

**REPORT OF THE
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMISSION**

**REVIEW OF THE DEPARTMENT
OF CONSERVATION AND
RECREATION**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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Preface

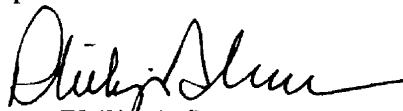
Item 14 of the 1997 Appropriation Act directed the Joint Legislative Audit and Review Commission (JLARC) to "review the organization, operation, and performance of the Department of Conservation and Recreation" and the department's compliance with legislative intent. This report presents the staff findings and recommendations concerning that review.

The review found that the Department of Conservation and Recreation (DCR) has some organizational strengths which can be built upon in the future. For example, its operational divisions, such as parks, soil and water conservation, and natural heritage, have a record of positive accomplishments over the years. The State parks offer safe, clean places for people to enjoy a variety of recreational activities. Further, the department's Soil and Water Conservation Division has a long history of assisting farmers and others in reducing erosion and managing nonpoint source pollution. In addition, DCR's Natural Heritage Division is generally effective in identifying and protecting Virginia's rare, threatened, and endangered natural heritage resources.

However, substantial internal problems have prevented DCR from reaching a higher level of effectiveness. Some of these problems — lack of leadership continuity, lack of a clear and comprehensive vision for the agency, lack of cooperation between divisions, and resource limitations — are historical problems which have been cited by the Department of Planning and Budget and Auditor of the Public Accounts in previous reviews. The JLARC staff's review indicates that these persistent problems must be addressed if the agency is to successfully cope with the increasing demands and expectations that are being placed upon it.

A particular concern is the pace of DCR's progress on the 1992 Park and Recreational Facilities Bond projects. As of July 1997, or nearly five years after passage of the Bond, 54 percent of the funds still had not been spent. A number of factors that have led to delays appear to have been within DCR's control. These include a lack of adequate planning prior to the Bond Act's passage, a lack of dependable staffing and poor organization within DCR's Design and Construction Section, and a change in focus by DCR management regarding the scope of the Bond projects. Despite considerable delays in completing the projects from 1992 to 1996, DCR management indicates that it is committed to completing the projects by December 1998. However, DCR management needs to ensure that project quality is not compromised in attempting to meet this deadline and should revise its deadline as necessary to ensure project quality.

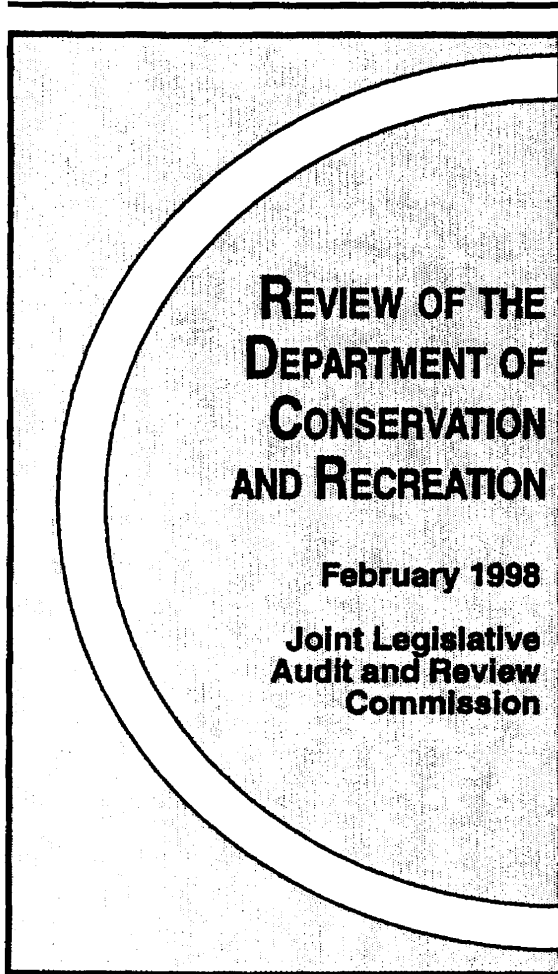
On behalf of JLARC staff, I would like to express our appreciation for the cooperation and assistance provided by the Department of Conservation and Recreation staff in the preparation of this report.



