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**Report
to the
Minnesota
Legislature
on the
Minnesota
Department of
Natural Resources
Regional Organization**



**submitted by
The Minnesota Department of Natural Resources
January 1983**

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MINNESOTA'S NATURAL RESOURCES

<u>RESOURCE</u>	<u>DESCRIPTION</u>	<u>TOTAL</u>
<u>THE STATE</u>	State Population	4,077,148
	State Land Acreage	50,745,000
	Acres of Land Managed by DNR	5,300,000
<u>FORESTS</u>	Total Forest Land Acreage	17,000,000
	Acres of Forest Land Managed by DNR	4,600,000
	Acres of Land in State Forests	3,000,000
<u>WATERS</u>	Number of Lakes	12,000
	Miles of Lake Shoreline	40,000
	Miles of Rivers and Streams	94,000
Boating	Number of Licensed Boaters	610,000
	Number of Public Accesses	1,100
Fishing	Number of Fishing Lakes	6,000
	Fishing Lakes Acreage	3,800,000
	Miles of Fishing Streams	7,000
	Number of Anglers	2,000,000
<u>WILDLIFE</u>	Number of Wildlife Management Areas	950
	Wildlife Management Areas Acreage	520,000
Hunting	Number of Big and Small Game Licenses	640,000
	Safety Training to Date for Firearm Use	500,000
<u>MINERALS</u>	Acres of Peat Land Owned by the State	3,000,000
	Acres of Mineral Rights Administered by the DNR	10,000,000
	Average Annual Mineral Royalties (\$)	3,500,000
<u>PARKS</u>	Number of State Parks	64
	State Parks Acreage	185,000
	Annual Visits to State Parks	6,900,000
<u>TRAILS</u>	Miles of State Trails	449
	Miles of Trails in DNR Units	2,190
	Miles of Grants-in-aid Trails	6,902
Snowmobiling	Number of Licensed Snowmobilers	230,000
	Miles of Snowmobiling Trails	8,169
<u>CANOE & BOATING ROUTES</u>	Miles of Canoe and Boating Routes	2,200
<u>SCIENTIFIC & NATURAL AREAS</u>	Number of Scientific and Natural Areas	27
	Acres of Scientific and Natural Areas	9,000

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REGIONALIZATION - A PREFACE

The DNR regional concept is a well-considered approach to the difficult and complex business of managing the state's natural resources. The task centers largely on the management of human resources within the department as a means of managing natural resources.

The DNR evolved from the simpler program and policy management of the 1940s, '50s, and '60s to the more complicated and businesslike approaches of the 1980s. There are now better tools, greater technical capabilities and new functions to meet the greatly expanded resource needs of the present, as well as provide for management closer to the people and the resources.

The regional concept is being continually improved and fine-tuned to make DNR an efficient and accountable operation. Management of resources is big business; there is a great deal at stake for both present and future generations. Regional organization has brought the department closer to people by providing a local focus where they can meet and discuss resource problems, obtain interdisciplinary assistance and encounter the department's field operations staff face to face. The regional structure has enabled the establishment of intradepartmental teams of resource managers and technicians to work together and provide ready accessibility to citizens at the local level.

Regionalization can continue to improve the department's management abilities and further bolster state/local relationships if it is allowed to continue as it has in the past eight years. Reductions in the present regional structure will reduce the department's responsiveness to policy needs and natural resource issues, decrease accountability, hinder interdisciplinary coordination, increase workloads and dissect areas of common resources.

I. A BRIEF HISTORY OF DNR REGIONAL ORGANIZATION

Departmental commitment to the concept of regional organization has evolved slowly but steadily over many years. However, the vitality and complexities of the struggle, as well as the progress which regional organization has provided, can only be understood in light of the historical conditions within which this stream of events has unfolded. The historical conditions and events leading to the present system of regional administration can be divided into five historical periods, which are generally delineated by significant events which altered the course or accelerated the pace of regional administration.

1858 -- 1930

When Minnesota became a state in 1858, 17 million of the state's 51 million acres were granted to the state government. At that time 75 percent of the state's land area was forested.

During these frontier years state government, including natural resource functions, was evolving in a piecemeal fashion. A myriad of commissions, boards and ex-officio units were created, abolished and replaced rapidly. For example, in 1874 a Fish Commission was established by the legislature in response to specific concerns; however, no game commission was set up at that time. In 1887 a Chief Game Warden position was created, and granted hiring power, but no larger organization was established to give the position context. Four years later the three functions were integrated into a Board of Game and Fish, headed by a five-man commission. By 1915 the arrangement had been replaced by a Department of Game and Fish, with a single commissioner. This pattern of administrative experimentation was similar in the management of lands, forestry and waters.

The functional disciplines were not evolving by the same process, nor at the same speed. Since so much of the state was forested at that time, it was natural that land and forest protection concerns would rise to prominence first. Lands was chronologically the first managing unit; however the discovery, in 1893, of widespread fraud in timber sales set back the credibility of land managers for many years.¹ By contrast game and fish administration consistently picked up authority and strength, until by 1922, biennial revenues and fines totalled \$646,231, with 2632 convictions.² This became the largest resource managing unit by the time the Department of Conservation was created in 1931. Forestry management in the state began in 1895, a generation after fisheries management and was identified solely with fire protection until 1931.³ Waters management began in 1901 with the State Drainage Commission, but a separate parks function was not recognized until 1935.

Each of these emerging disciplines was structurally independent and the degree of field autonomy, whether delegated or surrendered, varied greatly.

In the larger disciplines, such as game, fish, enforcement⁴ and forestry, required activities molded a highly decentralized structure. The work of field units was often urgent and at times extremely dangerous.

Throughout the early years, a succession of cases arose which attested to the need for strength and independence in field operations. In 1897 Commissioner Samuel Fullerton was injured by an attack of freight agents transporting illegal game and Warden Charles Wetzel was killed by Indian muskrat poachers near the White Earth Reservation (county officials were so angered they asked the Game Commission for reimbursement of medical expenses of the wounded killers!) Warden Norman Fairbanks, Sr. was shot and killed while on routine patrol in April, 1930, by illegal trappers. Urgent tasks, coupled with poor coordinative capability over long distances, resulted in highly autonomous field units. In disciplines such as waters, however, tasks were highly centralized and, in fact, no field staff existed.⁵

1931 -- 1949

In 1931 the legislature attempted to consolidate natural resource management activities with the creation of a single Department of Conservation, headed by a five-member Conservation Commission. The independent status of game, fish, drainage, waters and forestry was abolished and all became divisions of the new department.⁶ Lands and minerals were added as a fourth division in 1933, but only after the state auditor had lost a court case for retaining control over that office.⁷ The legislature went beyond mere structural reorganization in 1931. In recognition of serious existing problems, it also attempted to more clearly define divisional areas of responsibility. For the first time the concept of multiple or interdisciplinary use of public lands was recognized and encouraged. State-owned forest lands were almost totally placed under a state forest designation, transferring administrative control of vast areas from lands (which was highly centralized) to forestry (which was highly decentralized).⁸

Throughout the 1930s, functional integration continued, largely through legislative actions. In 1932 the Land Utilization Committee Report provided an influential call for interdisciplinary land management⁹; in 1935 the Division of Parks was carved out of forestry; in 1937 a constitutional amendment was passed (and ratified the following year) allowing land exchanges¹⁰; also in 1937, the Conservation Commission was abolished in favor of a single commissioner, who was given sole administrative responsibility.¹¹

During the 1940s, the fledgling organization settled down, embarking on the first real attempts at interdisciplinary coordination. Special demands of the war years precluded major innovations. By 1950 great strides had been made in harnessing and coordinating the disciplines; however, great gaps in organizational control still existed. A 1949 PhD thesis chronicling departmental history stated, "[at this time] there has been no concerted attempt to bring about uniform districting and accent on departmental, rather than divisional, organization of field personnel, although frequent interdivisional cooperation of departmental personnel is evident."¹² In 1949 disciplinary regional boundaries and offices were totally uncoordinated: forestry had two regions based upon three general "belts" of resource intensity and 16 supervisory areas; fisheries had six regions; lands and minerals had three appraisal regions; parks had two regions. In several cases two or more divisions were renting offices in separate buildings in the same city, thus needlessly reducing coordinative capability. And in some cases, public opposition to departmental actions was severe and restrictive. Obviously more work in administration and public responsiveness was needed.

1950 -- 1971

Although there were no departmentwide changes in regional organization during the 1950s and 1960s, individual disciplines continued to take actions to streamline and decentralize their operations. Resource management became much more complex during this time due to increasing affluence and an attendant boom in outdoor recreation, as well as greater organization of citizens into specialized and articulate constituencies. For these and other reasons, increasing calls for greater departmental coordination were being heard by the late 1960s.

In 1956 forestry became the first discipline to truly implement a regional structure, with area supervisors reporting to a regional supervisor.

The Division of Game and Fish was particularly active during this period. In 1955 regional supervisors were eliminated from the warden service section, and the number of area supervisors was reduced from 13 to 10. Game and fish sections retained their regional structure. However, 10 years later the division streamlined its operations by creating five identical regions, headed by regional supervisors for each section. This 1965 move was an extremely important early compromise within the division, making subsequent regionalization less complex.

In 1965, in the midst of a nationwide emphasis on recreation stimulated by the Outdoor Recreation Resources Review Commission (ORRRC), the state legislature increased the number of full-time personnel in the Division of Parks from 54 to 83. The increase was used to establish a regional structure, with five regions headed by regional supervisors.

By the late 1960s, most divisions had devised regional systems, but they were not coordinated departmentally. The paramount problem in establishing consistent departmental regions lay in the unequal distribution and characteristics of the different resources, which did not cooperate by following administrative boundaries. Reconciliation of resource management concerns came neither quickly nor easily.

Also during this time the increasing need for support services precipitated the creation of several bureaus: Operational Services (1954), Engineering (1958), Boat and Water Safety (1959), and Planning (1964).

In 1966 the DNR requested funds from the legislature to build regional offices in Brainerd and Bemidji to bring all departmental personnel in those cities under one roof still, no coordinative structure was envisioned. It was believed that common housing would produce efficiencies in operations and greater cooperation due to more frequent associations. The legislature did not appropriate the necessary funds, but in 1971 the department again requested, and this time received, building funds. By September of 1973 when the first regional administrators were appointed, regional offices had been built in Brainerd and Bemidji, and land had been acquired in New Ulm.

Finally, in June 1970 Gov. Harold LeVander signed Executive Order 60, which established Regional Development Commissions (RDCs), providing a regional framework which could serve as a model for the creation of DNR regions.

By the beginning of the 1970s, the department had made clear steps toward greater inter-divisional coordination. Most disciplines had adopted a five-region strategy, although the boundaries for each discipline were still different. Office locations were being consolidated and some disciplines were being effectively organized into a regionally decentralized structure.

1972 -- 1977

In 1972 Gov. Wendell Anderson announced a new concept in public-private cooperation called the Loaned Executives Action Program (LEAP) to allow top management personnel from successful private firms to serve as consultants to state government. Administrative activities of state agencies were evaluated and recommendations for improvement were made, through this program.

The project team, which evaluated DNR was stinging in its critique of the existing administrative structure. The final report stated, "Today the Department of Natural Resources operates as a loose coalition of five independent divisions. There is no cohesive, coordinated, overall state policy.... [Personnel in the DNR] have managed well in spite of the system under which they have had to operate."¹³

Among the criticisms were four related to regional administration. Problems and specific examples cited by the LEAP project team, are listed below:

1. Symptoms existed of "empire building" and highly parochial attitudes among divisions. For example, procurement and utilization of capital equipment--largely a field responsibility--was uncoordinated. The department had no capital equipment inventory, and no departmentwide plan for the utilization, replacement and financing of equipment. Each division performed these functions instead. Also, land inventories and acquisitions were not coordinated: one division might attempt to acquire lands for resource management purposes when lands of another division could be used for this purpose.
2. There existed great problems of duplication and overlap in both administrative and program effort. For example, each division had its own administrative support structure. Also, 17 staff members outside the Bureau of Information and Education had been hired simply to perform copywriting functions.
3. There existed poor utilization of field manpower. For example, 56 person-years were being spent in the field maintaining work and payroll records. Also, in several cases, skilled enforcement officers were being pulled off some jobs to perform unskilled activities.
4. There existed poor lines of accountability, and managers below the commissioner's office were too indecisive, largely due to the extreme pressure placed on them by special interest constituencies. Many good suggestions sent up through proper channels by field staff were not being acted upon by superiors, who did not wish to go to the commissioner for a decision. For example, when the Knife Lake Dam went out, heavy equipment was only mobilized a week later, after the commissioner personally intervened.

Based on these problems LEAP proposed a radical departure from existing and historical operations, when it recommended that a highly-decentralized field administrative structure be established, to be headed by regional administrators reporting directly to the commissioner. These administrators would be given wide responsibility for interpreting resource goals and managing field operations. Line authority would be removed from the divisions, which were to be organized under a new Office of Planning, Research and Development. Division chiefs were to serve in a planning, project development, guidance and advisory capacity on the commissioner's staff. The LEAP team believed this would improve public responsiveness, heighten program coordination and planning, establish conscientious cost accounting and create a clear line of accountability for the execution of field programs.

With strong backing from Gov. Wendell Anderson, Commissioner Robert L. Herbst worked rapidly to implement the LEAP conclusions. In September of 1973 the department formally announced its reorganization along the guidelines prescribed by LEAP. Five regional administrators were appointed from within the department. Divisions were placed under Planning and Research and all divisional field personnel began reporting to the regional administrator for program authority. According to Clarence Buckman, deputy commissioner during the time, the quick push to institute LEAP recommendations required massive amounts of time from DNR professionals, often to the detriment of over 190 resource management programs. Much of this work involved the rigorous negotiation of regional boundaries, alignment with Regional Development Commission boundaries and the establishment of common regional headquarters sites. This last factor was particularly difficult, as each discipline and its constituencies argued for sites most advantageous for the management of its particular resource (e.g., less administrative travel time, ability to respond to resource emergencies, closeness to constituents and users). During this time the DNR also underwent a total physical reorganization of departmental offices and instituted new accounting and budgeting systems. The sudden shake-up caused a great deal of anxiety and fear among employees. January 1, 1974, a DNR Organizational Manual was published to explain the reorganization, with special emphasis on the concept of regional administration.

Five regions were created at this time, with a central headquarters in the following cities: Bemidji, Grand Rapids, Brainerd, New Ulm and Rochester.

