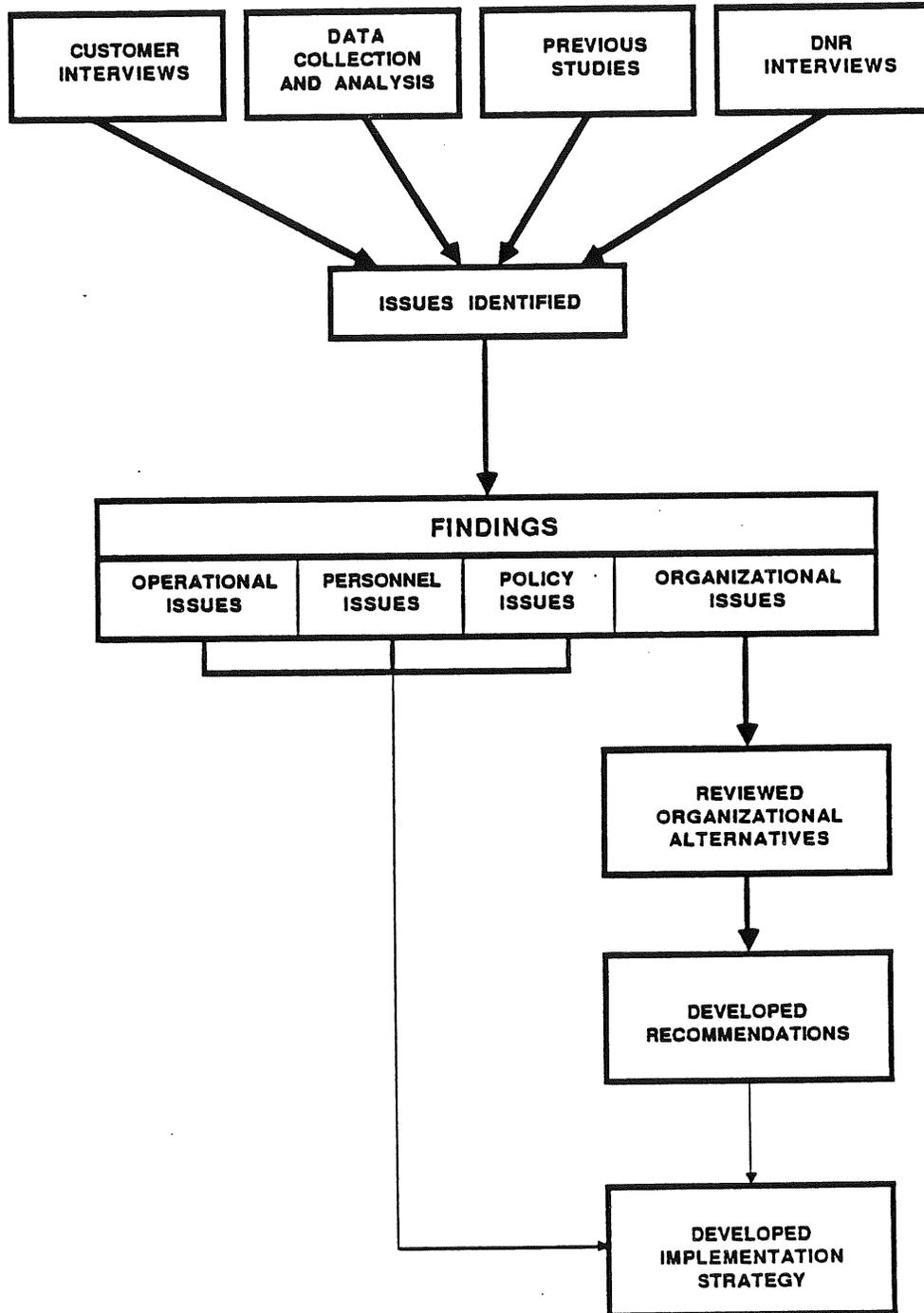
The final phase of the project, the Recommendation Phase, involved evaluating the organizational and management options for improving the DNR's organization and unit procedures.

FINDINGSANALYSIS

The chart on the following page summarizes the process that was used in conducting the study of DNR's management and organization. The four major steps of information gathering that were discussed in the Approach Section (Customer Interviews, DNR Interviews, Data Collection and Analysis and Review of Previous Studies) allowed issues to be identified and analyzed.

As we analyzed these issues and increased our understanding, we were able to identify the cause of the particular issue. In some cases, poor service delivery was caused by poor employee performance. This type of problem, as in any large organization, will persist regardless of how the DNR is organized. Other issues were operational and policy related. Again, these issues would not necessarily be solved by reorganization. For these types of issues, we developed recommendations for the DNR to follow in their operational management. The concentration of our study, however, was on those issues which had organizational implications.

DNR STUDY APPROACH



KEY FINDINGS

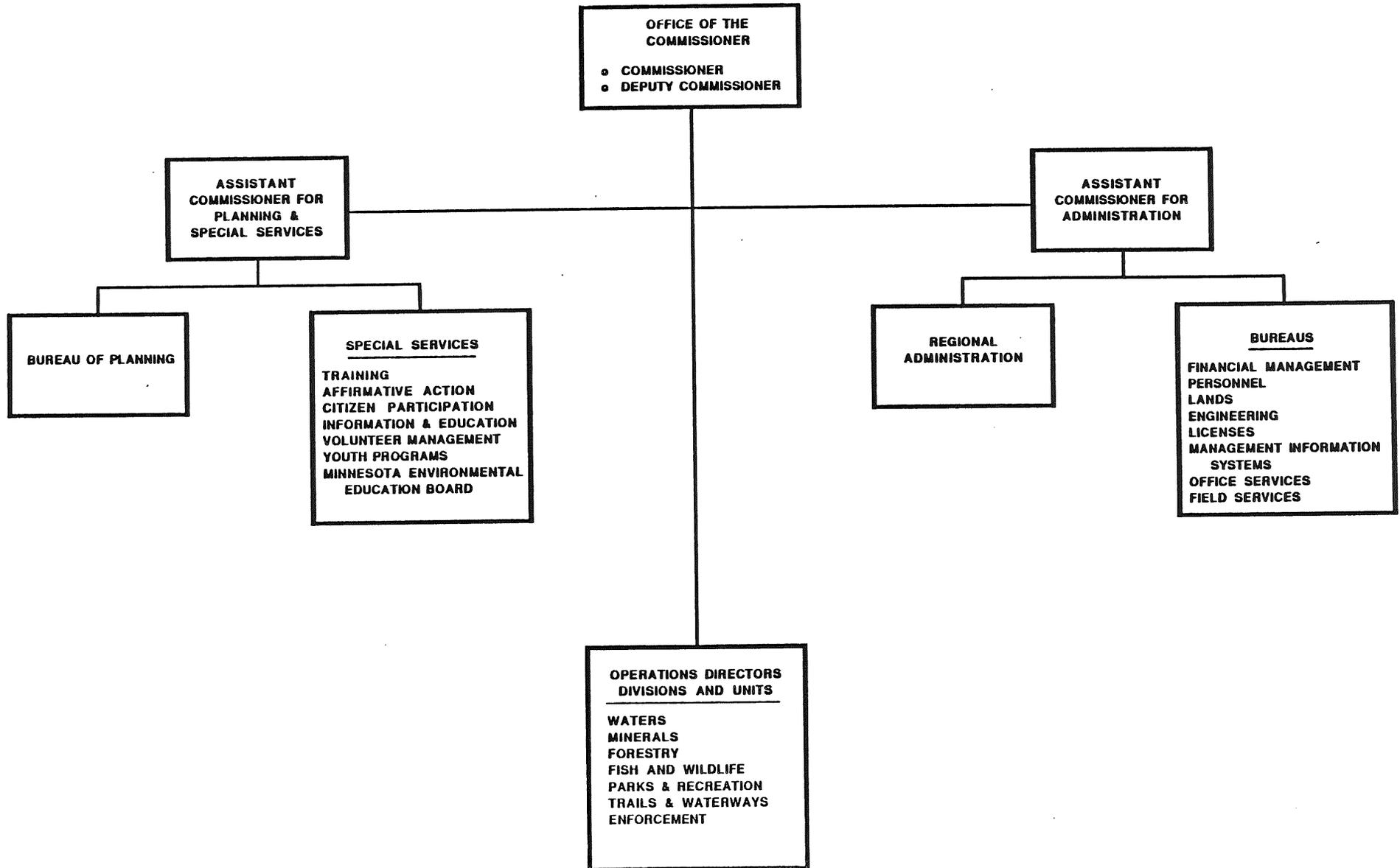
The organization of the DNR is complex. It is complex, in part, because the DNR has a complex mission and provides a diverse range of services. Each division operates with a distinct mission and serves a unique set of clientele. A chart depicting the DNR's current organization is presented on the following page.

Being organized around divisions who service distinct clientele and who all operate in slightly different ways has led to conflicts and inefficiencies in the past. These situations seem to be diminishing.

We found that the DNR's clientele accept, and most endorse, the current organizational structure. Virtually all agree, however, that stronger coordinating mechanisms between the divisions are needed.

The DNR's organizational complexity is increased by the fact that each division is at different stages of organizational evolution. Minerals and Forestry are mature organizations with different but equally well developed management and operational processes. Other divisions are at various stages in developing their organizations and management processes. These differences give rise to a wide range of perceptions from clientele. The results of interviews with

DNR ORGANIZATIONAL STRUCTURE



clientele and our internal assessment of the DNR led to the following conclusions regarding the Divisions and Bureaus of the DNR.

Assessment of DNR Divisions

The Minerals Division is generally well regarded by its clientele with no serious service delivery problems noted. Minerals enjoys an advantage over other divisions by being centrally located and smaller. This allows for strong coordination with relatively informal, but sufficient, coordinating mechanisms.

The Forestry Division is also well regarded by its clientele. Despite the large size of the Division and extensive breadth of activities, Division policy implementation is well coordinated. The Division has benefited from strong funding support but has used these resources effectively to strengthen its planning activities and cultivate good relationships with clientele.

The Division of Parks and Recreation is well run despite the lack of a comprehensive statewide plan for development and the high level of autonomy of park managers. To better serve the public, they should move into the broader concept of recreation management.

Trails & Waterways, as a special unit, must make the transition from a good development organization into a maintenance organization. The unit also finds itself

unavoidably embroiled in public controversy concerning lake access issues.

The Enforcement Division is a unique organization in which the majority of its people work out of their homes at irregular hours. Coordination of activities within this Division is further complicated by the extensive number of ancillary duties that conservation officers have inherited such as dealing with nuisance beaver dams and picking up road killed deer. The Division has new leadership whose main focus is on improving the public image of the Conservation Officers, the voluntary compliance of Game and Fish laws and the apprehension of major resource abusers. Enforcement's new focus will require an improved management process.

* * * * *

The harshest complaints we heard regarding the DNR came from Fish & Wildlife and Waters clientele. For the most part, the general perception that the DNR is insensitive to the public comes from these two divisions.

The Fish & Wildlife Division, while good at managing traditional programs, must become more accepting of change and more "open" with their clientele. Its current planning process should help, but not within the timeframe required. The

projected deficit in the Game and Fish Fund requires an immediate public response. While Fish & Wildlife clientele generally believe more staff and funds are needed, they are demanding better information on how the current funds are used and how additional funds would be utilized.

The Waters Division has undergone substantial change from its original function. Its regulatory span of control has steadily increased over the years. Added to this is the fact that there are several other agencies involved in regulating the state's water resources. The Division needs to clearly define its mission. A careful review of the Division's regulations, its regulatory process and its organization structure will be needed to accomplish the mission defined.

Assessment of DNR Bureaus and Special Services

The DNR has 16 support bureaus and special service units:

- Planning
- Training
- Affirmative Action
- Citizen Participation
- Information & Education
- Volunteer Management
- Youth Programs
- Minnesota Environmental
Education Board
- Financial Management
- Management Information
Systems
- Licenses
- Lands
- Engineering
- Field Services
- Personnel
- Office Services

These bureaus and special service units provide support and administrative services to the divisions. The clientele of the bureaus and special service units are, therefore, internal to the DNR. We interviewed divisional managers to assess the service delivery of the bureaus and special service units.

While minor problems with each of the bureaus and units were noted, the major service delivery problems centered in Lands and Field Services.

The Lands Bureau is perceived by most division employees in the field as being unresponsive. The Lands Bureau does not focus on service delivery but feels it must "regulate" the divisions. A change in this focus must occur before the Lands Bureau can improve as a support function.

The Field Services Bureau is widely criticized for inefficiencies in its service delivery resulting from the complicated bureaucratic procurement process it employs. In addition, three critical managers (the Bureau administrator and both Distribution Center Supervisors) are new to their jobs.

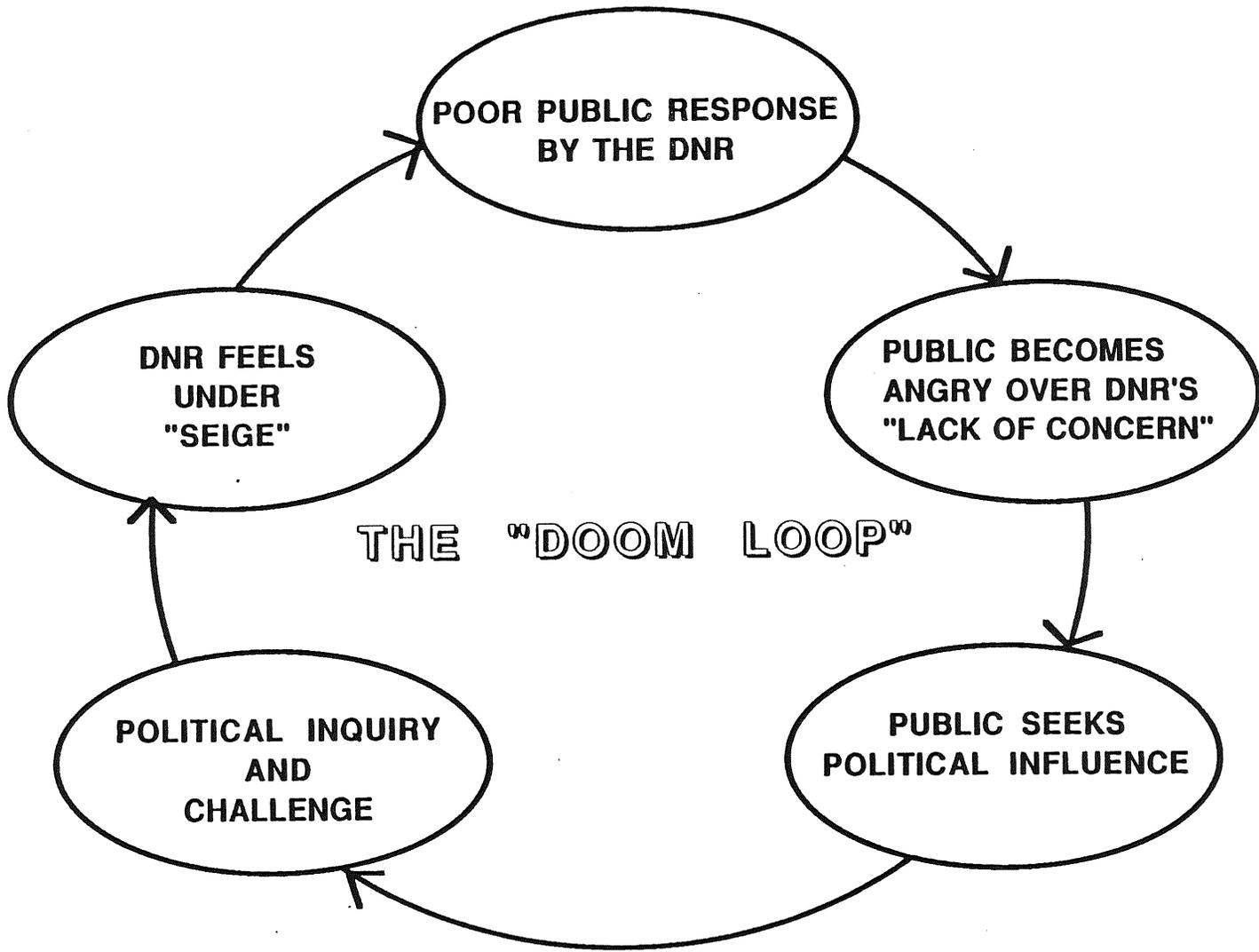
The DNR is currently developing new policies and procedures for the administration of Field Services. Implementation of these improvements will require new data systems and management processes.

PUBLIC RESPONSE AND THE "DOOM LOOP"

Despite the tone of the less favorable comments highlighted above, most of the DNR's clientele recognize that it cannot avoid all conflicts. By the very nature of the Department's mission, it is often forced to regulate controversial, "no-win" situations. However, the Department can gain significant support from critics and enhance public responsiveness by coordinating the efficient delivery of services and by addressing the public's concerns in a straight-forward, well-coordinated, and timely manner.

During the Evaluation Phase of the study, we reviewed several current and historical controversial issues involving the DNR. One scenario was replayed several times. We coined this scenario the "Doom Loop". The Doom Loop is figuratively displayed in a chart on the following page.

The "Doom Loop" portrays the process by which the DNR becomes involved in controversies from which it becomes increasingly difficult to escape. The best example of this is the elk herd issue. Many farmers in the Grygla, Minnesota area claimed that they were suffering from crop damage due to elk for nearly ten years. Receiving what the farmers believed to be inadequate relief from the DNR, and perceiving apathy on the part of the DNR, the farmers became increasingly



frustrated. A coalition representing the farmers' interests sought and received legislative support for their concern. This legislation significantly compounded the DNR's public response problems.

A developing "Doom Loop" situation is the bear problem around Hinckley, Minnesota. Farmers, without success, complained many times about the number of bears and the crop damage they caused. Once again, the DNR appeared to be unsympathetic to the public.

This time, however, was different. Wildlife officials were actively investigating this public complaint behind the scenes. Ironically, the DNR was more responsive to the public than it was perceived to be or given credit for. But, because the public response was thought to be inadequate, the DNR once again finds itself facing "bad" press and, quite possibly, specific actions by the Legislature to deal with the problem.

ORGANIZATIONAL RECOMMENDATIONS

OVERVIEW

Based upon our discussions with DNR clientele and our assessment of DNR operations, we believe the DNR is facing significant challenges. The problems are not new. They are the same problems which have plagued the DNR over the years.

These persistent problems are important and must be addressed. We believe, however, they can be addressed within the DNR's current divisional structure with some significant changes. The DNR must concentrate its management attention in several significant areas.

The major challenges facing the DNR are:

- Improving its public response practices. In some cases, we found the DNR was not responsive to public concerns. In other cases, the DNR's failure to be "open" with its clientele resulted in a public perception of poor responsiveness. Either way, the DNR set the "Doom Loop" in motion.

- Improving the operation of Fish & Wildlife and Waters Divisions. As we stated earlier, the preponderance of

complaints from DNR clientele were in these areas. The DNR can solve many of its public response problems by improving the operations of these divisions. This will, however, require top management attention.

- Coordinating the merger of Parks and Trails & Waterways. The Trails & Waterways unit was created specifically to manage a unique situation, the development of the State's trail system and accesses to public lakes. Trails & Waterways has been extremely effective in this role. Yet, the special situation which created the need for this unit is diminishing. The development of trails and public access is nearly complete.

The DNR is, however, faced with an opportunity to utilize the skills built by the Trails & Waterways management team to address another unique situation - developing a statewide outdoor recreation plan.

- Improving the operations of the Lands and Field Services Bureaus. The DNR has developed plans to improve the operations of these Bureaus. To properly implement these plans, once again, considerable attention by top management will be required.

IMPROVING PUBLIC RESPONSE

Due to the statewide nature of the DNR, its policy makers are often separated from its policy implementers. For routine matters, this separation is easily managed by adherence to rules and procedures in the field. The DNR has often, however, found itself in the middle of a controversy (the "Doom Loop"), when field personnel, faced with non-routine matters, make an inappropriate decision or response.

What is needed is a quality control function in the field to review and coordinate the Department's public response. We believe the Regional Administrators are in an excellent position to perform this role.

We recommend that the Regional Administrators report directly to the Office of the Commissioner. This elevation in their organizational reporting will provide the Regional Administrators with the status required to coordinate public response in their regions as well as develop integrated regional workplans. We believe that the position of Regional Administrator should be further strengthened by their participating in the personnel evaluation of Regional Divisional Supervisors and other key field personnel.

The Department needs to develop a public response policy including defining the Regional Administrators' role as coordinator of public response in the regions. We have included a public response policy outline which is contained in Exhibit 3 of this report. We also recommend that Regional Administrators and Division Directors be given outside training in the area of public response. Once trained, these managers should establish training courses for all DNR personnel.

IMPROVING DIVISIONAL PERFORMANCE

To facilitate improved divisional performance, we recommend that a new position of Assistant Commissioner for Operations be created. Having the Regional Administrators and Division Directors all reporting to the Office of the Commissioner would increase the span of control to an unacceptable level. We believe a new Assistant Commissioner is needed to provide adequate direction in solving Fish & Wildlife and Waters problems.

With an Assistant Commissioner dedicated to managing the divisions, there should be more opportunities for division directors to interface. We recommend that the Assistant Commissioner for Operations hold regularly scheduled meetings with the division directors. To put forth a coordinated strategic plan for Minnesota's natural resources, it is important to provide a forum for the directors to discuss

interdivisional concerns as well as constructively critique one another's programs.

COORDINATING THE MERGER OF PARKS AND TRAILS & WATERWAYS

The Trails & Waterways unit was created to manage the development of the State's trail system and accesses to public lakes. The 1983 Department of Administration study recommended the merger of Parks, Trails & Waterways. At the request of the Legislature, the Department has developed a plan for the merger.

