



2006
Outstanding Program Awards
Application

VERMONT AGENCY OF NATURAL RESOURCES APPLICATION

March 3, 2006

Executive Summary

“ReThinking ANR” is a process of innovation, improvement and change at the Vermont Agency of Natural Resources. The process began in the summer of 2005 in response to longstanding challenges caused by managing day-to-day workload increases while having to adapt to changing constituent demands and increasingly complex duties. ANR’s programs and responsibilities have grown during the life of the Agency due to continual acquisition of new state land and an expansion of mandates in many areas of resource management and regulation. At the same time additional resources have been limited and funding has decreased for many programs. The organizational strains are exacerbated by less than optimum efficiency of current operations.

It has been 35 years since ANR was established by consolidating three departments – Fish & Wildlife, Forests, Parks & Recreation and Environmental Conservation – into a single Agency. Vermont’s Governor and Legislation passed Act 52 in 2005 in an effort to look at what has taken place over the last 35 years and what changes may be necessary to prepare the Agency for the rapidly changing future it faces. Vermont has changed dramatically since 1970. The changes have occurred in Vermont’s demographics, resources use, public perception and understanding of natural resources and what Vermonters envision for the State’s future.

ANR will measure success by building a collaborative organizational structure that optimizes staff and other resources, takes advantage of performance-based management practices, uses peer-reviewed science in a well-defined decision-making process, trains, supports and values staff and nurtures accountability and customer service throughout the organization. Although ANR already has many of these attributes as differing levels throughout the Agency, it is critical to strive for improvement as an Agency rather than as individual departments or sub-units.

The focus in “phase one” of the project has been on a deliberate and thorough effort to assess the current organization, gather information from internal and external stakeholders and the general public and developing a plan for progress. With the assistance of Vermont’s Snelling Center for Government, ANR has reviewed the process and outcome of past departmental and program assessments and reorganizations; developed a Project Timeline; established a ReThinking web page; held numerous internal staff meetings and solicited input and ideas from staff; held dozens of internal and external focus groups to look at the values Vermonters hold for their natural environment and how ANR’s work is viewed; polled the general public on its attitudes regarding the Agency’s performance; looked at other similar efforts across the country; and held public meetings throughout the State with the Legislatively created Natural Resources Reorganization Committee.

The phase one deliverables, to be completed in the next several weeks, will be a progress report from the Secretary to the Natural Resources Reorganization Committee and the Legislature. The report will include a history of the Agency, a detailed review and analysis of the prior assessments and change efforts, the findings from the focus groups, the themes that have emerged from public and staff input, and an action plan for next steps.

We estimate that ReThinking ANR will take two-to-four years until it becomes established as a routine part of organizational continuous changes. Clear and consistent leadership will be necessary to meet the ambitious goals.

ReThinking’s Significance to the Improvement of State Government Operations, and How it can be used by Other Government Agencies.

ReThinking Plan

The Timeline (attached) spells out the objectives and deliverables for each phase. Phase two is designed to agree upon ANR’s needs, the options to address those needs, and to set a plan in place. Based on the work completed so far, that plan will be focused on six long-term goals:

1. Create a transparent, consistent and understandable natural resources management and decision-making model.
2. Provide clear organizational goals and related performance expectations to staff at all levels of the organization.

3. Implement a direct link between the strategic plan and Agency budget development.
4. Use peer reviewed science in a consistent and well-defined decision-making process that enables mission clarity.
5. Develop effective partnerships and strive to create collaborative coalitions with the private sector and non-governmental organizations.
6. Focus on improving customer service at all levels of the organization.

ANR is currently looking at models to implement a mission-driven, performance based management and budget development system that implements our core objectives beginning with the Agency mission all the way down to specific performance evaluation criteria for each employee. A “risk-based” decision-making model will be adopted for the Secretary’s decisions that delineate where different levels of the organization have input into the decision and how the decision is communicated internally and externally.

ANR is the third-largest agency in Vermont State government, and touches the lives of Vermonters in unique ways. Whether it is visiting a state park, deer hunting, canoeing one of our lakes or rivers, or working to keep a local stream clean, many Vermonters are personally invested in what ANR does. Providing outstanding service at all levels reflects well on the entire state, and improves the perception of state government in general by both Vermonters and visitors. Also, providing strong leadership and success in transforming how we do business will provide an example to other state agencies, and allow ANR to share our experiences in improving similar functions throughout state government. Vermont is a small state, with a relatively small government that allows personal contact and relationships between all levels of government at all agencies. Knowledge is easily shared, and experience easily transferred. ANR’s goal is to be the best Natural Resources agency in the country, and an example for the rest of state government.