Philip A. Leone
Director

February 19, 1998

JLARC Report Summary



Item 14 of the 1997 Appropriation Act directed JLARC to "review the organization, operation, and performance of the Department of Conservation and Recreation" and the department's compliance with legislative intent. The agency currently known as the Department of Conservation and Recreation (DCR) underwent numerous changes prior to receiving its current name in 1989. The agency's mission is "to conserve, protect, enhance, and advocate the wise use of the Commonwealth's unique natural, historic, recreational, scenic, and cultural resources." The agency houses many functions, but two of the department's leading responsibilities are managing the

State park system and conducting soil and water conservation activities that address nonpoint source pollution.

DCR has some organizational strengths which can be built upon in the future. For example, its operational divisions, such as parks, soil and water conservation, and natural heritage, have a record of positive accomplishments over the years. Nonetheless, the agency has some substantial internal problems that have prevented the agency from reaching a higher level of effectiveness. These problems must be dealt with if the agency is to successfully cope with increasing demands and expectations that are being placed upon it.

This report summary highlights some of the strengths of the agency. It also summarizes the agency's internal problems, including the historical context for these problems, the increased demands and resource issues the agency faces, and how some of those problems have been manifested in slow progress on the 1992 bond issue for parks and recreational facilities and in some questionable decisions about the use of bond funds.

Organizational Strengths of DCR

DCR has enjoyed some successes in its programs, such as the parks, soil and water conservation, and natural heritage programs. The State parks, for example, offer safe, clean places for people to enjoy a variety of recreational activities. Park visitors appear to have a very favorable reaction to the parks they visit. Further, State park attendance and facility use has been increasing, indicating that people are becoming more aware of, and are more frequently using, the parks. Recent fee increases at the parks have also appeared appropriate, as they have increased rev-

venues without negatively impacting attendance or facility use levels.

DCR's soil and water conservation division has a long history of assisting farmers and others in reducing erosion and engaging in nonpoint source pollution management activities. Through the efforts of division staff and others, including the staff of local soil and water conservation districts who receive funding from and assist the division, many nutrient management plans have been written, and many nonpoint source pollution projects have been put into place on a cost-share basis (the State shares the cost of the nonpoint source pollution management measure). Division staff have also had an instrumental role in the State's progress to date on tributary strategy development, although much more remains to be done.

DCR's natural heritage program is generally effective in conducting its responsibility to identify and protect Virginia's rare, threatened, and endangered natural heritage resources. In 1994, Virginia's program won an award from an international conservation organization for excellence among natural heritage programs.

Historical Management and Cohesiveness Problems Still Persist

DCR has maintained certain strengths in its operational divisions over the years, despite the fact that the agency has lacked cohesiveness and has historically had management problems. These problems were identified and discussed in some detail in a 1993 report on DCR that was authored by staff of the Department of Planning and Budget (DPB). Historical problems have included a lack of leadership continuity, lack of a clear and comprehensive vision for the agency, a lack of cooperation between divisions, and resource (staffing and equipment) limitations. The Auditor of Public Accounts (APA) has also noted problems at DCR over a number of years.

JLARC staff's current review indicates that internal problems have persisted in recent years at DCR, and in some ways the problems have been exacerbated. Current agency management has promoted certain initiatives, such as a watershed approach to water quality issues, increasing park revenues, and creating some internal task forces to consider agency problems, that have some potential to improve agency operations. However, many problems have not yet been successfully addressed, and some new problems appear to have been created. Agency staff have operated for the last few years without knowledge of an agency strategic plan. The 1997 strategic plan for the parks division embraced only one goal, revenue generation. A majority of DCR employees do not believe that current management of the agency values the conservation of natural resources, and there is a lack of trust between management and employees of the agency.