We believe the merger between Parks and Trails & Waterways will be beneficial only if the organization is consolidated, not simply a Parks group and a Trails & Waterways group reporting to a common division director. As indicated earlier, each of these two divisions has unique strengths. Parks is effective at maintaining and promoting their recreational facilities. Trails & Waterways has expertise in developing and promoting recreational facilities.

Therefore, to be effective, the merger must:

- utilize the skills of Trails & Waterways personnel in planning, market research and development in improving Park operations and planning, and
- utilize the skills of Parks personnel in maintenance to economize Trails & Waterways operations.

The merger also offers the opportunity to assign divisional responsibility for recreation planning. We recommend that all, or part, of the Bureau of Planning's Natural Resources Data section be transferred to this new division to provide the skills and nucleus of personnel to conduct a statewide comprehensive recreational planning effort.

To facilitate the merger, Trails & Waterways employees and clientele must be assured that they will not be adversely affected.

IMPROVING BUREAU PERFORMANCE

The Bureau performance problems we noted will also require direct managerial involvement. We recommend reducing the Assistant Commissioner for Administration's span of control to allow him more time to meet these challenges. Specifically, we recommend transferring the Personnel and Office Services Bureaus to the Assistant Commissioner for Planning and Special Services.

The Assistant Commissioner for Planning and Special Services will also have a span of control problem under the proposed organization unless some Bureau consolidation occurs. For example, Personnel, Training and Affirmative Action may logically fold into a Bureau of Human Services. Likewise, Information and Education, Citizen Participation and Youth Programs have enough similarities to be classified under the

Bureau of Information and Education. Finally, the one position in Volunteer Management could possibly be incorporated into the Minnesota Environmental Education Board. These consolidations would reduce this Assistant Commissioner's span of control to five.

The chart on the following page shows a side by side schematic comparison of the current and recommended organizations. In our opinion, only one new position needs to be created and that is the Assistant Commissioner for Operations. It is our understanding that office space is available for this position. The only incremental expense which would be required is salary and benefits which would amount to approximately \$125,000 to \$150,000 per biennium.

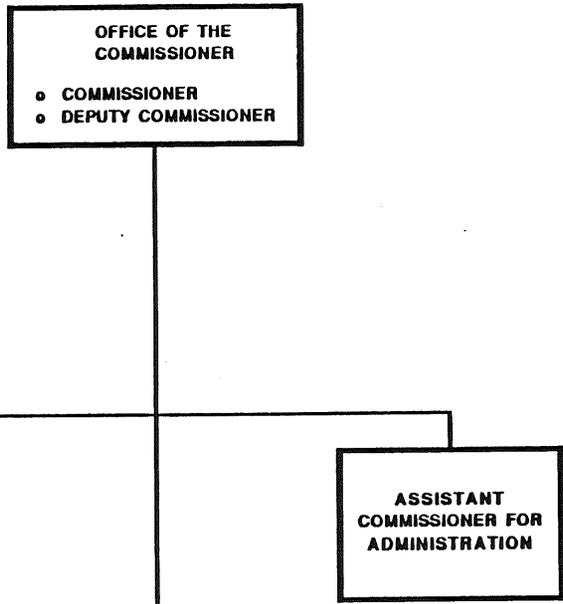
MANAGEMENT OBJECTIVES

Implied in the recommended reorganization detailed above are a set of duties and management objectives for the Office of the Commissioner, the Regional Administrators, and the Assistant Commissioners. These management objectives are presented in the following pages.

An important implementation step in this proposed reorganization is the development of new job descriptions for these key members of management. The management objectives contained in these charts will serve as an important guide in developing those job descriptions and evaluation criteria.

DNR ORGANIZATIONAL STRUCTURE

CURRENT

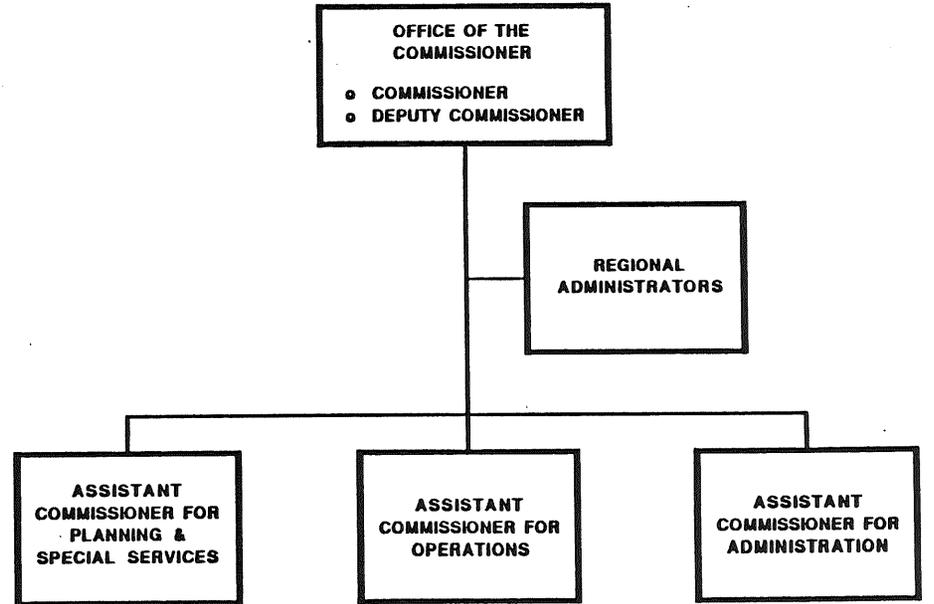


PLANNING
TRAINING
AFFIRMATIVE ACTION
CITIZEN PARTICIPATION
INFORMATION & EDUCATION
VOLUNTEER MANAGEMENT
YOUTH PROGRAMS
MEEB

WATERS
MINERALS
FORESTRY
FISH & WILDLIFE
PARKS
TRAILS & WATERWAYS
ENFORCEMENT

REGIONAL ADMINISTRATORS
FINANCIAL MANAGEMENT
PERSONNEL
LANDS
ENGINEERING
LICENSES
MIS
FIELD SERVICES
OFFICE SERVICES

RECOMMENDED

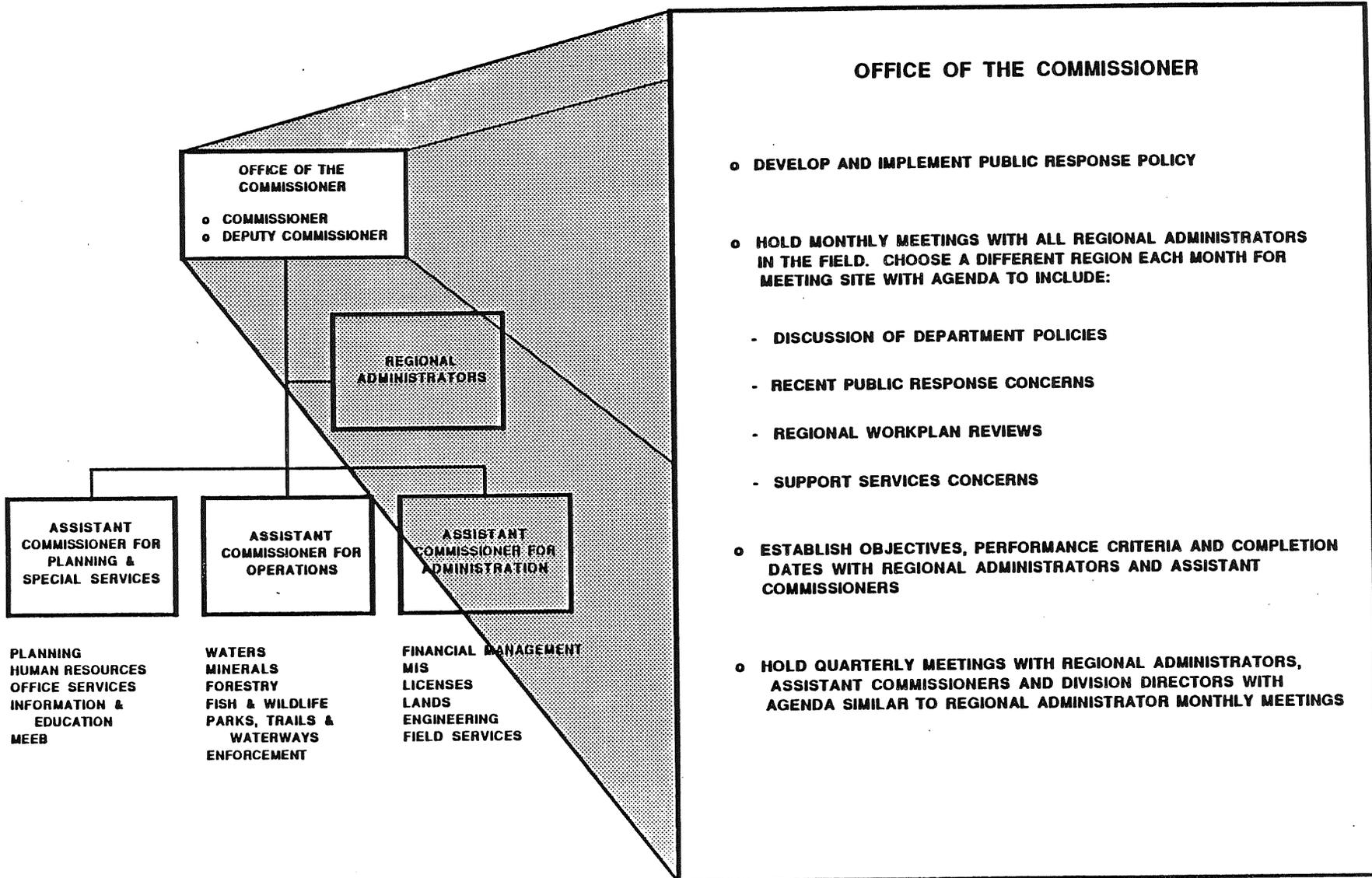


PLANNING
HUMAN RESOURCES
OFFICE SERVICES
INFORMATION & EDUCATION
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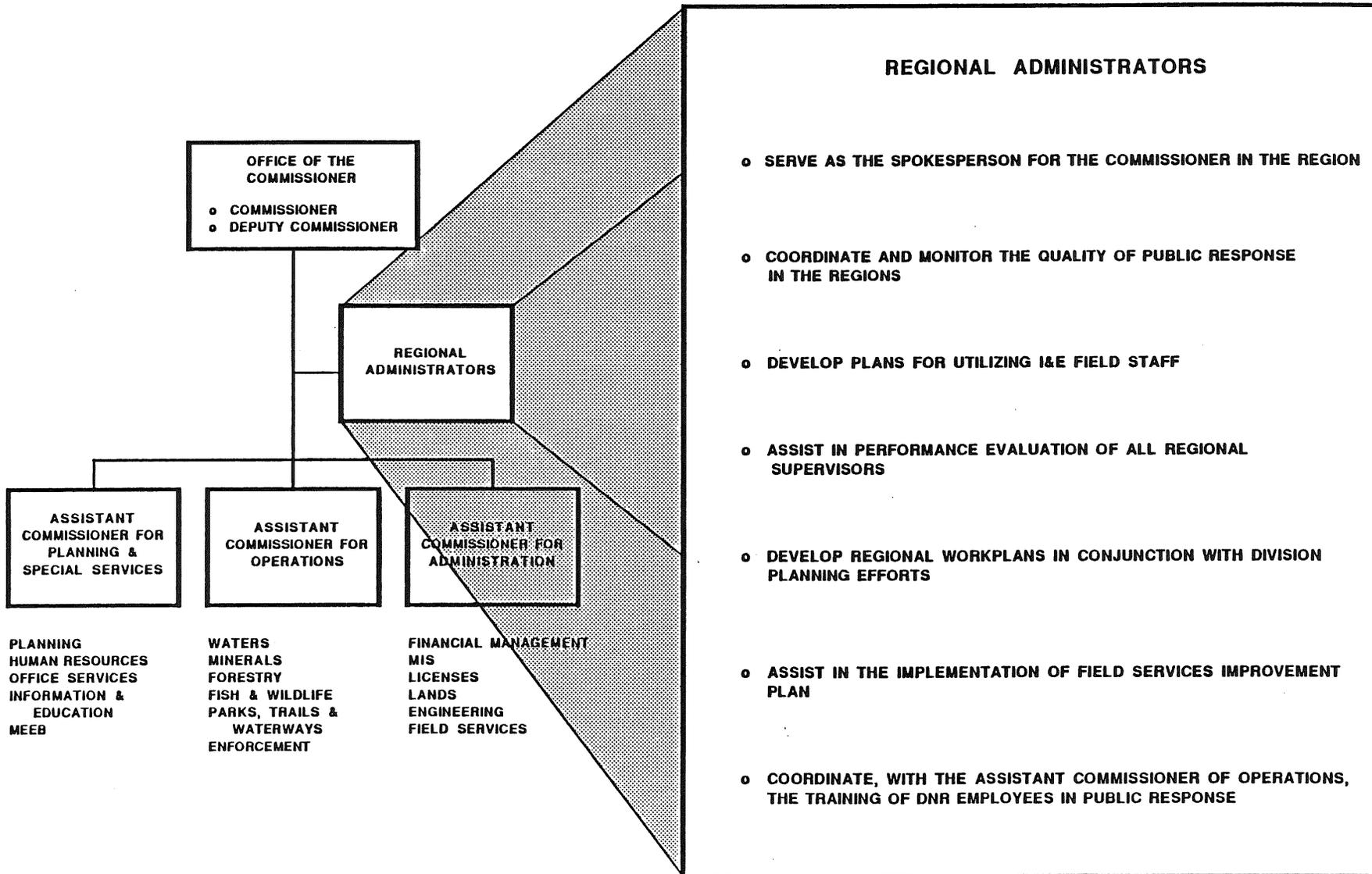
WATERS
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PARKS, TRAILS & WATERWAYS
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LANDS
ENGINEERING
FIELD SERVICES

