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STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

JAY S. HAMMOND, GOVERNOR

DIVISION OF LANDS

323 E. 4TH AVENUE - ANCHORAGE 99501

May 14, 1979

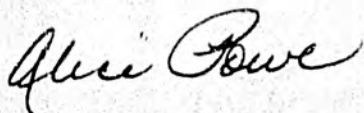
Senator Arliss Sturgulewski
2957 Sheldon Jackson Street
Anchorage, AK 99501

Senator Sturgulewski:

Enclosed please find the Department of Natural Resources organization material you requested through Al Carson. Please note that this is the Department's organization chart that is in effect now. Our department is presently undergoing a reorganization process which is not complete at this time.

If we can be of further assistance, please contact Al Carson.

Sincerely,



Alice Powe
Secretary II.

Enclosures (2)

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

Gene -

In your info. then I can
file. I was curious
as to relationship Director
of funds versus Ted Smith
role w/ first hand water
management a/

Gene please initial above
see - then I can file

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

Steering Committee

March 30, 1979

1060

for
Robert E. LeResche
Robert E. LeResche
Commissioner

Reorganization of
the Department

The subject of reorganization has now been discussed and analyzed at length through the assistance of Steering and Working Committees. I have reviewed and considered all of the information and recommendations presented by the Committees. The quality of the submissions reflects the outstanding effort made by Committee members to participate in the reorganization and to insure a successful result. Since the various suggestions made were not always identified, I have incorporated what I believe to be the best parts of each. Unquestionably, each of the suggestions influenced my decision and together they represent a valuable contribution to the future operations of the Department.

There are three purposes to this Memorandum:

- (1) to inform you of my decision regarding the basic organizational structure of the Department;
- (2) to describe to you the tasks remaining to be performed in order to complete the reorganization package, including resolution of some previously unaddressed questions; and
- (3) to make specific assignments of responsibilities together with deadlines for completion of the reorganization package.

I wish to emphasize that the "reorganization" is not limited to redrawing boxes on the organizational chart; it is in fact a package consisting of three distinct projects designed to bring Departmental operations to a maximum efficiency level. They are:

- (1) revision of the organizational structure of the Department, described in Part I of this Memorandum;
- (2) establishment of a complete set of Department procedures, described in Part II of this Memorandum.
- (3) creation of a Department wide program management system, outlined in Part III of this memorandum.

While logistical difficulties will undoubtedly be encountered in completing the reorganization package, it is my intent to have it finalized by July 1 of this year. The tasks remaining to be completed and the assignments are contained in the material that follows.

PART I - ORGANIZATIONAL STRUCTURE

The purpose in setting forth the organizational structure is to identify the basic entities within the Department, to make an allocation of primary assignments among entities, to illustrate the relation between the entities, and to identify lines of authority and communication. While there is some minimal inherent flexibility in the structure, it will govern all programs and activities performed by the Department, without exception. To do otherwise would defeat the purpose of reorganization by necessitating special working arrangements for each of numerous Departmental tasks.

A. General Objectives and Premises

In reviewing the views and recommendations of the Steering and Working Committees, it is apparent that the Department performs four basic types of functions:

- (1) Resource assessment;
- (2) Resource research and planning;
- (3) Resource management; and
- (4) Administrative services.

The majority of programs performed by the Department include each of the foregoing as distinct phases or components. Therefore, the intent of the organizational structure described below is to allocate responsibilities among divisions so as to compartmentalize these four discrete functions.

In addition, cognizance must be given to the multiple disciplines housed within the Department and their distribution in various locations around the State. Consequently, some special provisions are included in the organizational structure to smooth communication between Department entities.

B. The Organizational Structure

The organizational structure of the Department will be revised effective July 1, 1979, in accordance with the layout shown on the attached organizational chart.

Departmental divisions are shown in two sections. Those division assigned to perform the resource assessment, resource research and planning, and administrative services functions are in the left section. Those divisions performing the resource management function are in the right section. There is no difference in status between divisions in either section, or between those in the same section.

The explanation which follows outlines the responsibilities of each entity on the organization chart. It is to be emphasized that the explanation describes lead responsibilities only; inclusion of other appropriate divisions in an activity under the lead of a particular division will be handled according to Department Procedures (see Part II of this Memorandum), which will also be completed by July 1, 1979.