A metro region was added on July 1, 1974, with headquarters in St. Paul, in recognition of common urban resource problems, needed proximity to half of the state's population and conformity with the boundaries of Regional Development Commission Region 11 (administered through the Metropolitan Council).

1978 -- 1982

Many concerns were raised during the late 1970s regarding the DNR's involvement with the public. As a result, when Joseph Alexander was appointed acting commissioner in 1978, Gov. Rudy Perpich stated "There is general agreement that the department must become more responsive to the concerns of the public. With this in mind, Commissioner Alexander has agreed to make a concerted effort to include the public in the decision-making process".¹⁴

The commissioner recognized and supported regional field operations within the department but also recognized the need for essential adjustments to further improve regional administration.

Accordingly, Alexander adjusted the regional organization to provide for more efficient and effective regional administration and to improve public responsiveness.

It was agreed that this could best be achieved through a regional structure which met the following goals:

1. To provide inter-disciplinary coordination in a manner which ensures a department-wide integrated approach to regional management. This includes the implementation and maintenance of cost-effective centralized field support services to field operations.
2. To decentralize decision-making to the field to the maximum extent feasible and practical in matters of predominately local concern and involvement. This includes policy guidance and direction to the regions from the central offices in order to fulfill statewide interest and concerns and to assure a unified approach.
3. To increase the responsiveness to the public by providing more and better services, including advice and assistance, at the local (regional) level and by promoting increased interaction with local people on natural resource matters within each region.

Based on these goals, the commissioner restored line authority to each of the divisions; removed division operations as a branch of planning and research, and redefined the role of regional administrators to create the regional organizational structure which exists today.

Since 1978 the organization of regional administration within six regions has been highly successful. Much of the criticism regarding the DNR's involvement with the public has declined and coordination of resource management efforts, both internally and externally, has increased considerably. Centralized staff functions have resulted in appreciable savings and increased efficiency in such areas as capital equipment procurement and utilization and the sharing of clerical services.

Under the supervision of the regional administrator the purchase of regional equipment is monitored to provide the most efficient use of state funds by guaranteeing inter-disciplinary and inter-regional use. State buildings are consolidated and, where possible, eliminated. Payroll decentralization and prompt payment of department bills have been achieved through the six-region structure.

Regional administrators represent the commissioner, speak in the department's behalf and serve on special task forces. County Protected Waters Inventory hearing panels are examples of this kind of service on the part of regional administrators throughout the state. Diverse local issues demand inter-disciplinary department-wide responses, i.e., Indian affairs in the northwest, Memorial Hardwood Forest acquisition in the southeast and management of the Lower St. Croix River in the metro region.

DNR accomplishments during the last four years demonstrate that the existing coordinated departmental perspective, operating through a system of consistent boundaries, common offices and reasonably-sized regions can best manage Minnesota natural resources, monitor land uses and serve the state's population.

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Endnotes: Brief History of DNR Regional Organization

¹Report of the Pine Land Investigating Committee to the Governor of Minnesota. (St. Paul, MN.: Pioneer Press Co., State Printers, 1895, 87 pp.).

²Biennial Report 1921-1922, State Game and Fish Commissioner, p. 61.

³State-owned lands were not (largely) placed into "State Forests" until 1931. Before that time, almost all land management for state-owned forest resources was conducted through the Lands Commissioner in the Office of the Auditor. The Forestry Division owes its genesis directly to the Pine County Fire of 1894 and the legislative response, which created a Forestry and Fire Prevention Commission. For many years, then, the sole function of the Forestry Commission was fire prevention.

⁴Activities now conducted under the Division of Enforcement were at that time conducted by Warden Services of the Game and Fish Commissions.

⁵For a captivating historical account of these and other episodes of early DNR resource management, see The Administration of Natural Resources in Minnesota. PhD dissertation presented to the graduation faculty of the University of Minnesota by Julius F. Wolfe, Jr. July 1949, (475 pp.).

⁶Minnesota Statutes, 1931, chapter 186.

⁷State of Minnesota v. Finnegan, 188 Minnesota 54 (1933).

⁸Minnesota Statutes, 1931, chapters 124 and 263.

⁹Land Utilization in Minnesota. Final Report of the Commission on Land Utilization, appointed by Governor Floyd B. Olson, August 4, 1932. Minneapolis, MN. 1934. 289 pages.

¹⁰Minnesota Statutes, 1937, chapter 492.

¹¹Minnesota Statutes, 1937, chapter 310.

¹²The Administration of Natural Resources in Minnesota, page 362.

¹³Loaned Executive Action Program, Report #139, Executive Summary, 29 December 1972.

¹⁴Cited in memorandum from Joseph A. Alexander, DNR Commissioner, to all DNR division directors and regional administrators, dated 08 July 1978, p. 3.

¹⁵One of the most famous studies is a detailed participant observation of the U.S. Forest Service: The Forest Ranger, by Herbert Kaufman (Baltimore, Md.: Johns Hopkins University Press, 1969).

Major Sources of DNR Regional History Information

"Commissioner's Advisory Task Force Report on Organization, Authorities, and Accountabilities", 01 August 1978.

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"Reorganization Should Improve Resource Management". Environmental Focus, Vol. 1 No. 6 (January 1973).

Various memoranda from files of the Bureau of Engineering and Former Deputy Commissioner Clarence B. Buckman.

Wolfe, Julius F., Jr.. The Administration of Natural Resources in Minnesota. Phd dissertation presented to the graduate faculty of the University of Minnesota. July 1949, 475 pages.

The Regional Organization Task Force would like to give a special note of appreciation to former Deputy Commissioner Clarence B. Buckman (retired) for sharing his experiences and insights from 30 years of DNR service.

II. REGIONALIZATION IN THE DNR TODAY

The Value of Regional Organization

Regional Administration, with headquarters in six locations, is the cornerstone of departmental field operations. It is the vehicle through which the DNR administers its management programs, responds to the public and serves its employees. Offices in Bemidji, Grand Rapids, Brainerd, New Ulm, Rochester and St. Paul provide both vital administrative functions and crucial program management functions. Regionalization allows the department to deal with local issues at the local level, removing pressure from central office staff to solve problems from St. Paul. Regionalization frees central office personnel to concentrate on statewide problems, policy and planning.

The typical regional headquarters staff consists of a regional administrator, six regional supervisors (enforcement, fisheries, forestry, parks, waters and wildlife) and staff specialists who provide engineering, field services, lands, trails and waterways, business management and clerical services.

Comprehensive natural resource management involves the development and implementation of programs and projects which recognize interrelationships and interdependence. Water, land, forests, and fish and wildlife comprise the state's natural resource base. People need, demand and place stress on that resource base for a variety of purposes: recreational pursuits, agricultural enterprises, commercial and industrial developments, residential uses. Each DNR division is assigned specific goals, objectives and legislative authorities to provide the best possible management of its particular resource responsibility. Each has developed and maintained field staff expertise.

Perhaps no realization has been more dramatic during the past decade than the understanding that resource management needs to be addressed on an inter-disciplinary basis. No single division can be expected to solve multi-faceted resource problems. The regional administration structure both allows and demands inter-disciplinary communication and cooperation.

Decisions made by foresters often result in wide-ranging impacts upon trails operations, wildlife management and campgrounds management. Fisheries and waters field staff need to work closely with personnel who are acquiring and developing DNR water access sites. Parks activities require interaction with fish, wildlife and enforcement programs. At the regional office level local problems can be solved by individuals who combine a particular discipline expertise with a working knowledge of an area and its citizenry. Only through an integrated regional approach can the Department of Natural Resources deal with the diversity of Minnesota's resources and related issues: agricultural drainage in the southwest, forestry intensification in the northeast, wildlife management in the northwest, urban development in the metro, trout stream preservation in the southwest, tourism in central Minnesota.

Resource management is, at best, complex. It involves different demands in each region. It involves public as well as private lands. Unfortunately, resources are not evenly distributed to coincide with administrative or political boundaries, so there is no one drawing of regional lines which would perfectly satisfy all disciplines. Existing regional boundaries meet most resource management needs most of the time. Failing that, inter-regional

cooperative agreements have been approved and successfully implemented. Most importantly, existing boundaries provide an organizational structure which can efficiently respond to most public demands most of the time. Failure to do so at the regional level would result in inconveniencing citizens and increased pressure on central office to provide absentee management.

From Regionalization to Regional Administration

Early in their history, most natural resource disciplines recognized the need to decentralize programs and activities through some form of regionalization. However, those early attempts at "regional organization" were very different from "regional administration" as it has been implemented and known during the past decade. Regional administration, since 1973, has incorporated two distinct yet coordinated components: a regional administration function and a program management function.

Administration Function. Included in the administration function are four basic departmental responsibilities:

1. Internal coordination of resource management activities to insure interdisciplinary cooperation and problem solving
2. External liaison with state and federal agencies, units of government, environmental organizations, elected officials and concerned citizens
3. Monitoring of programs, projects, personnel, equipment and facilities
4. Provision of support to discipline field operations through fiscal and personnel management, engineering assistance, trails and waterways activities, procurement and maintenance services, land administration and clerical services

Heading the regional administration effort is the regional administrator who keeps a finger on the pulse of field operations through:

1. Identification of issues, problems and conflicts
2. Speaking for the department in the region and fulfilling special assignments; ie., county protected waters hearing panels, water access task forces, policy committees
3. Development of regional information/education activities and serving the public as a central contact person on local and regional resource management issues and concerns
4. Serving as the commissioner's representative at local and regional meetings
5. Direct supervision of support staff

In addition to the values of improved local responsiveness, decentralized decision-making, and integrated resource management, the DNR regional administration function has resulted in demonstrated cost-effective administration and support services.

Typical examples of improved practices include:

1. Building Consolidations - The establishment of six regional headquarters provided for maximum utilization of DNR field offices. Previously facilities were used by one or two disciplines and supervisory staff were often located in separate scattered facilities. Consolidation of buildings has reduced transportation, building maintenance and communications costs, as well as promoted greater public accessibility in terms of "one stop shopping."
2. Shared Support Services - Prior to regionalization each discipline had its own clerical staff. A centralized regional clerical staff now handles the combined clerical needs of discipline supervisors and other technical field personnel, resulting in staff reductions and promoting optimal productivity. The establishment of a regional business office function has provided decentralized payroll, accounting, bill paying and personnel management in each region. As a result, bills are generally processed for payment within a few days after receipt (substantially improving relations with local vendors). Also, detailed payroll processing and cost accounting systems exist in each region to provide current data on program encumbrances and disbursements. Personnel matters, increasingly more complex with the negotiation of numerous union contracts, are handled through an informed business manager in each region.

Regional engineers and land specialists provide vital services to regional discipline supervisors who can seek assistance at the regional level, rather than funneling requests through St. Paul. Through the regional administrator, assignments are made and prioritized. Frequent field checks are possible to prevent expensive mistakes. Regional trails and waterways coordinators, under the direct supervision of the regional administrator, work closely with adjacent property owners in the development and maintenance of state trails. They become acquainted with the leadership of local cross-country ski clubs and snowmobile groups and promote the establishment and grooming of grant-in-aid trails. Local involvement with counties, municipalities and lakeshore property owners is crucial to the successful acquisition, development and maintenance of public access sites.

3. Equipment - Sharing of equipment amongst personnel and disciplines has resulted in more efficient equipment use, savings in field operations and created detailed inventories of equipment availability, needs, repairs and maintenance.

Program Management Function. In terms of the program management function, regional supervisors take a leadership role. Although regular communication with the regional administrator is integral to the success of the regional team concept, supervisors are accountable directly to their respective division directors, assuring that a statewide policy and program perspective is maintained. Regional supervisors administer assigned programs and provide overall guidance and direction of field staff at the regional, area and district office level. Other major responsibilities of supervisors include providing the ability to respond quickly to the unique resource needs and problems of each region, providing decentralized decision-making in areas of local and regional concern and developing budgetary and staff requirements for their specific discipline.

Each division relies on regional supervisors to maintain a reasonable span of control over field operations. The degree of attention paid to resource management relates directly to the amount of time a regional supervisor must spend on administrative matters. When fiscal and personnel obligations make great demands, a regional supervisor has less time to carry out the primary role of resource management. Regional administration, with its diverse service functions, was specifically developed to free discipline supervisors from administrative details.

The Real Cost of Regional Administration

At first glance it would appear that regional administration accounts for four percent of the total DNR operating budget. Small as that may seem, it is still deceptively large. In fact, the regional administration budget includes the salaries, fringe benefits and programmatic support of the discipline supervisors; which amounts to 65 percent of the regional administration budget. Thus, after removing those program management functions costs, the real price of regional administration more accurately amounts to just 1.4 percent of the department's total budget.

Another way of reviewing the DNR budget is to analyze the cost of personnel. It is a factor which must be recognized in any discussion of reducing regional administration. While 61 percent of the overall department budget covers salaries and fringe benefits, 90 percent of the regional administration budget is devoted to salaries and fringe benefits. The remaining 10 percent is divided between program management and regional administration functions, covering the costs of supplies and expenses, ie., rent, postage, printing, travel, utilities.

All this adds up to two major conclusions: 1) viewing the entire regional administration budget as administrative overhead is both inaccurate and inappropriate, 2) termination of personnel is the only possible way to effectively decrease either administration or program management function costs at the regional level.

In putting this report together the Department of Natural Resources has made the assumption that the legislative intent of HF 2190 is to reduce administrative overhead. It is clear that it is impossible to significantly cut regional administration costs without having a major impact on resource management in Minnesota. Without the regional administration function there is no mechanism for providing crucial support services. Without regional administration, the vital connecting linkage which blends six distinct and often parochial disciplines into one coordinated and cooperating department, is seriously missing.

Regional Boundaries

A case could perhaps be made that resource management would improve were each discipline allowed to draw its own boundaries. But in terms of cost-effectiveness and integrated decentralized decision-making, the results

would be disasterous. Forestry, parks, waters, enforcement, fisheries and wildlife are not self-sufficient. They require the day to day services of a business office to process their bills and pay their people; they require the expertise of land specialists to appraise and survey property, negotiate leases and easements and arrange for land exchanges; they need the assistance of field services coordinators to oversee the purchase and repair of equipment and facilities; they depend on engineers to design parks, fish barriers, public access sites and forestry roads; they rely on regional administrators to mediate personnel problems, provide public liaison, manage the regional team and assure that inter-disciplinary coordination is on-going. Trees are not confined to state forest lands; wildlife exists outside of DNR wildlife management units; trails cut through private property, national forests, municipalities. Efficient and cost-effective resource management is possible only through a regional team approach which mandates coordination, cooperation, monitoring and accountability at the field level.