These problems call into question DCR's ability to effectively respond to a recent rise in the expectations and demands that are being placed upon the agency by the General Assembly and the public, as discussed in the next section. A recent development that has some promise, however, is that in the last few months, the agency has worked to develop a strategic plan, and the strategic plan for parks for 1998 is addressing more goals than revenue generation. However, as in the past, this effort appears to be coming at the end of an administration rather than the beginning, when it would likely have had the most impact.

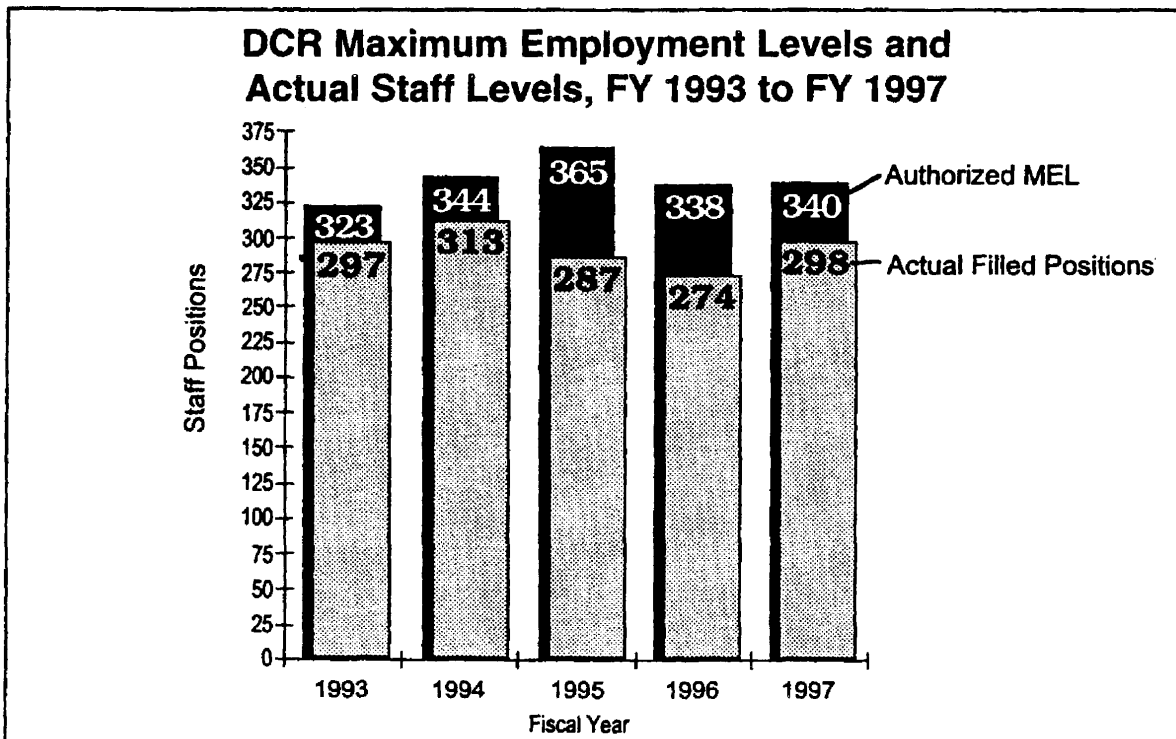
DCR Faces Increased Demands for Services and Has Resource Needs

The 1993 DPB report on DCR indicated that DCR had staffing problems. For the park system alone, the report suggested the need for about 50 additional positions. In apparent recognition of some of the agency's needs, subsequent Appropriation

Acts have allowed DCR to have in place more positions than it had in FY 1993. However, the agency's actual filled positions in FYs 1995 and 1996 dropped below the FY 1993 level, and only rose to the same level as in FY 1993 after a 1997 General Assembly mandate directing DCR to fill its positions (see figure below). DCR did not meet that mandate, and recently, agency management internally specified maximum position levels by division that would artificially restrict staffing levels for at least the period between mid-November 1997 and January 1998.