C. Explanation of the Organizational Structure

1. Commissioner

Self-explanatory. However, the organization is structured to insure, to the fullest extent possible, that the Commissioner's time is confined to matters which truly warrant his attention, whether they be internal or external to the Department. Efficient use of the Commissioner's time is crucial if members of the Department, as well as persons outside the Department, are to have adequate access to the Commissioner on important matters.

2. Deputy Commissioner

Responsible for general oversight and daily supervision of Department operations. This is a departure from previous practice under which the Deputy Commissioner spent at least 50% of his time as personal staff to the Commissioner on special issues, and reflects that the fundamental emphasis of the Department for the future will be renewed concentration on production, performance, and efficiency in carrying out its mandates.

As such, the Deputy Commissioner will be responsible for insuring that lines of communication and authority between the Commissioner's Office and Divisions operate smoothly, for providing access to the Commissioner personally where appropriate, and for making certain that the Commissioner's time is efficiently spent. The Deputy Commissioner will decide upon matters which do not justify the Commissioner's personal attention.

3. Boards and Commissions

Boards and Commissions will report directly to the Commissioner on matters which are in connection with their formal proceedings. Other Board and Commission matters will be handled through the Deputy Commissioner.

4. Special Assistants, Legislative Assistant
Information Officer

Serve as staff to the Commissioner/Deputy Commissioner. They are shown on the organizational chart to report through the Deputy Commissioner to demonstrate that they are no exception to the need to insure that the Commissioner's time is efficiently allocated. They perform no line decisionmaking function.

The Legislative Assistant should be established through the Division of Administration as a permanent part-time position.

An Information Officer position will be established in Juneau by adjusting existing positions within the Department. This does not preclude having information-type positions elsewhere in the Department, as is presently the case. However, the existing system for dissemination of public information is too localized within DNR to prevent instances of inconsistency or other undesirable consequences. Moreover, the capability for providing the public with regular releases of information does not exist at this time in the Commissioner's Office, which is where it is most often needed on important matters. Creation of the position should substantially shorten the response time on legislative requests and inquiries from the public, which is presently too slow. After this position is established, a Department Procedure will be developed so that appropriate coordination of Department information releases is performed by the Information Officer in Juneau.

5. Division of Geological and Geophysical Survey

The Survey performs one of the four basic functions mentioned at the beginning of this Part --- resource assessment, which is the gathering on a relatively large scale of raw data and information used later in the research and planning and resource management functions. Resource assessment on behalf of the Department will continue as its fundamental mission.

At present, the Survey is primarily oriented towards subsurface resources (although it has some involvement with soils and water); consequently, its assessment capability is incomplete. Measures will be taken to vest in the Survey the expertise to perform overview assessments as needed on timber, soils (with a view towards agriculture), and possibly recreation resources. Details regarding any necessary transfers of positions will be determined prior to July 1.

Consideration should also be given to retitling the Survey to more accurately underscore its broad resource assessment functions.

To the extent that remote sensing consists of field data gathering that program will be housed in the Survey after its is fully designed and on line.

The Survey presently has some responsibilities regarding the Surface Reclamation Act and enforcement of mine safety regulations. It is recognized that there is some interchange of personnel between the Survey and the Division of Minerals and Energy Management on a temporary, informal basis to perform various duties within these programs for purposes of administrative convenience and efficiency; this may continue. However, large portions of both programs are essentially exercises of the State's policy power, and constitute a management function. These programs will continue to be under DMEM from the standpoint of lead responsibility.

6. Division of Research and Planning

A new Division of Research and Planning will be created to encompass, with some important exceptions, the responsibilities presently carried out by the Planning and Classification Section and the Planning and Research Section. The assignment of this Division will be to perform another of the basic functions mentioned before --- resource research and planning. It is to be emphasized that "planning" includes not only figuring out what to do, but also establishing a practical means of getting it done as soon as possible. Its responsibilities will be as follows:

a. Land Status and Entitlement

This consists of actions relating to obtaining and retaining title to State lands, and normally involves dealings with entities outside the Department (such as the Federal Government and native corporations). Included are (d)(2) support activities, State land selections, land grants, ANCSA land matters, navigability issues, major package land exchanges (such as the Cook Inlet Exchange), and title defense.

b. Research and Special Projects

This consists of the formulation of options and proposed policies or courses of action for decision by the Commissioner on various issues, including both surface and subsurface. In many cases, development of policy and program alternatives will, after decision by the Commissioner, move to a resource management division for implementation. In other instances (e.g., development of State position on the disposition of NPR-A for submission to the Federal Government), there will be no resource management action.