Existing DNR regions were established on the basis of a number of factors including: consistency with county and Regional Development Commission (RDC) boundaries, compatibility with long-time established discipline areas, commonality of resource characteristics and proximity to population centers. DNR regions conform to Regional Development Commission boundaries as follows: NW Region, RDCs 1, 2 and 3; NE Region, RDC 3; Central Region, RDC 5, 7E, 7W; SW Region, RDCs 6E, 6W, 8, 9; Metro Region, RDC 10 and Metro Region, RDC 11 (Metropolitan Council).

Although the majority of area offices generally coincide with regional boundaries, there are still a number of cases where individual discipline areas overlap more than one DNR region, necessitating working agreements between regions. For example, one working agreement was developed to promote cost-effective, efficient discipline field operations at the northeastern Cass County wildlife management area. Located within the boundaries of the central region it is administered by the NW region, primarily to save travel time. The management area is within the Leech Lake Indian Reservation and includes a large area of the lake which is extremely difficult to access from the central region.

Each of the existing six regions exhibits certain resource characteristics and uses which are unique to the general area but not necessarily confined within regional boundaries.

The NW region essentially encompasses the watershed area of the Red River, the only major north-flowing river system in Minnesota. It includes the Red River agricultural crop area and the extensive recreational lakes area of Becker, Ottertail and Douglas counties. The region contains 11 state parks, including Itasca, headwaters of the Mississippi River. The northern part of the region contains large forested and bog areas, the Red Lake Indian Reservation and is an important wildlife habitat area, including a major waterfowl flyway extending into Canada.

The NE region encompasses the watershed area of Lake Superior. It is a major mining area and includes numerous state forests, Superior National Forest, the Boundary Waters Canoe Area, Voyageurs National Park and the scenic north shore area of Lake Superior. The northeast region features recreational resources including wilderness areas, valuable trout streams, the lake trout and salmon fisheries of Lake Superior and extensive big game and commercial fisheries

resources. It includes 13 unique state parks and the major shipping and population center of the Duluth area.

The central region includes the central lakes recreational area of Minnesota with numerous resorts, fishing lakes and good wildlife resources and the state's most intensive forest fire fighting area. It includes most of Mille Lacs Lake, the major walleye lake in the state, as well as 11 state parks and scattered agricultural and state forest areas.

The SW region includes valuable agricultural land and crops. Southeastern Minnesota encompasses the majority of the Minnesota River drainage area and 13 state parks. Wildlife and wildlife habitat are of continuing concern in a portion of the state where drainage of crop land has been a common practice.

The SE region encompasses the major crop and livestock areas of southeastern Minnesota. It includes much of the scenic Mississippi River Valley and its associated bluffs. Valuable trout streams, wildlife resources, the extensive Memorial Hardwood Forest and 12 state parks are other notable features.

The metro region covers the seven county-metropolitan area, the largest population center of the state, and contains a unique blending of natural resources within an urbanized setting. The region has numerous lakes including Lake Minnetonka, with its nearly 100 miles of shoreline. Historic St. Anthony Falls and three of the largest river systems in the state--the Mississippi, Minnesota and the St. Croix--converge in the metro region.

In summarizing the factors which influenced the establishment of existing DNR regions, it's important to recognize the need of regional supervisors to maintain a workable span of control over second level supervisors within each discipline. It is also important to examine the total number of full-time, part-time, temporary and seasonal employees essential to field resource management programs. Total personnel within each region are a direct reflection of the total workload. Radical changes in the boundaries of the existing six regions or a reduction in the number of regions would complicate total management operations and create even greater workload imbalances for the most labor-intensive disciplines.

It is impossible to uniformly address management operations of all disciplines on an equal basis throughout the state due to the uneven distribution of the resource base, the variations in resource use and constraints which required DNR regions to follow county and Regional Development Commission boundaries.

Both the regional administration function and the program management function are continually being fine-tuned and adjusted to further increase effectiveness and efficiency. The existing program is the most fiscally responsible system for accomplishing the complex management responsibilities of the DNR. Reductions in the present structure may produce apparent short-term savings but will also result in long-term sacrifices in efficiency and cost-effectiveness. If the overriding goal is to maintain the best management practices to promote economic growth and development of the state's resources without destroying environmental quality, the current DNR organizational structure should be allowed to continue.

III. INTRODUCTION TO PROPOSALS FOR ALTERNATIVE REGIONAL STRUCTURES

Purpose of Alternative Proposals

In 1982 the Minnesota Legislature reduced the Department of Natural Resources' general fund appropriation by \$450,000 and required the closing of the metropolitan regional office. It further required the department to submit to the legislature a plan to reduce the number of regional offices to three (Laws of Minnesota for 1982, Ch. 641, Art. 1, Sec. 2, Subd. 1[f]). It seemed apparent that the intent of these actions was to reduce the department's statewide administrative costs.

Several background factors have provided the department with broad direction for a response to this mandate. These are:

1. Personnel costs account for 90 percent of the regional administration budget; therefore, a budget reduction must include a reduction in personnel.
2. The program management function (regional supervisors and limited clerical staff) accounts for 65 percent of the regional administration budget; the administrative function (regional administrators and clerical, fiscal, personnel and technical support staff) accounts for 35 percent.
3. Natural resource management programs have not been eliminated; adequate administrative direction and staff supervision must be maintained for these programs.

Therefore, in responding to the legislative mandate the department examined alternative regional structures which reduced the number of positions in the administrative function portion of the budget and reorganized the program management function staff to fit each of the alternative structures while maintaining enough staff to adequately administer and supervise the department's resource management programs. The objective in each alternative examined was to reduce administrative personnel and costs while providing adequate management staff for natural resource programs.

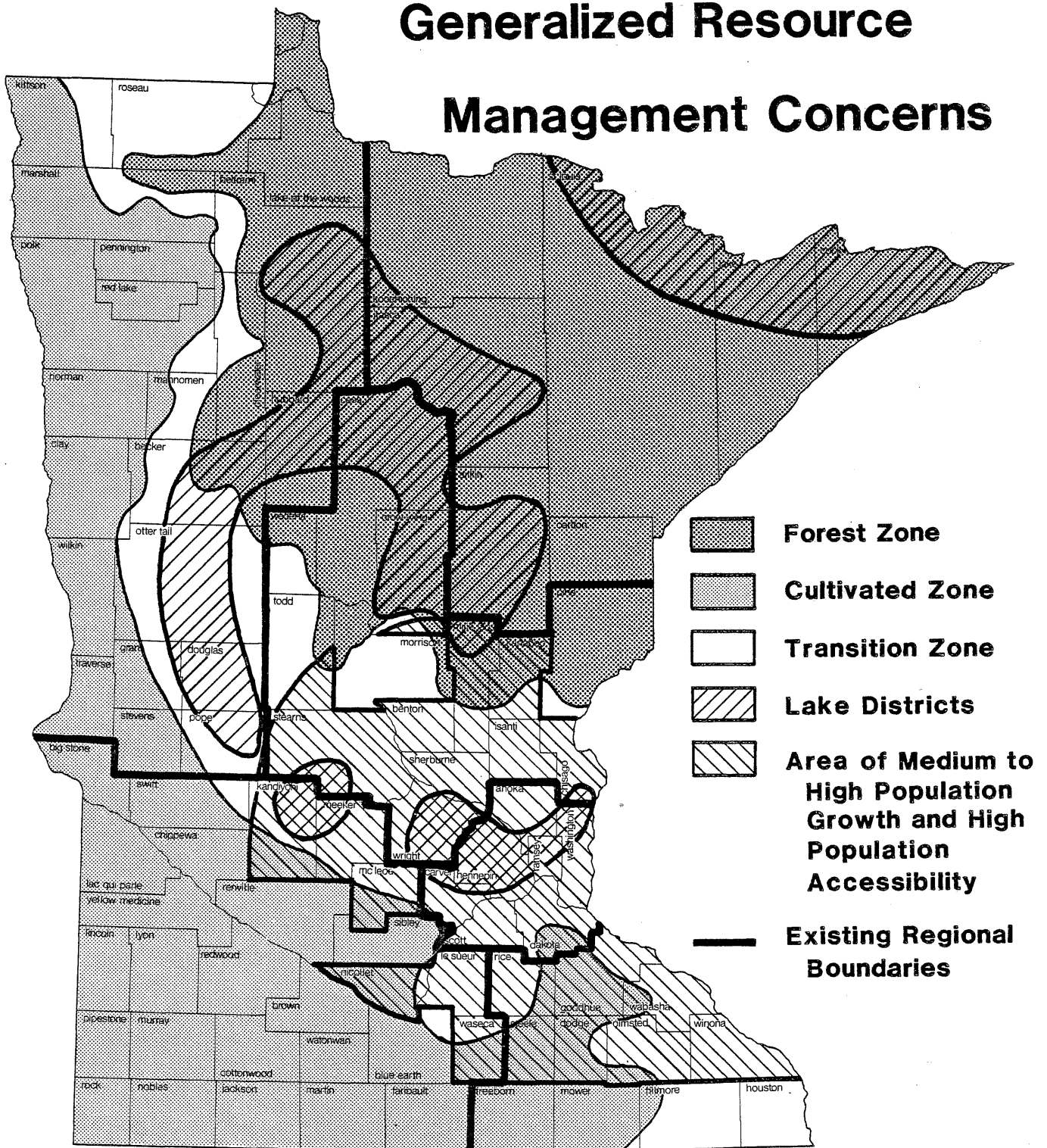
The Development of Alternative Regional Structures

Four parameters were used to develop each of the alternative regional organization proposals; these are discussed below. The state's distribution of natural resources is detailed to a greater extent than other factors. This is because, while the legislature and the department are interested in reducing costs, the impacts of implementing any alternative will be realized in the management, quality, availability and use of the state's natural resources.

1. Resource Commonality. The DNR's regional organization structure should recognize and maintain the integrity of areas of resource commonality--that is, areas with similar resource management needs.

Neither the natural resources of the State of Minnesota nor their management needs are distributed evenly throughout the state. The

Generalized Resource Management Concerns



attached map, "Generalized Resource Management Concerns," illustrates some of the principle variations in resources and management concerns across the state.

Forestry resource and management concerns are concentrated primarily in the NE region of the state and secondarily in the NW region. Here in the Forest Zone of the state are found the highest concentrations of commercial forest land per square mile (in excess of 200 acres per square mile), the highest harvest figures (over 1000 cubic feet of timber per square mile) and the highest commercial timber values. The department's forest management activities in this region are extremely intensive. The DNR's forest operations in the NE region alone are larger than all but five or six state's forest operations. Thirty-six percent of the department's total labor force is engaged in management activities in the NE region.

The Cultivated (or agricultural) Zone which covers the western half of the NW region, the entire SW region, and portions of the SE region is indicative of other resource management concerns of the department--primarily wildlife habitat protection and water permitting activities. The majority of the department's wildlife habitat management activities (as represented by the existence of wildlife management areas) are concentrated in the western one-third of the state; an area which closely coincides with the Cultivated Zone. Within the Cultivated Zone, 35 percent of the state's wildlife management areas are contained in the NW region and 46 percent in the SW region--greater than 80 percent of the state's wildlife management areas (and in excess of 50 percent of the wildlife management operations budget) is located in the Cultivated Zone. This zone also describes an area which contains more than 42 percent of the department's work in the beds of protected waters permitting activities. While, in general, agricultural activities are often closely related to water concerns, in the SW region there is a special need for intensive work on the part of the department's waters field staff. Much of this work is necessitated by the hydrologically complicated, artificial drainage structures in the SW region.

The natural resources in the remaining three regions (metro, southeast, and central) vary from region to region, however, resource management concerns in all of these regions are most effected by people. These three regions encompass the most densely settled portions of the state, the fastest growing areas in Minnesota and the areas most accessible to the majority of the people of the state for recreational use, enjoyment and natural resource consumption.

The central region is perhaps the most diverse. It includes commercial forest lands, extensive wildlife management area lands, major portions of the state's reknown lakes districts and areas of extensive shoreland and second home developments: all major resource management concerns for the department. These concerns are compounded in the central region by population growth within the region and proximity to the metropolitan area. The central region contains the fastest growing counties within the state and is extremely accessible to the vast majority of the state's population. All of these factors intensify the department's resource management concerns and activities within the region.

The SE region of the state is unique from a different perspective. The entire region is a varied mix of scenic unglaciated terrain, agricultural and forested lands, and river and stream recreational resources. While the region contains fewer management units than other regions, it contains some of the most outstanding resources of the state. The entire region, additionally, has been subjected to high population growth and the attendant use pressures from being in close proximity to the metropolitan area. The SE region requires intensive rather than extensive management.

The metropolitan region, for the department, is the most unique--not from a resource perspective but, rather, from a resource management and public service perspective. Herein resides half of the state's population in the midst of some of the nation's--not the state's--most outstanding natural resources. The recreational, scenic and multiple use qualities of the metro area's three major rivers alone are so significant that they have been the topic of a major study by the National Parks Service. Few other states can boast of recreational opportunities comparable to those provided by the State of Minnesota in its major metropolitan area--three outstanding state parks, a nationally-recognized state trail, three major recreational rivers, numerous public water accesses, an extensive wildlife management area and high-quality recreational lakes. Minnesotans' recognition and protection of these resources has not occurred without extensive work and support from the Department of Natural Resources. With nearly two million people in a small seven-county area, the development and use pressures on the area's natural resources have been, and continue to be, enormous. There is often strong, localized opposition to the protection or use of public resource areas in such a densely-developed region. The department, and particularly its employees in the metropolitan area, recognize that educational and cooperative efforts are one of the keys to preserving and making publicly available the natural and recreational resources of the metropolitan region. Educational and cooperative efforts are integral parts of the department's management activities in the metropolitan area. While these activities are time-consuming and demand special staff skills the department has designated only four percent of its statewide field staff to address all of the resource management and public service needs of the metropolitan region.

For each of the described areas of concern it can be seen how the department's existing six region structure is designed to be responsive to statewide variations in the distribution of natural resources and their management needs.

2. Administration Function. Alternative regional organization proposals should attempt to minimize administrative costs. This may be done through reductions in external and internal coordination (integrated program management) and in support services to the disciplines, however, the minimum level of service necessary to maintain a coordinated regional organizational structure should be preserved. (Regional administrators and clerical, business office and field services staffs are involved in these functions.)
3. Program Management Function. Alternative proposals should be directed towards maintaining existing resource management and service levels, as much as possible, and identifying areas where efficiency or

cost-effectiveness can be improved. (Regional supervisors for each discipline are responsible for these functions.)