Savings

ReThinking is not designed to produce savings for budget reduction, or to shrink ANR’s size. The main financial goal is to recognize that financial resources are unlikely to increase, and prioritize activities, reducing or eliminating services for the lowest priorities and shifting resources to do the best job possible for the highest priorities.

Benefits to those ANR Serves

The benefits of success in ReThinking will flow to ANR's direct customers – park users, hunting and fishing enthusiasts, boaters, wildlife watchers, foresters, hikers, developers, builders, and other businesses, municipal solid waste districts – and everyone else affected by ANR's activities, such as our employees, the federal government, municipalities and other states. The benefits to our customers will be quantified by well-staffed parks with excellently maintained facilities; cleaner air and water; plentiful wildlife for viewing, hunting and fishing; timely permit decisions based on clear guidelines; and information education so that each citizen can contribute to meeting the Agency's mission. Employees will work in an environment where accountability is valued because it results in recognition and reward for excellent performance, where goals are clearly stated and performance expectations clearly understood -- from the Secretary down to the newly-hired analyst.

Thank you for the opportunity to be considered an "Outstanding Program" by NASCA.



State of Vermont

Agency of Natural Resources

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MEMORANDUM

TO: All ANR Staff

FROM:  Thomas W. Torti, Secretary

DATE: December 30, 2005

SUBJECT: My Thoughts on ANR's Future Direction

Over the last several weeks, many staff have asked what my thoughts are concerning the Re-Thinking process. My silence has been read by some to mean that I had decided on a course of action and was preparing to simply launch it. Nothing could be further from reality. The fact is that I have spent the last ten months trying to absorb as much information as I could about ANR and its component departments. Advocates, staff, case examples, historical documents, citizens, and legislators have all helped to inform my views.

As the "Initial Planning And Organizational Stage" phase of the process winds to a close, it is a fair question to ask if there are guiding principles that I bring forward into the next phase of this process. There are. In the last month or so, they have coalesced to a point where I feel comfortable putting them out for discussion. Even though the legislative session is here, my hope is to be more fully and directly engaged in conversations with staff on these and other long-range issues. Please remember that these are not set in stone. They are simply my best thinking to date and a point of departure for future discussions.

Introduction

Vermont is a state that has a special relationship with its environment and an equally special commitment to sustaining the tradition of natural resources stewardship that has taken place for generations. The Agency of Natural Resources (ANR) staff are vigilant stewards of that tradition and strive through their work to maintain our environment for this and future generations of Vermonters.

That is why it is imperative that the Agency determine the most successful organizational structure that carries on the tradition of environmental stewardship while also directing the complex management needs of the Agency into the twenty first century.

The Agency of Natural Resources was established on June 1, 1970 by consolidating the departments of Fish & Wildlife, Forest and Parks and Water Resources, the Natural Resources Conservation Council and the Division of Recreation. The consolidation of these unique Departments into a "Super Agency" is what we now know as the Vermont Agency of Natural Resources. Today's ANR consists of three departments, Fish & Wildlife, Forest, Parks and Recreation and Environmental Conservation. It has been 35 years since a comprehensive look and significant structural changes have been implemented at the Agency. The legislature and the Governor created Act 52 in an effort to look at what has taken place over the last 35 years and what changes may be necessary to prepare the Agency for the rapidly changing future it faces. Vermont has changed dramatically since 1970. The changes have occurred in the Vermont's demographics, resource use, public perception and understanding of natural resources and what Vermonters envision for the future of our State. The question we need to answer through the organizational assessment process is what we want our Agency of Natural Resources to accomplish in the next 25-30 years. This is an important time and what we do through this process is going to take a great deal of effort, resources and perseverance if we are to set the appropriate course.

If we are to be successful, our goal should be to collaboratively build an organizational structure that optimizes staff and other resources, utilizes a successful management structure, takes advantage of performance-based management practices, trains, supports and values staff and nurtures accountability and customer service throughout the organization. Although we already have many of these attributes at differing levels throughout the Agency, it is critical to strive for improvement as an organization rather than as individual departments or sub-units.

Six long-term goals for the Agency that I believe set our framework for the future

1. Use peer reviewed science in a consistent and a well-defined decision-making process that enables mission clarity.
2. Implement a direct link between strategic planning and Agency budgeting.
3. Develop effective partnerships and strive to create collaborative coalitions with the private sector and non-government organizations (NGOs).
4. Create a clear, predictable and inclusive natural resource management and decision-making model.
5. Provide clear organizational leadership goals and related performance expectations to staff at all levels of the organization.
6. Focus on improving customer service at all levels of the organization.

Seeking to achieve these six long-term goals will assist ANR in adopting an organizational model characterized by a strong science-based decision-making process that values a customer-focused service delivery approach.

Planning is essential as each of the Agency's three departments, work to operate in a more science-based, customer-focused manner and positions itself as part of a single agency, striving for good public policy that maximizes benefits for all of Vermont's citizens.