Special Projects also encompasses the developmental phases of the ALARS and remote sensing program. After they are on line, they will be moved elsewhere (discussed under DGGS and technical services). An attempt to physically locate all Departmental offices in one location in Anchorage will also be handled by this Division until the Director of Administration's position is filled.

c. Interdivision/Interagency Coordination

This includes such matters as the A-95 Clearing-house process, Coastal Management, and related assignments where reconciliation of the competing interests and mandates of different divisions is required. In these instances, the Division of Research and Planning identifies and mediates, but does not arbitrate, differences of opinion between divisions. If agreements between divisions cannot be achieved, the Division will consolidate a presentation of the positions of the respective divisions for decision by the Commissioner.

Coordination between DNR and other agencies will be handled on an assignment basis only, as this activity is frequently handled directly by the Commissioner's Office in Juneau.

d. Resource Planning

The Division will be responsible for overview planning (as opposed to functional and implementation planning). In all cases it will develop options for decision by the Commissioner with respect to the following types of plans:

(1) Statements of general, long-term (e.g., 50-year) objectives for major resource types, such as timber, agriculture, recreation, oil and gas, etc., reflecting special characteristics or needs of particular geographic regions on a broad basis.

(2) Regional resource use plans consistent with the statements of objectives, containing the basic determination of whether particular lands should be retained or disposed of, and allocation of lands into the management categories set forth in HB 720. Regional resource use plans will also identify particular areas which are of special interest or complexity or controversial, requiring area use plans will have to be meshed with existing programs so as to pose no hindrance; notwithstanding, they must all be completed no later than July 1, 1980.

(3) Area resource use plans, containing a more localized application of HB 720 management categories. They are appropriate only in instances such as identification of state interest lands through the process of joint consideration regarding municipal land selections, and in areas of proposed major developments or activities requiring specific attention (e.g., Haines).

(4) Special resource use plans which do not fit into geographic regions, such as the corridor for Northwest Pipeline project.

Program schedules and plans (e.g., 5-year target plan for timber harvesting) will be performed by the central office or the appropriate resource management division (in this case, the Division of Forest, Land and Water Management). Implementation resource use plans (classifications within HB 720 management categories, and site plans and management prescriptions) will be undertaken (to the extent the capability exists) by district offices within resource management divisions. Since these will still involve some interaction between resource management divisions, Department Procedures will be developed to insure proper contact, and consideration will be given in the future to representation of all divisions at the district level.

There is a deficiency within the existing entities which will comprise the Division of Research and Planning regarding research and planning expertise for oil and gas mineral resources. Given the proposed intensification

of programs and activities for these resources in the immediate future, such expertise will be obtained in the process of filling at least some of the vacancies which presently exist.

Existing resource management divisions (particularly Parks and Agriculture) should be examined to determine whether there are positions devoted to statewide planning which should be moved to the new Division of Research and Planning. While any such move would deprive those divisions of a position, it may be more than offset by a corresponding assurance of proper participation at the overview planning stage.

7. Division of Administration and Management

The Department of Natural Resources was the only Department in State government (excepting Law) without a separate Division of Administration and Management. In advance of reorganization, however, a decision was made to create such a Division to centralize budgeting and personnel administrative services functions. However, since the Director position and immediate support staff are new positions requested on the FY 80 budget, there is no guarantee that such positions will be authorized for FY 80 when the budget is finalized. The need for this Division to be fully developed is absolutely critical if DNR is to improve its management capabilities and maximize efficiency. It is especially necessary if the Program Management System (see Part III of this Memorandum) is to be maintained and to achieve its objective of Department-wide accountability for program management and program cost. While failure to have the division funded in FY 80 would deal a severe setback to the reorganization effort, some contingency must be developed in the event no funding is granted. This will be discussed at the next Steering Committee meeting.