MANAGEMENT OBJECTIVES

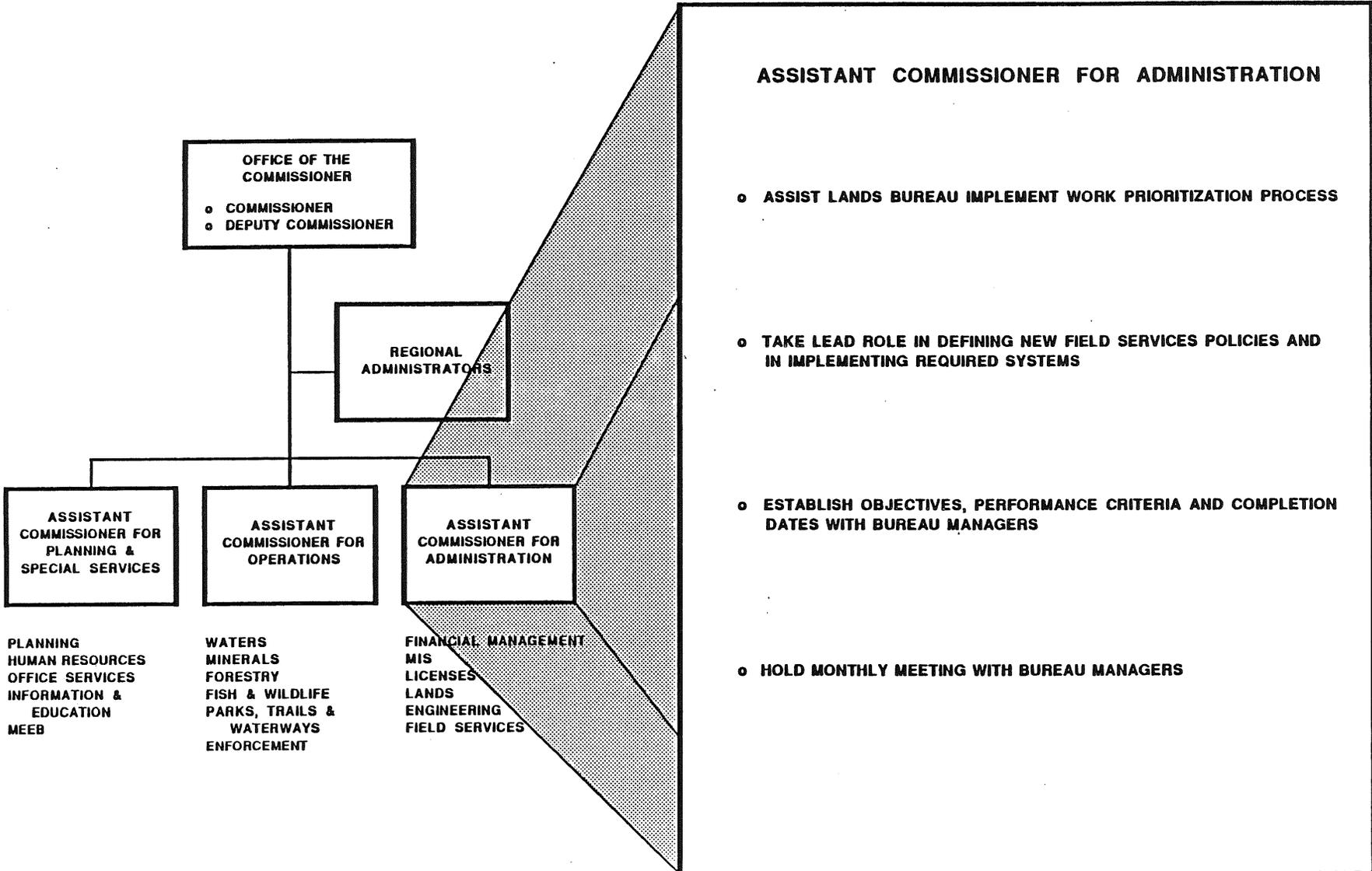


MANAGEMENT OBJECTIVES



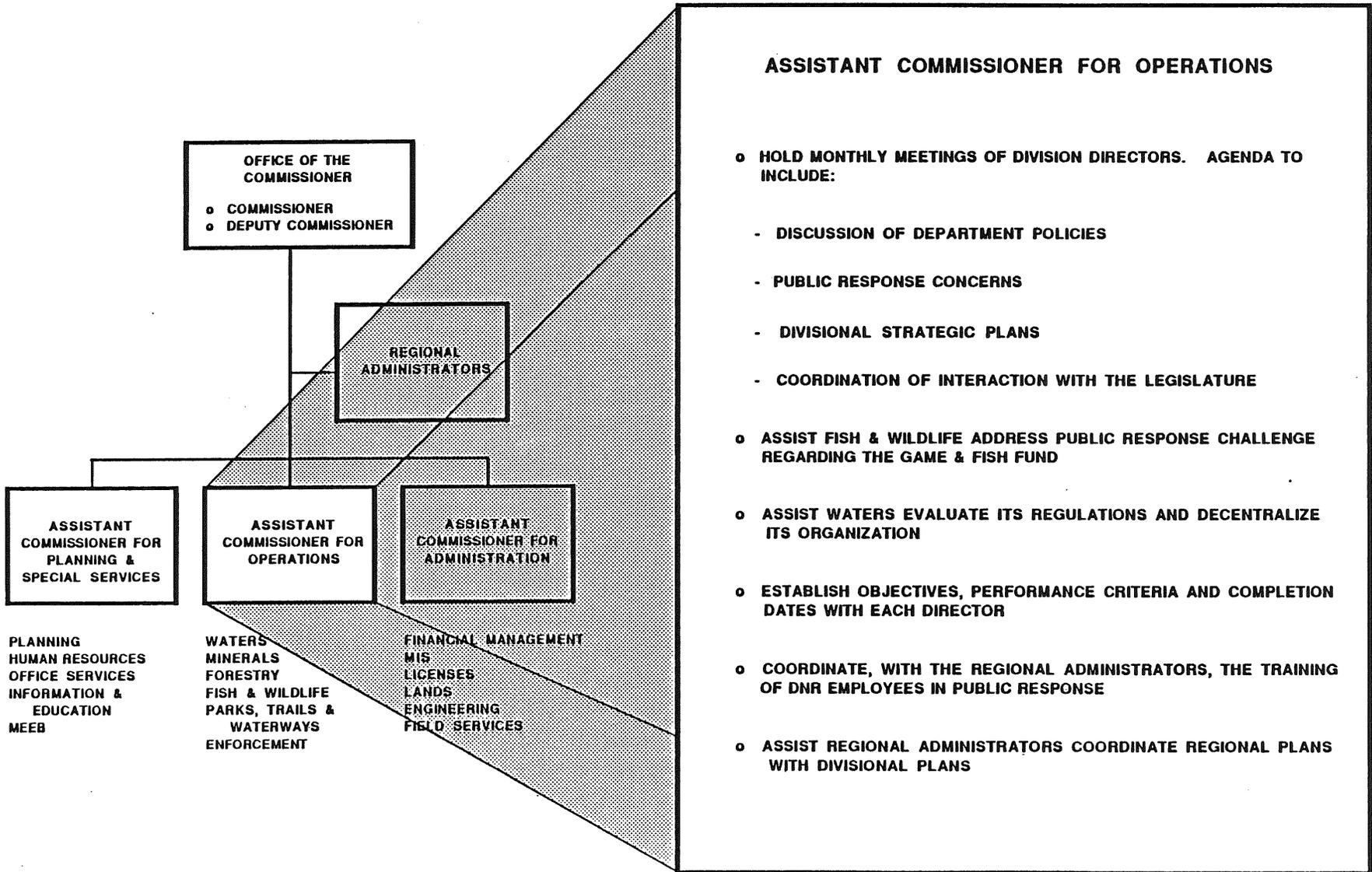
MANAGEMENT OBJECTIVES

- 32 -

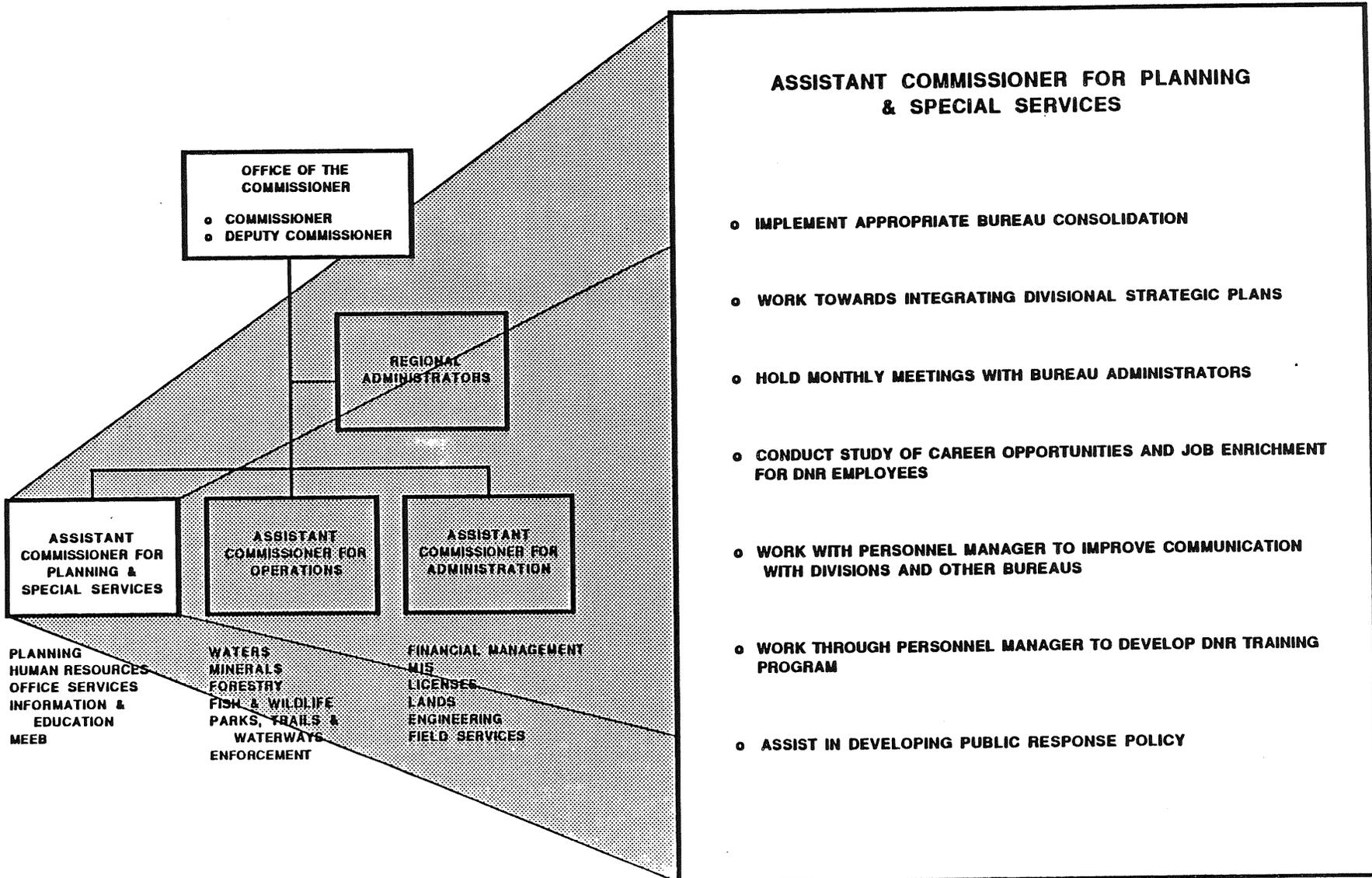


MANAGEMENT OBJECTIVES

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MANAGEMENT OBJECTIVES



DIVISIONAL RECOMMENDATIONS

As explained above, many of the study's findings are not necessarily solved by reorganization. The recommended organizational structure previously discussed focuses needed management attention on persistent Department problems. Operations, personnel and policy issues, however, are best addressed on an individual Division and Bureau basis.

This section of the study contains specific recommendations for the six divisions, Trails & Waterways and the Lands and Field Services Bureaus.

MINERALS DIVISION

Responsibilities

The Division of Minerals carries out regulatory, research and promotional activities through the following programs:

- leasing of minerals and peat on state lands,
- regulation of mineland reclamation for minerals and peat,
- registration of explorers prospecting for oil, natural gas and metallic minerals outside of the Biwabik iron formation,
- management and inventory of state-owned peatlands,
- valuation of mineral potential, and
- evaluation of optional uses of other state resources such as fuel peat, clay, sand, gravel and building stone.

The Division is divided into five functional groups.

- Reclamation: This group is involved in issuing engineering permits and assessing the environmental impact associated with mining operations and mine abandonments.
- Mineral Potential: This group's activities center around applied research and exploration to support the promotional effort for mineral opportunities in the state.

- Mineral Leasing, Mining Operations and Field Service: This group handles all lease sales and associated administration.
- Peat Management and Environmental Services: This group is primarily involved in horticultural peat efforts, peat inventory, protection of ecologically significant peat lands and peatland leasing. The Environmental Services section of the group is also involved in helping companies through the regulatory process involved with minerals.
- Mineral and Peat Incentives: This small group is involved in promoting optional uses of the State's minerals to private industry.

Staffing

Approximately 55% of the Division's 74 full-time people are located in Hibbing, Minnesota, which is essentially the only field location for the Division. Of the five Division managers (each one assigned to one of the groups described above), three are located in Hibbing (Reclamation, Mineral Potential and Leasing and Operations). The others are located in the central office along with the director and assistant director of the Division. All five groups within the Division have staff located in St. Paul. There appears to be extensive travel between Hibbing and St. Paul among managers and staff alike.

The Division of Minerals has experienced swings in their part-time working staff. The present level is approximately 20, down from 42 in the middle of 1984.

Recommendations

Aided by a relatively centralized organization, well established leadership, and a simplicity of mission, the Minerals Division is well organized to accomplish its objectives. With the exception of some concerns discussed below, the clientele of the Division are very satisfied with the level of service delivery. The Minerals staff have been effective in their strong individual efforts to communicate with industry, local government and the public in true two-way dialogue.

Minerals is able to affect coordinated service delivery despite the lack of a rigorous planning system. They can be successful at this due to the strong interpersonal skills of the Division Director. In light of the fact that the director will soon retire, it is advisable to formalize this planning and communication process. A fully developed planning system with Division objectives tied to individual workplans is recommended. This planning process needs to incorporate outside involvement, particularly in the area of research.

Currently, the Minerals Coordinating Committee exists and is represented by the DNR, the Natural Resources Research Institute, the Mineral Resources Research Center and the Minnesota Geological Survey. The Committee could improve its overall coordination of the technical approaches to mineral development by taking a longer-term, more comprehensive view of the issues facing expanded mineral development. The Minerals Coordinating Committee should take the lead in drawing clearer lines of responsibilities among its members. The Minerals Division should actively pursue this definition of responsibilities to reduce potential for conflict with other Committee members in its research activities.

A concern of mining companies is the complicated permitting process associated with mineral leases. The clientele of the Division partly blame the DNR for contributing to these delays. However, much of the delay appears to be the result of necessary environmental reviews and statutory requirements. Continued efforts towards streamlining the process or walking lessee's through the process will be well received by clientele.

Finally, the Department should carefully review the number of positions with various "peat development" responsibilities. Opportunities for peat development appears to be relatively limited for the foreseeable future. The Division should reallocate the resources expended in this area into more generalized industrial mineral development.

FORESTRY DIVISION

Responsibilities

This Division manages and protects the state's multiple-use forest resources while providing improved wildlife habitat, forest recreation opportunities, increased yields of wood and conservation of state land under its jurisdiction. Among the Division's multitude of programs are the following:

- forest fire protection on 22.8 million acres,
- insect and disease protection on 16 million acres,
- management of 4.6 million acres of state forests,
- management assistance to non-industrial private forest land owners,
- assistance to wood users to improve harvesting and utilization of timber,
- administering timber sales on state-owned land, and
- providing several types of recreational opportunities on state-owned forestry land.

Organization and Functions

The Division of Forestry is organized around 21 programs. There are four groups, each with its own manager (Assistant to the Director), administering the programs. The groups and programs are outlined below.

- Resource Management
 - Land Administration
 - Forest Recreation Management
 - State Forest Roads
 - Timber Management
 - Timber Sales
 - Fish & Wildlife
 - Nursery and Tree Improvement
 - Private and Urban Forest Management
 - County Assistance
 - Forest Pest Management
 - Soils
- Resource Protection
 - Fire Management
- Resource Information and Planning
 - Forest Resource Assessment and Analysis
 - Utilization and Marketing
 - Economics and Statistics
 - Forest Management Information Systems
 - Forest Resource Policy, Planning and Environmental Review
 - Public Affairs
- Administration
 - Maintenance and Administration
 - Personnel Development
 - Law Enforcement

Staffing

Each program is allocated specific budget dollars and personnel. Based on the proposed FY 1987 budget, the total full-time equivalents requested for the Division is 445 with approximately 400 of those being field positions. The actual number of full-time field employees represented by that number is probably closer to 325 with the balance made up by a sizeable part-time staff.

Recommendations

The Forestry Division has been very successful in facing the challenge associated with their complex mission and demanding clientele. The Division's "keys to success" appear to be a combination of the following:

- strong, integrated planning program,
- strategic use of available funds,
- highly visible, highly involved leadership with excellent client relationships, and
- extensive use of staff and regional meetings to coordinate activities.

Interviews with the Division's clientele revealed no serious service delivery problems. There were criticisms of what appears to be an arbitrary statutory limit on the size of

timber sales and on the closure of some forest stations, but the Division on the whole received high marks from its clientele.

Based on our assessment, there are four key areas of concern upon which Division management should continue to focus.

- Complete and maintain the Forest Resource Assessment and Analysis (inventory) and the supporting data processing systems.
- Evaluate the economics of contracting for labor services in the Division's nursery operations.
- Accelerate completion of area and regional plans to better integrate Minnesota Forest Resource Planning efforts.
- Coordinate the Forest Recreation Management program activities with Department-wide recreation planning efforts. (The topic of recreation planning in a merged Parks, Trails & Waterways Division is discussed in the Organizational Recommendations Section of this report. The Forestry Division will continue to have program responsibilities in this area, but it will be important to coordinate these efforts with the Department-wide planning efforts.)

FISH & WILDLIFE DIVISION

The Division of Fish & Wildlife manages all programs concerning fish and wildlife. The Division is involved in land acquisition and exchanges for the purpose of developing Wildlife Management Areas. The Division is divided into three sections: Ecological Services, Fisheries, and Wildlife. Each is headed by a Section Chief who reports to the Division Director. The three groups are discussed individually below.

ECOLOGICAL SERVICES

Responsibilities

This section supports the Division in serving as an environmental review unit and by providing support of the Division's regulatory activities. Its responsibilities include:

- evaluating wildlife resources in areas under development,
 - Dams
 - Tailing Basins
 - Channels
- sounding and mapping lakes,
- monitoring water quality in representative fish lakes,
- conducting biological surveys on major rivers in the state,
- coordinating aquatic nuisance control program,

- providing laboratory services to other Department units,
- enforcing of aquatic pesticide control, and
- investigating major toxic spills.

Staffing

Ecological Services is staffed with twenty seven individuals, all administratively assigned to the central office.

FISHERIES

Responsibilities

This section manages the state's 6,000 fishable lakes covering some 3.8 million acres of fishable waters. Among the projects that the section is involved with are:

- improvement of game fish habitat,
- raising and distributing about 190 million fish per year,
- rough fish control,
- lake rehabilitation,
- fish survey programs,
- fisheries research program, and
- regulation and licensing of anglers and commercial fishing.

In addition, Area Fisheries will usually get involved with issuing permits for rough fish control, aquatic nuisance control, transporting and stocking fish, and the operation of lake aeration systems.

Organization and Functions

The Fisheries Section is basically divided into three groups.

- Operations: A manager and supervisor in St. Paul and five regional supervisors supervise the regional staff and the coldwater hatcheries. The manager and supervisor in St. Paul also supervise distribution for lake stocking based on the needs and output of each region.

- Research: This group does sampling design for the creel studies and does special studies on stream improvement, development of new species and strains of fish, and interactions between different fish species.

- Resource Management: This group is responsible for administering the Dingell-Johnson fund, habitat acquisition, the commercial fisheries program and developing fishing regulations.

Staffing

The field force of the Fisheries section has approximately 191 full-time individuals working out of 26 area offices in six regions.

Each of these field units is involved in the responsibilities outlined above. In addition, these area offices include the following facilities:

- 28 walleye spawning stations,
- 4 muskellunge spawning stations,
- 10 sucker spawning stations,
- 14 walleye hatcheries,
- 5 trout hatching and rearing stations,
- 200 walleye rearing ponds,
- 113 controlled northern pike spawning areas, and
- 18 muskellunge rearing ponds.

The central office staff of seventeen full-time people is distributed across Research, Operations, and Resource Management. Each regional fisheries supervisor reports to the Manager of Operations. There are about 10 field biologists who report directly to the Manager of Research. The Resource Management group does not have a field force.

Recommendations

The findings and recommendations outlined below are specific to the Fisheries Section. Following the discussion on Wildlife are additional recommendations regarding management and use of the Game and Fish fund.

Most of the fisheries clientele support the fisheries program and believe the Section has been successful in expanding fishing opportunities in the State. However, several of the sportsfishing groups that work closely with the Section have indicated that fish production operations are often inefficient due to inadequate facilities and poor operational planning. In recent years, the fisheries section has expanded its facilities for fish production. The Section needs to develop a comprehensive fish production plan that includes repairs of existing facilities, where appropriate, as well as challenges the need for new facilities. In addition, the Section needs to develop control and evaluation procedures to monitor production.

The Legislative Auditor's report on Fish Management, completed in February of 1986, provides an excellent framework for internal control and evaluation procedures. The Fisheries section should develop a similar review process for self-evaluation and take corrective actions when necessary. It is important that this Section take a proactive role in its development towards a more responsive organization.

Additional recommendations for the Fisheries Section are outlined below.

- Complete reallocation of personnel in accordance with Legislative Auditor's recommendations.

This process is well underway but implementation should be accelerated, if possible. As this process is completed, the Section should step up its lake management activities in those strategic areas that have been understaffed.

- Provide a project and management process for insuring the timely and efficient implementation of Dingell-Johnson projects and fish intensification projects.
- Increase public information and education efforts. The Section must find a way to communicate with seasonal residents of lake areas. We found that a number of lakeshore owners were concerned about the declining quality of fishing. At the same time, their lake association was holding an appreciation dinner for Fisheries personnel. The difference, it seems, is that seasonal residents do not receive the same level of communication from the DNR as year-round resident do.

WILDLIFE

Responsibilities

This section carries out research and management activities affecting all State wildlife species. The Section's programs include:

- promotion of wildlife habitat through land acquisition, private lands assistance, federal farm programs and other similar programs,
- acquisition and development of Wildlife Management Areas,
- recommendations of hunting and wildlife related regulations, census, survey, and research programs,
- promotion of biological diversity through programs such as:
 - Natural Heritage Program
 - Nongame Wildlife Program
 - Scientific and Natural Areas Program

Organization and Functions

The Wildlife Section is divided into three groups.

- Inventory and Research: This group is responsible for developing procedures and performing statistical analysis or census work. In addition, this group manages

the three programs listed above and performs special research studies.

- Field Operations: This group includes the majority of the field operations. The St. Paul staff consists of a manager, supervisor, and a specialist. In addition to supervising field activities, this group coordinates major capital improvement projects, administers the RIM program and the Pittman-Robertson fund, and handles land acquisition for the Division.
- Resource Protection: This group is responsible for program development, private lands coordination and waterfowl habitat improvement.

Staffing

Approximately 31 full-time people in this section are assigned to the central office. The balance of the full-time employees, about 92, are located in the regions. Each Regional Wildlife Supervisor reports to the Manager of Field Operations in St. Paul. In addition to a small staff, each regional supervisor has Area Wildlife Managers reporting to him. There are 41 wildlife area offices in the state.

Recommendations

Our major concern in the Wildlife Section is the apparent lack of prioritization of the multitude of projects sportsmen's groups and field staff believe are necessary. Most of the sportsmen's groups in the state strongly support the Section's programs. However, they also direct many of their resources toward projects and programs that the Wildlife Section does not have the staff or budget to maintain. As a result, field staff frequently have more projects than they can handle and some projects suffer.

The proliferation of new projects and programs without clear priorities has also led to problems in dealing with the public. For example, in recent years, the Section of Wildlife has actively purchased new lands, although it frequently has not had the resources to effectively manage the land it already owns. This policy causes resentment among the farming community, thus laying the groundwork for "doom loop" controversies. While protection of dwindling wildlife habitat is necessary, more emphasis should be placed on development and management of existing wildlife lands.

A goal for this Section should be to increase top management direction of the Area Wildlife Managers. During our internal assessment in the field, we found that a major thrust towards project proliferation is caused by area managers

pursuing their own personal resource interests, sometimes at the urging of local sportsmen's organizations. Overall, better coordination of Wildlife activities is required, particularly in light of the projected shortfall in the Game and Fish Fund.

Another important goal of the Wildlife Section should be the revision of policies concerning bears and beavers. These animals are becoming "nuisances" with ever increasing problems.

GAME AND FISH FUND

Based upon current license fees and expenditure levels, the Game and Fish fund is facing a projected shortfall of over \$5,000,000 by the end of fiscal year 1989. The DNR is planning to seek license fee increases and several changes in fund sources to offset this deficit.

Based upon our discussions with sporting groups, we believe the DNR has significant public response problems in this area. While these groups are generally supportive of the DNR, they are not satisfied with the information they have received from the DNR.

To satisfy these groups, we believe the DNR will have to answer the following questions:

- How are the current funds being used?
 - Concerns over the amount of funds used by Administration, Enforcement and License Bureau are common among the groups
 - Many people questioned the use of current funds. The DNR must be prepared to justify:
 - .. Research activities
 - .. Continued land acquisition
 - .. The number of hatcheries operated
 - .. Continued expansion of lakes being added to Lake Survey and Management program

- Why is the Fund in trouble?
 - "Packaging" of financial trend analysis will be important to the presentation of the information

- How will additional funds be utilized?
 - What will be the maintenance and development cost of existing land? New land?
 - What are the future capital requirements to upgrade fisheries?

This public response situation must be addressed immediately. Presenting a well coordinated and insightful public response is critical to the success of Fish & Wildlife programs.

TRAILS & WATERWAYS

Responsibilities

Trails & Waterways is a special unit that was formed in the late 1970's in response to the growing demand for outdoor recreation programs. The unit's responsibilities include:

- management of over 2,600 miles of state trails,
- over 1,200 water access sites and 19 designated canoe and boating routes which offer over 2,800 miles of river for recreation,
- over 6,500 miles of snowmobile and 500 miles of ski touring trails, and
- publishing access maps and maps listing hiking, ski touring and snowmobile trails.

The unit also administers a large grant-in aid program for snowmobile and cross country ski trail development and maintenance. Recently, responsibility for developing opportunities for the use of all terrain vehicles (ATV's) has been added by the Legislature.

Organization and Functions

The Trails & Waterways unit is organized into two groups:

- **Water Access and River Recreation:** This group administers the Public Water Access Program whose goal is providing free access to Minnesota's lakes and rivers as well as providing fishing piers, water waysides, recreational facilities along canoe and boating routes and river and public access mapping. This groups also handles land acquisition for the unit.
- **Trail Programs:** This group administers statewide trail planning and the interpretive program planning. There are public relations and trail mapping activities run out of this group as well.

Staffing

The unit has between 20 and 30 part-time employees and approximately 65 full-time employees. About 30% of the staff is located in the central office.

The Trails & Waterways Regional Supervisors report to the Regional Administrator, not to the central office.

Recommendations

The Trails & Waterways unit has been a successful development unit but needs to evolve into a maintenance unit. The ongoing maintenance costs for those accesses already developed (1,200) or yet to be developed (200-250) have not been determined. Although the unit is involved in issues that generate negative public criticism in its efforts to acquire public access to lakes and rivers, these complaints are somewhat unavoidable.

Based on our observations, we recommend the following action steps specific to the Trails & Waterways organization. Additional comments addressing the proposed merger of this unit with Parks are discussed in the Organizational Recommendations section.

- Trails & Waterways Regional Supervisors should report to their function, not to the Regional Administrator.
- Trails & Waterways should estimate the ongoing maintenance costs for each existing facility. As new development is considered, the ongoing costs of maintenance should be estimated.
- The unit should continue to explore and define the Department's role in providing opportunities for ATV use.

PARKS AND RECREATION

Responsibilities

The Division of Parks and Recreation develops and manages a system of 64 state parks and 10 waysides within the state. These facilities include:

- 66 campgrounds,
- 31 swimming beaches,
- 31 naturalist programs, and
- over 1,000 miles of recreational trails.

Organization and Functions

The Division is divided into two sections, Park Systems and Services.

- Park Systems: Within this section are two groups: Field Operations and Development and Resource Management. Field Operations is staffed with one manager whose main function is to establish statewide policies for park operations and handle personnel and labor relations. The Development and Resource Management group interfaces with the engineering bureau on capital projects and coordinates construction efforts in the Division's facilities.