4. Organizational Integrity. Alternative proposals should maintain a minimum degree of organizational equality across all regions. While there will always be statewide variations in the scope of responsibilities of regional administrators and supervisors, it is important to maintain some degree of equality across the regions for each discipline. This is necessary so that regional management (for a given discipline or the department as a whole) can be dealt with as a discrete organizational level; so that each regional supervisor or administrator does not have to be dealt with as a unique entity. To maintain necessary organizational equality it is necessary to minimally balance responsibilities (workload, span-of-control, etc.) within a given position classification.

In developing each alternative proposal the department attempted to adhere to the four parameters. Since the various disciplines do not share a common resource base, the greatest difficulty was encountered in dealing with the disparities among disciplines within each alternative. For each alternative (3 regions, 4 regions and 5 regions) there is no one delineation of boundaries which would meet the needs of all disciplines. Therefore, for each proposal the alternative which would meet the needs of either the majority of disciplines or the majority of the department's program management staff has been selected.

Cost Reporting

In a department with a biennium budget of 158 million dollars, hundreds of programs, 1600 full-time and 1100 seasonal employees, over 1600 buildings, 2500 pieces of equipment and 5.3 million acres of land to manage, it is difficult, at the alternative scenario level, to generate exact costs figures for each proposal. Nine activities (six disciplines and three administrative units) reported budgets for each of the six existing regions (a subtotal of 54 separate budgets) as well as the budgetary changes associated with each of the four alternative proposals--hence, a total of over 200 separate budgets were necessary to evaluate the alternative regional organization proposals in this report. In order to evaluate the alternatives and submit the report to the legislature in a timely manner, assumptions were made and many costs were standardized.

Several problems were encountered in reporting regional administration costs. First, due to existing budgetary cutbacks and the relative newness of regional administration as an organizational element, there is some cross-over between the regional administration budget and the individual discipline budgets: for example, some regional support staff positions (particularly clerical) are paid through discipline budgets. In this report, all positions which are either included in the administration or program management aspects of regional administration are reported as being in the regional administration budget. Second, the administrative and program management functions of regional administration are two very distinct aspects of the department's regional organization; therefore, in computing budgetary changes for the various alternative proposals, changes were calculated for:

1. The administrative function within the regional administration budget

2. The program management function within the regional administration budget, and
3. The program management function within the individual discipline's budgets (subregional program management)

Annual budgetary changes, broken down by these three categories, are discussed in the text for each proposal. Overall, however, changes in annual budgets are reported as net departmental changes for each proposal.

Costs for Annual Budgetary Changes. Each proposal affects annual costs in four basic categories: personnel, offices, communications and travel. Standard costs were established for several of these categories. These were based upon past department records. There are two areas in which costs were not standardized: 1) where situation-specific cost figures were available and 2) personnel costs.

1. Personnel Costs - Since personnel costs account for 90 percent of the regional administration budget it was felt that accurate data was essential; therefore, actual personnel expenditures (salary and fringe benefits) for fiscal year 1982 for regional administrators and regional supervisors were used as a base. (It should be noted that if one of the alternative proposal is selected, personnel costs will have to be adjusted to fiscal year 1984 and 1985 levels.)
2. Office Costs - If regional staff is moved from one headquarters to another, new office space would be needed. Rent and utility costs for new offices for relocated personnel have been included in the reporting of annual budgetary changes. (It should be noted that it is not known whether vacated state-owned offices would be rented, therefore, no cost savings have been reported for these offices.)
3. Communication Costs - Increases and decreases in communication costs (phones and postage) for each professional office have been reported in each proposal.
4. Travel Costs - Changes in annual travel costs for each professional position were based upon standardized vehicle replacement, mileage and travel subsistence costs.

One-Time Implementation Costs. The implementation of any alternative regional organization structure would involve high one-time implementation costs. These are broken down into four areas:

1. Relocation Costs - Union contracts dictate that relocation cost be paid to employees who are reassigned to distant location. Employees whose current positions are directly relocated, as well as more senior employees who "bump" other employees and are reassigned to distant locations would both have relocation costs paid by the state.
2. Severance and Unemployment Costs - High severance and unemployment costs would be incurred for each eliminated position.

3. Office Costs - Moving staff to new regional headquarters would require providing new offices. Existing offices would need to be remodeled or new offices would need to be constructed.
4. System Changes Cost - Existing systems--ranging from waters computerized records system to enforcement's and forestry's radio systems--would need to be changed if another regional structure were to be implemented. Specific costs for necessary system changes have been provided in each proposal.

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IV. PROPOSAL FOR THREE REGIONS

The uniqueness of Minnesota's diverse natural resource zones and the sheer size of the state make it virtually impossible to design an efficient and cost-effective three region organizational structure.

The Proposed Regions

In this proposal the state of Minnesota would be divided into three regions: a NE region with headquarters in Grand Rapids, a NW region with headquarters in Bemidji and a southern region with headquarters in New Ulm. Each region would consist of approximately one-third of the state's total acreage and each would be about 300 miles across its longest dimension. These two factors, however, represent the only equality across the three proposed regions.

The uneven distribution of Minnesota's natural resources has previously been discussed. The designation of three excessively large regions, concentrating the majority of several disciplines' management activities into one or two regions, would create grave management and organizational problems for the department. Below, each of the proposed regions is described and major impacts on select natural resource management activities are discussed.

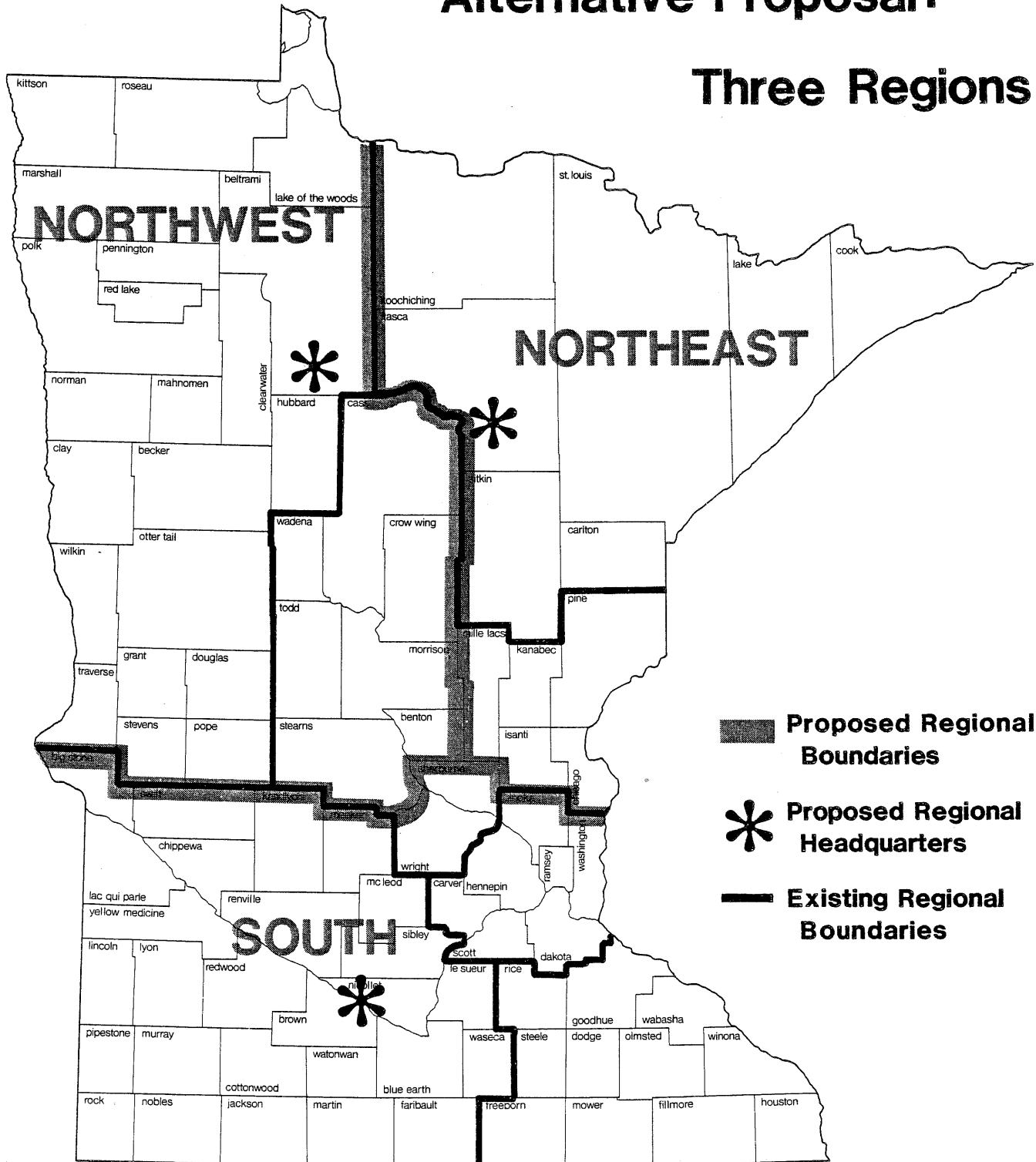
NE Region. In a three region proposal five additional counties are added to the existing NE region (Mille Lacs, Kanabec, Pine, Isanti and Chisago). Currently, department activities in the NE region are heavily dominated by forestry. In fact, the forestry operation is so vast that it is larger than all but five or six other states' operations. The existing NE region encompasses most of the state's forested acreage and lands with the highest commercial timber value. The five additional counties all have extensive forest management needs, as well. Since the current NE region is already excessively large for forestry operations, expanding the region would severely strain the forest management organizational structure and resource management capabilities. The expanded region would include 165 full-time and 350 part-time forestry employees alone. Forty-eight percent of forestry's permanent personnel would be located in a single region. The NE forestry regional supervisor would be responsible for directly supervising eight area forest supervisors and nine regional staff specialists, as well as fulfilling other administrative and policy responsibilities--clearly an untenable workload.

Other disciplines would not be unaffected by an enlarged NE region. Fifty-five percent of the state's fishing lakes would be located in one region. Parks and recreation would have 21 parks--45 percent of the total state park acreage--contained within the NE region.

Administrative problems that would occur in this super region include providing personnel services to and supervision of 1,768 department employees, providing efficient communication lines amongst 64 separate office locations and dealing with the inefficiencies of long travel distances (some employees would be as far as 233 miles away from their regional supervisors).

Alternative Proposal:

Three Regions



NW Region. The current NW region is the largest DNR region. Changing the existing structure to three regions would add seven counties (Wadena, Cass, Crow Wing, Todd, Morrison, Stearns and Benton) to an already unwieldy NW region. A day's travel time (a day's loss of on-the-job time) and excessive transportation and lodging costs would be incurred simply in traversing the region.

Again, forestry would be the discipline most seriously impacted by enlarging the NW region. The forestry workload would be increased by approximately 30 percent and the forestry regional supervisor's workload would be increased by roughly 15 percent. Thirty-eight percent of forestry's personnel, 45 percent of its budget and 32 offices and stations would be located in this one region.

Wildlife would also be seriously impacted. Currently the western portion of the state--the agricultural and transition zones--is the area where the majority of wildlife's workload is concentrated. An expanded NW region would concentrate more than 40 percent of wildlifes' activities in this one region.

Central Region - eliminated. Under the three region proposal the existing central region would be totally dismantled. The region has unique needs--forest management in the north, recreational lake management, tourism promotion, lakeshore home development--as well as problems from being one of the fastest growing and most accessible regions in the state. These needs would not be adequately addressed if the region is fragmented and divided among three new super regions.

South Region. Combining three existing regions (SW, SE and metro) into a single southern region, as well as adding two of the fastest growing counties in the state (Sherburne and Wright) would adversely impact the majority of the department's disciplines. Seventy-five percent of the state's population would be served out of one regional headquarters. Personnel would be as far as 200 miles away from regional headquarters and field supervisors.

Enforcement would have the major portion of its workload concentrated in one region. Forty-seven percent of the department's arrests and 60 percent of the safety training activities currently occur in the three southern regions which would be lumped together into a single region.

A combined southern region would almost totally encompass the most populated, fastest growing and most accessible portions of the state. In a division such as fisheries, where management activities are magnified in proportion to use pressures--coinciding with where people are and where they can get to--the intensity of management needs in one region would be extreme.

The Division of Parks and Recreation would have 40 percent of its personnel, 47 percent of the state parks, 40 percent of park visitors and almost 50 percent of its picnicking and camping facilities concentrated into a single region.

The Division of Waters has a workload which is increased in agricultural areas, extensively drained regions, areas with extensive development pressures and floodprone areas. All are conditions which would be found in an expanded southern region. Overall, waters would have its workload concentrated into a single region to a greater degree than any other discipline. Currently, 48 percent of the division's personnel, 53 percent of the field permits and 60

percent of the units of government involved in shoreland and floodplain regulations are concentrated in the southern three regions.

Wildlife would have 53 percent of its wildlife management areas and 45 percent of its personnel located in one region.

In all of the three enlarged regions, the general public, local units of governments and businesses doing work with the department would be seriously effected by reduced accessibility to administrative, supervisory and informational facilities. In the south region the problem would be the most severe. The regional headquarters at New Ulm would be centrally located for resource management and staff accessibility but far removed from 50 percent of the state's population located in the metro area. Metro residents have consistently demonstrated their desire and need for information from the department, not only about local actions and facilities but also about statewide programs and policy matters. They expect to be active participants in department planning and decisionmaking. It is difficult to conceive of metropolitan residents calling or travelling to a New Ulm headquarters.

The Implementation Plan

Personnel and Organizational Changes and Their Impacts. In the three region proposal the department would make drastic cuts in administrative staff and services. Three of the six regional administrator positions would be eliminated. Three of the six business manager positions and 3.5 business office staff positions would be eliminated. While a net total of 9.5 administration positions would be eliminated, fully 36 administrative staff positions would be affected; either by relocations resulting from bumping, lay offs or the reallocation of positions.

Cutting in half the number of regional administrator positions would severely limit interdisciplinary resource management and coordination with township, county and regional units of government. The regional administrators would be overseeing twice the land area, units of government, budgets and resource management programs. They would not be capable of assuming all of the duties which they currently do and there would be a reduction in vital coordinative services to the public and within the department as their time is consumed by personnel, fiscal, logistics (equipment and buildings), staff supervision and minimal interdisciplinary communication matters.