The duties of the Division will be to (1) handle existing fiscal and personnel matters, (2) administer the program management and budget system described in Part III of this Memorandum, which is critical to improved Department efficiency, (3) insure that Department Procedures (described in Part II of this Memorandum) are followed, (4) insure that personnel and fiscal rules and procedures imposed by the Department of Administration are followed, and seek changes in such rules where justified,

(5) monitor Department programs and expenditures thereunder for cost-effectiveness, and (6) generally improve the internal management of the Department of Natural Resources through centralization of the administration functions.

The Director of this Division will be the only Director located in Juneau, largely because constant daily contact with the Commissioner/Deputy Commissioner is essential if Department-wide administration and management is to be a reality.

8. Division of Technical Services

The suggestion that a new Division of Technical Services (to include engineering and land records) be created surfaced in the midst of the Department's reorganization efforts. While these are administrative services functions, there is a strong attraction to grant it division status because it provides important surveying and engineering services to several existing divisions and is responsible for land status records. Moreover, if the land development fund legislation is enacted, responsibilities in this area would be considerably increased. Finally, having land records (particularly after the ALARS system is fully on line) located in one division which uses such records will likely keep the ALARS system more responsive to Department and public needs over the long run.

However, because the creation of this Division arose towards the end of the Steering Committee deliberations, I believe it deserves one final discussion at the next Steering Committee meeting before it is resolved. This is particularly necessary considering that (1) the other alternative is to put it in the Division of Administration and Management, the status of which is as yet uncertain for FY 1980, and (2) that the land development fund involves financing as well as engineering and land records.

If it is created, the existing engineer position in the Division of Parks will be moved.

9. Division of Agriculture

The activity of the Division of Agriculture has, until last year been primarily regulatory. In the future, the focus of the Division will be on the development of agriculture and agricultural infrastructures in the State. Positions in the Division should be monitored to determine if additional or different expertise will be needed to successfully carry out the new direction of the Division. In addition, existing positions within the Planning

and Classification and Planning and Research should be examined and possibly moved to provide for capability within the Division to conduct programs and implementation resource use plans (including agricultural land classifications). Movement of personnel to the district level may also be warranted in the future.

Consideration should also be given to a logical allocation of inspection and consumer protection functions between the Division of Agriculture and the Departments of Health and Social Services and Environmental Conservation. In the interim, the Division will continue to perform its present assignments in this area, and cooperative agreements will be concluded with these two agencies to avoid duplication. To the extent any large-scale field soils assessments are now performed by the Division, they should be assigned to the Division of Geological and Geophysical Survey.

10. Division of Parks

With the exception of a possible loss of an engineer (to Technical Services) and a statewide planner (to Research and Planning), the Division of Parks will remain intact and continue to perform existing assignments. However, the reorganization in total is designed to insure that Parks' considerations are adequately examined at all levels, which has been a problem in the past. Parks should also have at least one person in each of the three district offices of the Division of Forest, Land and Water Management to provide balanced evaluations in land use decisions made at the local level.

11. Division of Minerals and Energy Management

Until last year, the Division was engaged mostly in administration of existing oil and gas leases, accounting for income from leases and other sources, and handling minerals claims. With the advent of a five-year oil and gas leasing program, its responsibilities and duties have vastly increased. Further burdens may be expected in the near future through a minerals leasing program.

The Division, although severely taxed at this time, has the requisite specialists to carry out its assignments. However, it would benefit greatly from the assistance of generalists to perform the bureaucratic tasks associated with active programs but requiring nothing more than review by a hydrocarbon or minerals specialist. By filling vacant positions accruing to the new Division of Research and

Planning with persons experienced with subsurface resources, a major part of the problem could be taken care of. However, additional help in the area of administrative assistance may well be warranted; it should be determined whether particular positions exist within the Department which could be transferred into this capacity.

Royalty and other income accounting is presently handled by one person, which is definitely insufficient. New positions have been asked for in the FY 80 budget. However, an arrangement must be worked out with the Division of Petroleum Revenue, Department of Revenue, for the proper allocation of accounting functions so that no overlap exists and the royalty accounting function is performed in the most efficient manner.

12. State Pipeline Coordinator
This Division will move to Fairbanks.

One position will also be moved to the Division of Forest, Land and Water Management as administration of the right-of-way lease moves into the phase where it is most appropriately handled in that Division. This will occur in FY 1980.