- Services: This section is staffed with 12 individuals in the central office and handles the financial planning, MIS, land acquisition and marketing services for the Division.

Staffing

This Division uses a sizeable seasonal and part-time working staff. The central office is relatively small with 17 full-time people and three part-time people. The Division relies on Regional Managers to perform many administrative functions as well as supervise Park Managers. The regions maintain a minimal staff. The majority of the approximately 130-140 full-time people in the field work in specific parks. Part-time staffing levels reach as high as 500 during the summer months.

Recommendations

There were no performance problems in Parks and Recreation identified through clientele interviews. The Division is increasingly emphasizing the importance of using marketing techniques to promote their services as they compete for their clients' recreational dollars.

The main concern identified during our study in the Division of Parks and Recreation is the lack of an integrated planning effort. Among the supporting points that were identified during our internal assessment were the following:

- Individual park development plans were developed in response to the Outdoor Recreation Act (ORA) of 1975. These plans do not include the expected cost of the additional maintenance needs caused by the development.
- The development costs identified in the ORA plans are not accumulated on a statewide basis to show the total development cost per year.
- The ORA plans were developed over a ten year period. Plans developed early in the process have not been maintained and are, in some cases, out of date.
- The Bureau of Planning produces the Statewide Comprehensive Outdoor Recreation Plan (SCORP), but its use for statewide parks planning is limited to identifying the need for major shifts in emphasis, such as the demand for more recreational opportunities near the metropolitan area and more bicycle trails.

- The only statewide parks planning that we could find is the development of the Parks Division budget request. This bottom-up process begins at the Park Manager level and works up through the Regional Managers.
- State parks vary significantly in terms of the State's cost per visitor, ranging from nearly \$7.00 per visitor to approximately \$0.05 per visitor. The average cost per visitor is \$0.87.

We recommend that Parks and Recreation develop a statewide plan for Parks. This plan should be prepared in a top-down manner to more strategically allocate resources. In conducting this planning effort, we recommend that the Division modify its criteria for selecting state parks for possible budget reduction closings or to redistribute resources to meet the public's demands.

The current process ranks each park, lowest to highest, in three areas: budget, income and attendance. These three rankings are combined and each park is then ranked, lowest to highest, by its combined score. This process will select for closure a park with low budget and low attendance before a park with low attendance and a high budget.

In addition to the problem noted above, the current process does not consider other, perhaps more, important criteria:

- the history, geography, flora and fauna associated with each park,
- the geographical distribution of park customers - local, statewide, out-of-state,
- economic impact the park has on the local community, and
- the State's net cost per visitor (expenditures less income).

Since attendance and usage figures are so important in evaluating the relative efficiency and effectiveness of state parks, better internal controls over these figures need to be established. Currently, Park Managers are responsible for reporting attendance levels. A new, more objective method of obtaining and verifying attendance must be developed.

Current park staffing levels should also be evaluated. This evaluation should include a review to determine if each park needs a resident manager and if management of parks by seasonal managers could be consolidated.

ENFORCEMENT

Responsibilities

This Division enforces all natural resource laws in the state. Among their responsibilities and duties are the following:

- regulation of hunting, fishing and trapping activities,
- wild rice administration,
- assistance in development and maintenance of public accesses,
- enforcement of boat and water laws,
- disposal of deer killed by motor vehicles and control of nuisance beavers,

- According to DNR records, the Division spent 16,658 hours disposing of road killed deer in 1986 and 12,821.5 hours dealing with nuisance beaver problems, for a total of over 13 person-years.

- coordination of the TIP (Turn in Poachers) program,
- firearm and snowmobile safety training,
- special field investigations, and
- enforcement of laws relating to protected waters, land and timber trespass and forest fire arson.

OFFICE OF PLANNING

ADMINISTRATION

1 Manager
1 Professional
4 Clerical

ENVIRONMENTAL & MANAGEMENT ANALYSIS

1 Supervisor
2 Environmental Review Planners
1 Policy Planner
1 Management Analyst
1 Special Issues Coordinator

NATURAL RESOURCES PLANNING

1 Supervisor
1 Land Resource Planner
1 Resource Economist
2 Research Planners
2 River Planners

NATURAL RESOURCES DATA SYSTEMS

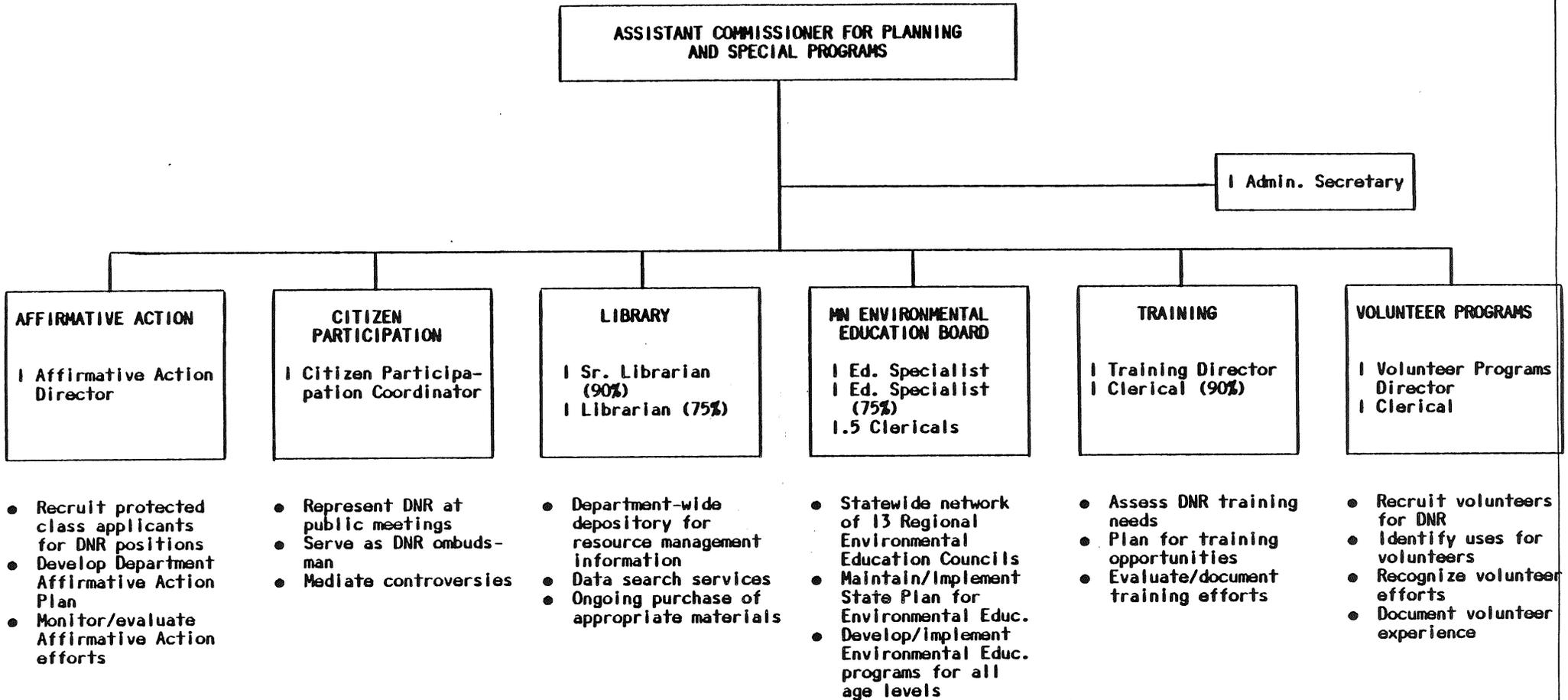
1 Supervisor
2 Research Analysts
1 Grant Analyst
1 SCORP Planner
1 SCORP Information Technician

- Federal/Minnesota EIS Program
- PERT Coordination & Staff
- Major Resource Issues Analysis, i.e.,
 - Nuclear & Hazardous Waste
 - Acid Rain Rules Hearing Coordination
- Policy/Procedure Development, i.e.,
 - Pesticide Policy
 - Forestry/Wildlife Coordination
- Governor's Action Plan
- Management Studies
- Special Projects

- LCMR Programs
- Land Classification
- River Planning
- Land Use Planning/Policy
- Local Water Planning Liaison
- Mississippi Headwaters Board
- Economic Analysis/Resources Issues
- Special Studies
- Tourism Liaison
- LCMR Liaison
- Resource 2000

- State Comprehensive Outdoor Recreation Plan (SCORP)
- SCORP Database
- Federal Aid (LAWCON) Administration
- Technical Assistance on Natural Resource Issues & Databases
 - Land Ownership & Use
 - Demographics
 - Recreation
- Custom Research Services
 - Water Surface Use
 - Recreation Surveys & Studies
 - Creel Census/Wildlife Use & Economic Impact Studies
- Commission on Minnesotans Outdoors

SPECIAL PROGRAMS*



* All St. Paul, except MEEB also has three part-time Ed. Specialists and three part-time clerical positions assigned to the field.

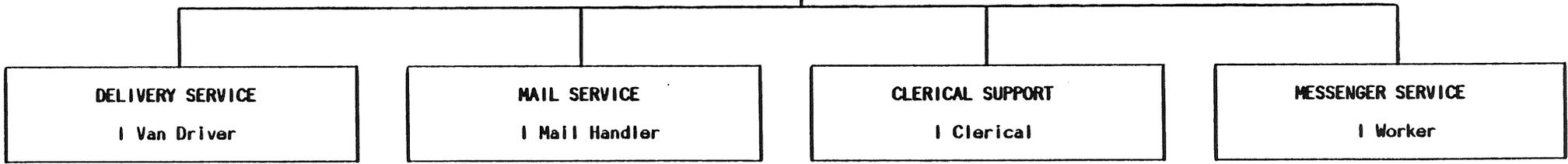
BUREAU OF RECORDS & OFFICE SERVICES

ADMINISTRATION
Office Services Supervisor III

- Agency Telecommunications Coordinator
- Agency Records Management
- DNR Building Policy & Procedure Coordinator
- Copy Machines

UNIT SUPERVISOR
Office Services Supervisor II

- Agency Forms Management
- Central Office Motor Pool Coordinator
- Mailroom Supervisor



DELIVERY SERVICE

I Van Driver

- Mail pickup & delivery
- Treasury deposit service
- Receive stock, permits, licenses from vendors
- DNR forms inventory

MAIL SERVICE

I Mail Handler

- Central Office mail services

CLERICAL SUPPORT

I Clerical

- Liaison between DNR & Central Motor Pool
- Liaison between DNR & copy machine vendor

MESSENGER SERVICE

I Worker

- Messenger service between DNR & other state agencies within Capitol complex
- Pickup & delivery service within Central office for miscellaneous items

BUREAU OF PERSONNEL

ADMINISTRATION

1 Personnel Director

OFFICE ADMINISTRATION

+ 1 Personnel Officer,
Supervisor
2 Clerical

PERSONNEL/PAYROLL

+ 1 Personnel Officer,
Supervisor
1 Payroll Clerk
+ 2 Personnel Aides

BENEFITS ADMINISTRATION

+ 1 Personnel Officer
Supervisor
+ 2 Personnel Aides

SELECTION & MAINTENANCE OF
WORKFORCE

1 Asst. Personnel Dir.
+ 1 Personnel Officer
Supervisor
1 Personnel Officer
2 PT Personnel Officers
1 Personnel Aide

LABOR RELATIONS

1 Labor Relations Dir.

- Filing
- Record keeping
- Reports
- Typing

- Payroll warrants
- Personnel transactions
- Cost coding

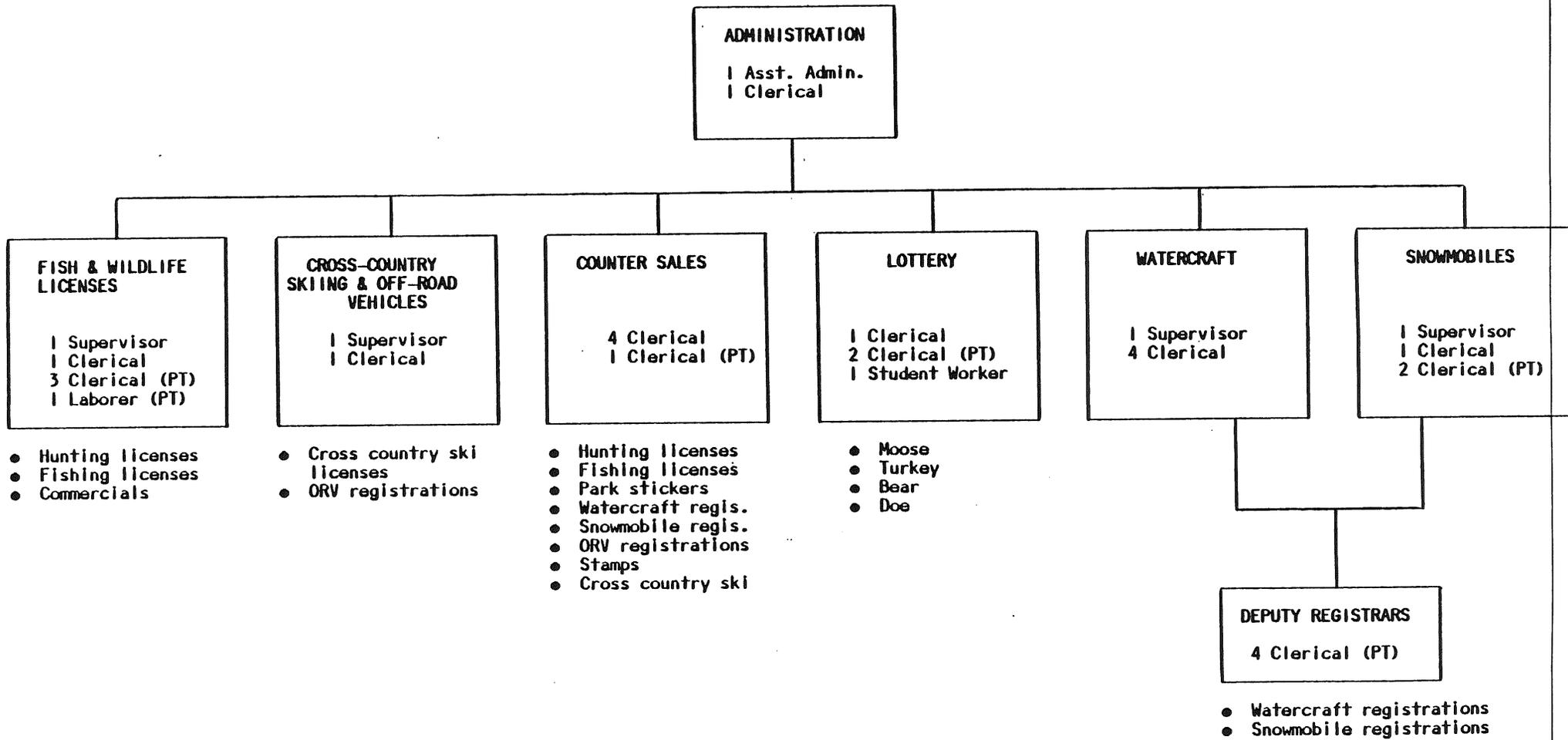
- Insurance
- Workers' compensation
- Unemployment compensation
- Retirement

- Human resource planning
- Recruitment
- Examination
- Classification
- Compensation
- Performance appraisal
- New employee orientation
- Career services

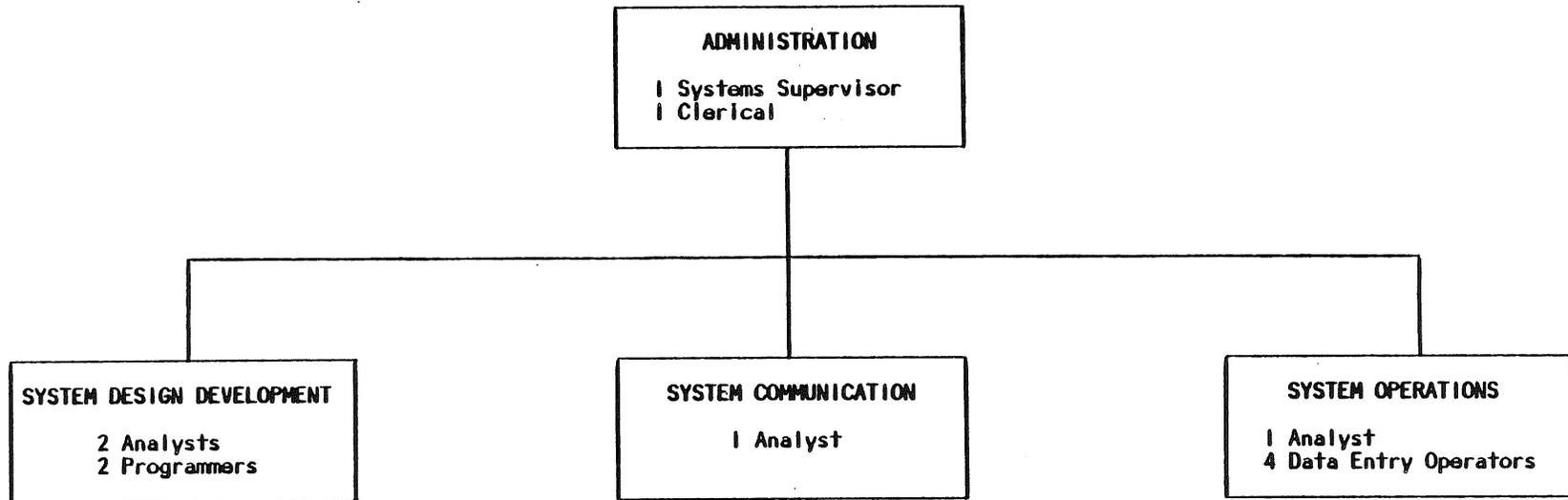
- Unit determination
- Negotiations
- Contract administration
- Grievance handling

+ These positions have significant responsibility in more than one major bureau function and so are listed more than once under the appropriate function.
Total complement equivalent equals 12.35 full-time positions.

DNR LICENSE BUREAU



BUREAU OF MANAGEMENT SYSTEMS



- Design computer systems
- Design program specifications
- System performance evaluation
- Programming standards
- Computer equipment management
- Design, code, test & implement computer programs
- Secure & coordinate computer consultants
- Department computer system coordination
- MIS tech. committee staff support
- Computer system planning

- Install & monitor telecommunications equipment
- Cable & connect computer equipment
- Computer software assistance
- Conduct telecommunications training
- Repair, modify & upgrade computer equipment

- Input computer data
- Configure computer equipment
- Computer (System 38) operations
- Operate Thermo. bonding machine
- Operate bursting machine
- Maintain computer forms & supply
- Inventories
- Training (word processing, P.C., etc.)