In addition to DCR management decisions to not fill available positions, this review found that DCR has maintenance and equipment replacement needs in the parks that are not being met. Based on site visits and a survey of park managers, JLARC staff identified 113 facility and infrastructure improvement projects that have not been adequately addressed by the department. Many park managers report that they have equipment replacement needs, including items such as trucks, tractors, and mowers.

There appears to be a mismatch between increasing demands being made upon DCR, and the agency's approach to staffing and resource issues. The public has indicated a heightened interest in park and recreational services, as indicated by its support for the parks and recreational facilities bond issue of 1992 and by its increasing visitorship at the parks. The General Assembly supported the 1992 bond issue, and also recently passed the Water Quality Improvement Act of 1997, which indicates a DCR leadership role on nonpoint source pollution issues as part of a heightened effort to address water quality concerns. In the near future, the amount of resources that will be available to DCR — and which DCR will choose to employ — is unclear. However, the agency's ability to successfully respond to its emerging challenges is questionable without addressing barriers to greater productivity (such as its information system problems and park system equipment needs) and without a receptivity to addressing staffing deficiencies where they exist.



Numerous Factors Have Contributed to the Pace of Progress on the 1992 Park Bond Issue

One of the recent concerns that has been raised about DCR's performance has been the pace of progress on the 1992 park bond issue. As of July 1997, or nearly five years after the bond passed, 54 percent of the funds still had not been spent. The progress made on the bond issue was noticeably slower than on bond issues for mental health and education programs that had passed at the same time as the parks bond.

This review found, as DCR management has argued, that a direct comparison between DCR's bond issue and its pace with the other bond issues is misleading, as there are substantial differences in the nature of the projects that are required. However, a number of factors that have led to delays appear to have been within DCR's control. These problems began prior to the passage of the Bond Act, with a lack of adequate planning. Problems have continued, in part due to a lack of dependable staffing and poor organization within DCR's Design and Construction Section. There has also been a change in focus by DCR management (for example, downsizing projects for budget reasons and redesigning some projects to generate revenue) that has led to project delays.

Despite considerable delays in completing the projects from 1992 to 1996, department management indicates that it is committed to completing the projects by December 1998. Some DCR staff indicated during this review that there were some early indications that project quality might be compromised to now rush projects to completion. DCR management needs to ensure that project quality is maintained in pursuing its timeframe goal, and the December 1998 deadline should be revisited if needed to ensure project quality.

There Are Questions About the Way Bond Funds Are Being Spent, Including Whether Legislative Intent Is Being Fully Met

Many of the bond projects will not reflect the scope that was originally intended for them. When the bond referendum passed, DCR management expected to complete many of the projects by acquiring funds from additional sources when necessary. However, subsequent DCR directors have determined that the projects will largely be completed using only the \$95 million authorized by the bond. Therefore, many projects were down-sized.

In addition, recent DCR directors have changed the focus of some projects toward revenue generation. In some instances, it appears that the use of certain bond funds may not be fully meeting legislative intent. Funds specified in the 1992 Bond Act to be used for environmental education centers at Natural Tunnel State Park and Smith Mountain Lake State Park are being used for other projects.

Recent DCR directors have also placed a higher priority on the development of the new State parks over additional land acquisition. According to DCR staff, advantages of this approach are that the parks will be better able to meet the agency's goal for revenue generation, and the new parks will be further developed with bond funds than they would have been if more funds were spent on land acquisition. However, this has also resulted in new parks that are incomplete, and missed opportunities for cost savings.

This review has also identified numerous transfers of funds among projects, and questions regarding specific project expenditures. Further, recent audits by the Auditor of Public Accounts (APA) and the department's own internal auditor have identified examples of misuse of bond funds, including expenditures that violated the intent

of the Bond Act, and a duplicate payment to a vendor. Therefore, the APA and the counsel selected by the Attorney General to interpret the Bond Act need to be further involved in DCR's administration of this bond.