Having regionally centralized business office support services has proven, over the past few years, to be one of the greatest benefits of decentralized administrative support services. In the three region proposal these services would virtually be cut in half. In the southern region alone, the number of employees would increase by 129 percent. (The number of employees is a factor in both personnel and financial management.) The number of bills paid would increase by 100 percent. While these huge increases might be partially mitigated by the transfer of some staff, there would still be decreases in the efficiency of processing personnel transactions, payroll transactions and bill-paying. Additional inefficiencies would be realized by the clientele currently being served by the regional business offices.

Reductions in the business office staff would also directly effect the resource managing disciplines. Because of the large number of field managers

there would be very limited accessibility by each of them to the business manager. This accessibility is a great advantage in the present regional structure; reducing the amount of time spent by regional supervisors on personnel and financial matters. The recently established system of monthly financial reporting would not be continued in the detailed manner which it is today. This reduction in financial reporting would result in less effective budget management by the regional supervisors and they would need to spend more time on personnel and fiscal matters, taking time away from administration of various resource management programs.

Other administrative staff positions and functions would be impacted to a lesser degree under the three region proposal. The current staffing patterns for field services and building maintenance coordinators, regional land specialists, regional engineers and trails and waterways coordinators would be maintained, however, there would be changes in job assignments, as well as reallocation and relocation of some positions. The effectiveness of this portion of the administrative staff would be somewhat diminished because of reduced contact with resource managers and regional administrators and increased travel times and distances.

The impacts to administrative functions in the three region proposal are severe, yet they are outweighed by impacts to program management: the resource managing disciplines. Each of the disciplines (enforcement, fisheries, forestry, parks and recreation, waters, and wildlife) would continue to have the same number of resource management programs, field employees to supervise, and lands, buildings, and budgets to administer under a larger and less efficient regional structure.

Each discipline would reduce the number of regional supervisors from six to three in this proposal. However, it must be recognized that it would be physically impossible for these supervisors to administer resource management programs in regions ranging in size between 14 and 19 million acres, where it takes up to two days just to make a round trip to outlying areas, or to supervise field staffs ranging in size from 50 to 500 employees.

Part of the difficulty in administering larger regions and supervising enlarged staffs can be found in the department's existing organizational structure. The DNR designed its current regional structure so that the regional supervisor for each discipline could be responsible for administrative matters, staff supervision, technical support and advise, and regional contacts and coordination. To give such diverse duties to one individual--and to avoid adding additional administrative or technical specialists--the six existing regions were limited in size so that each discipline could have one individual, or regional supervisor, responsible for all aspects of the discipline's operation in that region.

Creating three super regions would necessitate developing new organizational structures for each discipline so that select duties of the regional supervisors, primarily day-to-day operational and supervisory responsibilities, could be assigned to assistant or intermediate supervisors. In the three region proposal each discipline would reallocate the eliminated regional supervisor positions to assistant, intermediate or area supervisors. Such a reorganization would result in job reallocations, relocations or layoffs which would affect 67 program management employees currently working on the regional administration or discipline staffs. There would be

approximately 32 relocations and 4.5 layoffs or severances. The disciplines would need to create two new half-time clerical positions to staff outlying assistant supervisors' offices. The three region proposal would reduce the number of top level resource program supervisors. It would also increase the length of the chain-of-command for all field operations by adding between two and four assistant supervisors to each discipline's field operations staff. (It should be noted that there would be no net increase or decrease of professional field staff.)

Even with the addition of assistants each discipline's regional supervisors would have to curtail some of their current activities. The assistants would be additional staff to supervise, more time would be spent in communicating with staff and the central office, fiscal and personnel responsibilities would be increased and increased travel times and distances would reduce the time available for administrative or resource management efforts. It is anticipated that regional supervisors' workloads would shift from a blend of administrative and resource management concerns to almost purely administrative matters. Interdisciplinary coordination at the regional supervisor level would be diminished and there would be fewer opportunities for each discipline's principle field representatives to interface with the public-at-large or to work with local or regional units of government.

It is anticipated that the proposed three region structure would result in less direct control over the actions of department employees, a decrease in interdisciplinary coordination (e.g., forestry/wildlife coordinated resource management, comprehensive lake management efforts, enforcement of violations of fish, game and waters regulations, land exchanges, intergovernmental coordinated management programs), less efficient and integrated information services for the public (the area offices would become prime public contact points, and a different office would have to be contacted for each type of public concern), reduced monitoring of regional programs, diminished decision-making accountability and longer response times to public inquiries and problems.

Overall, the three region proposal as outlined above would result in a net reduction of 8.5 DNR employees, 38 relocations, 21.8 layoffs and affect 103 positions throughout the state.

For three regions there are other alternatives; but these too would have their costs. The three region proposal as set forth involves the least disruption of area and district operations, effects the fewest employees and costs less than other alternatives to implement. Other alternatives are conceivable; however, preliminary examination has revealed that there would be a need for: a total reorganization of the department's field operations, area and district boundaries, and delegation of authority and responsibilities; massive job reallocations and attendant costly relocations and layoffs of employees; and major new capital investments in centralized regional headquarters. The one-time implementation costs of these massive reorganization proposals would far exceed the high implementation costs of this, a more moderate, proposal.

Annual Budgetary Changes. In the three region proposal annual budgetary changes would be produced by the following factors:

1. Personnel. The proposed elimination of 8.5 full-time positions would result in an annual savings of \$81,700. (Note: personnel costs are based on actual FY '82 personnel expenditures. In FY '82 the department maintained four vacancies in the regional administration staff. If the three region proposal were implemented all staff would become critical, and there would be a need to fill the four vacancies which existed in FY '82. The cost of filling the vacant positions, as well as the savings attributable to eliminating some positions have been included in the three region proposal, resulting in a net savings of \$81,700.)
2. Offices and Communications. In the three region proposal 8.5 fewer offices (with related communication costs) would be needed. This, however, does not result in a net savings: most of the offices that would be vacated would be in buildings currently owned by the state where no rental charges are incurred. Moving staff from old regional headquarters to new offices in Bemidji, Grand Rapids and New Ulm would require that rent be paid at the new locations. Additionally, not all department personnel would be removed from the old regional headquarters (Brainerd, Rochester and St. Paul), therefore, unless individual offices could be rented, there would be no savings accumulated by the sale or rental of the "closed" regional headquarters. The savings accrued by eliminating 8.5 offices and the cost incurred by moving regional staff to the three new regional headquarters would result in an increased annual cost of \$20,200 for offices and communications.
3. Travel. Travel costs for both regional administration and discipline staffs would result in an increased annual cost of \$77,100 in the three region proposal. While there would be some savings in travel by eliminating positions, the savings would be more than offset by the increased travel distances and costs which would be incurred by the regional administration and discipline staffs.

The net annual budgetary change in the three region proposal would be an increase of \$15,600.

THREE REGION PROPOSAL: ANNUAL BUDGETARY CHANGES (\$1000s)

DISCIPLINE	PERSONNEL	OFFICE	COMMUN.	TRAVEL	SUBTOTAL
<u>Administration</u>	<u>(164.7)</u>	<u>7.3</u>	<u>(3.6)</u>	<u>11.6</u>	<u>(149.4)</u>
Enforcement	45.0	1.2	(.1)	0	46.1
Fisheries	0	1.9	0	9.3	11.2
Forestry	13.0	7.7	1.3	42.2	64.2
Parks & Rec.	22.0	3.3	.7	4.5	30.5
Waters	3.0	0	0	7.5	10.5
Wildlife	0	.6	(.1)	2.0	2.5
<u>Program Mgmt.</u>	<u>83.0</u>	<u>14.7</u>	<u>1.8</u>	<u>65.5</u>	<u>165.0</u>
TOTAL	(81.7)	22.0	(1.8)	77.1	15.6

One-Time Implementation Costs. In the three region proposal the one-time implementation costs would be comprised of the following expenses:

1. Personnel Relocation Costs. Thirty-eight employees would need to be relocated either due to bumping or reassignment to a new location. All of the relocated individuals in this proposal would be full-time professional employees and it is assumed that most would be homeowners, hence the relocation costs would be high. Based upon past department expenses, \$8,000 per homeowner relocation has been used as an approximate figure. The cost of relocating 38 employees would be \$304,000.
2. Severance and Unemployment Insurance Costs. Approximately 21.8 department employees would be terminated either due to direct layoffs or refusal to transfer to a distant location. Unemployment and severance costs within the department are assumed to range between \$7,700 for clerical staff to \$12,000 for upper level professional staff. It is approximated that the cost of terminating 21.8 employees would be \$195,200.
3. Office Costs. New offices would need to be provided at the new regional headquarters (Bemidji, Grand Rapids and New Ulm) for 35.8 employees. The Department of Administration has provided information which has lead us to assume that average costs for remodeling an 150 sq. ft. office would be \$50 per sq. ft., \$50 for phone hookups and \$500 for moving: a one-time office remodeling and moving costs of \$8,050. The cost of providing new office space for 35.8 employees in the three region proposal would be approximately \$287,700.
4. System Changes. If the department were to change to a three region organizational structure many information systems would have to be revised. Statewide accounting and payroll systems, enforcement's communication system with other law enforcement officers, equipment inventories, forestry's computerized information system and water's permitting and record keeping systems would all need to be revised. It is assumed that the cost of changing these systems would be approximately \$41,600.

The total anticipated one-time implementation cost would be \$828,500. Sixty percent of this cost would be directly attributable to personnel costs (relocation, severance and unemployment) which the department would be required to pay. Providing office space for 35.8 relocated employees would account for an additional 35 percent of the one-time implementation costs.

THREE REGION PROPOSAL: ONE-TIME IMPLEMENTAION COSTS (\$1000s)

DISCIPLINE	RELOC.	SEV. & UNEMPL.	OFFICE	SYSTEM	SUBTOTAL
<u>Administration</u>	<u>48.0</u>	<u>152.8</u>	<u>87.0</u>	<u>2.1</u>	<u>289.9</u>
Enforcement	40.0	7.7	11.3	4.5	63.5
Fisheries	24.0	11.6	27.4	0	63.0
Forestry	80.0	15.4	113.4	10.0	218.8
Parks & Rec.	64.0	7.7	40.5	0	112.2
Waters	16.0	0	0	25.0	41.0
Wildlife	32.0	0	8.1	0	40.1
<u>Program Mgmt.</u>	<u>256.0</u>	<u>42.4</u>	<u>200.7</u>	<u>39.5</u>	<u>538.6</u>
TOTAL	304.0	195.2	287.7	41.6	828.5

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V. PROPOSAL FOR FOUR REGIONS

The department has historically delineated its management regions to describe areas with common resource management needs and to equalize workloads across the regions for select disciplines and the department as a whole. In a four region proposal, the department would attempt to preserve the quality of resource management and public service in as many of the existing regions as possible.

The Proposed Regions

In a four region proposal the department would maintain the three northern regions (NW, NE and central) and combine the three southern regions (SW, SE and metro) into one super region.

Northern Regions. The intensive forestry, tourism and wildlife management needs of the three northern regions, as well as the impacts of enlarging these three regions has been discussed in the proposal for three regions. In a four region proposal the department would preserve the integrity of the three northern regions (NW, NE and central), primarily because of the intensive forestry activities in these regions. This would be done not only to protect the state's valuable natural resources in the northern portions of the state but also to maintain necessary state support for Minnesota's economically important timber industry.

Maintaining the integrity of the three northern regions would, additionally, avoid increasing personnel in the NW and NE regions (1158 and 1437 full-time and seasonal employees, respectively). (The size of the labor force in any one region is of major concern to the department since it directly relates to costly and time-consuming administrative matters such as personnel transactions, payroll, staff supervision and the administration of a multitude of complicated union contracts.)

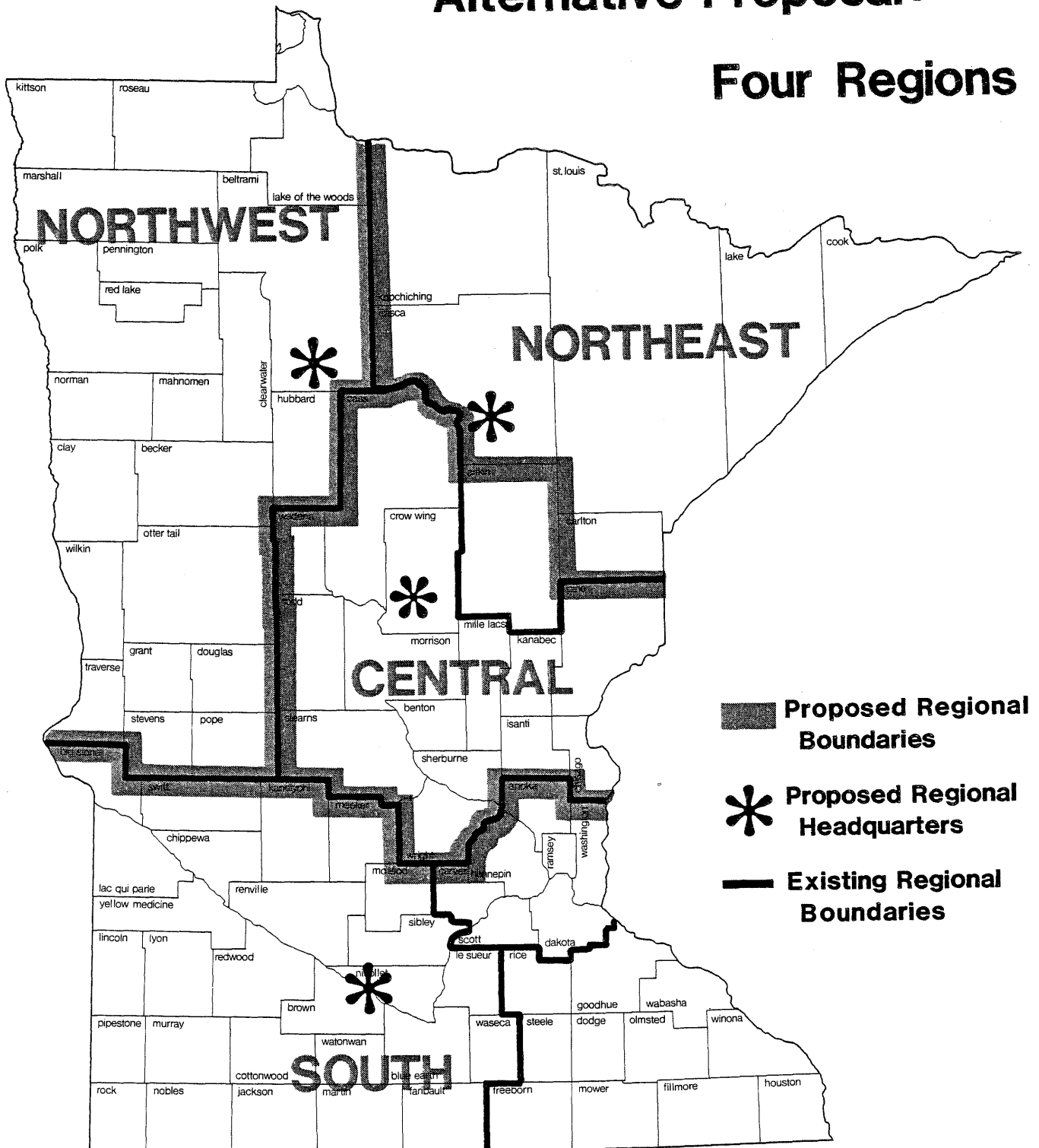
A further benefit of maintaining the integrity of the three northern regions would be the preservation of the central region; a region noted for its scenic lakes, population growth, timber industry and recreational attractiveness. Managing the diverse resources of this region is a complicated effort, one which today and in the future needs special attention, particularly if the promotion of the state's recreational resources and tourism industry is to receive added emphasis in the immediate future.