BUREAU OF INFORMATION & EDUCATION

ADMINISTRATION
 1 Manager
 1 Office Manager

INFORMATION CENTER
 4 Clerical (2 are 90%)

- Department-wide response to mail and telephone information requests

PUBLICATIONS
 St. Paul 1 Info Officer
 2 Clericals
 1 Info Officer (50%)

- Volunteer Magazine (circulation 100,000)

AUDIO VISUAL
 St. Paul 1 Info Officer
 2 Photographers
 1 A-V Aide
 1 Clerical

- Photo lab work
- Videotaping
- Film production
- Film editing
- Still, video & film photography
- Film & slide library
- PSA production

BOAT/WATER SAFETY
 St. Paul 2 Info Officers
 2 Clericals

- Boating law administration
- Public information, exhibits
- Boating statistics
- County grants

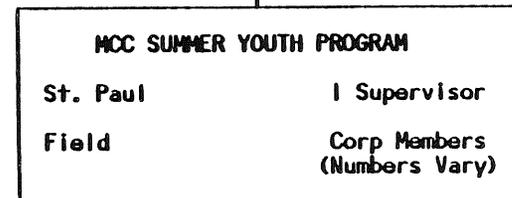
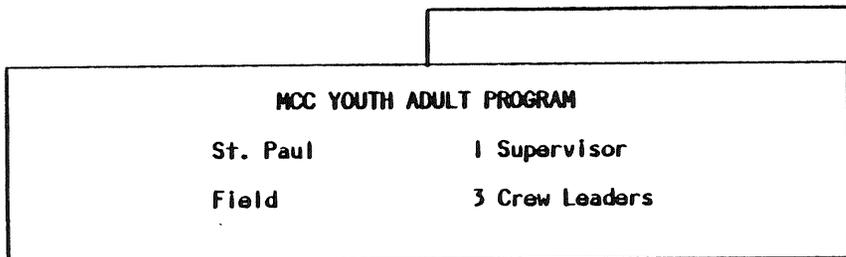
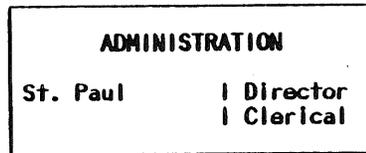
NEWS/INFORMATION
 St. Paul 3 Info Officers
 1 Graphic Arts Specialist

- DNR news releases
- Resource Review (employee news)
- State fair
- Radio tapes
- Special events
 - News conferences
 - Openers
- Brochure pamphlet production and preparation

HUNTER EDUCATION
 St. Paul 1 Education Spec.
 2 Info Officers
 1 Clerical
 Field 2 Info Officers (50%)

- Clinics/classes
- Written information

BUREAU OF YOUTH PROGRAMS



Region 1 & 2	Region 3 & 6	Region 4 & 5
2 Roving Crews 3 Mini Crews ● Park Rapids ● Heartland Trail ● Thief Lake WMA 5 Individual Placements	4 Mini Crews ● Brainerd, Wildlife ● Carlos Avery WMA ● Moose Lake Forestry 6 Individual Placements	1 Roving Crew 4 Mini Crews ● Madella Wildlife ● Whitewater WMA ● Lewiston Forestry ● Root River Trail 5 Individual Placements

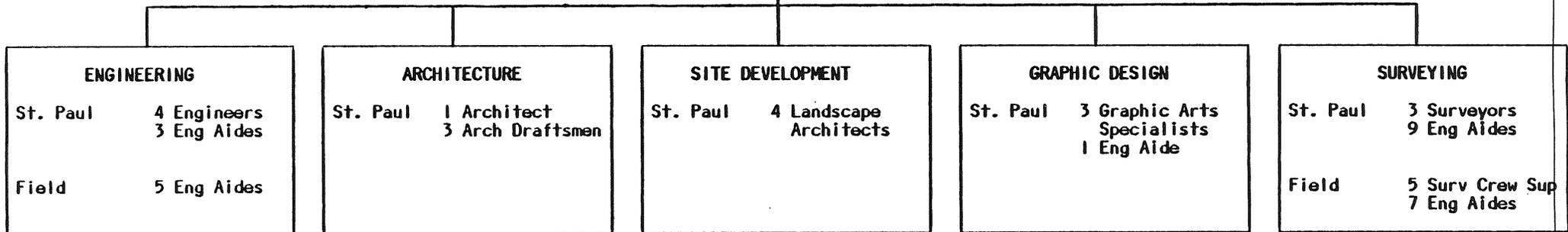
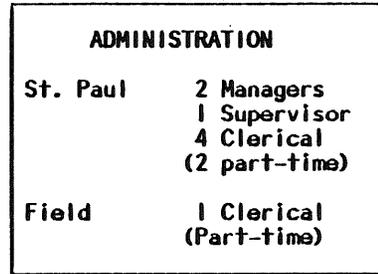
- 2 Residential Camps
- Tettegouche
 - St. Croix

- 6 Non-Residential Crews
- Flandreau
 - Fort Snelling
 - Buffalo River
 - Afton
 - Wm. O'Brien
 - Minnesota Valley

- Solicit, review & select projects from all disciplines
- Recruit, interview & hire MCC crew members
- Perform projects for disciplines, i.e.;
 - Trail development & maintenance
 - Log shelter construction
 - Campground development
 - Timber stand improvement
 - Prescribed burns
 - Fire fighting

- Solicits outside funding (approx. 50% of summer budget comes from outside sources)
- Identifies camp location (with Parks)
- Recruits, interviews & hires 20-30 summer staff

BUREAU OF ENGINEERING



- Professional Design and Construction of:**
- Forestry Roads
 - Park Roads
 - Bicycle Trails
 - Fish Barriers
 - Water Control Structures
 - Dams
 - Spillways
 - Building Structures
 - Water Supply Systems
 - Wells
 - Wastewater Pumping Stations
 - Wastewater Treatment Systems
 - Septic Tanks & Absorption Fields
 - Electrical Systems
 - Fish Hatchery Facilities
 - Fishing Piers
 - Boat Ramps
 - Pedestrian Bridges
 - Vehicular Bridges
 - Project Feasibility Studies
 - Technical Recommendations & Assistance

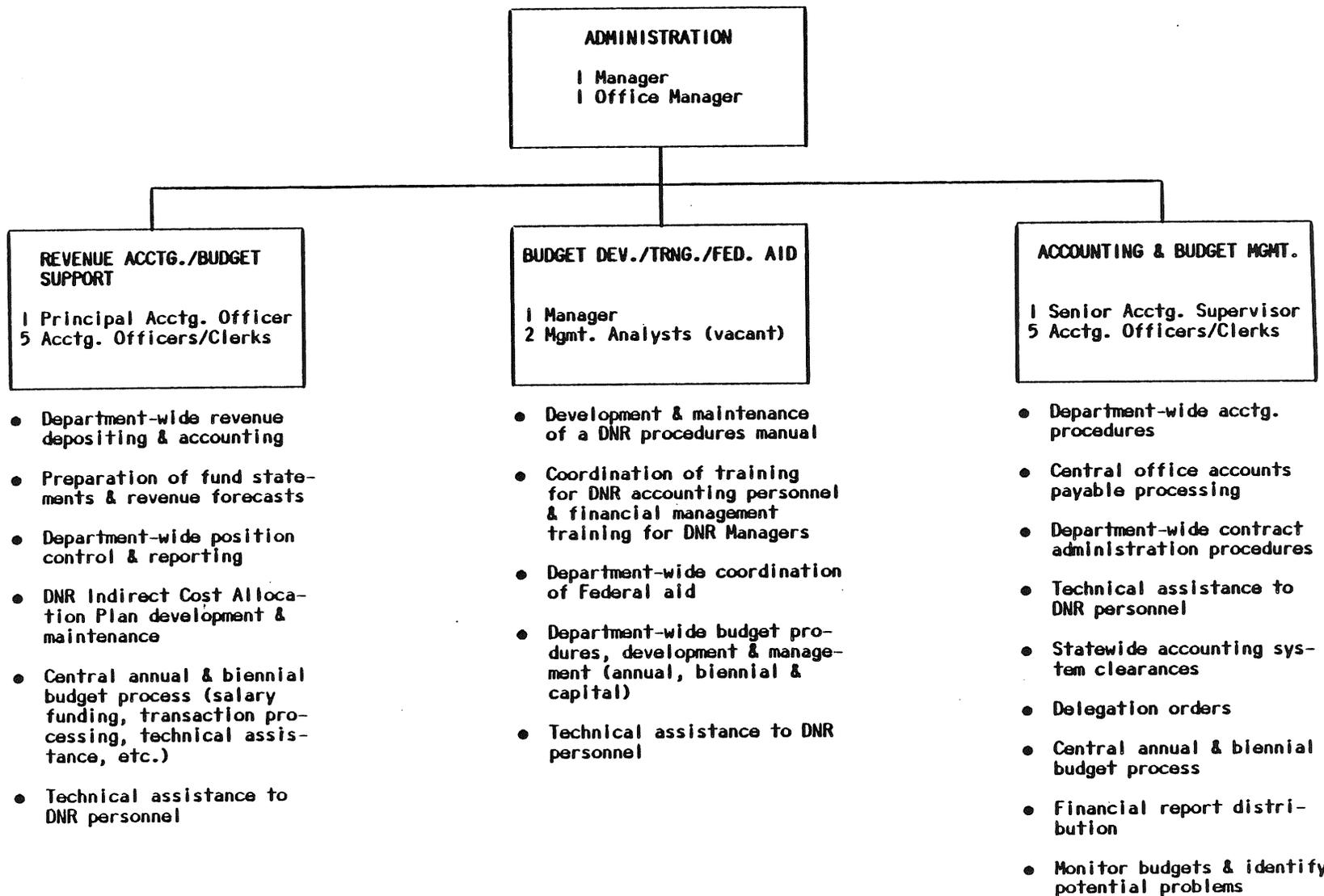
- Professional Design and Construction of:**
- Trail Centers
 - Contact Stations
 - Shops
 - Office Facilities
 - Fish Hatcheries
 - Heating & Plumbing Systems
 - Building Remodeling & Additions
 - Interpretive Centers
 - Picnic Shelters
 - Sanitation Buildings
 - Group Camp Facilities
 - Storage Buildings
 - Project Feasibility Studies
 - Technical Recommendations & Assistance

- Professional Design and Construction of:**
- Water Accesses
 - Canoe Landings
 - Trails/Walks
 - Erosion Control
 - Trailer Sanitation Station
 - Entrance Portals
 - Facility Signage
 - Scenic Overlooks
 - Fishing Piers
 - Docks
 - Facility Sites
 - Landscape Projects
 - Fences/Gates
 - Boat Ramps
 - Picnic Areas
 - Parking Lots
 - Park & Campground Roads
 - Project Feasibility Studies
 - Technical Recommendations & Assistance

- Professional Design and Construction of:**
- Handout Maps
 - Brochures & Manuals
 - Signage Program
 - Interpretive Displays
 - Misc. Art & Design Services
 - Printing Liaison
 - State Fair Presentation
 - Graphics
 - Legislative Presentations
 - Illustrations
 - Posters

- Boundary Surveys**
- Land Acquisition
 - Land Exchange
 - Land Management
 - Ownership Maps
 - Land Descriptions
 - Technical Assistance
- Development Surveys**
- Topography Maps
 - Construction Staking

FINANCIAL MANAGEMENT BUREAU



BUREAU OF FIELD SERVICES

ADMINISTRATION

- | Manager
- | Clerical
- | Professional

**SOUTHERN SERVICE CENTER
(ST. PAUL)**

- | Service Center Supr.
- | Clerical
- 4 Mechanics
- 4 Procurement & Supply Staff
- 5 Maintenance Workers

**INVENTORY/SURPLUS PROPERTY
MANAGEMENT**

- | Supervisor
- 3 Clerical

EMPLOYEE HEALTH & SAFETY

- | Safety Administrator
- | Clerical (90%)

FEDERAL EXCESS ACQUISITION

- | Supervisor

**NORTHERN SERVICE CENTER
(GRAND RAPIDS)**

- | Service Center Supr.
- 2 Clerical
- 7 Mechanics
- 1 Welder
- 4 Procurement & Supply Staff
- 1 Equipment Operator
- 2 Carpenters
- 4 Maintenance Workers

- Procurement
- Supply Warehouse
- Equipment Repair & Maintenance
- Fire Cache Management

- Inventory Management
- Surplus Prop. Acq./Mgmt.
- Annual Equipment Utilization Record
- Vehicle/Trailer Licensing
- Administer DNR Turn-In Policy

- Facility Safety Inspections
- Hazard. Waste Disposal
- Personal Protection Equipment
- Workers Compensation
- Safety Seminars
- First Aid, CPR & Defensive Driving

- Federal Excess
- Surplus Building Sales

- Procurement
- Supply warehouse
- Automotive Parts Supply
- Equipment Repairs & Maintenance
- Equipment Fabrication/Modification
- DNR Wood Routed Signs
- DNR Employee Uniform Administration

LAND BUREAU

ADMINISTRATION
 1 Manager
 1 Clerical

ACQUISITION & EXCHANGE
 1 Manager
 1 Executive
 1 Clerical

APPRAISAL REVIEW
 1 Supervisor
 1 Senior Appraiser
 1 Clerical

RECORDS, SALES & LEASES
 1 Manager
 1 Research Analyst
 1 Specialist
 1 Clerical
 1 Clerical (Field)

- Reviews appraisals
- Recommends certification
- Establishes list of approved appraisers

ACQUISITION
 1 Supervisor
 3 Sr. Appraisers
 1 Appraiser
 1 Clerical
 1 Sr. Appraiser (Field)

EXCHANGE
 1 Senior Staff Specialist
 1 Appraiser

RECORDS & TAXES
 2 Exec II

LAND SALES
 1 Exec I

LEASES
 1 Specialist
 1 Sr. Appraiser
 2 Clerical

- Handles the appraisal & negotiation for all lands DNR acquires
- Assigns fee appraisers

- Coordinates exchanges in process
- Reviews & investigates proposed exchanges of state lands held by other owners
- Makes recommendations to the Land Exchange Board
- Statistics
- Long-range plans

MAINTAINS:

- Records of ownership for all DNR lands, both current & past
- Easements
- In lieu of tax payments
- Special assessments

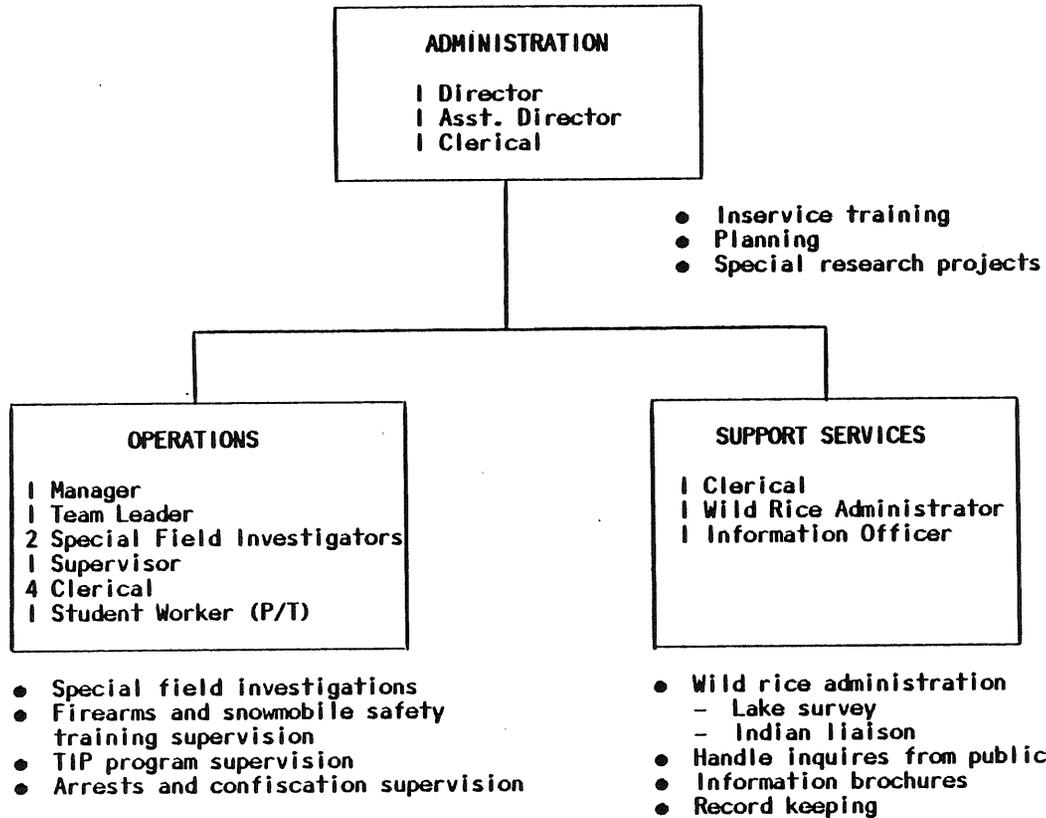
ADMINISTERS:

- Sales of state lands requested or legislated land sales
- Holds auction sales
- Collects payments on land contracts
- Surplus land
- Tax forfeited lands reviewed
- Condemnations

ADMINISTERS:

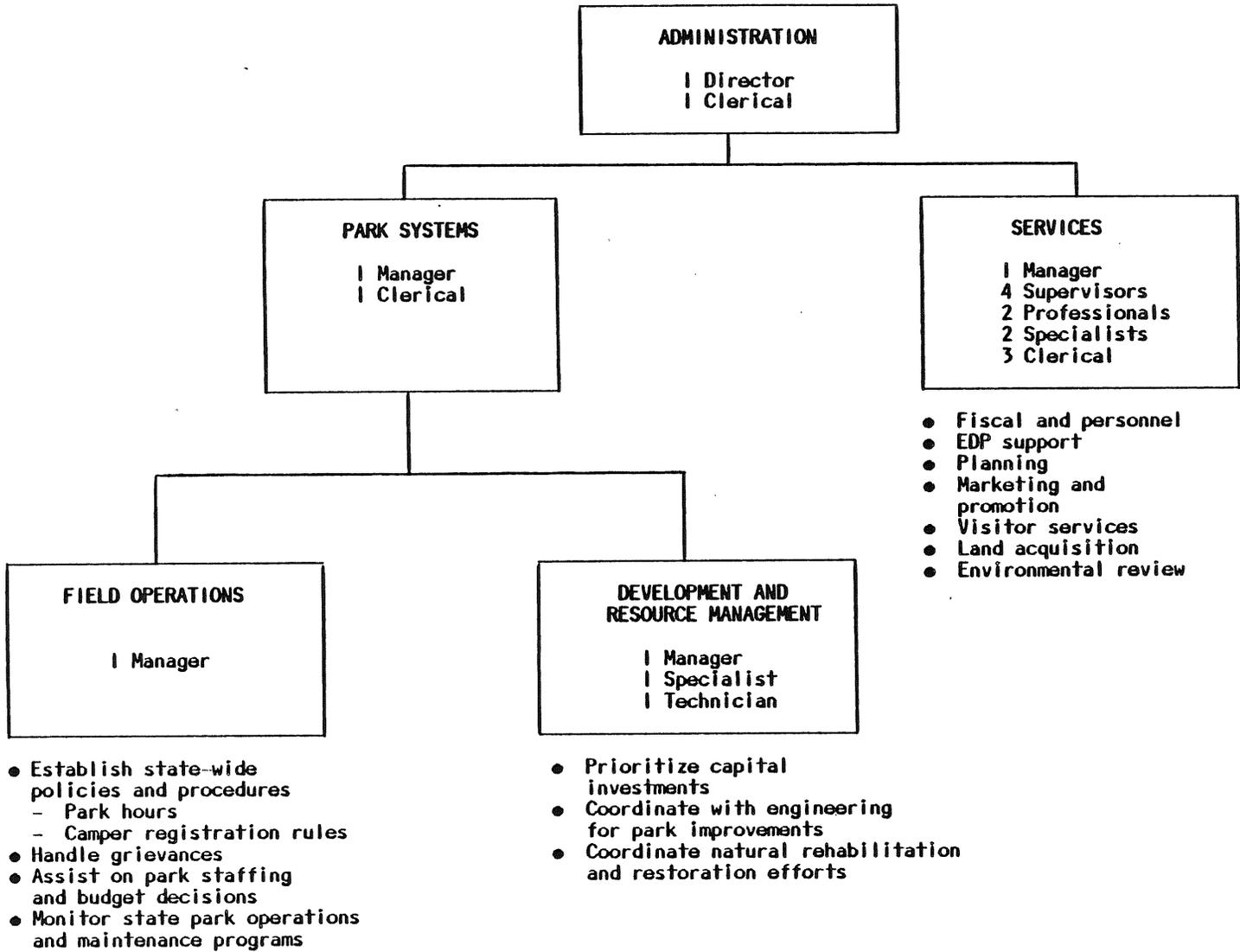
- Lakeshore leases
- Homesite/hunting cabin leases
- Coop. farming agreements
- Utility line crossings & licenses
- Special use permits
- Gravel leases
- Ag leases
- Collection lease & per fees
- Lakeshore appraisals
- Commercial Governmental leases
- .sc. leases

DIVISION OF ENFORCEMENT*



* All central office staff are located in St. Paul, except the wild rice administrator. The wild rice administrator acts as a conservation officer for half the year and as the wild rice administrator for the other half of the year.

PARKS



MINERALS DIVISION

ADMINISTRATION

St. Paul 1 Director
 1 Asst. Director
 2 Professionals
 2 Engineers
 2 Clerical
 1 Technician
 1 Student Worker (P/T)

- Office Services
- Special Projects
- Computer Services
- Economic Services

**LEASING, OPERATIONS
FIELD SERVICES**

St. Paul 4 Attorneys
 1 Clerical
 1 Student Worker (P/T)
 1 Professional

Field 2 Managers
 5 Engineers
 1 Professional
 2 Laborers
 4 Clerical
 1 Student Worker (P/T)
 1 Technician

MINERAL POTENTIAL

St. Paul 1 Professional

Field 1 Manager
 10 Professionals
 4 Technicians

RECLAMATION

St. Paul 1 Manager
 4 Professionals
 1 Clerical

Field 2 Professionals
 2 Technicians

**PEAT MANAGEMENT AND
ENVIRONMENTAL
SERVICES**

St. Paul 1 Manager
 4 Professionals
 1 Clerical

Field 2 Professionals
 2 Technicians

**MINERAL AND PEAT
INCENTIVES**

St. Paul 1 Manager
 1 Professional
 1 Clerical

Field 2 Engineers

- Policy and program development
- Sales & negotiations of leases
- Administration of existing leases
- Economics and legal research
- Estimation of state-owned mineral resources
- Field services