**Agency of Natural Resources Must Function as an
"Organizational Team"**

The Agency of Natural Resources structure should enable the coordination of its major departments and allow the Agency to complete its mission as an interconnected, cohesive unit. ANR is a large component of Vermont's government with a diverse set of responsibilities. Therefore, it is critical that the Agency function as an organizational team with a single purpose and direction. Given the diversity and size of the organization it is understandable that some blurring of Agency identity occur, however some of our organization's weaknesses can be directly attributed to a "silo mentality" and the lack of understanding between departmental division personnel that have responsibilities across functional lines. Resource allocation, public perception and overall organizational effectiveness are directly affected by these factors. This Agency has a myriad of positive attributes and strengths with the overarching strength being the passion and competency of its employees. Strengthening the "organizational team" at the Agency will show long-term results in the overall effectiveness of its mission.

Secretary's DRAFT Mission

Working with citizens to protect and enhance their health, the health of their natural environment, and to maintain a diverse ecosystem for this and future generations of Vermonters.

I realize that mission statements can be controversial since each word is layered with meaning. Here, I am trying to point out that our mission includes public health as well as environmental health. Also, when all is said and done, we work to improve the environment for the people of Vermont.

Assessment

Following is a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of some of the major factors that are likely to influence the Agency's ability to fulfill its mission. The list of factors will assist the process of identifying and implementing an effective organizational structure. Here, too, this list is not all-inclusive but a representation of what I have seen to date. Each is open for discussion.

Strengths	Weaknesses
<ul style="list-style-type: none"> ♦ Long history of performance on the state's environmental stewardship goals. ♦ Employees' experience, expertise and commitment to the State and its environment. ♦ Employees' knowledge of state government ♦ Long-term relationships and ability to work well with the public and other state agencies. ♦ Service delivery framework in place. ♦ Established customer base. ♦ Teamwork and collaboration. ♦ Strive for excellence. ♦ Passion for stewardship of the State's Natural Resources ♦ Offer broad range of services. ♦ Seen as a strategic partner. ♦ Significant work accomplished for Vermont's taxpayers. ♦ Work adds significantly to Vermonter's overall quality of life. 	<ul style="list-style-type: none"> ♦ Externally mandated work demands increase while overall resources stay the same or decline ♦ Aging workforce in the organization. ♦ Resistance to change within sectors of the organization. ♦ Lack of a consistent Agency-wide communication process. ♦ Lack of a defined decision-making process. ♦ Federal funding requirements are excessive. ♦ Dual regulatory and customer service roles. ♦ Difficult to measure the success of some programs and services. ♦ Not a clear staff succession planning process. ♦ Lack of some program or specific staff accountability measures. ♦ Weak performance incentives and lack of adequate rewards for outstanding achievements. ♦ Some processes are still viewed as cumbersome and time intensive.

Opportunities	Threats
<ul style="list-style-type: none"> ♦ Improve customer service opportunities by promoting accountability and accessibility to the public. Striving to minimize and promptly resolve conflicts. ♦ Implement an Agency wide system that continually monitors and measures program goal achievement. ♦ Implement functions that interconnect the Agency and promote staff collaboration and data driven results. ♦ Develop a defined process that utilizes the best available science in the management decision-making process. ♦ Create partnerships with other public/private entities to complete mission. ♦ Utilize IT solutions that promote productive results in the Agency's core mission. ♦ Expand data-driven decision making potential. ♦ New grants, funding opportunities and appropriations in order to meet current service delivery initiatives. ♦ Implement a Continuous Process Improvement culture within the organization. ♦ Educate stakeholders about new initiatives and the question of what responsibilities will be relinquished unless there are new resources allocated. ♦ Identify areas of maximum return and apply limited resources to those high yield activities. ♦ Identify future Agency challenges and opportunities and position the Agency to meet those needs. ♦ Hold all Division Directors jointly responsible for the performance of all of the divisions. 	<ul style="list-style-type: none"> ♦ Continual changes in federal requirements. ♦ State funding may not support various core mission initiatives. ♦ Continuous micro-management by outside organizations that detracts from available resources and the Agency's overall mission completion. ♦ Waning resources that affect the agency's ability to complete its mandates and "expected" duties. ♦ New unfunded mandates that stress Agency staff capabilities. ♦ Lack of understanding and strained working relationships between different departments operating unit staff. ♦ Silo mentality that undermines the identity of the Agency as a whole. ♦ Difficulty in educating the State's citizenry on the Agency's roles and responsibilities. ♦ Agency has an aging workforce throughout all three Departments. ♦ Ability to adapt to an ever-changing political and regulatory environment at the local, state and national levels.