In a four region proposal the department would recommend one change in the northern regions; the shifting of Aitkin County out of the NE region and into the central region. This would be done primarily to equalize the forestry workloads between the NE and Central regions.

South Region. The cost of preserving the integrity of the three northern regions, in a four region proposal, would be realized in the creation of a huge southern region. The existing SW, SE and metro regions would be combined into one region. This one super region would encompass an area which includes 73 percent of the state's population and the principle population growth areas of the state. The region's diverse resources would present grave management

Alternative Proposal:

Four Regions



difficulties, particularly since the region would be more than 312 miles in length, across its longest dimension, and employees would be up to 200 miles from regional headquarters and their supervisors. Considerable time would be diverted away from resource management and into travel time simply to maintain contact among supervisors and their staffs. Little time would be available for vital interdisciplinary coordination measures. It is believed that the 50 percent of the state's population which is concentrated in the metropolitan area would find it difficult to have to contact the New Ulm office, 100 miles away, simply to obtain advice or information--particularly when the department's central office is located in St. Paul. The extent of the problems that would be realized by the department's central office have not yet been determined; however, they would be severe.

All of the department's disciplines, with the exception of forestry, would realize gross inequalities in their organizational structures and workloads. The Division of Enforcement would have 45 percent of its activity (4,862 arrests in 1981) concentrated into one region. A single regional enforcement supervisor would have 59 separate offices and stations to contact and manage in a region of almost 17 million acres.

The fisheries management effort in the southern region would be half again as intense as in other regions. In the enlarged southern region where the fisheries resource is extremely diverse, where fishing demand is the highest in the state and where there are many resource use conflicts with special interest groups, it would be extremely difficult to give special attention to the intensive management projects of the metropolitan area (e.g., experimental catch regulations, lake aeration, fishing piers, trophy fish management, children's fishing ponds and lake user surveys) or give special guidance to the management of the SE region's trout stream resources and the protection of fisheries' interests on the Mississippi River (where detailed coordination with the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, and Upper Mississippi River Conservation Committee are vital).

The Division of Parks and Recreation's activities in the enlarged southern region would be more than double those in other regions. More than 2.3 million park visitors would need to be provided for on an annual basis in this one region alone.

The Division of Waters would be the single discipline most severely impacted by implementation of a four region organizational structure. A single regional hydrologist would be expected to administer land use, development and regulatory programs which would be three to four times larger in scope than in other regions. There would be delays in the processing of permits and the resolution of water violations. Counties and cities would receive less assistance in the administration of shoreland, floodplain and wild and scenic river ordinances.

The Section of Wildlife would have more than 50 percent of its activities (as expressed by personnel, budgets and wildlife management areas) localized in one super region. The south region would contain 469 wildlife management areas, four major units, and one game farm. In the metropolitan area it would be difficult to give special attention to deer and geese nuisance complaints, trapping issues in various communities, the coordination of management activities with more than 200 units of government or the review of proposed developments impacting quality wildlife habitat. In the SE region

the wild turkey restoration effort, expanded deer management, management of designated game lakes and coordinated management of the Mississippi River resources would suffer.

The Implementation Plan

A four region structure would preserve existing management efforts for some of the state's most economically valuable natural resources; however, it would create administrative and organizational chaos for the department as a whole. Six of the department's seven major disciplines would be expected to manage 35 to 60 percent of their programs in one super region while attempting to maintain some statewide uniformity in their organizational structure and management efforts.

The department would attempt to maintain existing management efforts in the three northern regions. The three southern regions, SW, SE and metro, however, would be lumped into one super southern region with regional headquarters at New Ulm. There would be adverse impacts to resource management efforts in this region and to administrative activities departmentwide.

Personnel and Organizational Changes and Their Impacts: Administrative staff would be severely reduced in the southern region in the four region proposal. One regional administrator position would be maintained, one would be reallocated to an administrative assistant position and one regional administrator position would be eliminated. Business manager positions would be cut from three to one and 2.7 business office positions would be eliminated. A net total of 5.7 administrative staff positions would be eliminated, however more than 20 administrative positions would be affected either through job reallocation or relocation.

Decreasing the number of regional administrator positions while increasing the size of the southern region to 45 counties would reduce the potential for vital interdisciplinary coordination in a region of diverse natural resources, extreme population pressures and a multitude of user conflicts. Additionally, the potential of the DNR, through the regional administrator, to provide input to local resource issues would be drastically reduced. In the metropolitan area the regional administrator's on-going involvement in important management activities, such as the Metro Water Access Task Force, Lower St. Croix Management Commission and Lake Minnetonka Task Force would be virtually eliminated.

The two million residents of the metropolitan area, special interest groups and organizations conducting business with the department would be adversely impacted by reduced accessibility to the department's administrative and informational facilities at the new regional headquarters in New Ulm. There would be untimely delays in the resolution of resource and user conflicts, as well as in day-to-day business activities. In the business office alone, personnel and fiscal transactions would be increased by 110 percent and bill paying would increase by 100 percent. Reduction in services to private parties doing business with the department and impacts to resource managers and the programs which they administer have been described in the preceding chapter. Impacts to the south region which would occur in the three region proposal would also exist in the four region proposal.

To maintain a manageable organizational structure, in a four region proposal, the disciplines would each reduce the number of regional supervisors in the southern region from three to one. However, in an attempt to mitigate the problems created by the designation of one large southern region all disciplines with the exception of parks and recreation and forestry would reallocate two regional supervisor positions to assistant, intermediate or area supervisors. Such a reorganization would result in the elimination of 1.4 program management positions. Forty-one positions would be affected by job relocations or relocations. The impacts of such a reorganization to natural resource program management efforts would be the same as those in the southern region of the three region proposal.

Overall, a four region proposal would result in a net reduction of 7.1 positions, 20 relocations, 11.6 layoffs and affect 61 positions.

Annual Budgetary Changes. In the four region proposal annual budgetary changes would be produced by the following factors:

1. Personnel. The proposed elimination of 7.1 full-time positions would result in an annual savings of \$88,700. (Note: personnel costs are based on actual FY '82 personnel expenditures. In FY '82 the department maintained four vacancies in the regional administration staff. If the four region proposal were to be implemented all staff would become critical, and there would be a need to fill three of the four vacancies which existed in FY '82. The cost of filling the vacant positions, as well as the savings attributable to eliminating positions have been included in the four region proposal, resulting in a net savings of \$88,700.)
2. Offices and Communications. While there would be a net reduction of 7.1 positions and offices in the four region proposal many employees would be moved from existing state owned buildings to new offices in New Ulm. There would be a need to pay rental charges on a total of 13.5 additional offices. This would result in an annual increased cost of \$14,400 for offices and communications.
3. Travel. Additional travel for department staff in the enlarged southern region would result in annual increases of \$27,400. There would be some decrease in travel costs by the elimination of 7.1 positions, however, this would be more than offset by the increased travel distances and costs which would be incurred by the department's staff in the enlarged southern region.

The net annual budgetary change in a four region proposal would be a savings of \$46,900.

FOUR REGION PROPOSAL: ANNUAL BUDGETARY CHANGES (\$1000s)

DISCIPLINE	PERSONNEL	OFFICE	COMMUN.	TRAVEL	SUBTOTAL
<u>Administration</u>	<u>(69.6)</u>	<u>7.1</u>	<u>(1.7)</u>	<u>6.5</u>	<u>(57.7)</u>
Enforcement	35.0	.7	0	0	35.7
Fisheries	8.0	.7	.2	5.6	14.5
Forestry	(23.8)	6.4	.2	6.4	(10.8)
Parks & Rec.	(39.8)	1.3	(1.1)	0	(39.6)
Waters	1.5	0	0	3.2	4.7
Wildlife	0	.6	0	5.7	6.3
<u>Program Mgmt.</u>	<u>(19.1)</u>	<u>9.7</u>	<u>(.7)</u>	<u>20.9</u>	<u>10.8</u>
TOTAL	(88.7)	16.8	(2.4)	27.4	(46.9)

One-Time Implementation Costs. In the four region proposal the one-time implementation costs would be comprised of the following expenses:

1. Personnel Relocation Costs. Approximately 20 full-time employees would need to be relocated if the four region proposal were to be implemented. Relocations would be due to either job relocation or bumping related to seniority. As in the three region proposal, \$8,000 has been used as an average relocation cost. The total cost of relocating 20 employees would be \$160,000.
2. Severance and Unemployment Insurance Costs. Approximately 11.6 employees would be terminated either due to direct layoffs or refusal to transfer to jobs relocated at distant locations. The cost of terminating 11.6 employees would be approximately \$107,300.
3. Office Costs. In the four region proposal, 13.5 employees would be relocated to the New Ulm regional headquarters. The cost of moving and providing new office space for 13.5 employees would be approximately \$108,300.
4. System Changes. The cost of changing standardized information systems is anticipated to be \$20,500 in the four region proposal.

The total one-time implementation costs would be approximately \$396,100 for the four region proposal. Sixty-eight percent of this cost would be attributable to personnel costs (relocation, severance, and unemployment insurance), 26 percent would be due to the need to provide new office space at the New Ulm regional headquarters and 5 percent would be attributable to necessary system changes.

THREE REGION PROPOSAL: ONE-TIME IMPLEMENTAION COSTS (\$1000s)

DISCIPLINE	RELOC.	SEV. & UNEMPL.	OFFICE	SYSTEM	SUBTOTAL
<u>Administration</u>	<u>24.0</u>	<u>72.5</u>	<u>44.3</u>	<u>2.0</u>	<u>42.8</u>
Enforcement	32.0	0	7.6	2.5	42.1
Fisheries	8.0	0	3.8	0	11.8
Forestry	32.0	12.0	40.4	4.0	88.4
Parks & Rec.	32.0	15.1	8.1	0	55.2
Waters	0	0	0	12.0	12.0
Wildlife	32.0	7.7	4.1	0	43.8
<u>Program Mgmt.</u>	<u>136.0</u>	<u>34.8</u>	<u>64.0</u>	<u>18.5</u>	<u>253.3</u>
TOTAL	160.0	107.3	108.3	20.5	396.1

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VI. PROPOSAL FOR FIVE REGIONS

The department attempted to make significant adjustments in the existing six regions' boundaries to accommodate a five region proposal. However, in seeking to develop realigned boundaries for five regions, major workload problems which would have required extensive operational changes, shifts in work assignments and which also would have created considerable work, budget and personnel problems for many disciplines were encountered. Consequently, it was concluded that the most practical, cost-effective and efficient concept would be to combine the existing SE and metro regions into one region and make only a minor change in other regional boundaries.

The appropriate location for a regional headquarters in an enlarged SE region is difficult to determine. Problems would be created for all disciplines if the SE and metro regions were to be combined. For some disciplines the adverse impacts of an enlarged SE region could be best mitigated if the regional headquarters were to be located in St. Paul; for other disciplines a regional headquarters located in Rochester would be preferred. Since it is extremely difficult to make tradeoffs across disciplines, in this proposal two alternative implementation plans have been included: "A. Implementation Plan with SE Regional Headquarters in St. Paul" and "B. Implementation Plan with SE Regional Headquarters in Rochester."

The Proposed Regions

Northern Regions. In a five region proposal, the department would maintain the existing NW, NE and central regions. (There would be only one minor change: the shifting of Aitkin County, with its heavy forestry workload, out of the NE and into the central region.) Retaining the existing structure of the three northern regions would allow the department to continue managing areas defined by resource commonality, to maintain existing management efforts in an area with valuable forest and wildlife resources and to preserve coordinated management activities for the unique central region.