DCR Needs Organizational Unity and Substantial Internal Improvements

In conclusion, DCR appears to need substantial internal improvements, especially in order to address its added and emerging responsibilities. Management leadership of the agency needs to articulate a vision to employees that embraces the full mission of the agency. It appears that agency management has recently started to improve in this area, allowing the 1998 strategic plan for the park system to include but also go beyond revenue generation, to address issues such as environmental education and resource protection. Those issues have been recognized as being important by the department (in the *Virginia Outdoors Plan*) and by the public, but in practice have not had any significant priority at the agency. Additional planning of priorities is also needed regarding soil and water conservation programs.

Agency management also needs to work toward organizational cohesion. DCR

needs a broad-based effort to develop an agency focus, as has been done at some other agencies in State government such as the Department of Mines, Minerals, and Energy and the Department of Forestry.

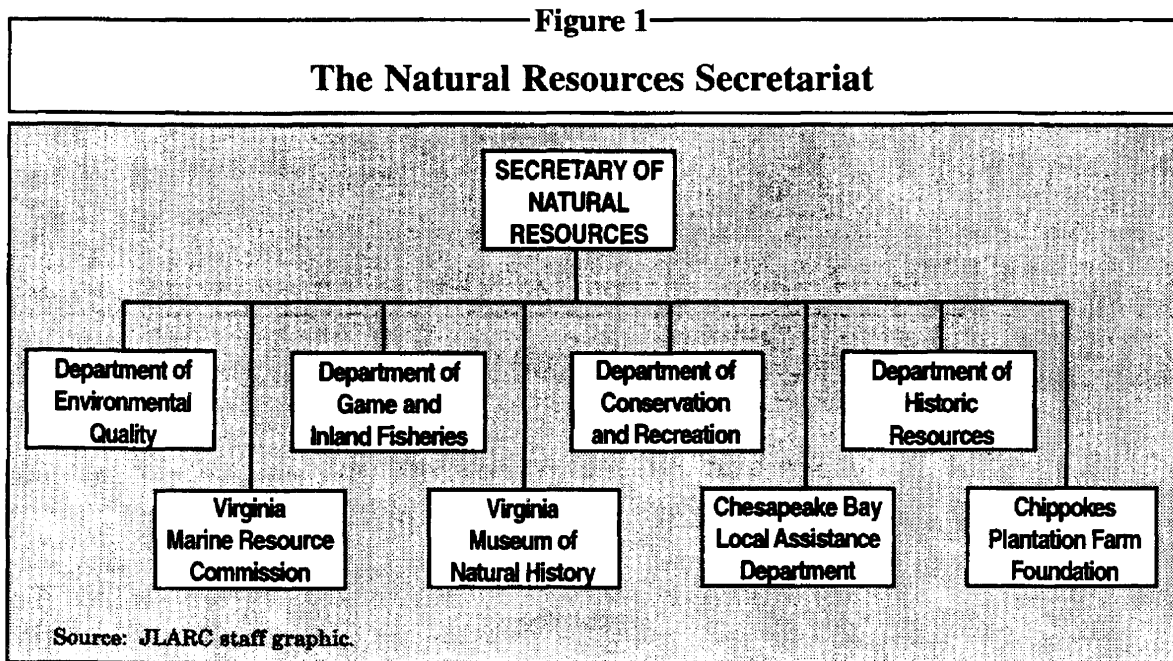
Agency leadership also needs to address barriers to staff productivity and frankly assess and pursue resource needs that cannot be met through increased productivity and alternative labor (inmate and volunteer) sources. Barriers to productivity have included a lack of clear and appropriate policies and procedures, information system problems, old equipment, and the withdrawal at times of authority at the park level on some basic matters such as the hiring of wage staff for the parks. On resource need issues, the department has sought to increase its use of volunteer and inmate labor, and its data indicate success in this regard. However, the department also needs to be willing to consider whether it has needs that can only be adequately addressed by permanent, professional staff. DCR indicates in its recent strategic plan that it now has an objective to "fully fund the staffing, training, equipment, and facility operational needs" for activities such as parks. It has set a timetable for achieving this goal in the year 2004.