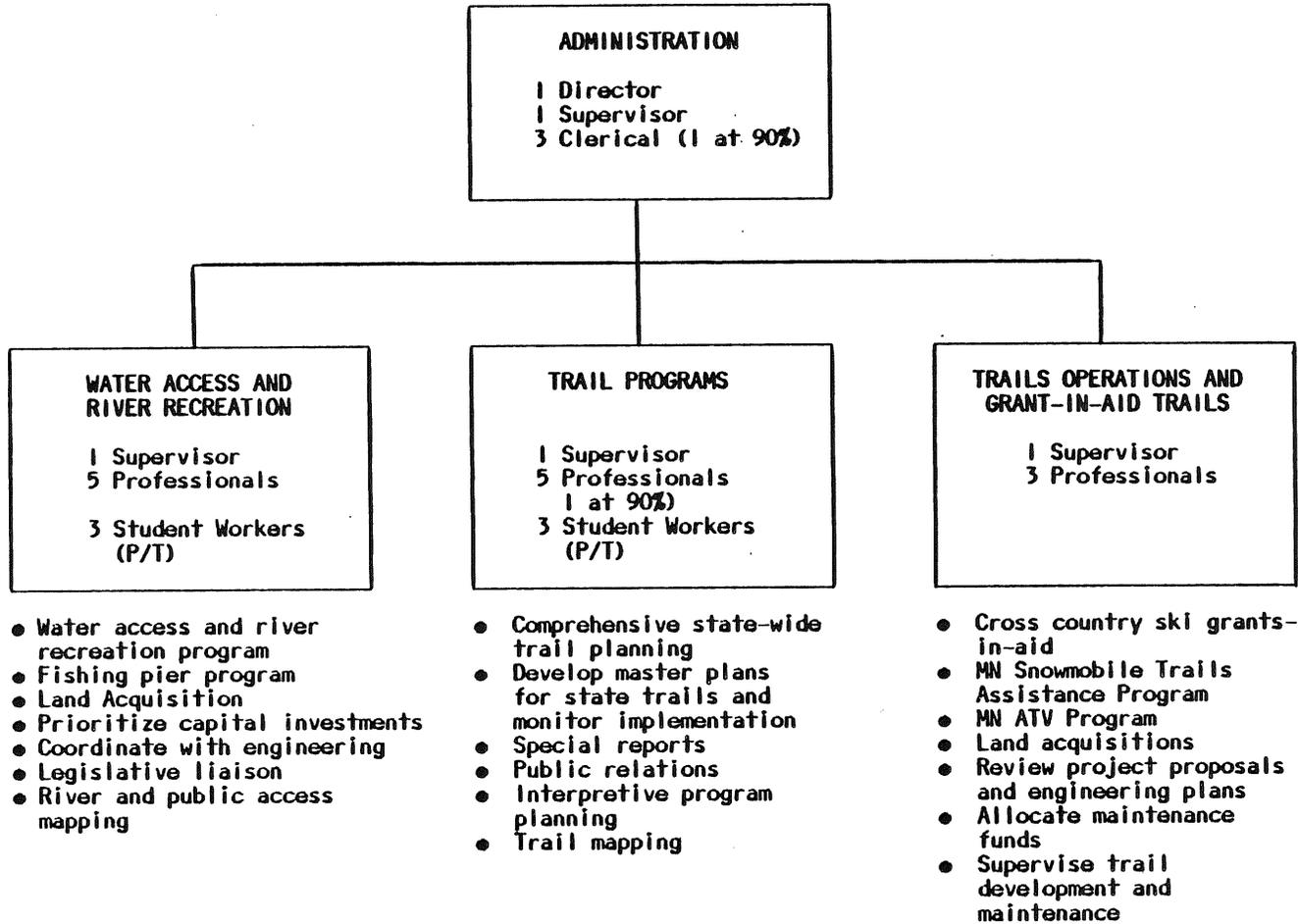
- Evaluation of metallic and industrial minerals
- Provide centralized collection of exploratory data
- Related research
- Related research projects

- Develop and administer mineland reclamation regulations
- Mineland reclamation permitting program
- Coordinate reclamation

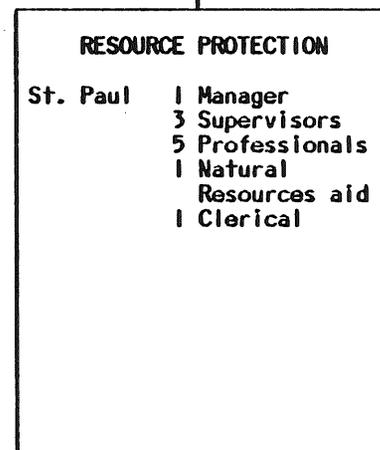
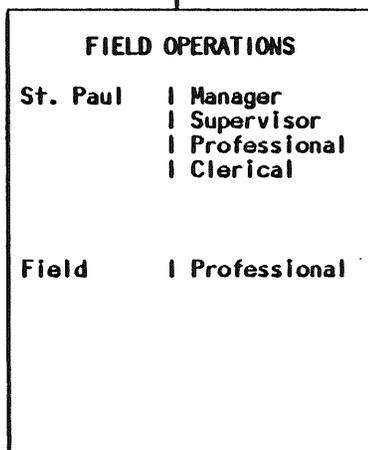
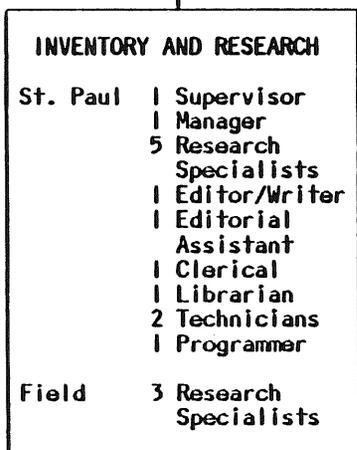
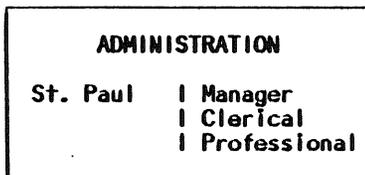
- Develop and administer peatland policy
- Environmental review for peat and mineral leasing
- Land sales and exchanges
- Peat inventory

- Sponsor peat development and direct reduction research
- Cooperative research with mining companies

TRAILS AND WATERWAYS UNIT



WILDLIFE SECTION

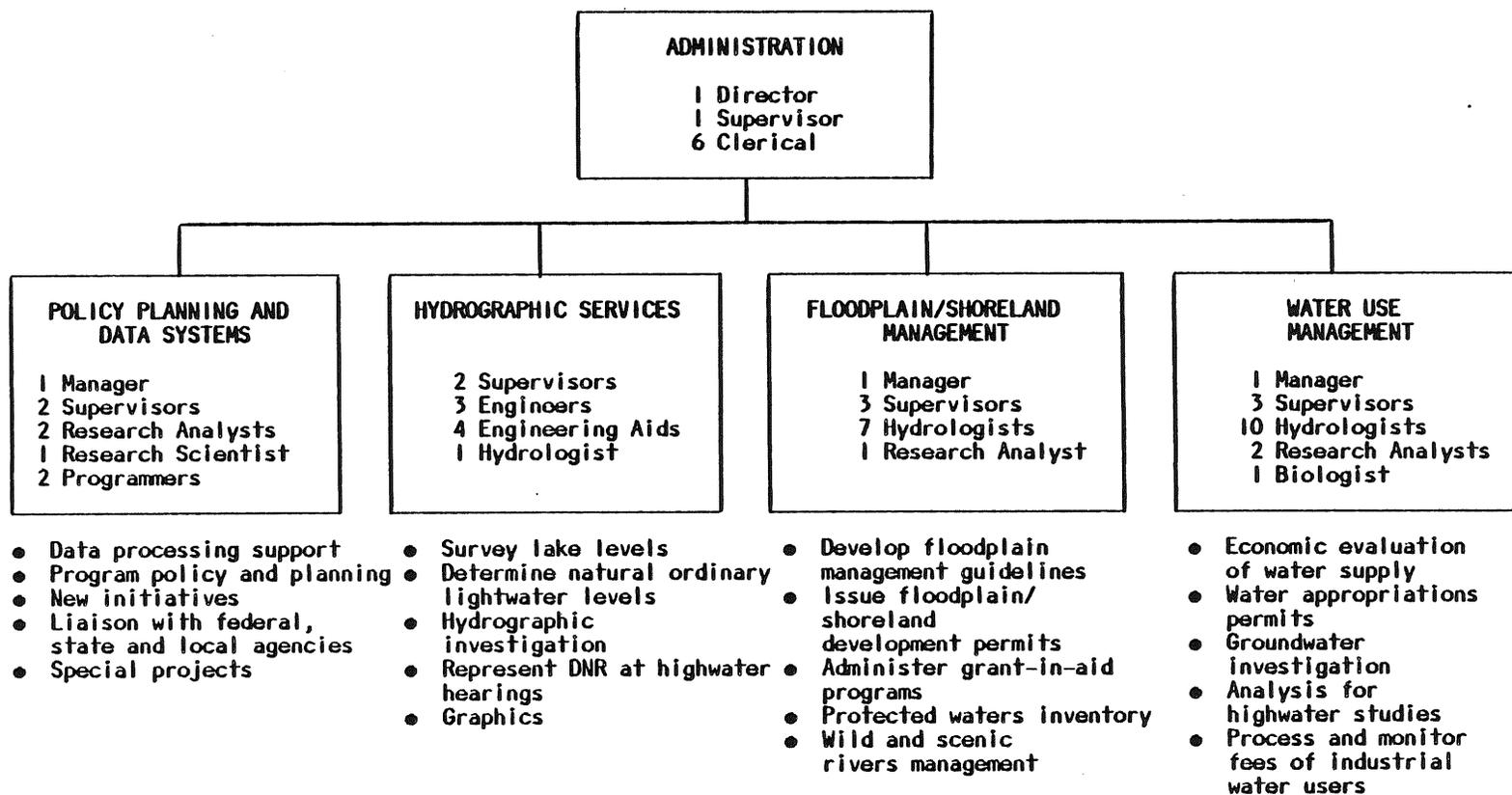


- National Heritage
 - Identify unique wildlife areas
- Censuses and surveys
- Department library
- Special research
 - Farmland wildlife
 - Wetland wildlife
 - Forest wildlife
- Non-game program
 - Program development
 - Promotion
 - Non-game research
 - Coordinate non-game restoration efforts

- Land acquisition
- Survey of shallow lakes
- Coordinate major projects involving capital investment
 - Dam improvements
 - Impoundments
- RIM program
- Pitman-Robertson fund administration
- Supervise field staff

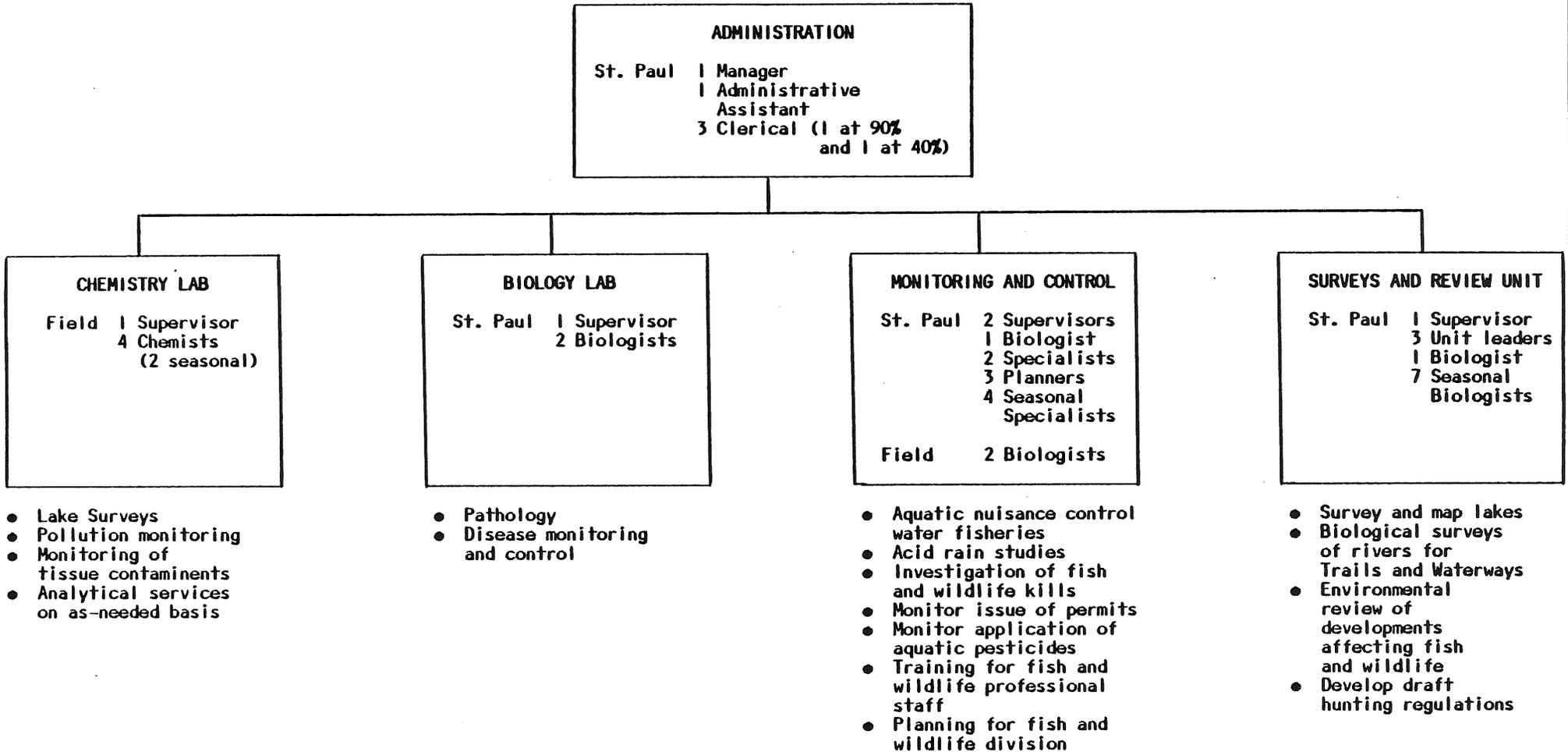
- Program development
- Private lands coordination
- Waterfowl habitat improvement

DIVISION OF WATERS*



* The entire central office staff is located in St. Paul, except three engineering aids and a supervisor in the hydrographic services unit who have offices in St. Paul but are in the field 3-5 days per week.

ECOLOGICAL SERVICES SECTION



FISHERIES SECTION

ADMINISTRATION

St. Paul 1 Manager
 1 Clerical

RESEARCH

St. Paul 1 Manager
 1 Clerical
 2 Supervisors
 1 Programmer
 (90%)

Field 1 Supervisor
 10 Biologists

- Stream improvement studies
- Development and introduction of new species and strains
- Analysis of interactions between species
- Sampling design for creel studies

OPERATIONS

St. Paul 1 Manager
 1 Supervisor
 1 Clerical

Field 5 Supervisors

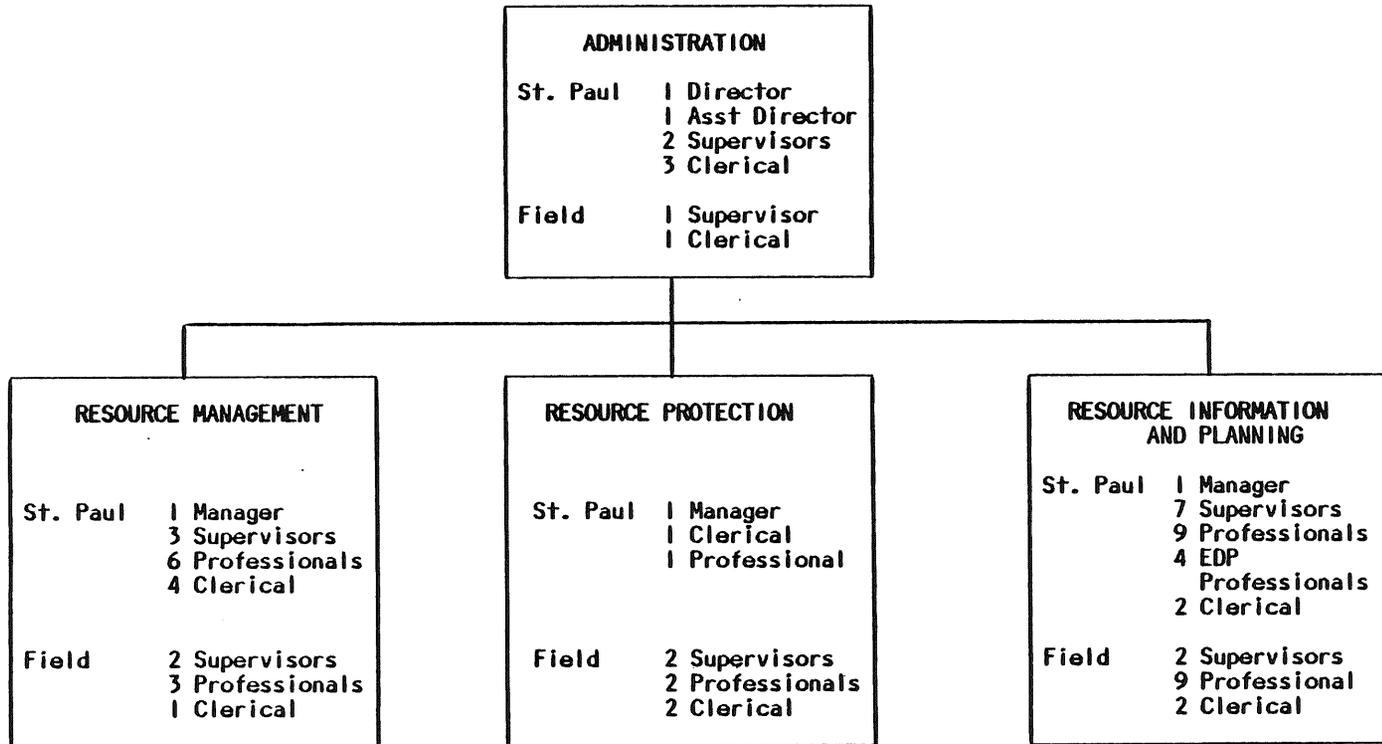
- Supervise regional staff
- Supervise coldwater hatcheries

RESOURCE MANAGEMENT

St. Paul 1 Manager
 3 Supervisors
 1 Specialist
 2 Clerical

- Program development
- Dingall-Johnson fund administration
- Commercial fisheries program
 - Easements
 - Stocking
- Habitat acquisition and development
- Develop draft fishing regulations

DIVISION OF FORESTRY

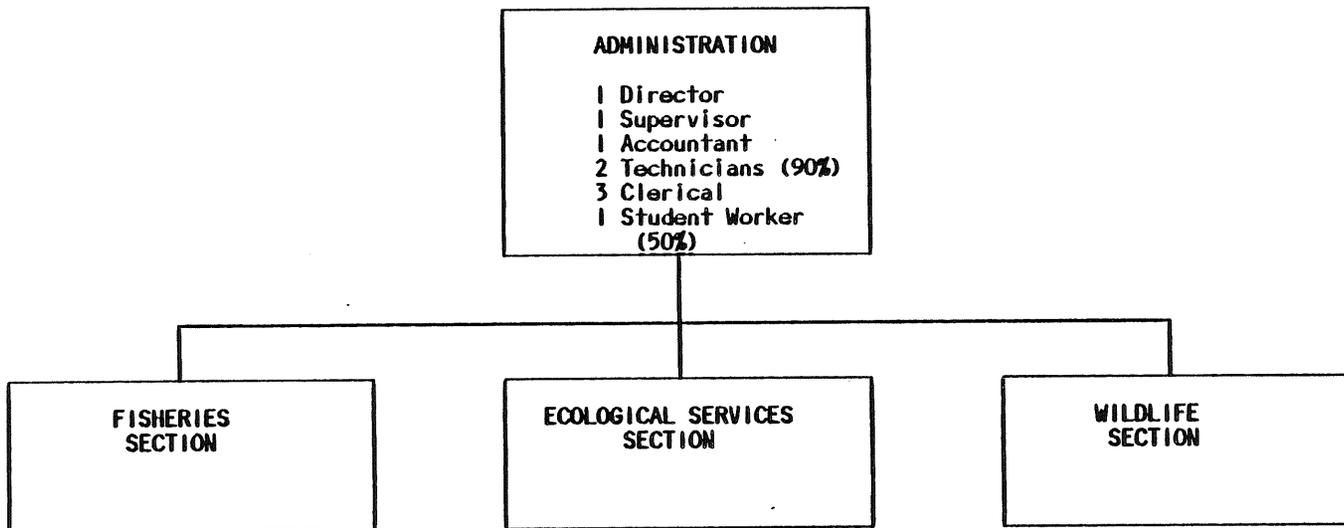


- Forest Recreation Management
- Forest Pest Management
- Nursery and Tree Improvement
- State Forest Roads
- Land Administration
- Timber Management
- County Assistance
- Private and Urban Forestry
- Soils
- County assistance program

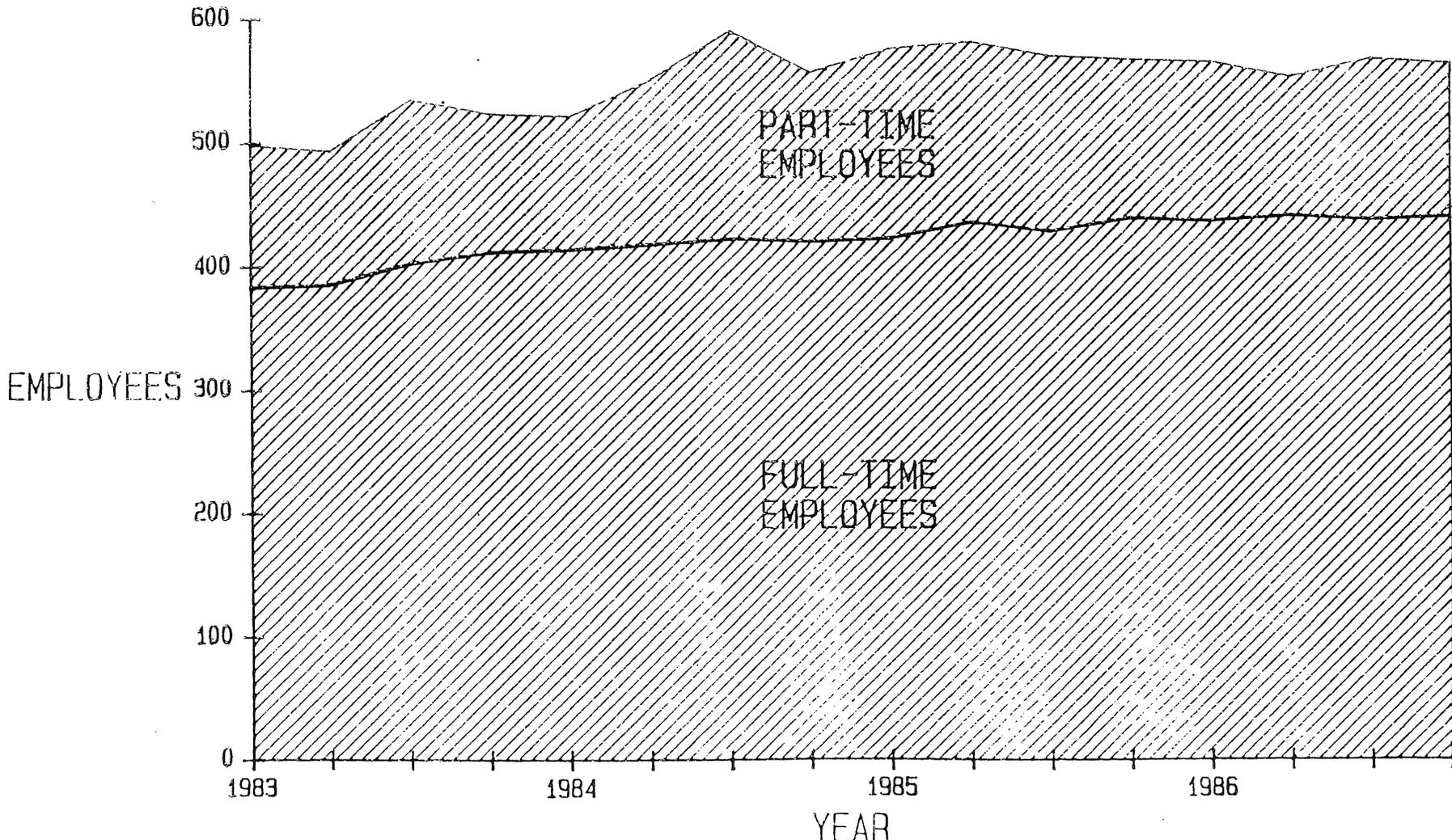
- Fire management, including Northern Fire Station
- Rural Fire Protection
- Air Operations