Conclusion

My hope is that these ideas set the framework for positive, forward-looking discussions in the future of ANR. The document is by no means complete and was not intended to be. I hope it gives some insight into the direction that I think would be healthy for the Agency to move toward. I look forward to talking with you more about it in the coming months.

TWT/dwf

VERMONT AGENCY OF NATURAL RESOURCES

DRAFT PROJECT TIMELINE

VERMONT AGENCY OF NATURAL RESOURCES
RE-THINK PROCESS

December 7, 2005

VERMONT AGENCY OF NATURAL RESOURCES

RE-THINK PROCESS DRAFT TIMELINE

➤ PHASE I: INITIAL PLANNING AND ORGANIZATIONAL STAGE

Inception: July 1, 2005

Completion: March 1, 2006

Deliverables:

- ReThink Project Timeline.
- List of major themes to explore in more detail.
- Synopsis of changes since Secretary Torti's appointment and the reasons for those changes.
- Synopsis of comments and information gathered from public meetings, focus groups and ReThink website survey.
- Comprehensive list of Agency statutory mandates, programs and services that incorporates the Strategic Enterprise Initiative analysis.
- Comprehensive catalogue of Natural Resource stakeholders.

Process

1. Develop a ReThinking Strategy: Secretary Torti came to the Agency to take a fresh look at its mission and operations. A bill was signed into law giving direction, focus and enhanced public input to the fresh look. The strategy is to seek input from Vermonters on the values they put on the State's Natural Resources and then review the Agency's mission, goals, and operations to align the Agency's actions with the needs and desires of Vermonters.
2. Identify and Characterize Values: What are the values Vermonters put on their natural resource? Focus groups are being conducted both externally and internally to gather views on Vermonters' and their thought about how the Agency operates today. Results will be taken back to internal and external stakeholders for refocus and refining.
3. Select themes and issues areas for further investigation: Identify major recurring themes and issues through external and internal focus groups upon which to focus in the next phase. The process will work best if there is a balance of private sector and government involvement. Also look to previous Agency and Department organizational assessments for consistent themes.

➤ **PHASE II: BROADEN STAKEHOLDER INVOLVEMENT AND IDENTIFY OUTCOMES**

Inception: March 1, 2006

Completion: September 30, 2006

Deliverables:

- Draft ReThinking ANR Plan
 - Strategic Options, Needs Assessment Summary and Overview of Relevant Issues
 - Progress Update
 - Preliminary List of Agency Goals
 - 1st Natural Resource Summit Report
4. **Catalogue the groups, agencies and organizations interested in the identified values and functions:** It is essential to include the public and private agencies and groups that are interested in the values put on our natural resources. This effort goes beyond the focus group process, and identifies groups, agencies and organizations that identify with specific values and functions, to begin understanding how to build alliances and partnerships so that all Vermonters can properly manage our natural resources.
 5. **Involve a broad cross-section of interested individuals and organizations in all aspects of the Agency's planning and decision-making:** ReThinking decisions are only successful if key leaders believe they are successful. ReThinking must meld good science and good civics to be effective. A "Natural Resources Summit" will bring together interested parties to assist in needs assessment, issue analysis and priority setting in an effort to build consensus with Agency Stakeholders.
 6. **Identify and Assess the Needs, Concerns and Issues:** Normally different interests have different values and ideas about the future of natural resources. These interests or issues are at the heart of values Vermonters generally hold for their natural resources need to be recognized, described, analyzed and discussed at the Natural Resources Summit.
 7. **Describe the General Goals & Objectives:** Goals are the means of guiding us toward specific accomplishments and of keeping us on track as we proceed. What are the goals that have been established by laws and policies that agencies, groups and people are working to achieve? What options can be developed that bring the citizens of this State together to manage the one interconnected resource? Are conflicts positional or based on differing objective interests

➤ **PHASE III: STRATEGIC GOAL & OUTCOME FORMULATION**

Inception: October 1, 2006

Completion: December 31, 2006

Deliverables:

- **Release Final Agency ReThink Plan**
 - Progress Update
 - Refined List of Agency Goals and Expected Outcomes
 - Legislative package of changes to accomplish the ReThinking Plan, including revising conflicting, contradictory or superfluous statutes
8. **Refine Goals & Objectives and Establish Measures of Success:** Goals are based on resources values and functions and issues or matters of concern. Goals should be refined now to build on what we did in task #7 and to incorporate what we've learned from task #2 (values and functions) and #6. (Needs, concerns and issues). This task helps to create consensus out of contrasting opinions or positions, and to involve all the interests in the decision-making process. Once the goals have been refined, it is helpful to identify the specific environmental and organizational measures of success for each goal. This will enable us to measure our progress.
 9. **Consider All Alternatives:** How can values Vermonters put on their natural resources best be realized, issues resolved, and goals achieved? What ideas do people have? What programs, offices, partnerships, funds, etc. are available?
 10. **Define Favored Organizational Structure:** Will changes in the Agency's organizational structure help it fulfill its goal and objective more effectively? Will changes remove barriers to our employees getting their jobs done?