13. Division of Forest, Land and Water Management
This Division will continue to perform existing functions with the exceptions outlined in the discussion of the Division of Research and Planning. However, positions devoted to purely broad resource assessment functions (if any) will be transferred to DGGS.

Enhancement of Juneau liaison capability would be especially desirable for this Division considering the volume and variety of work and the size of the Division.

C. Remaining Tasks and Assignments

There are a number of remaining tasks which must be completed to finish the organizational structure component of the reorganization package. These include:

- (1) establishment of detailed organization charts for each division;
- (2) transfer of positions;
- (3) revision of the budget;
- (4) handling delegations of authority vested below the commissioner in existing law;
- (5) determination of excess positions.

A Steering Committee meeting will be held on _____ at _____ to determine how these will be completed. Final decision on these matters left open in the discussion under B of this Part will be made after hearing the recommendations of the Steering Committee.

PART II - DEPARTMENT PROCEDURES

A. Explanation

For the organization to function properly, there must be an unmistakable understanding of the procedures by which the Department operates. While the details on the internal operating methods within each Division may be largely left to the Directors, there must be a basic set of operating procedures governing all major activities so that Department operations and decisionmaking are completed with uniformity and efficiency.

Included should be such matters as:

- (1) procedures for formulating policy decisions;
- (2) relations between divisions and the Commissioner's office;
- (3) resolution of interdivisional disputes;
- (4) development of Departmental positions and relations with other agencies;
- (5) personnel and fiscal procedures;
- (6) providing for public participation in agency matters and methods for conducting public hearings.

The foregoing are examples only. There are presently a few written procedures, and others have been developed by practice and by verbal understandings. Much of the present business of the Department is conducted properly and in an orderly manner. However, in order for the Department to operate at maximum proficiency, there must be a comprehensive set of procedures, which does not exist at present. They will be drafted and approved by July 1.

B. Assignments

After consulting with appropriate subordinates, each Director will submit to me by April 30 a list of subjects which he/she believes should be covered in the Department Procedures. Proposed content may be included as well if you wish. Drafting assignments will be made in mid-May.

PART III - PROGRAM MANAGEMENT SYSTEM

The Department performs a wide variety of programs and mandates encompassing multiple disciplines and subject matter areas. Many are highly complex. If the Department is to carry out its duties effectively, in accordance with

prescribed schedules and within projected costs, it is necessary for the system by which Department programs are tracked and administered to be substantially improved. This is especially important given the growth in assignments, personnel, and budget which the Department has experienced over the last two or three years and anticipated new or expanded missions in the near future.

Ordinarily, the budget document submitted annually and subsequently amended or approved by the Legislature should be the basis for a Department program management system. Unfortunately, the present budget system and documents have evolved so as to be broken down by rather large subject matter areas rather than actual programs, making it frequently unsuitable as a management tracking and administrative instrument. Concurrently, preparation of the annual budget is burdensome and overly time consuming because costs for particular programs must be translated into what are frequently incongruous subject matter categories. Scrutiny by both the Governor and the Legislature are hampered because programs they are interested in may be distributed among several subject matter areas, making a picture of the complete cost associated with a distinct program difficult to obtain.

By July 1, it is my intent to develop a program management information system so that each discrete program within the Department contains the following as a matter of record:

- (1) Identification of the nature of the program and program activities;
- (2) Establishment of Department objectives and policies to guide the program;
- (3) Performance standards to gauge the success of the program;
- (4) Development of a work plan for the program to include major components, the responsible division(s), deadlines, and decision points;
- (5) Establishment of a monitoring system to oversee progress; and
- (6) Formulation of budgeted cost for the program.