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I. Introduction

Passed during the 1997 Session of the Virginia General Assembly, Item 14 of the Appropriation Act directs JLARC to “review the organization, operation, and performance of the Department of Conservation and Recreation as well as the Department’s compliance with its legislative mandate” (Appendix A). The Department of Conservation and Recreation (DCR) is one of eight agencies located within Virginia’s natural resources secretariat (Figure 1).



This review was conducted simultaneously with a study directed by House Joint Resolution 173 (1996). HJR 173 directs JLARC to study the organization of the agencies and agency functions within the natural resources secretariat. The findings of that review can be found in a report titled *Structure of Virginia’s Natural Resources Secretariat*. That report addresses the existing division of responsibilities and authority among the agencies, and considers various alternatives for changing the division of responsibilities.

PAST ROLES AND RESPONSIBILITIES OF DCR

The agency currently known as DCR has undergone numerous changes throughout the years. It was originally named the State Commission on Conservation and Development (SCCD). This commission was created in 1926 when the General

Assembly combined the State Geological Commission, the Water Power and Development Commission, the State Geological Survey, the Office of the State Geologist, and the Office of the State Forester.

In 1938, the SCCD was renamed the Virginia Conservation Commission (VCC). This occurred after President Roosevelt formed the Civilian Conservation Corps, which provided manpower for construction of State park facilities, and enabled Virginia's first State parks to be opened.

In 1958, the VCC was renamed the Department of Conservation and Economic Development (DCED). This department included the Divisions of Forestry, Mineral Resources, Parks, Water Resources, Industrial Development, Public Relations, and Advertising. In later years, the department added the Divisions of Tourism and Economic Development. However, in 1972, the Division of Water Resources was moved to the State Water Control Board.

In 1983, the Virginia Commission on Outdoor Recreation was abolished and its powers and duties were vested with the department's Commissioner of State Parks. In 1984, the Division of Tourism, Virginia Film Office, Virginia Saltwater Fishing Tournament, and Division of Economic Development were transferred to the newly created Department of Economic Development. In addition, Mineral Resources and Mined Land Reclamation were transferred to the newly created Department of Mines, Minerals, and Energy. The remaining functions were consolidated with the Virginia Soil and Water Conservation and the Virginia Historic Landmarks Commissions and the new department was named the Department of Conservation and Historic Resources (DCHR).