➤ **PHASE IV: ACTION PHASE**

Inception: January 1, 2007

Completion: October 31, 2007

Deliverables:

- Implement Agency ReThink Plan

11. **Select Actions:** What actions need to be taken? Who will take the action? How will the action be taken? When will the action be taken?

The actions selected should:

- Maintain values
- Achieve desired results
- Include measures for success
- Rationalize Agency business processes
- Resolve issues
- Improve IT functional effectiveness
- Consider appropriate alternatives
- Reflect public attitudes
- Identify short and long-term actions

12. **Take Action:** Select both short and long-term actions to carryout the ReThinking strategy. Starting small and building incrementally creates momentum toward larger goals and visions.

13. **Consider All Alternatives:** How can values Vermonters put on their natural resources best be realized, issues resolved, and results achieved? What ideas do people have? What programs, offices, partnerships, strategic alliances, etc. are available?

➤ **PHASE V: PLAN LAUNCH**

Inception: November 1, 2007

Completion: Ongoing

Deliverables:

- Strategic Alliance Development
- Organizational Plan Internalization
- Fundraising/Capitol Campaign Development
- Legislative Implementation Report
- Evaluate All ANR ReThink Changes.
- A System of Continuous Process Improvement

14. Document, Publicize & Celebrate Results: The success of any effort rests in its ability to demonstrate results. Measuring and publicizing tangible results is key to sustaining leadership commitment and public support. Track progress and publicize results!

15. Plan Implementation: Incorporate strategies throughout the Agency that accomplish goals and objectives identified through the Agency ReThink Process.

**16. Evaluate Progress and Refine Strategy:
Periodically refine the strategy based on what we learn and the current conditions that exist.**

Overview of the Core Objective Based Leadership Model

Definition of core objectives: products and services that can be defined and are delivered as a value to Vermont residents.

- **Core Objectives are implemented:**
 1. Top down for direction (Leadership priorities for the organization)
 2. Bottom up for strategies for core objective attainment.
 3. Strategies for core objective completion should be generated by those closest to the work at all levels.
 4. A manageable and effective accountability system should be adhered to throughout the organization to assure core objective attainment.

- **Objectives must be customer oriented (Vermont taxpayers are our customers):**
 - The Agency provides definable products and services

- **You must know what your products and/or services are**
 - How can you provide a service or product if you can't define it?

- **Performance measures are important.**
 - Performance measures provide accountability. How effective are we.
 - All measures should be outcomes when possible

- **Each level should be contributing to the product and services of the next level.**
 - There is an accountability at each level (is the level below effectively doing its job, is that job contributing to the product or service at the next level).

- **All planning and implementation should be simple.**
 - It should not take a lot time or it will most likely fail.

Core Objective Indicators

- Fish & Wildlife has been broken down into four departmental objective areas. The core objective indicators and the performance measure for those programs are listed in the Strategic Plan.
- **The management of Land & Natural Communities**
 - Cumulative number of acres of high-value habitats and natural communities conserved through acquisition or easements.
 - Number of acres of habitat and shoreline protected through the regulatory process.
 - Number of acres of wildlife management areas managed in accord with duly adopted plans.
 - Number of towns that incorporate protections for fish and wildlife habitats and/or natural communities in their zoning and subdivision regulations (to be evaluated every 5 years).
 - Maintain or increase the public's support for and knowledge of fish and wildlife conservation and land stewardship.
 - Increase in the number of town plans that promote protection of local fish and wildlife resources.
- **Fish & Wildlife Species**
 - Maintain or restore fish and wildlife populations at levels as defined in species management plans.
 - Increase the number of species that warrant delisting as endangered and threatened animals and plants.
 - Maintain self-sustaining trout populations as measured by the number of miles of rivers and streams supporting self-sustaining populations.
 - Prevent the introduction of any new invasive exotic species including pathogens and reduce, or at least contain, the geographic distribution of existing invasive exotics.
- **Hunting, fishing, Trapping & Wildlife Viewing**
 - Maintain the number of adults and youths participating in hunting, trapping, and fishing in Vermont as measured by license sales.
 - The amount of wild meat, fish, and other provisions from wildlife resources annually harvested under regulated seasons shall be maintained at sustainable levels.
 - Improve trapper, hunter, and angler satisfaction and knowledge levels (to be evaluated every five years).
 - Provide public access to Vermont waters or lands.
 - The number of adults participating in wildlife-watching activities in Vermont.
 - Public surveys to measure the change in public satisfaction rating among users of Vermont's wildlife and lands and other publics interacting with Vermont's wildlife or participating in a Department-sponsored program.
- **Human safety in area related to fish & wildlife**
 - The number of hunting related accidents.
 - The number of human exposures to transmittable diseases from fish and wildlife species.
 - The number of big game motor vehicle collisions.