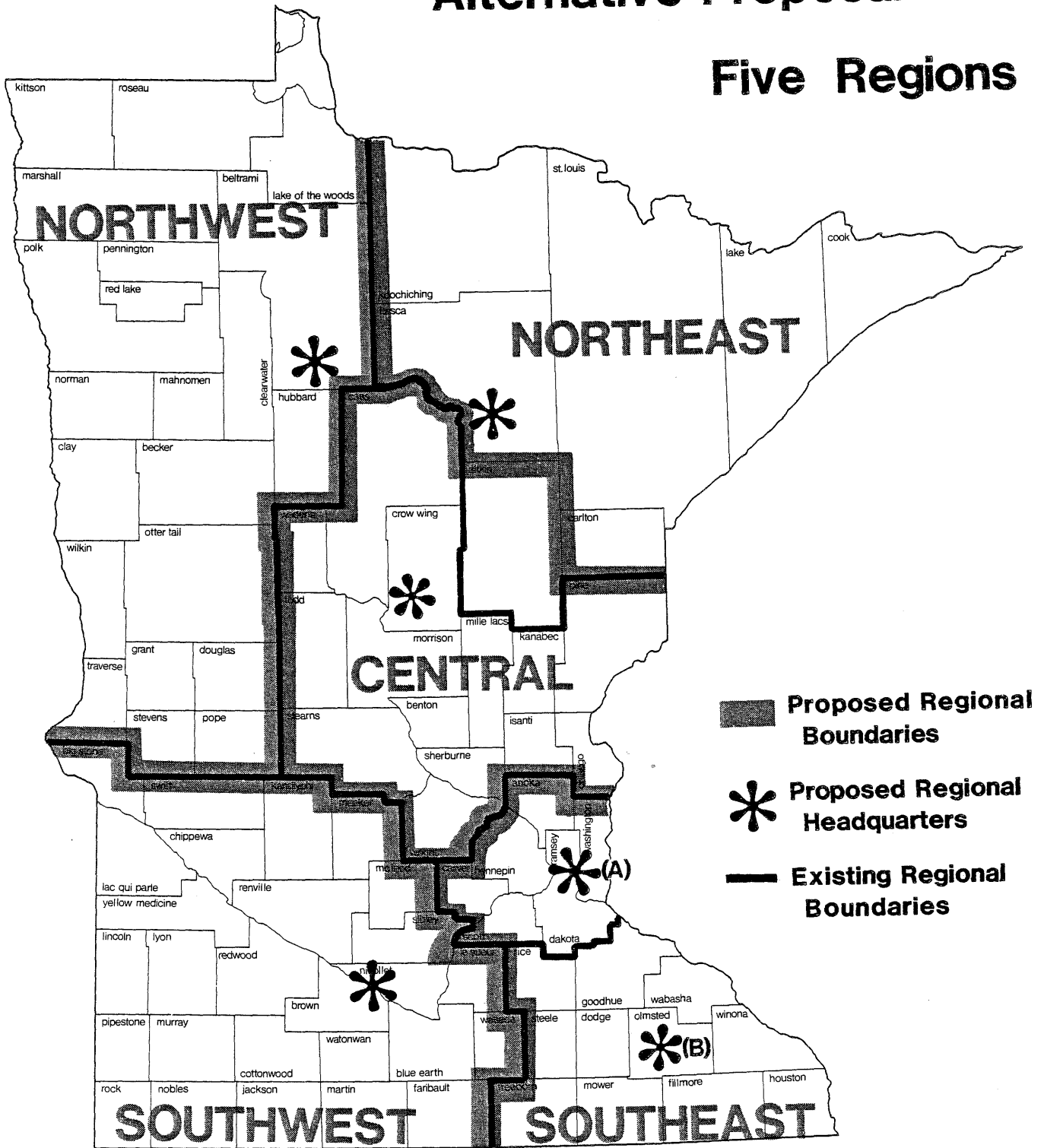
SW Region. The existing SW region, a region of extensive agricultural activity and special resource management needs, would also be retained in a five region proposal. All disciplines, with the exception of forestry, would have an equitable 20 percent of their workload localized in the SW region.

SE Region. Combining the existing SE and metro regions into one new and enlarged SE region would create a region which would encompass 60 percent of the state's population--2,266,000 people.

The population in any one region--its size, density and rate of growth--is of critical concern to the department. The department is not merely a manager of natural resources but also a manager of human resources--both directly and indirectly. Directly--the department recognizes that people need to be serviced; they need information, education, technical assistance, and, of course, access to natural resources for environmental, aesthetic and recreational purposes. Indirectly--the department also recognizes that large and concentrated numbers of people can quickly and drastically adversely impact natural resources; therefore, there is a need for the department to

Alternative Proposal:

Five Regions



indirectly manage people through the regulation of resource use, coordination and technical assistance to local units of government on land and water use issues and through special educational programs. In a region, such as the proposed SE region, with large, concentrated numbers of people the direct and indirect human resource management activities of the department's staff are drastically increased.

Rate of growth is another population factor which effects both the amount and type of the department's human and natural resource management activities. As a population grows it has an ever-changing relationship with its environment. Both the absolute growth and the rate of growth effect the degree and type of environmental changes. In areas of rapid population growth, intensive monitoring of environmental resources is essential to detect adverse impacts from the direct use of department-managed resources by the expanding population, and indirect impacts from new settlement patterns or land and water use activities. As would be expected, the monitoring of natural resources has revealed that population growth is often directly related to increases in the rate and degree of adverse resource impacts. The intensity and adaptability of the department's mitigation and other management activities must be greater in regions of rapid population growth, so that resource problems can be dealt with, once revealed through monitoring activities.

The three population factors--size, density, and rate of growth--are at their greatest statewide extreme in the proposed SE region. This region would be:

- . The most highly populated region of the state
- . The most densely populated region of the state, and
- . The fastest growing region of the state

The management implications for the department of this population would be that in an enlarged SE region the regional staff would be responsible for providing:

- . Direct service to a population of 2,266,000--60 percent of the state's people--through the provision of information, educational services, recreational and commercial opportunities and access to natural resource areas
- . Indirect service through coordination with and technical assistance to in excess of 300 units of government
- . Special intensive monitoring efforts to detect adverse impacts to the resources by this population, and
- . Timely, unique and intensive mitigative measures, which would be essential for the preservation of natural resource values in this region

All of these unique and intensive efforts would be in addition to other direct program and natural resource management activities. For disciplines such as enforcement, parks and recreation and waters, program management responsibilities alone in an enlarged SE region would be one and one-half to two times greater than in any other region across the state.

A. Implementation Plan With SE Regional Headquarters in St. Paul

Personnel and Organizational Changes and Their Impacts. In the five region proposal administrative staff in the SE region would be reduced. Five administrative positions would be eliminated: a regional administrator, a business manager, a field services coordinator, a building maintenance coordinator, and a business office staff position. Eliminating these positions while doubling the size of the region would result in: diminished involvement of the regional administrator on special projects such as the Water Access Task Force, southeast trout streams, Memorial Hardwood Forest and Whitewater Valley; reduced public responsiveness; increases in purely administrative workloads; reductions in internal and external management coordination; decreases in essential monitoring efforts; and untimely delays in the provisions of personnel, fiscal, equipment and facilities support services.

Merging the SE and metro regions would also adversely impact the disciplines' activities. Enforcement, fisheries, parks and recreation and waters would all have 25 to 35 percent of their activities localized in one enlarged SE region. Four of the six disciplines would eliminate one regional supervisor. Waters and fisheries would each reallocate one regional supervisor to assistant or area supervisor in an attempt to mitigate some of the problems created by increases in regional workload. The other disciplines would eliminate 5.4 program management positions.

Overall, a five region proposal with SE regional headquarters in St. Paul would result in a net reduction of 10.4 positions, 13 relocations, 12.2 layoffs and directly affect a total of 38 employees.

Service to the 60 percent of the state's population residing in the new SE region would be diminished; the quality and timeliness of resource management activities and conflict resolution would be reduced; monitoring of impacts to the resource by the state's largest, densest and fastest growing population would be reduced; public accessibility would decrease; time available for direct supervision of field staff and technical assistance would diminish; and coordination with local and federal units of government and special interest groups would be seriously reduced.

Annual Budgetary Changes. In the five region proposal with SE regional headquarters in St. Paul annual budgetary changes would be produced by the following factors:

1. Personnel. The proposed elimination of 10.4 positions would result in an annual savings of \$165,800.
2. Offices and Communications. There would be a net reduction of 10.4 positions and offices at the Rochester regional office, however, unless these offices are rented no savings would accrue by vacating the offices. Seven staff positions would be relocated from the Rochester to the St. Paul regional office and there would be a need to pay rental charges on a total of seven additional offices. This would result in an annual increased cost of \$6,500 for offices and communications.

3. Travel. Increased travel distances and costs in the SE region would result in annual increases of \$6,600.

The net annual budgetary change in a five region proposal with SE regional headquarters in St. Paul would be a savings of \$152,700.

FIVE REGION PROPOSAL - ST. PAUL HQ: ANNUAL BUDGETARY CHANGES (\$1000s)

DISCIPLINE	PERSONNEL	OFFICE	COMMUN.	TRAVEL	SUBTOTAL
<u>Administration</u>	<u>(48.0)</u>	<u>3.2</u>	<u>0</u>	<u>5.0</u>	<u>(40.6)</u>
Enforcement	(8.0)	.6	(.2)	0	(7.6)
Fisheries	0	0	0	1.3	1.3
Forestry	(31.8)	3.2	0	2.2	(26.4)
Parks & Rec.	(39.6)	1.9	(1.1)	(2.3)	(41.1)
Waters	0	0	0	1.4	1.4
Wildlife	(37.6)	0	(1.1)	(1.0)	(39.7)
<u>Program Mgmt.</u>	<u>(117.0)</u>	<u>5.7</u>	<u>(2.4)</u>	<u>1.6</u>	<u>(112.1)</u>
TOTAL	(165.8)	8.9	(2.4)	6.6	(152.7)

One-Time Implementation Costs. In the five region proposal with SE regional headquarters in St. Paul the one-time implementation costs would be comprised of the following expenses:

1. Personnel Relocation Costs. Approximately 13 full-time employees would need to be relocated if this proposal were implemented. Relocation cost would be due to either direct job relocation or bumping related to seniority. (\$8,000 has been used as an average relocation cost.) The total cost of relocating 13 employees would be \$104,000.
2. Severance and Unemployment Insurance Costs. Approximately 12.2 employees would be terminated either due to direct layoffs or refusal to transfer to jobs relocated at distant locations. The cost of terminating 12.2 employees would be approximately \$111,200.
3. Office Costs. In this proposal, 7 employees would be relocated to the St. Paul regional headquarters. The cost of moving and providing new office space for 7 employees would be approximately \$55,700.
4. System Changes. The cost of changing automated information systems is anticipated to be \$10,700.

The total one-time implementation costs would be approximately \$281,600 for the five region proposal in the SE regional headquarters in St. Paul. Seventy-six percent of this cost would be attributable to personnel costs (relocation, severance, and unemployment insurance), 20 percent would be due to the need to provide new office space at the St. Paul regional headquarters and 4 percent would be attributable to necessary system changes.

FIVE REGION PROPOSAL - ST. PAUL HQ: ONE-TIME IMPLEMENTATION COSTS (\$1000s)

DISCIPLINE	PERSONNEL	OFFICE	COMMUN.	TRAVEL	SUBTOTAL
<u>Administration</u>	<u>40.0</u>	<u>32.4</u>	<u>20.2</u>	<u>1.7</u>	<u>94.3</u>
Enforcement	8.0	19.7	3.8	1.5	33.0
Fisheries	0	0	0	0	0
Forestry	24.0	19.7	20.1	4.0	67.8
Parks & Rec.	16.0	19.7	11.6	0	47.3
Waters	0	0	0	3.5	3.5
Wildlife	16.0	19.7	0	0	35.7
<u>Program Mgmt.</u>	<u>64.0</u>	<u>78.8</u>	<u>35.5</u>	<u>9.0</u>	<u>187.3</u>
TOTAL	104.0	111.2	55.7	10.7	281.6

B. Implementation Plan With SE Regional Headquarters in Rochester

Personnel and Organizational Changes and Their Impacts. Personnel changes in the five region proposal with SE regional headquarters in Rochester would basically be the same as those in the five region proposal with SE regional headquarters in St. Paul. Five administrative positions and 5.9 program management positions would be eliminated. (An additional half-time clerical position would be eliminated in the Rochester proposal.)

Overall, a five region proposal with SE regional headquarters in Rochester would result in a net reduction of 10.9 positions, 13 relocations, 9.9 layoffs and directly affect 34 department employees.

Generally, the impacts to the department's operation and provision of services would be similar to those in the St. Paul proposal. Service to the 60 percent of the state's population residing in the SE region would be diminished; the quality and timeliness of resource management activities and conflict resolution would be reduced; essential monitoring of impacts would be reduced; public accessibility--particularly for the two million people in the metropolitan area--would decrease; time available for direct supervision of field staff and technical assistance would diminish; coordination with local and federal units of government--particularly in the metropolitan area--would be drastically reduced; little time would be available for essential interdisciplinary resource management coordination; the quality and timeliness of responses to the public would diminish; and there would be untimely delays in the provision of personnel, fiscal, equipment and facilities support services.

Annual Budgetary Changes. In the five regional proposal with SE regional headquarters in Rochester annual budgetary changes would be produced by the following factors:

1. Personnel. The proposed elimination of 10.9 positions would result in an annual savings of \$173,800.
2. Offices and Communications. A reduction of 10.9 positions would vacate offices in the St. Paul headquarters, however, no savings would be realized unless these offices were to be rented. Conversely, 6.5 employees would be relocated to the Rochester regional headquarters. Rental and other annual charges for their offices would result in an annual increase of \$4,800 for offices and communications.
3. Travel. Increased travel distances and costs for staff in the SE region would result in annual increases of \$10,700.

The net annual budgetary change in a five region proposal with SE regional headquarters in Rochester would be a savings of \$158,300.

<u>FIVE REGION PROPOSAL - ROCHESTER HQ: ANNUAL BUDGETARY CHANGES (\$1000s)</u>					
<u>DISCIPLINE</u>	<u>PERSONNEL</u>	<u>OFFICE</u>	<u>COMMUN.</u>	<u>TRAVEL</u>	<u>SUBTOTAL</u>
<u>Administration</u>	<u>(48.8)</u>	<u>3.9</u>	<u>0</u>	<u>5.3</u>	<u>(39.6)</u>
Enforcement	(8.0)	0	(.2)	0	(8.2)
Fisheries	0	.6	0	1.3	1.9
Forestry	(39.8)	1.9	(1.1)	1.9	(37.1)
Parks & Rec.	(39.6)	1.3	(1.1)	(2.3)	(41.7)
Waters	0	0	0	5.5	5.5
Wildlife	(37.6)	.6	(1.1)	(1.0)	(39.1)
<u>Program Mgmt.</u>	<u>(125.0)</u>	<u>4.4</u>	<u>(3.5)</u>	<u>5.4</u>	<u>118.7)</u>
<u>TOTAL</u>	<u>(173.8)</u>	<u>8.3</u>	<u>(3.5)</u>	<u>10.7</u>	<u>(158.3)</u>

One-Time Implementation Costs. In a five region proposal with SE regional headquarters in Rochester the one-time implementation costs would be comprised of the following expenses:

1. Personnel Relocation Costs. Approximately 13 full-time employees would need to be relocated if this proposal were implemented. Relocation cost would be due to either direct job relocation or bumping related to seniority. (\$8,000 has been used as an average relocation costs.) The total cost of relocating 13 employees would be \$104,000.
2. Severance and Unemployment Insurance Costs. Approximately 9.9 employees would be terminated either due to direct layoffs or refusals to transfer to jobs relocated at distant locations. The cost of terminating 9.9 employees would be approximately \$93,500.
3. Office Costs. In this proposal, 6.5 employees would be relocated to the Rochester regional headquarters. The cost of moving and providing new office space for 6.5 employees would be approximately \$51,900.