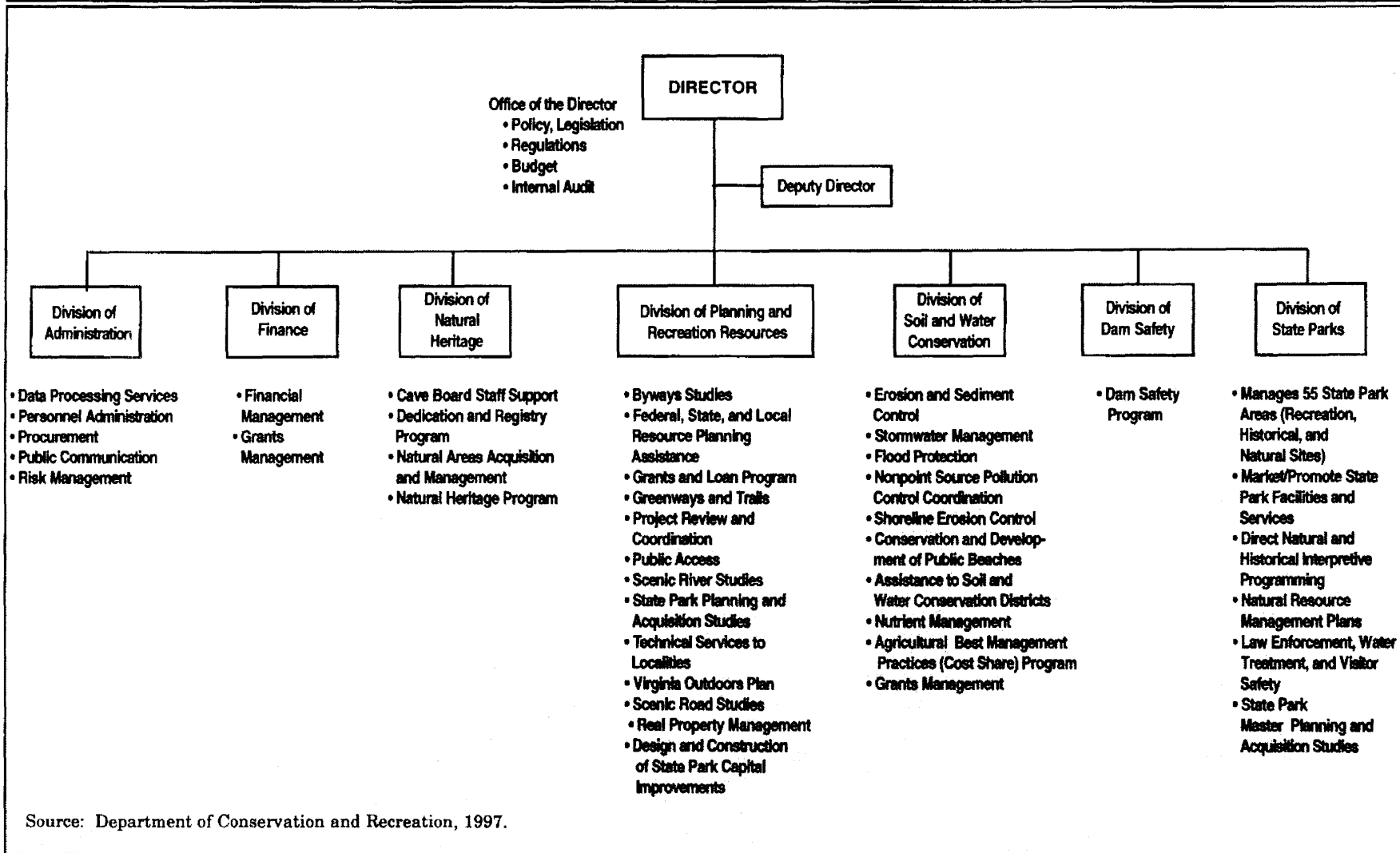
More changes were made in the late 1980s. In 1986, the Division of Forestry was separated from DCHR to create the Department of Forestry. In 1987, the Division of Litter Control was transferred from DCHR to the new Department of Waste Management. In 1988, the Division of Natural Heritage was created and placed in DCHR. In 1989, the Division of Historic Resources was removed from DCHR to create the Department of Historic Resources, and DCHR was renamed the Department of Conservation and Recreation. There have been no major changes to the agency's responsibilities since 1989.

MISSION AND ORGANIZATION

DCR's mission is "to conserve, protect, enhance, and advocate the wise use of the Commonwealth's unique natural, historic, recreational, scenic, and cultural resources." In order to fulfill this mission, DCR has been organized into seven divisions: Administration, Finance, State Parks, Planning and Recreation Resources, Natural Heritage, Soil and Water Conservation, and Dam Safety (Figure 2). In addition, the department

Figure 2

Department of Conservation and Recreation



Source: Department of Conservation and Recreation, 1997.

supports three policy boards, 19 advisory boards, and four foundations which provide opportunities for citizen involvement in department policy.

Administration Division

DCR's Administration Division is responsible for the organizational support provided to the operational divisions. The Administration Division includes human resources, information systems, procurement, and public information sections.

Finance Division

The Finance Division was recently created in response to the many problems cited in the 1995 Auditor of Public Accounts audit report. This division was staffed through transfers of staff and positions from other divisions. The division handles the payroll, grant accounting, petty cash, and finance policy and procedure functions.

State Parks Division

The Division of State Parks operates 28 State parks, 21 natural areas or natural area preserves, and six historic sites. The State parks offer a number of forms of outdoor recreation including camping and cabins, trails, boating and fishing, swimming, interpretive and environmental programs, outdoor adventures, hunting, natural and cultural history, and picnic shelters. In addition, some State parks offer meeting and event facilities.