The Agency's responsibility could be summed up by three core objectives: Natural Resource Stewardship, Human Safety and Recreational Opportunities. Using this model, the Agency would need to assess each of the three department's programs to understand their indicators and how they can demonstrate impact on the Agency's three overarching core objectives.

Below is a simple diagram of the Core Objective Based Leadership Model:

What are the agency's objectives?



What are departments' objectives and how do they help achieve the Agency's objectives?



What are a sections and/or divisions objectives and how do they help achieve the department's objectives?



What does staff do to help contribute to a section's/division's objectives?

Example of the Core Objective Based Leadership Model:

Agency Level

Objective: Provide Quality Outdoor Recreational Experiences
(Definition: Number of Anglers, Campers, etc)



Department Level

Objective: to create a quality recreational fishery
Rationale: to provide the public a recreational activity that brings them closer to the resource.
Fishing also provides a significant economic benefit to the state.
Provide Quality Angling Experiences
(Number of Anglers& Satisfaction Levels)



Division/Section level

<u>Fish culturists</u> Quality Fish (+/- % of fish requested & quality of fish)	<u>Fish biologists</u> Quality Angling (catch/unit effort & number of angling hours)	<u>I&E</u> Inform Anglers (Number of anglers reached)	<u>Wardens</u> Compliance (% checked having license)
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Staff level

<u>Culturist</u> (Rear quality fish)	<u>Biologist</u> (Survey Waters to determine where stocking should occur ecologically/recreationally)	<u>I&E</u> (Press Releases)	<u>Wardens</u> (Check Licenses)
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S. 56.

Senator Bartlett, for the Committee on Natural Resources and Energy, to which was referred Senate bill entitled:

An act relating to restructuring the agency of natural resources.

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE FINDINGS AND PRINCIPLES

The general assembly finds:

(1) The agency of natural resources affects the lives of all Vermonters in carrying out its duties to protect and responsibly manage Vermont's precious natural resources for the benefit of current and future generations.

(2) The following obstacles currently prevent the agency of natural resources from consistently meeting its statutory obligations:

(A) Agency of natural resources programs in the three agency departments (the department of environmental conservation, the department of fish and wildlife, and the department of forests, parks and recreation) are not sufficiently well integrated.

(B) A significant number of agency of natural resources staff work in regional offices throughout the state. These staff are familiar with and focused on meeting the unique natural resources challenges of their regions. However, there is also a need to ensure that the practices implemented in the regions are connected to basic agency-wide policies and to the agency management system. The lack of coordination between regional and central agency staff can result in the inconsistent application of agency policies.

(C) The following examples attest to the challenges faced by the agency of natural resources in meeting state and federal statutory mandates in a timely manner:

(i) The agency has not completed the basin planning requirement in state and federal law.

(ii) The agency has not completed basic, minimal groundwater mapping for aquifers serving public water systems as required by state law.

(iii) The agency has not completed implementation of key components of the federal Clean Water Act, such as developing total maximum daily loads (TMDL) and developing an antidegradation implementation policy.

(D) Appeals of agency decisions reveal that, on occasion, those decisions are inconsistent with state law.

(E) The problems faced by the agency of natural resources may be the result of a lack of agency resources, an inefficient use of existing resources, inefficiencies in the agency management structure, or any combination of these and other factors.

(F) Currently, there is not a clear and consistent connection between the agency's own policy, planning, and implementation work and core environmental issues

being addressed by other state agencies (including state long-range transportation planning, energy planning, and planning to address global climate change).

(G) State agencies, in general, fail to comply with the “Act 200” planning requirements of 24 V.S.A. § 4302. Therefore, it is difficult for the agency of natural resources:

- (i) to assure that it acts in a manner consistent with its own Act 200 plans;
- (ii) to coordinate its plans with the Act 200 plans of other agencies; and
- (iii) to assure that its actions are consistent with the Act 200 goals.

(3) Good policy and planning are vital to any large agency’s ability to efficiently carry out its responsibilities. The agency’s planning and policy efforts must be well connected and communicated to the staff who implement these policies. The agency’s internal policy must be coordinated with planning efforts in the individual departments.

(4) The agency must have a clear, well articulated vision to implement the state’s environmental policy as established by law. This will be done in a manner that connects to the work of all the departments and guides staff implementation.