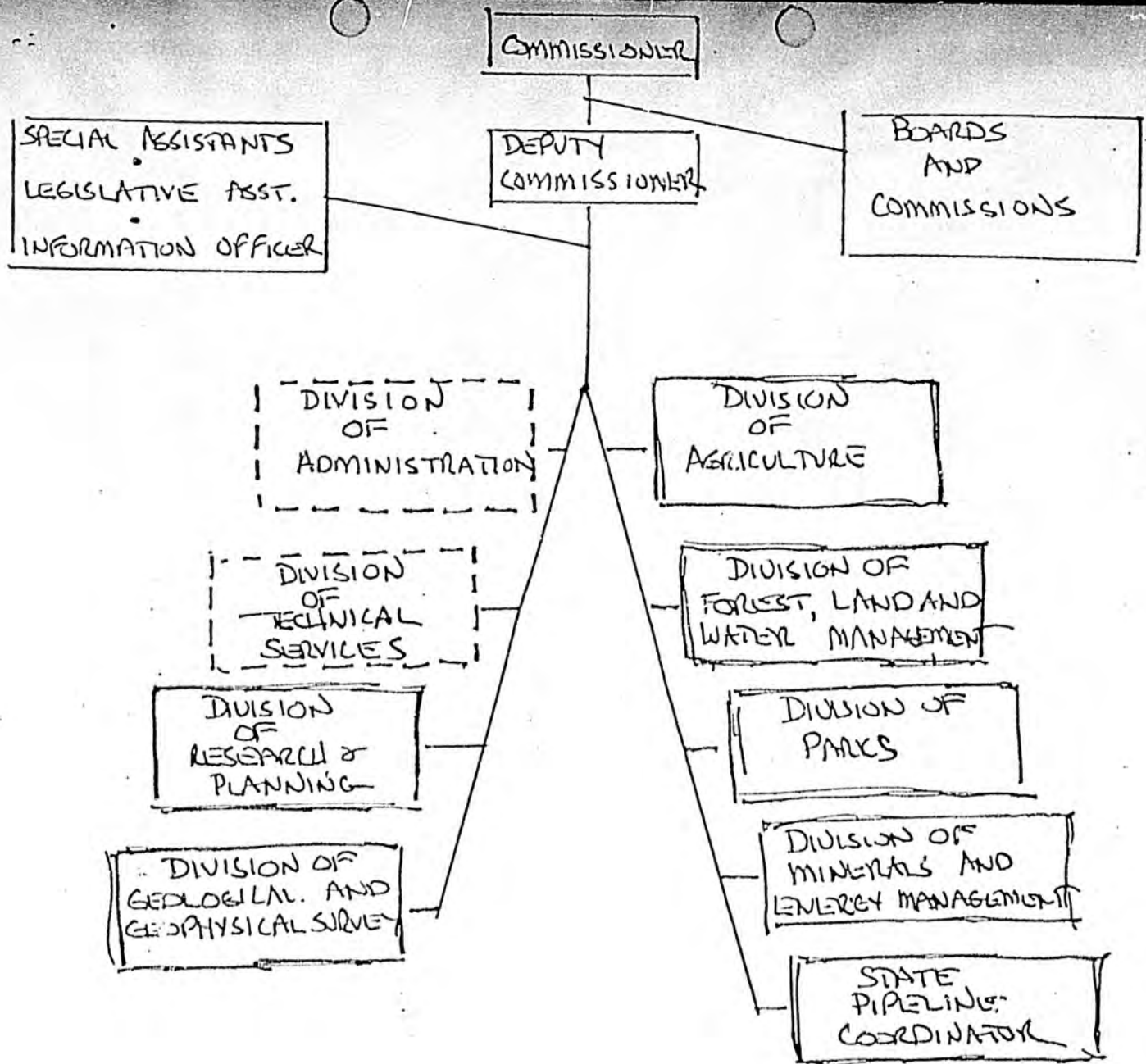
In developing this system, we will be working directly with the Division of Budget and Management, Office of the Governor and will obtain advice from the Division of Legislative Finance so that, to the fullest extent possible, the program management system can be used as the basis for FY 1981 budget submission. In other words, we envision not just program management but program budgeting and management as the ultimate result. If at all possible, we will also assimilate the appropriated FY 1980 budget into this system.