- Forest Resource Policy, Planning and Environment Review
- Economics and Statistics
- Forest Management Information Systems
- Forest Resource Inventory
- Utilization and Marketing
- Information and Education

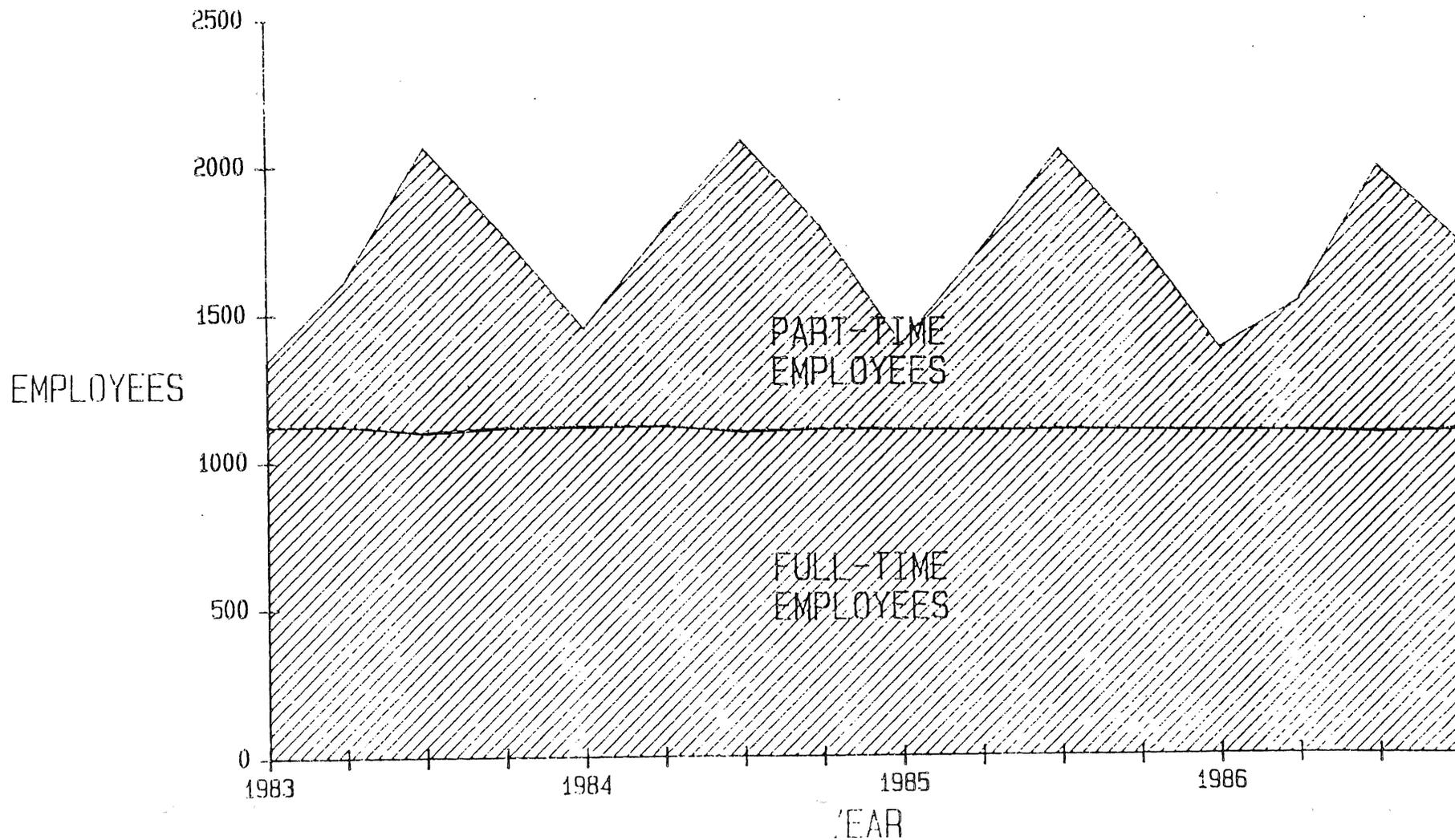
DIVISION OF FISH AND WILDLIFE



*DEPARTMENT OF NATURAL RESOURCES
TRENDS IN CENTRAL OFFICE EMPLOYMENT*



DEPARTMENT OF NATURAL RESOURCES TRENDS IN REGIONAL EMPLOYMENT



- The policy should not attempt to address all possible situations. Instead, it should outline a process whereby employees will be encouraged to report problem situations and seek assistance to improve their response.
- A key to developing and implementing a public response policy is training.
 - RA's, Assistant Commissioners, and Division Directors should attend outside training.
 - They should then train other DNR employees.
- Public response needs to receive special management attention. If top management focuses their attention in this area, the DNR's public response will improve.

*DEPARTMENT OF NATURAL RESOURCES
TRENDS IN OVERALL EMPLOYMENT*

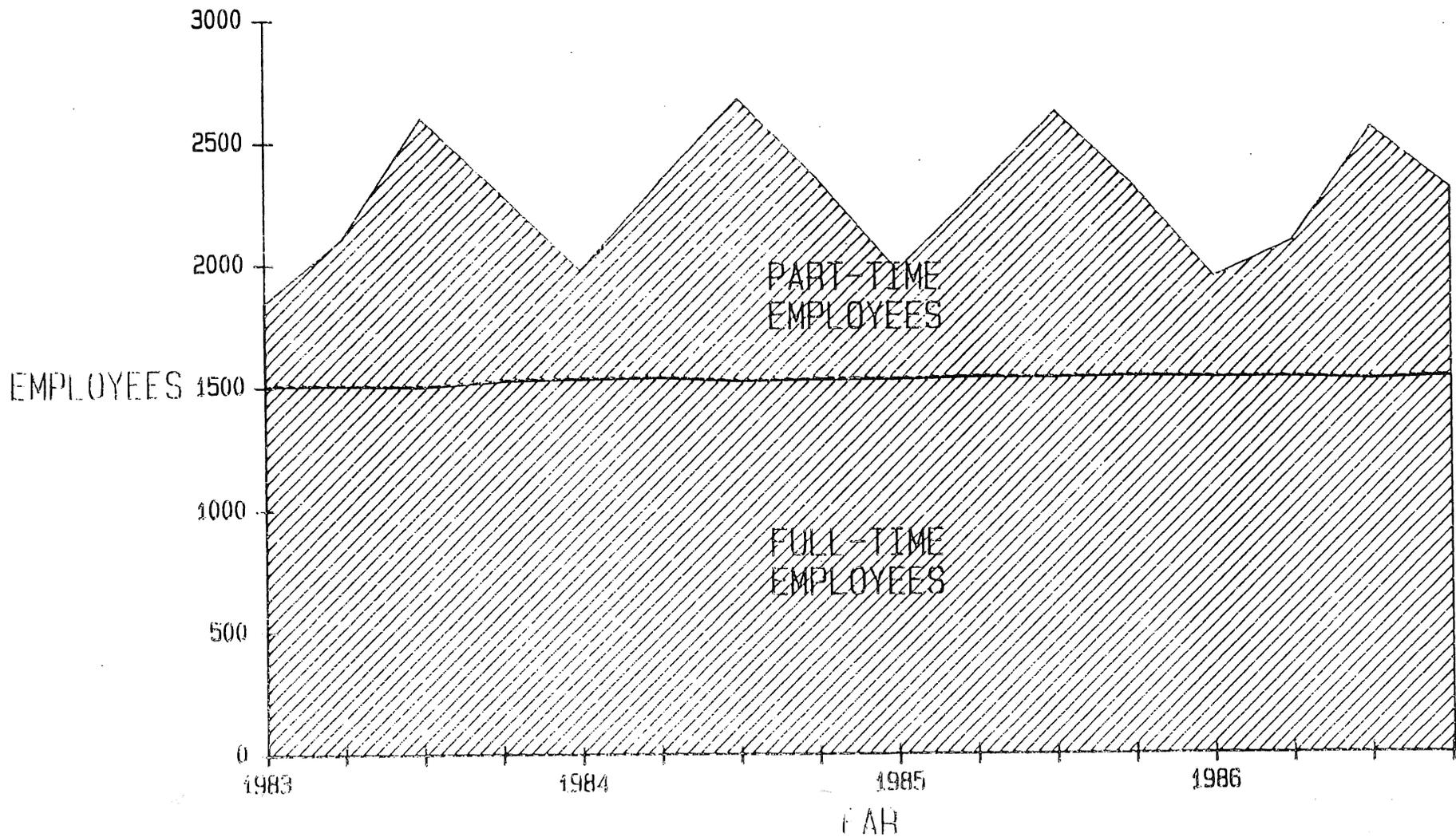


EXHIBIT 3

PUBLIC RESPONSE POLICY OUTLINE

- The objective for creating a policy for responding to the public is to:
 - improve the DNR's responsiveness and the quality of its communications,
 - coordinate public response to present the Department in a unified manner,
 - define the roles and responsibilities of various DNR employees who are involved in public response situations, and
 - encourage employees to seek assistance and counsel when involved in public response situations.
- It is important that in the future the DNR avoid the public response problems of the past:
 - 8 or 9 people responding to the press in the early stages of the Elk Herd controversy,
 - publicly airing internal disputes such as those between Wildlife and Forestry, and
 - not appearing sympathetic to the public's concern over bear population in the Hinckley area.
- The processes used to respond in recent situations regarding the selective extension of deer season and the DNR's use of herbicides are good examples of public response and should become the DNR's model for the future.
 - Good communication between line and supervisory positions
 - Communications were planned and coordinated
 - .. Central office
 - .. Local area
 - The DNR allowed the public to "look" into the decision making process

- The DNR does not want to create a "spokesperson" position, but rather:
 - analyze public response situations,
 - develop communication plans,
 - .. External
 - .. Internal
 - coordinate communication
- Generally, public response should be handled at the lowest organizational level possible. This will:
 - improve the timeliness of the DNR's responses, and
 - result in a more practical and less formal process of communicating with the public.
- Each Division is responsible for defining and controlling the public response in their discipline area.
- The Office of the Commissioner is responsible for monitoring the quality of Divisional public response.
- Interdivisional issues must have a coordinated response. The Assistant Commissioner is ultimately responsible for coordinating this response.
- The Regional Administrators are responsible for coordinating public response in their local areas
 - The RA is not the local spokesperson, although he or she may play this role in certain circumstances.
 - The RA is a resource for counseling employees and developing communication plans.
 - The RA will have input into the evaluation of each Divisional Supervisor in the Regions regarding public response coordination.
- The Regional Administrators are responsible for monitoring the quality of the DNR's public response in their area.
 - The RA will contact Divisional Management when he or she believes there are problems in the quality of public response being presented.
 - If the quality of public response does not improve, the RA will report the problem to the Office of the Commissioner.
- The Regional Administrators are responsible for developing and implementing regional information and education programs.

EXHIBIT 2

SUMMARY OF LETTERS TO LCMR IN RESPONSE TO DNR STUDY

Prior to selecting a consultant for the DNR study, the LCMR invited fellow Minnesotans to comment on which parts of the law (see Table 2) the study should concentrate on. Nearly 7,000 letters inviting comments on the eight points of the law, as well as other areas of natural resource management, were sent to individuals, sportsmen's clubs, local units of government, legislators and other groups.

There were 177 response letters written to the LCMR. Of these, 54 were written by DNR employees. Table 1 shows the breakdown of non-employee respondents and Table 2 summarizes the relative priorities of the public's concerns relating to the study.

TABLE 1

BREAKDOWN OF NON-DNR EMPLOYEE RESPONSES

<u>Group</u>	<u>% of Total Responding</u>
Local Government	39.0
State Government	2.4
Federal Government	1.7
Private Citizens	18.0
Special Interest Groups	19.5
University of Minnesota	2.4
Miscellaneous	<u>17.0</u>
	100.0

TABLE 2

PRIORITIZATION OF CONCERNS

<u>Areas of the Study</u>	<u>% of Letters Indicating Concerns for this Area of the Study</u>	
	<u>Non-DNR</u>	<u>DNR Employees</u>
Responsiveness to Public and Resource Needs	55	35
Distribution of Decision-Making Authority	37	31
Assistance to Local Units of Government	29	10
Coordination and Cooperation within Department	23	33
Ratio of Regional to Central Office Staff	19	33
Personnel Structure and Career Opportunities	17	63
Relationship of New Programs to Personnel and Objectives	10	23
Legal Services and Unemployment Compensation	8	22

Each letter was reviewed during the Diagnostic Phase of the study. This review was useful in directing the Touche Ross analysis for two reasons:

- the letters supported the Touche Ross hypothesis that improved service delivery (public response) through enhanced coordination of decision-making was an appropriate objective for this study, and
- the letters helped identify DNR clientele and the level of interaction with the Department.

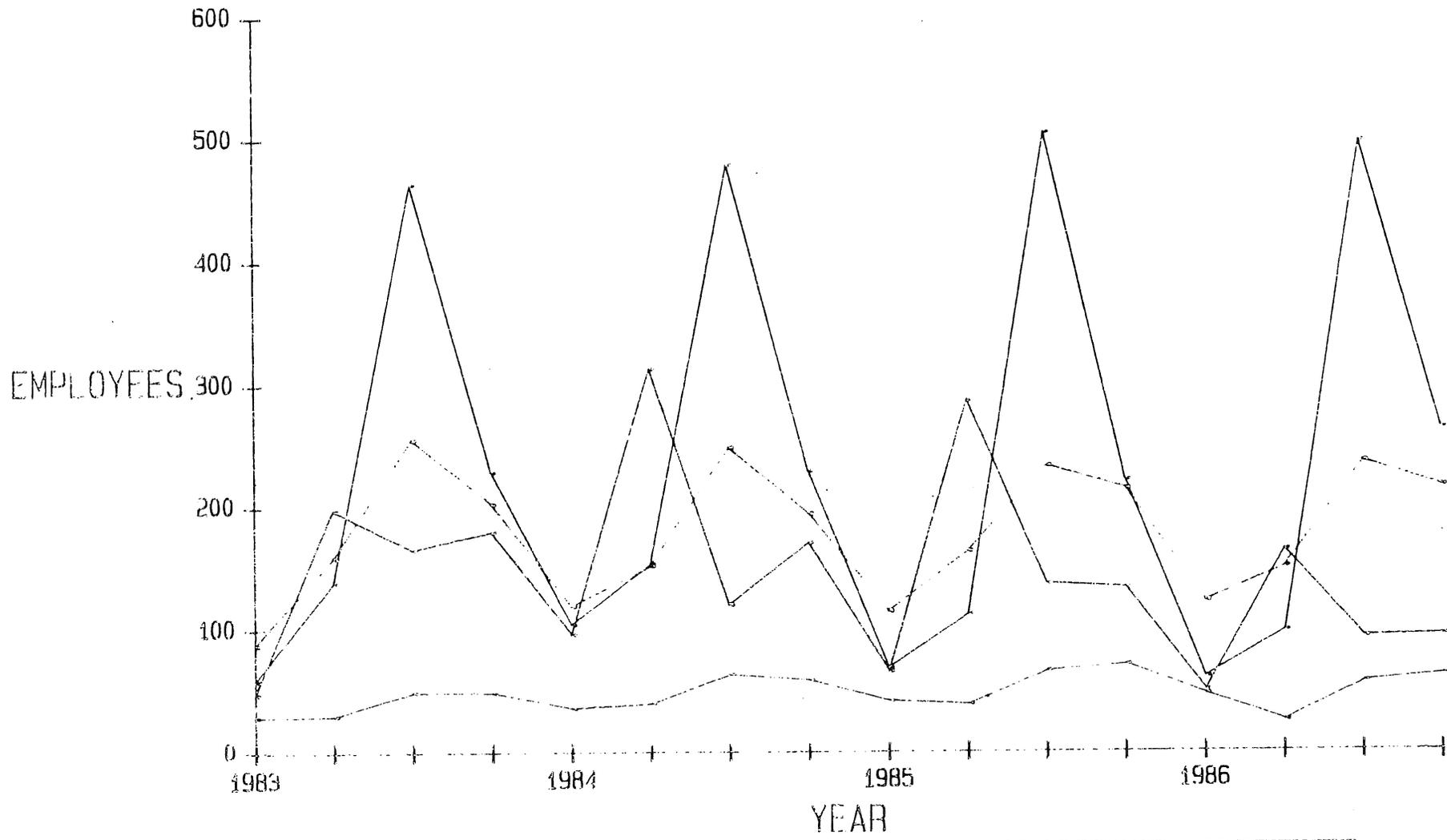
Although responsiveness was the most mentioned public concern, only 9% of the respondents were specifically in favor of decentralization.

EXHIBIT I**CLIENTELE/DIVISIONAL MATRIX**

<u>Clientele</u>	<u>Waters</u>	<u>Forestry</u>	<u>Fisheries</u>	<u>Wildlife</u>	<u>Parks</u>	<u>Enforcement</u>	<u>Trails and Waterways</u>	<u>Minerals</u>
Local Governments	X	X	X	X	X	X	X	
Soil and Water Conservation Districts	X	X		X				
Watershed Districts	X			X				
Federal								
National Park Service				X	X			
Forest Service		X						
Army Corps of Engineers	X		X					
Soil Conservation	X			X				
Fish & Wildlife	X		X	X	X			
Department of Agriculture			X	X				
State								
Administration	X	X	X	X	X	X	X	X
Energy and Economic Development	X	X						X
Tourism		X	X	X	X		X	
Members of the Executive Council	X	X	X	X	X	X	X	X
Employee Relations								
PCA	X							
Legislative Auditor								
Sportsman Clubs			X	X	X	X		
Environmental Organizations	X	X		X	X			X
State and Local Enforcement Agencies					X	X		
Commercial Game, Fish and Wild Rice			X	X		X		
Snowmobilers and ATV Associations		X			X		X	
Farmers	X	X		X	X	X	X	
Resort Owners' Organizations	X	X	X	X	X	X	X	
Forest Product Companies		X				X		
Local Tourism Commissions		X	X	X	X		X	
Loggers		X						

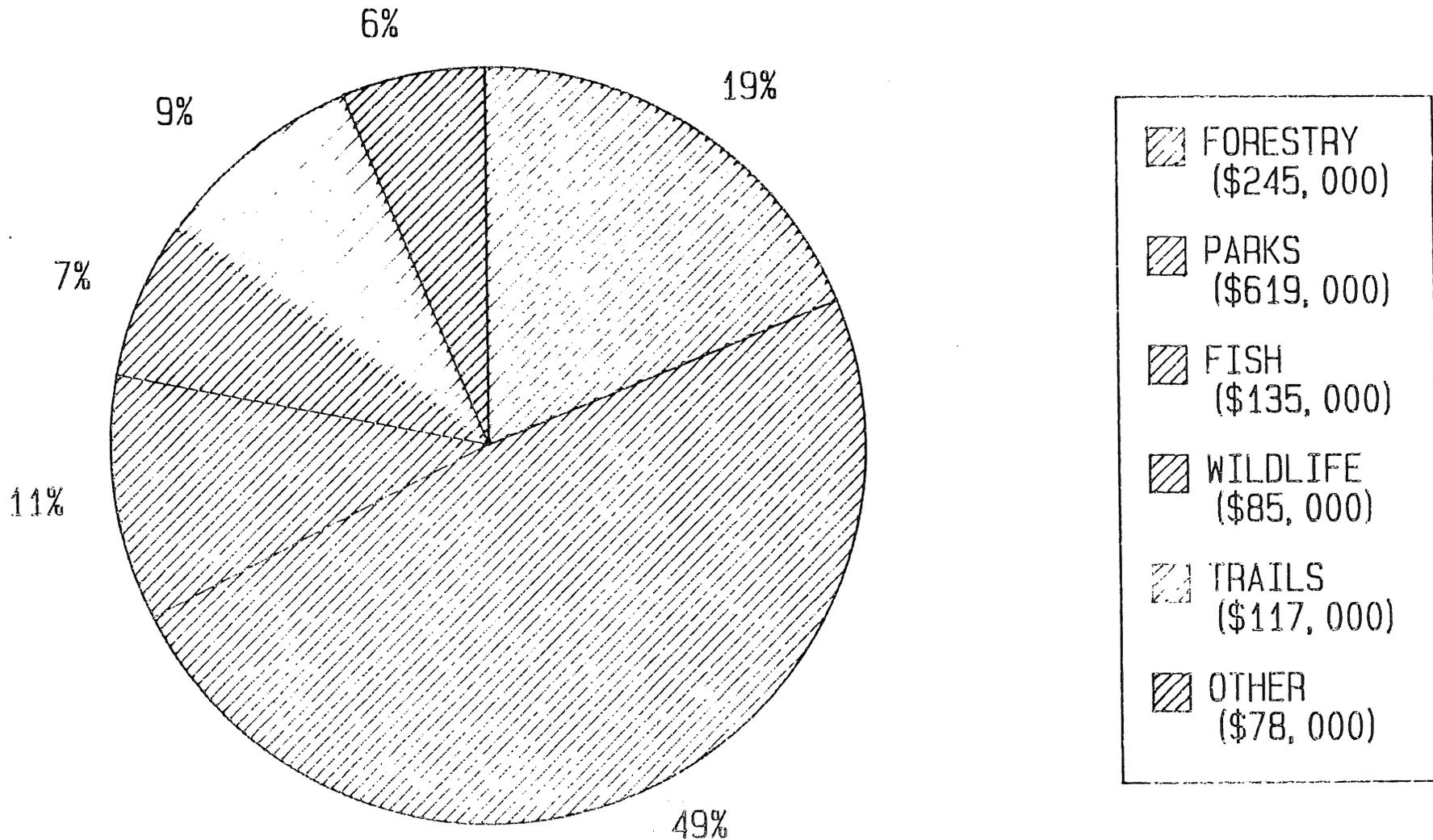
<u>Clientele</u>	<u>Waters</u>	<u>Forestry</u>	<u>Fisheries</u>	<u>Wildlife</u>	<u>Parks</u>	<u>Enforcement</u>	<u>Trails and Waterways</u>	<u>Minerals</u>
Regional Development Commissions	X	X	X	X		X		
Lake Associations	X		X				X	
University of Minnesota Geography Department								X
Wildlife Department			X	X				
Natural Resource Research Institute	X	X						X
Forestry		X		X				X
MN Geological Survey								X
Mining Companies								X

*DEPARTMENT OF NATURAL RESOURCES
TRENDS IN PART-TIME LABOR: MAJOR DEPARTMENTS*



—•— WILDLIFE - - - TRAILS ···· FORESTRY - · - · PARKS

DEPARTMENT OF NATURAL RESOURCES
UNEMPLOYMENT COMPENSATION PAID BY DIVISION
fiscal year 1986



Total unemployment compensation paid in fiscal 1986 was \$1,278,463.