Sec. 2. TIMELINE AND PROCESS

The secretary shall engage in the following process as part of a restructuring of the agency:

(1) In order to implement state environmental policy for the benefit of current and future generations, the secretary shall:

(A) Collaborate with agency staff, advocacy groups, other state agencies, municipalities, and other stakeholders to receive input on organizational models and the design of the agency. This process may include focus groups, public meetings, newsletters, surveys, and the use of a website and shall continue through December 2005.

(B) Collaborate with agency staff, advocacy groups, other state agencies, municipalities, and other stakeholders to determine specific accountability indicators needed to measure the success and performance of agency restructuring.

(C) Examine areas where consultation may be needed, such as information technology design, federal cost allocation, and organizational development.

(D) Identify and implement staff development programs necessary to assist the agency staff to carry out their responsibilities in the restructured agency.

(E) Compile all procedures and rules that govern any part of the agency and publish them on the agency website by July 1, 2006, along with a user-friendly index and table of contents.

(2) A statewide advisory group, the Agency Reorganization Committee (ARC), is created to advise the secretary on the design of the restructured agency. It shall consist of no more than 12 members, who shall be appointed by the legislative oversight committee, in consultation with the secretary of natural resources, as follows: two representing regulated business and development interests; two representing environmental organizations; one representing fish and wildlife interests; one representing the interests

of forests and parks; one representing recreational interests; one representing local government; one representing regional government; one representing the Vermont State Employees Association; and two representing citizens' groups. Appointments shall be made no later than June 1, 2005, and shall be for terms of one year. The secretary shall convene the first meeting of ARC no later than July 1, 2005, and establish regular meetings thereafter. The ARC shall hold public hearings with respect to the functions of the agency, and the issues identified in this act, in each of the agency's five administrative districts and provide public notice of each public hearing. The secretary and the consultant, in consultation with ARC, shall establish a process to solicit input from agency staff. For purposes of this act only, the provisions of the collective bargaining contract article on whistle blower, as printed in the agreements between the State of Vermont and the Vermont State Employees' Association, are extended to all employees in the agency not covered by these agreements. Members of the ARC not receiving compensation for service on the advisory group from another source are entitled to compensation under section 1010 of Title 32.

(3) The secretary shall examine functions, such as administrative support and supervision, and space requirements necessary to establish an agency that is responsive and helpful to permit applicants, neighbors, and others interested in and affected by the permitting process.

(4) On or before December 1, 2005, the secretary shall prepare and present a draft report to the ARC on natural resources restructuring for review and comment. ARC members shall provide comment based on review no later than December 15, 2005.

(5) On or before January 15, 2006, the secretary shall prepare and present to the legislative oversight committee on natural resources restructuring established in Sec. 2 of this act:

(A) a report containing initial recommendations for restructuring the agency, including:

(i) a plan for making the agency's permit process, enforcement actions, and other functions more accessible in order to increase efficiency, transparency, and accountability. This shall include a detailed articulation of the resources and time frame needed for implementation of the plan;

(ii) agency action to meet statutory obligations under 10 V.S.A. § 1253(d) regarding basin planning including plan updates every five years;

(iii) standardization and integration of the agency's permit programs to make them more user-friendly to applicants and to others concerned with natural resource management and the environment, while at the same time protecting the state's natural resources to the full extent of the law;

(iv) accountability mechanisms to ensure that alleged permit violations are forwarded to the agency's enforcement division and that there is a sufficient enforcement presence to give the resources the protection anticipated by the pertinent underlying legislation and to assure that those who do not comply with the law are not given an unfair advantage over those who do;

(v) documentation procedures to ensure that agency decisions are made in compliance with applicable law and that they adhere to sound, generally accepted scientific principles and methods; and

(vi) provision of policy guidance from the agency's planning efforts to coordinate between the agency's many departments and divisions in a manner that protects the state's resources while responding to legitimate interests of applicants and others involved in the permitting process;

(B) draft legislation necessary to eliminate contradictions in existing statutes and to authorize the reorganization proposed by the agency;

(C) a report on the budgetary impacts and transitional costs of restructuring; and

(D) recommendations for improving coordination of functions that are shared with, or that overlap with, those of other state agencies and units of local government.

Sec. 3. THE LEGISLATIVE OVERSIGHT COMMITTEE ON NATURAL RESOURCES RESTRUCTURING

(a) There is created the legislative oversight committee on natural resources restructuring to oversee the restructuring of the agency of natural resources. The committee shall be composed of four members from the house of representatives to be appointed by the speaker of the house, not all from the same party, and four members from the senate to be appointed by the committee on committees, not all from the same party. Initial appointments shall be made by July 1, 2005.

(b) The committee shall review whether agency restructuring achieves the goals of this act effectively and efficiently. Specifically, the committee shall:

(1) solicit input from the ARC and from individuals served by the agency, whether as permit applicants, neighbors, or persons who use and enjoy the state's natural resources;

(2) monitor the restructuring process and timeline; and

(3) measure the efforts of the agency against the goals and principles described in this act.