4. System Changes. The cost of changing automated information systems is anticipated to be \$10,700.

The total one-time implementation costs would be approximately \$260,100 for the five region proposal with SE regional headquarters in Rochester. Seventy-six percent of this cost would be attributable to personnel costs (relocation, severance, and unemployment insurance), 20 percent would be due to the need to provide new office space at the St. Paul regional headquarters and 4 percent would be attributable to necessary system changes.

FIVE REGION PROPOSAL - ROCHESTER HQ: IMPLEMENTATION COSTS (\$1000s)

DISCIPLINE	RELOC.	SEV. & UNEMPL.	OFFICE	SYSTEM	SUBTOTAL
<u>Administration</u>	<u>24.0</u>	<u>23.1</u>	<u>24.3</u>	<u>1.7</u>	<u>73.1</u>
Enforcement	8.0	15.9	0	1.5	25.4
Fisheries	0	0	3.8	0	3.8
Forestry	24.0	19.7	11.9	4.0	59.6
Parks & Rec	16.0	15.1	8.1	0	39.2
Waters	16.0	0	0	3.5	19.5
Wildlife	16.0	19.7	3.8	0	39.5
<u>Program Mgmt.</u>	<u>80.0</u>	<u>70.4</u>	<u>27.6</u>	<u>9.0</u>	<u>187.0</u>
TOTAL	104.0	93.5	51.9	10.7	260.1

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VII. SERVING THE METROPOLITAN AREA--FIELD STAFF VS. CENTRAL OFFICE

Since The Minnesota Legislature specifically directed the closing of the metro regional headquarters, it is appropriate to address the rationale which originally led to the establishment of that office. Consideration needs to be given to the value of a metro region to the overall DNR organization, as well as to the consequences of its elimination.

A metro office was established in 1974 as the sixth DNR region because:

1. The Minneapolis-St. Paul seven-county area includes 50 percent of the state's population and only four percent of the state's land base. This kind of intensive relationship results in high demands on natural resources in terms of recreation and industrial/residential development pressures.
2. The metro region conforms to the existing Regional Development Commission administered by the Metropolitan Council to provide a unique form of regional government tailored to serve 272 separate units of government--7 counties, 138 cities, 50 townships, 49 school districts, 6 metropolitan agencies and 22 special purpose units such as watershed and soil conservancy districts. Included are the central core cities of Minneapolis and St. Paul and numerous rapidly-expanding suburban areas which continually present a myriad of water and land-related problems.
3. The metro region staff faces natural resource problems unique to a sprawling urban area, unlike those which are faced by discipline supervisors in other parts of the state; ie., a) increased demands for urban forestry planning to preserve and enhance greenbelt areas, b) growing pressure for and opposition to public access to metro lakes, c) pressure to provide parks and trails opportunities "close to home," thereby eliminating the need for time and energy-consuming travel, d) growing problems relating to shoreland and floodplain development, e) the need to deal continually with flood controls, commercial navigation and recreational uses of the region's three major river systems--Minnesota, Mississippi and St. Croix, f) intensive pressure to improve fisheries management efforts and wildlife habitat, g) a continuing need to provide firearm training for young people and specialized enforcement problems in dealing with a rapidly growing Hmong refugee community, h) numerous requests to provide information, educational services, speakers and on-going liaison with sportsmen's groups, environmental groups and service organizations.

It has been suggested that the adverse effects of closing the metro region could be ameliorated by assigning metro region functions to central office staff.

The suggestion is not without problems:

1. Central office discipline staff and administrative services bureau staff has already been severely curtailed by budgetary reductions. Existing personnel are already assuming optimal workloads. Additional assignments would reduce efficiency in accomplishing central office duties and

seriously infringe on administration of statewide policies and programs. It would be virtually impossible to maintain the present level of regional services through a shifting of responsibilities to central office.

2. It is a mistake to assume duplication of effort between existing regional staff and central office staff. In fact, there is increased reliance on metro staff to deal with the metro regional problems without involvement of central office staff. The proximity of the St. Paul regional office and central office should not in any way lead to the conclusion that a simple transfer of duties is possible. Actually, the responsibilities of the two operations are very different.
3. The major purpose of regional administration is to provide consistent, coordinated field operations tailored to fit particular resource characteristics of each region. If all field operations within the metro region were handled by individual disciplines, without the benefit of the kind of overall coordination now being provided by the regional administrator, there would be considerable decline in accountability and multi-disciplinary activity both of which are critical within a complex metropolitan area.
4. The metropolitan public utilizes the services and facilities of the metro office. If the office is eliminated citizens will have to rely solely on assistance and services from central office personnel, creating public relations problems and giving the impression that metro area resources and residents are not deserving of the attention provided in other parts of the state.
5. In some divisions the supervisory span of control over both discipline area personnel and discipline central office personnel would be excessively large and inefficient, resulting in increased personnel problems and decreased program cost-effectiveness and productivity.

In summary there would be no real savings to the state in closing the metro regional headquarters and assimilating metro office functions into the central office. Any small savings gained would result in major disruptions in the level of service to metropolitan citizens and in diffusion of responsibilities of central office staff.

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VIII. SUMMARY COMPARISON OF ALTERNATIVE PROPOSALS

Legislative Mandates

The development of alternative proposals for the Department of Natural Resources' regional organization structure has been directed by two distinct groupings of legislative mandates: 1) Laws of Minnesota for 1982, Ch. 641, Art. 1, Sec. 2, Subd. 1[f], requiring the department to close the metropolitan headquarters and to prepare a plan for three regions, and 2) the legislative mandates which define and fund a multitude of natural resource programs which the department administers statewide on 5.3 million acres of state land, 12,000 lakes, and 94,000 miles of rivers and streams--and which serve the state's four million people.

Both groupings of legislative mandates directly effect the department's organizational structure. The first requires reductions in the department's regional administrative and program management staffs; effecting administrative efficiencies, public service, and the management of Minnesota's natural resources. The second requires that the department organize in the most efficient manner possible to effectively implement hundreds of natural resource management programs. This has been traditionally done through the program management staff of the department's decentralized regional organization.

Parameters

To respond to all of these mandates the department established four parameters to guide the development and evaluation of alternative proposals for regional organizational structures. The four parameters are:

1. Resource Commonality - The DNR's regional organization structure should recognize and maintain the integrity of areas with similar resource management needs
2. Administration Function - Alternative regional organization proposals should attempt to minimize administrative costs. This may be done through reductions in external and internal coordination (integrated program management) and in support services to the disciplines, however, the minimum level of service necessary to maintain a coordinated regional organizational structure should be preserved
3. Program Management Function - Alternative proposals should be directed towards maintaining existing resource management and public service levels, as much as possible, and identifying areas where efficiency or cost-effectiveness can be improved
4. Organizational Integrity - Alternative proposals should maintain a minimum degree of organizational equality across all regions

(For a more detailed discussion of the four parameters see Chapter III.)

Alternative Proposals: Description

Four alternative proposals were developed. They are:

Three Regions. The existing NW and NE regions and portion of the central region were combined into two enlarged northern regions: NW and NE. The southern three regions (SW, SE and metro) and portions of the central region were combined into one super south region. The regional headquarters for the NW, NE and south regions, would be Bemidji, Grand Rapids and New Ulm, respectively. The department would close the Brainerd, Rochester and St. Paul regional headquarters; however, some program management staff would remain in each of the offices.

Administrative and supervisory staffs would be reduced from six, statewide, to three. The six program managing disciplines would each need to add an additional organization level--assistant, intermediate or area supervisors--to administer programs in the three enlarged regions.

Four Regions. The NW, NE and central regions would be maintained. The southern three regions (SW, SE and metro) would be combined into a new south region. Regional headquarters would be maintained at Bemidji, Grand Rapids, Brainerd and New Ulm. Regional headquarters would be closed in Rochester and St. Paul; limited program management staff would remain in these offices.

Regional administrators and regional supervisors for each discipline would be reduced from six to four. Most disciplines would require assistant or intermediate supervisors in the greatly enlarged south region.

Five Regions. The NW, NE, central and SW regional structures would be maintained. The SE and metro regions would be combined into an expanded SE region. Regional offices at Bemidji, Grand Rapids, Brainerd and New Ulm would remain open. A SE regional headquarters would continue to operate in either St. Paul or Rochester.

Regional administrators and regional supervisors for each discipline would be reduced from six to five. It would be essential for fisheries and waters to establish an assistant supervisor position in the SE region.

Alternative Proposals: Fiscal and Personnel Summary

<u>REGIONS</u>	<u>PERSONNEL CHANGES (#)</u>				<u>BUDGETARY CHANGES* (\$1000s)</u>		
<u>Proposed # Regions</u>	<u>Layoffs</u>	<u>Reloc.</u>	<u>Complement Change</u>	<u>Employees Effected</u>	<u>Annual Change</u>	<u>Implem. Cost</u>	<u>Biennium Change</u>
3	21.8	38	(8.5)	103	15.6	828.5	859.7
4	11.6	20	(7.1)	61	(46.9)	396.1	302.3
5 St. P.	12.2	13	(10.4)	38	(152.7)	281.6	(23.8)
5 Roch.	9.9	13	(10.9)	34	(158.3)	260.1	(56.5)

* Budgetary changes are relative to FY '82 expenditures

Alternative Proposals: Summary Evaluation

Specific impacts of the alternatives are discussed in the actual proposals (Chapters IV, V and VI). From a broad departmental perspective the impacts would be:

Three Regions. Administrative personnel, functions and costs would be drastically reduced. However, in order to administer resource management programs in regions ranging in size from 14 to 19 million acres, a new organizational level of assistant supervisors would need to be added for the resource managing disciplines.

There would be annual savings in personnel costs (\$81,700/year), however, these savings would be more than offset by increases in office and travel costs (\$20,200 and \$77,100, respectively). The net annual budgetary change would be an increase of \$15,600. There would be an additional one-time cost of \$828,500 to implement a three region organizational structure.

The fiscal facts alone--a biennium increase of \$859,700--demonstrate the lack of cost-effectiveness in a three region plan. An unwieldy three region structure would, additionally, create administrative problems: e.g. in the NE region, dealing with personnel matters and the supervision of 1,768 employees, providing an effective communication network among 64 separate office locations and having employees, the public and business contacts deal with travel distances of up to 250 miles to regional headquarters. Time spent by regional staff in dealing with administrative matters such as these would result in less time being available for the direction of resource programs--natural resources and the public would suffer.

Four Regions. In a four region proposal the major impacts are realized in the existing SW, SE and metro regions which would be combined into one super region. Administrative personnel, functions and costs would be reduced in the south region (\$88,700 in personnel alone). The savings, however, would be partially offset by increases in offices (new rentals) and travel costs (\$14,400 and \$27,400, respectively). The net annual savings would be \$46,900. During the first year a one-time implementation cost of \$396,100 would be incurred which would more than offset the annual savings.

The high implementation costs--\$279,900 in relocation, severance and unemployment costs; \$108,300 in office moves and remodelling and \$20,500 in system changes--would offset the proposed annual savings for many years. It would be 8.4 years before any actual savings would be realized; and then the savings would be just \$46,900 per year. From this perspective, the four region proposal is not cost effective and, therefore, untenable. However, if the proposal is to be considered for implementation, it must be realized that there would be reductions in public service and the quality of resource management efforts. These would be particularly apparent in the SE and metro regions--the fastest growing, most densely populated, and most accessible (to resource users) regions of the state. The fragile resources and population-related pressures of these regions require a high degree of internal and external coordination, monitoring of resource impacts and timely responses to resource issues by the department's regional staff. A smaller regional staff would have less time available for these essential activities.

Five Regions. Implementation of a five region proposal would result in reductions in regional staff (apx. 10.5 positions) and annual savings of approximately \$150,000. The one-time implementation costs, while high (\$101,800 to \$128,900), are low enough so that a savings of between \$23,800 and \$56,800 would be realized in the first biennium.

A savings would be realized: it does not necessarily follow that the proposal would be cost-effective. The costs are high. Sixty percent of the state's population would have reduced services. Administrative and supervisory staffs would have the administrative responsibilities of two regions; less time would be available for the type of management needs which are unique to large and fast-growing populations: such as, - coordination of intergovernmental management of the Mississippi, Minnesota and St. Croix rivers; urban forestry planning; discussions with users, lakeshore owners and local units of government about alternative ways to meet the region's public waters access needs; the dissemination of information on natural resource matters and local and statewide recreational opportunities; unique educational efforts (such as the program and materials which have been developed to work with the Hmongs); timely responses to animal nuisance and degradation problems; interdisciplinary management and information coordination for special management units in the Whitewater Valley and along the Minnesota River; responding to the intensive fishing pressures within the regions; and on-going liaison with sportsmen's groups, environmental groups, and service organizations--the list could go on. Is it worth \$23,000 or \$56,000 this biennium to support such programs? The department believes it is and, therefore, does not believe that the five region proposals are cost-effective.

Conclusions

The department of Natural Resources developed six regional organizations through which it administers all of its varied resource management programs in a decentralized manner which is responsive to local issues and needs. The six regions respect areas of common resource management concerns; forest management in the NE, wildlife habitat protection in the NW and SW, tourism and recreational use pressures in the central region, and the resource impacts and public demands of the populated SE and metro regions. Administrative costs for the regions have been kept to a minimum--less than 1.4 percent of the department's budget--while providing a high degree of coordination and engineering, lands, business and personnel services to program managers; freeing more of their time for resource management concerns. The regions have been designed so that only one regional supervisor is needed by each discipline to handle diverse responsibilities: administrative matters, program management, staff supervision, technical support and advise, training, and local contacts and coordination. Also, the six regions, as designed, allow each discipline to maintain a management level (regional supervisors) with similar levels of responsibilities.

The existing six regions provide a regional organization which respects all four parameters developed for alternative proposals. The alternative proposals set forth in this report all fall short of meeting these guidelines. The existing regional structure is responsive to the needs of each region's public and local units of government and provides an organizational vehicle for efficient resource management activities. Measured

against the adverse impacts and limited dollar-savings of the alternative proposals, the existing six region structure is the most cost-effective alternative.

Adoption of the three or four region proposal would require additional funds and adversely impact resource management in the State of Minnesota; both impacts are undesirable. Implementation of a five region proposal would result in limited savings in the upcoming biennium; however, there would be serious reductions in resource management coordination, public service, and the scope and quality of natural resource management efforts. Compared to the existing level of service and the quality of natural resource management offered by the department, the savings inherent in a five region plan are insignificant.

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