Organization and Functions

The Division is divided into Operations and Support Services.

- Operations: This group administers the training and special programs for the Division as well as arrests and confiscation.
- Support Services: This group handles inquiries from the public, information brochures and record keeping for the Division.

The Department appointed a new director for this Division in July of 1986. He has articulated a new mission for the organization.

- Focus will be encouraging voluntary compliance.
 - Public education will be part of that effort.
- Law enforcement efforts will focus on large scale abuses and crimes.
- Public relations role will be improved by:
 - increased training for conservation officers, and
 - programs to enhance the image of the conservation officer.
- Begin long-term planning of resource allocation.

- Explore alternative means of accomplishing enforcement objectives:
 - contract disposal of road killed deer,
 - contract responsibility for nuisance beaver,
 - utilize 800 number for handling questions and requests now phoned directly to the conservation officers, and
 - make better use of the radio network through the Highway Patrol dispatch.

Staffing

There are approximately 165 conservation officers in the field. The central office staff is made up of approximately 13 full-time (including some conservation officers) and three part-time employees. In addition, there are about 10 part-time positions in the field.

The Division operates with a limited staff in the central office. As a result, Regional Supervisors must assume staff roles and are able to spend less time in the supervisory and leadership role.

Recommendations

Few of the DNR clientele that were interviewed had any specific complaints about the performance of the Enforcement Division. Many sportsmen's groups suggested, however, that the Division could spend more time on enforcement if they did not have to spend time on road killed deer and nuisance beavers.

The major area of concern in Enforcement is the control and management of the conservation officer's activities. The job description for the conservation officer includes specific performance measures that serve as annual objectives. Individual officers are not required to prepare or submit daily, weekly or monthly workplans to show how they intend to accomplish those objectives, and they do not submit schedules of the hours that they intend to work. In addition, the conservation officer's time management is seriously limited by the number of unplanned hours devoted to ancillary duties such as road killed deer cleanup. These responsibilities not only take time, they frequently get the officers immediate attention, to the detriment of other planned activities.

We support the Division Director's objectives for Enforcement. We feel that the following changes need to be implemented as part of their new planning process.

- Encourage conservation officers to produce weekly and monthly schedules of their anticipated activities

- Continue to require conservation officers to utilize the State Highway Patrol radio system so that the officer's whereabouts are known while he is on duty

- Aggressively pursue transferring the responsibility for the disposal of road killed deer and nuisance beavers to the Wildlife Section, or the Department of Transportation, or the private sector

- Reduce the workload of Regional Supervisors so that more of their time can be spent on direct supervision

- Carry out covert operations only in conjunction with appropriate authorities at the local, State and Federal levels

In general, the Division Director should continue in his efforts to improve the Division's planning and training efforts as well as upgrade the mission of the Division to better address the public's needs.

WATERS

Responsibilities

The Division of Waters regulates and manages the following:

- activities affecting the course, current or cross section of protected waters, such as dredging, draining or filling,
- water appropriations and the use of both surface and groundwater,
- land use activities in shoreland, flood plain areas and along wild and scenic rivers,
- dam construction, maintenance and abandonment, and
- establishment of ordinary high water levels on lakes.

Due to the nature of the resource, the Division of Waters has extensive interactions with other units of government on the Federal, State, county and local level. Among the agencies that the Division interfaces with are the Army Corps of Engineers, Pollution Control Agency, Geological Survey, University of Minnesota, State Planning Agency, Water Resource Board, Soil and Water Conservation Board, and several soil and water conservation and watershed districts.

Organization and Functions

The Division of Waters has four functional areas.

- Policy, Planning and Data Systems: This group is responsible for policy, planning and coordination of the Division's activities with other agencies having waters responsibilities or jurisdiction. In addition, this Section maintains databases with information on climatological and hydrological conditions, water use and permit programs. This data is used by the Waters Division as well as other units within the Department, other governmental units and the University of Minnesota.

- Hydrography Unit: This unit is responsible for dam safety inspections and determining and enforcing appropriate water levels for lakes. This group also prepares hydrographic maps and handles land acquisitions for the Division.

- Floodplain/Shoreland Management: This group's main responsibility is to develop and enforce floodplain/shoreland regulations. It also provides advisory reports on public drainage systems and local water plans. This group administers the protected waters and wetlands inventory programs.

- Water Use Management: This group is responsible for ensuring that there is an adequate supply of water to meet the various needs of clients. The group reviews and issues waters appropriations permits, performs groundwater studies and establishes minimum water levels below which pumping is not allowed. This group works closely with several other state agencies that also have groundwater responsibilities.

Staffing

At present, each region has a hydrologist and a staff which gives the Division approximately 31 full-time field positions. Another 53 full-time positions assigned to the central office are spread among the four programs described above and the Divisions' Administrative Services Group. The level of part-time help that the Division uses has been steadily decreasing since the middle of 1984 to a level of five to ten today.

Recommendations

The Waters Division has a more centralized management structure than other DNR divisions. The Waters Division has the highest ratio of central office staff to field staff of any division.

This structure is not surprising given the tremendous change in regulatory responsibility this Division has undergone and the number of the agencies involved in Water regulation with which the Division must interface.

The Division of Waters was one of the most harshly criticized divisions by land owners and local units of government. Significant management attention must be concentrated in this area. We recommend the following action items for the Division of Waters.

- The Division must clearly define their mission. With several agencies regulating water resources, the Division must define the area of its concentration.
- The Division should re-evaluate its regulations and regulatory process. Deregulation, turning over regulation to local agencies, and providing appropriate flexibility in the regulations are ways to reduce conflict and workload. This could only be done under statewide standards which would continue to protect the resource.
- The Division should improve its focus on field activities. The Regional Hydrologists should remain at their current organization stature which is equal to central office Section Managers. More frequent meetings

between the Regional Hydrologists, Section Managers and the Division Director will help to maintain a focus on field activities.

- Relocation of central office positions, such as those in the Permitting and Floodplain/Shoreland Management sections to the field, should be considered. Field staff could be used to staff these functions on a task force basis. This will also improve the field orientation of the Division.

LAND BUREAUS

Responsibilities

The Lands Bureau administers the sale, acquisition, leasing and exchange of lands used by the DNR for various purposes including:

- state parks,
- public access,
- trails,
- fish and wildlife management, and
- forest management.

In addition, the Lands Bureau maintains a record of each parcel of state-owned DNR administered land.

The bureau is basically divided into two groups.

- Records, Sales and Leases: This section keeps the ownership records (surface and mineral) for all DNR administered lands, both currently and previously owned. This section also holds auction sales for DNR land and administers land leases and permits.
- Acquisition and Exchange Section: This section performs appraisals and purchase negotiations.

In addition to these two groups, there is also a group of three individuals assigned to appraisal review.

Staffing

There are approximately 26 Lands positions in the central office in addition to the lands specialists in each region. Region I and II have each added an Assistant Land Specialist since 1984, per the Department of Administration's recommendation.

Recommendations

The Lands Bureau has been much maligned within the Department primarily as a result of the long time delays occurring in land acquisitions and exchanges. The Bureau's primary objective should be to accelerate the implementation of a new system to prioritize and manage their workflow and backlog.

Some divisions are now performing traditional Lands Bureau functions to accelerate acquisitions and exchanges. Friction has been created, in part, as a result of this encroachment on the Bureau's responsibilities and this has led to the Bureau being criticized for attempting to determine division policy by not cooperating with the divisions. Unavoidable conflict may result from the Lands Bureau carrying out its role as trustee for state trust lands.

The Department needs to establish a real estate management program and clearly delineate division and Bureau functions. This program must incorporate a prioritization system and sufficient resources must be directed toward the Bureau to support its administrative duties.

Also, it may not be necessary to keep the Appraisal Review Team separated from the Acquisition and Exchange Section. There may be some efficiencies to be gained by combining these groups.

FIELD SERVICE BUREAU

Responsibilities

This Bureau provides a variety of services to the Department.

- Equipment and supply purchasing
- Equipment fabrication
- Equipment maintenance, repair and disposal
- Building maintenance and repair
- Coordination of new buildings
- Building disposal
- Federal excess property acquisition
- Safety coordination
- Fixed asset inventory control

The Bureau also maintains two service centers, one in Grand Rapids and one in St. Paul.

Staffing

Since the field service supervisors in the regions report to a Regional Administrator, the Bureau of Field Services is limited to a central office staff and two service center staffs. There are ten positions in the central office, 15 in the southern service center in St. Paul, and 22 in the northern service center in Grand Rapids.

Recommendations

The management of the DNR has recognized the need to improve Field Services operations. They have developed a solution in which equipment and repair budgets will be returned to each division. Field Services will be responsible for managing the fleet and providing repair services.

While we agree with the direction the Department is taking in this area, the planned change will require extensive preparation. New computer systems must be acquired and implemented. Additionally, new policies and procedures must be developed.

Currently, Field Services suffers from the same problem as the Lands Bureau. In an attempt to gain more control over their operations and improve response time, divisions have encroached on Field Services' responsibilities. Some divisions maintain their own field facilities.

The geographical limitations may, indeed, require some overlap in duties between Field Services and the divisions. However, the Bureau needs to draw clear lines of responsibility between itself and the divisions and staff itself to provide timely services. With three key managers (Bureau Administrator and both service center supervisors) being relatively new to their jobs, this Bureau will require close supervision from DNR management to establish its new direction.

We recommend that the composition of the Fleet Management Task Force, which has been formed to deal with this planned change, have strong divisional representation, especially when the Task Force is dealing with policies such as when outside service contracts can be used and how interdepartmental fees will be determined.

SPECIFIC STUDY REQUIREMENTS

In accordance with the legislated requirements of this study, we conducted an evaluation of certain specific areas. The following presents our findings and recommendations in these subject areas.

1. Establishing a ratio of regional staff to central office staff greater than the ratio established in the 1986-1987 biennial budget (a) for employees included in the Department's legislatively approved complement; and (b) for employees not included in the Department's complement.

The actual ratio of regional staff to central office staff for employees included in the Department's complement has dropped slightly in the last three years from approximately 2.9 in 1984 to approximately 2.7 now (see Staffing Trends in Exhibit 4). This ratio will not be materially affected by the proposed relocation of some Waters positions to the field.

It is difficult to calculate a similar ratio for part-time and seasonal workers since the levels of staffing fluctuate with the seasons. Generally, however, 70-90% of the non-complement employees are assigned to the field.

We would not recommend establishing a "hard and fast" ratio of regional staff to central office staff. Management must have a certain amount of flexibility in staffing that allows them to respond to changing needs.

A good example to illustrate this need is Forestry's recent implementation of centralized control over the use of herbicides. The use of herbicides became a very controversial issue and Forestry management found it advisable to improve the control over this controversial substance by assigning central office personnel to monitor and control its use. The DNR should continue to have the flexibility to centralize functions in similar circumstances.

During our study, we analyzed the functions being performed by Central office staff (see Exhibit 5). With the exception of certain Waters Division functions and positions, we did not find significant, unnecessary centralization.

However, the DNR must continually challenge the need for central office functions and positions. The DNR's goal should be to have as few positions in administration and support roles as possible and concentrate their resources on service delivery.

In our Divisional Recommendations, we describe our recommended reassignment of central office positions in Waters to the field and certain central office planning functions to the Parks, Trails & Waterways Division. DNR management should continue this process of challenging non-service delivery functions.

2. The responsiveness of the Department to public and resource needs.

This issue has been a persistent problem for the DNR since its inception. Poor public response has prompted numerous studies and reorganizations of the DNR. We believe that our organizational and divisional recommendations, if implemented, will significantly improve the DNR's responsiveness to the public and resource needs.

Key recommendations in this area include:

- increasing the responsibility and organizational stature of the Regional Administrators to coordinate and assure the quality of the DNR's public responsiveness,
- improving the operations of the Fish & Wildlife and Waters Divisions where most of the public response problems arise, and

- providing public response training to DNR employees who have frequent public response opportunities.
3. The distribution of decision-making authority for planning, policy making, budgeting, including any saving or potential increased cost, and program implementation within the Department.

Distribution of Decision Making

The need for technical expertise and experience to meet the requirements of distinct clientele and to provide distinct services leads logically to divisionalization. Yet, an important aspect of service delivery is the ability of the DNR to respond to local concerns in a timely manner.

Recognizing that the DNR's clientele demand both divisional and local responsiveness, we are recommending a matrix organization. In this recommended organization, line authority will remain with the Division Directors and the Regional Administrators will be responsible for local public response.

By the Regional Administrator's (RA's) reporting directly to the Commissioner's office and by having monthly meetings between the RA's and the Commissioner, the concerns of local clientele will have a better avenue into the DNR's

decision making process. By charging the RA's with the responsibility of coordinating and monitoring the quality of local public response, local clientele will have a more direct channel to receive communication from the DNR.

We are also recommending the RA's develop regional workplans. These workplans should address projects of local concern. These projects may require multiple division involvement to complete.

The RA's regional workplans must become integrated into the Divisions' workplans for resource allocation. We recommend the RA's and the Assistant Commissioner for Operations be charged with the responsibility of integrating regional and divisional plans.

Implementation Costs and Cost Savings

The cost to implement our recommendations will be \$125,000 to \$150,000 per biennium. This cost is the result of our recommendation creating the position of the Assistant Commissioner for Operations.

During the course of our study, we identified several areas where the DNR may not be maximizing the return for its expenditures. These areas include:

- the high level of activity in the Minerals Division related to peat development,
- enforcement's handling of road killed deer and nuisance beavers,
- the Waters Divisions over-centralized organization, and
- the high percentage of projects worked on by Engineering and the Lands Bureaus which are never completed (see point 8).

We are not, for example, recommending the DNR reduce staffing in Enforcement by thirteen, the effort used in handling road killed deer and nuisance beaver. We believe these resources and the others noted above should be redirected into more productive activities.

The savings which result from the implementation of our recommendations will come from improved public service and the more effective management of the state's natural resources.

4. The personnel structure and career opportunities within the Department.

Unfortunately, the relatively low personnel turnover and a constant or declining staffing level limits opportunities for advancement within the Department. The technical specialization required for most positions, the geographic distribution of functions and the union contract limits on relocating personnel further restricts career opportunities.

Because these barriers exist to career opportunities, the DNR should be sensitive to employee needs and:

- improve the technical and general training provided to employees,
- decentralize central office functions whenever possible, to allow field staff advancement without the necessity of relocating, for example Waters, and
- increase the use of task forces comprised of field person to address certain problems and projects. This will provide job enrichment opportunities for employees and will provide for increased field level input into planning and decision making process.

We recommend that the Assistant Commissioner for Planning and Special Services analyze ways in which the DNR can improve career opportunities and other ways to provide job enhancement:

5. Assistance to local units of government in the development, management and funding of resource management programs.

The DNR provides a wide variety of services to local units of government, such as:

- fire protection,
- forest management planning,
- access to Federal surplus equipment,
- payment in lieu of taxes, and
- advisory reports on public drainage systems.

An extensive and representative sample of clients in local units of government were interviewed for this study.

The quality of services provided to this clientele group of the DNR was a major focus of our study. In addition to these interviews, we reviewed the many letters from this group received by the LCMR in response to the study.

Generally, local units of government seemed pleased with the DNR's delivery of service except for problems noted

with the Waters Division. We believe our organizational and divisional recommendations address these problems.

6. Possible savings in expenditures for legal services and unemployment compensation that could be achieved through changes in management and organization of the Department.

Legal Services

Currently, all requests for legal services must be approved by the Commissioner's Office. This provides a centralized control over the request and continuation of legal services.

Since the Attorney General's Staff began charging agencies for their services at the beginning of the 1986 fiscal year, the DNR divisions have been forced to convert budget dollars historically used for supplies and other operating costs into funds to pay for legal services. In fiscal year 1986, for example, the Department paid approximately \$413,000 to the Attorney General's office for legal services. Since division managers may become reluctant to seek needed legal advice because of the trade-offs they must then make in other areas, we recommend the DNR consider establishing a centralized budget for the Department's legal costs.

We also recommend the Commissioner's office request an estimate of legal expenses from the Attorney General's

staff before giving approval for legal assistance. Additionally, and on a routine basis, the Commissioner's office should request case status reports from the Attorney General's Staff which would include fees incurred to-date and an estimate of fees to conclude the case.

Unemployment Compensation

In 1986, the DNR incurred \$1.2 million in unemployment compensation expense. This large expense results from the Department's extensive use of seasonal workers. Seasonal workers are utilized primarily during the spring and summer months and become eligible for unemployment compensation. The combined cost of high labor rates, for basic laborer positions, and unemployment payments make seasonal workers extremely costly to use. This cost represents a large percentage of the DNR's total cost of operations.

In response to a request from the Legislature, the Department conducted the "North Shore Labor Pool Study" in 1985. This study evaluated the possible use of a shared labor pool to reduce unemployment compensation costs. The conclusion of this report was that seasonal work is concurrent across all disciplines and together with the geographical distribution of work sites would not facilitate the use of a shared labor pool. Based upon our own analysis (see the first chart at the end of this section), we would have to agree with the general

conclusions of the internal study. There may, however, be some instances in certain regions in which the sharing of seasonal workers may be possible. In the Regional Administrators' capacity as a coordinator of services in the regions, these opportunities should be explored and implemented.

As the chart at the end of this section indicates, nearly one-half of the unemployment compensation goes to Park's seasonal workers. The Parks Division has formed a task force to identify opportunities to convert seasonal workers to part-time employees.

While this approach would not reduce costs, it would allow for a more productive use of state funds. We recommend other divisions also look into this option.

Two alternatives which would reduce or eliminate unemployment compensation costs are:

- The Legislature could consider whether the current unemployment compensation deals appropriately with people who voluntarily seek out employment that is seasonally limited in duration (this issue extends far beyond the DNR).
- The DNR could contract-out certain functions it now performs internally with seasonal workers. This

alternative would, in all probability, lower the DNR's hourly rate for seasonal employees and shift efforts to control unemployment compensation costs to the contractor.

While these alternatives may not be politically acceptable, they could result in significant savings.

7. Coordination and cooperation within the Department.

Coordination and cooperation within the Department appears to be much improved. With the exception of one region, the cooperation between Forestry and Wildlife seems very good. Cooperation between Fish & Wildlife and Waters also appears good.

Coordination and cooperation should be enhanced by more frequent and regularly scheduled management meetings. The recommendation enhancing the role of the Regional Administrators is specifically designed to improve intra-departmental cooperation and coordination.

8. The relationship of new programs to present personnel structure and management objectives.

We believe that the relationship of new programs to present personnel structure and management objectives is the fundamental reason for enhancing divisional planning

programs and integrating plans across the Department. These recommendations are discussed in Point 3 above. Two examples (of the many discussed in the body of the report) which demonstrate the need for DNR managers to closely examine their operations and prioritize the use of their resources are described below.

- One of the most frequent criticisms relayed to us by hunting and fishing groups were their concerns over the proliferation of projects and programs at the same time the DNR is experiencing declining balances in the Game and Fish Fund.
- Engineering, which has recently implemented a system for prioritizing and controlling their work, reports that 15% to 20% of the projects they work on never are completed. Because Lands does not have a system for prioritizing service requests, their unproductive time spent on never completed projects may even be higher.