(c) The committee may meet up to six times per year while the general assembly is not in session to perform its functions under this section.

(d) The secretary of the agency of natural resources shall report to the committee as required by the committee.

(e) Members of the committee shall be entitled to compensation and reimbursement for expenses under section 406 of Title 2.

(f) The committee may prepare and propose draft legislation which amends the Vermont Statutes Annotated to conform to the restructuring of the agency.

Sec. 4. RESTRUCTURING; AUTHORIZATION

After filing the report required in subdivision (5) of Sec. 2 of this act, the secretary of natural resources shall have the authority to restructure the agency of natural resources,

including the authority to make organizational changes according to the goals, principles, and processes set forth in this act. For the purposes of this act:

(1) The secretary may transfer appropriations within the agency in order to carry out the purposes of this act, provided that the total amount appropriated to the agency shall remain the same. The secretary shall not transfer an appropriation without the approval of the joint fiscal committee. Prior to transferring an appropriation, the secretary shall submit a written proposal for the transfer to the legislative oversight committee on natural resources restructuring and to the joint fiscal committee. The legislative oversight committee shall have up to 45 days to review the proposal and provide its recommendation on the proposal to the joint fiscal committee. The joint fiscal committee shall meet within 30 days of the date of its receipt of the recommendations from the legislative oversight committee to review and act upon the proposal. However, the joint fiscal committee shall not act upon the proposal until it receives a recommendation from the legislative oversight committee or after the passage of 45 days from the date of its receipt of the proposal. The transfer shall be deemed approved by the joint fiscal committee and the secretary may implement the transfer if:

(A) the joint fiscal committee fails to act within its 30-day period for review, in case a timely recommendation is received from the legislative oversight committee; or

(B) if the joint fiscal committee fails to act within 75 days of receipt of the proposal, in the absence of a timely recommendation from the legislative oversight committee.

(2) The secretary may transfer or reallocate personnel, functions, and programs consistent with this act, subject to personnel laws, rules and contracts. The secretary shall identify personnel laws and rules, and contracted services which affect the agency's ability to meet the goals and principles set forth in this act.

(3) The secretary may use pilot programs or action research initiatives to facilitate the development of agency protocols.

Sec. 5. STRATEGIC PLAN

On or before May 1, 2006, the secretary shall prepare a strategic plan to implement state environmental policy, which shall be updated biennially and presented to the general assembly and to members of the house and senate committees on natural resources and energy. The strategic plan shall set and clarify goals; describe the process for engagement of agency staff, permit applicants, advocacy groups, advisory groups, and other affected agencies; provide an ongoing assessment of the effectiveness of the plan in implementing state environmental policy; and establish and describe milestones for development of the plan.

Sec. 6. APPLICATION

Nothing in this act, nor any action taken pursuant to this act, shall affect the validity of agency of natural resources rules in effect, assets owned, or contracts or other agreements entered into by the agency. Rules in effect on the effective date of this act shall remain in effect until amended or repealed by the secretary.

Sec. 7. SUNSET

Sec. 2, subdivision (2) (ARC), Sec. 3 (legislative oversight committee on natural resources restructuring), and Sec. 4 (restructuring authorization) of this act are repealed on July 1, 2008.

Sec. 8. APPROPRIATION

The sum of \$50,000.00 is appropriated from the general fund to the agency of natural resources in fiscal year 2006 for the purpose of hiring a consultant-facilitator to assist in implementation of this act.

Sec. 9. EFFECTIVE DATE

This act shall take effect upon passage.

And that when so amended the bill ought to pass.

Senator Bartlett, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and pending the question, Shall the bill be read the third time?, Senator Condos, for the Committee on Government Operations, moved that the bill be amended as follows:

First: In Sec. 2, subdivision (2), first sentence, by striking out the following: “Agency Reorganization Committee (ARC)” and inserting in lieu thereof the following: Agency of Natural Resources Re-organization Committee (ANRRC)

Second: In Sec. 2, in subdivision (2), by striking out the following: “Appointments shall be made no later than June 1, 2005, and shall be for terms of one year.” and inserting in lieu thereof the following: Appointments shall be made no later than June 15, 2005, and shall be for terms of one year.

Third: In Sec. 3, subsection (a), by striking out the last sentence and inserting in lieu thereof the following: Initial appointments shall be made by no later than June 1, 2005, regardless of whether the legislature has adjourned.

Fourth: In Secs. 2, 3, and 7, by striking out the following: “ARC” wherever it appears and by inserting in lieu thereof the following: “ANRRC”

Which was agreed to.

Thereupon, third reading of the bill was ordered.