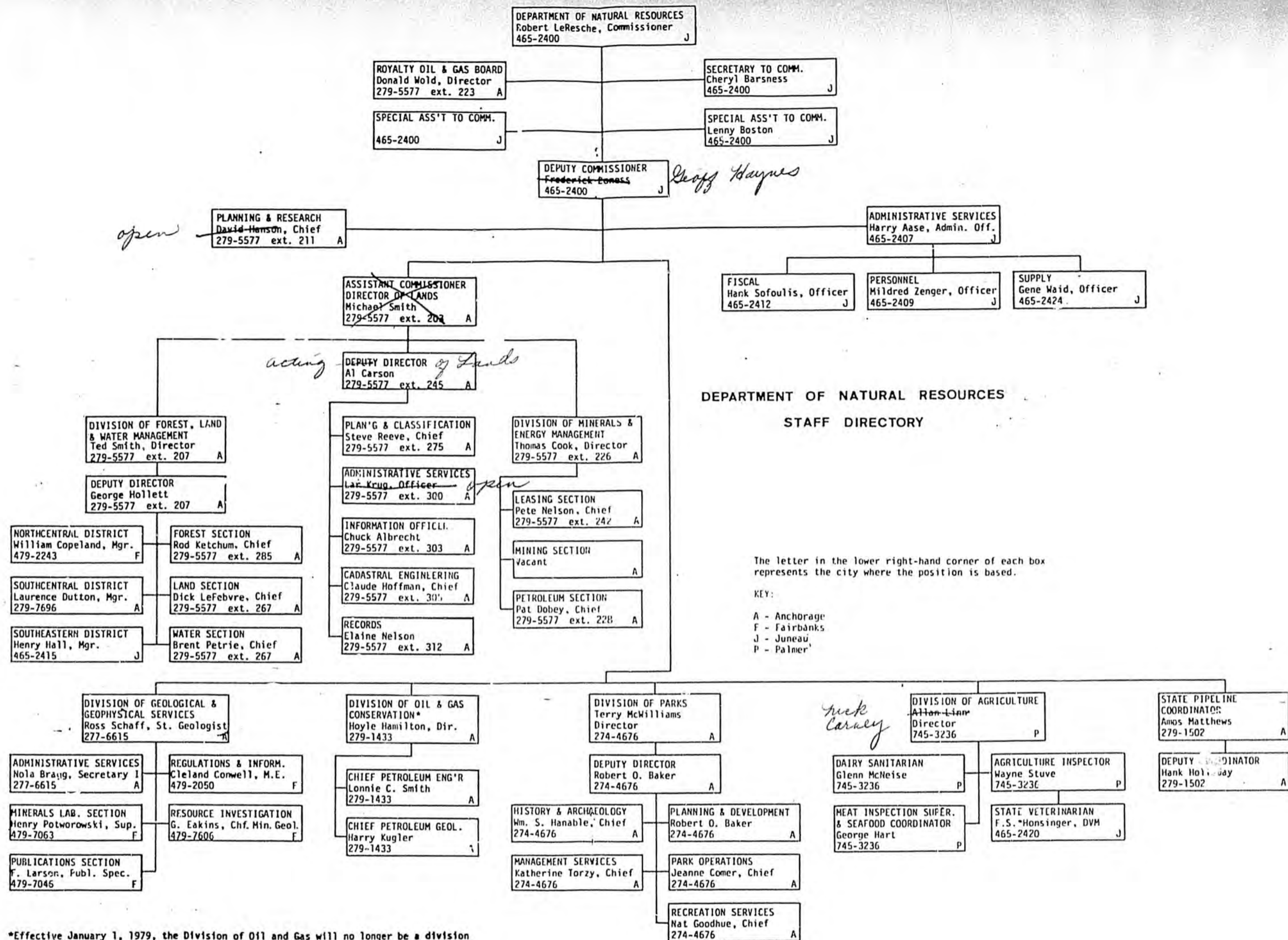
Mike Moorman will be assisting us in the design and implementation of this system, which will be made adaptable to the State data processing system. With the exception of the actual proposed budget figures for 1981, the information necessary to inaugurate the system will be completed by July 1 of this year.

By April 20, I would like each Director to submit a complete list of distinct Department programs presently in effect, together with a recommendation as to any which should be considered for discontinuation and any new ones which may be required or desirable in FY 1981. At a subsequently Director's meeting, we will agree on a final list to be included in the system, at which point the specifics for each will be developed and incorporated.

CONCLUSION

While I will make the final decisions on the components of the reorganization package, I am placing Jeff Haynes, Deputy Commissioner, directly in charge of overseeing completion of the above described tasks. He will, of course, designate members of the Department to perform specific duties as he sees fit.





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