Division staff located in Richmond handle reservations, training, and environmental programs for the parks. Park managers and park rangers are located at each park and handle the on-site operation, maintenance, and security of the parks.

Planning and Recreation Resources Division

The Division of Planning and Recreation Resources is responsible for the short- and long-range planning for the development and use of Virginia's natural and recreational resources. The most significant product of the division's planning function is the *Virginia Outdoors Plan*, which is a comprehensive analysis of the State's recreational needs that is supposed to be updated every five years.

This division also houses DCR's design and construction section, which was transferred from the Division of State Parks in April 1996. The design and construction section oversees all capital projects for the department, most of which are on State park land. The responsibilities of this section increased significantly with the passage of the 1992 Commonwealth of Virginia Park and Recreational Facilities Bond Act.

Natural Heritage Division

DCR's Division of Natural Heritage is dedicated to the identification, protection, and stewardship of Virginia's biodiversity. This division maintains an inventory of the Commonwealth's natural heritage resources, identifies specific natural areas where conservation activities should occur, purchases natural areas where feasible, and manages the habitat of rare species and communities on natural area preserves and other public and privately owned lands.

Soil and Water Conservation Division

DCR's Division of Soil and Water Conservation (DSWC) administers a number of programs to prevent the degradation of Virginia's natural resources. DCR is the State's lead agency for developing and implementing statewide nonpoint source pollution control programs and services, and this division within DCR contains the agency's programs that focus on these issues. Nonpoint source pollution is water pollution from such substances as sediment and nutrients that are carried to waterways by rainfall or snowmelt moving over and through the ground. (The Department of Environmental Quality has primary responsibility for point source pollution control, or the control of pollution which is delivered to waterways from a single discharge point such as an industrial discharge pipe.)

DCR is responsible for coordinating its own nonpoint source programs in conjunction with the nonpoint source programs of the Department of Forestry, the Chesapeake Bay Local Assistance Department, and other agencies. DCR programs housed in the Division of Soil and Water Conservation that at least in part address nonpoint source pollution issues include erosion and sediment control, stormwater management, nutrient management, agricultural best management practices, shoreline erosion control, floodplain management, public beach conservation, and support for Virginia's 46 soil and water conservation districts.

Dam Safety Division

The Division of Dam Safety operates a certification program for all dams in the Commonwealth which meet minimum size specifications. Currently, there are 478 dams in the certification program. DCR assigns a class ranking to each certified dam which corresponds to the hazards that would occur if the dam were to break. The dams must be inspected periodically, depending on their class, by the owner or a private engineer. DCR staff review the inspections. Virginia's program contrasts significantly with that of most other states, in that Virginia relies heavily on the private engineering sector as opposed to the State for providing the needed inspections.

DCR FUNDING AND STAFFING RESOURCES

In FY 1997, DCR conducted its operations with expenditures totaling approximately \$30.8 million and a maximum employment level (MEL) of 340. While operating expenditures have been stagnant over the last several years, capital outlay expenditures have recently increased as the department attempts to address capital needs for State parks and natural areas through the 1992 Park and Recreational Facilities Bond. Despite these expenditures, the department still has significant funds remaining for capital expenditures from the 1992 Bond.

Funding

DCR's operating expenditures over the past four years have generally been stagnant, fluctuating from \$29.2 to \$30.8 million during that period (Table 1). There was a significant increase in expenditures from FY 1993 to FY 1994. DCR staff reported that this increase was due to an increase in authorized staffing, pay increases which went into effect in FY 1994, an increase in park support, and an increase in federal funds.

Table 1

Department of Conservation and Recreation Expenditures, FY 1993 to FY 1997

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
General Funds	\$19,944,434	\$20,437,788	\$21,626,713	\$20,421,802	\$20,236,057
Non-General Funds	11,434,763	19,793,298	18,957,876	19,677,591	24,770,569
Total Expenses*	31,379,197	40,231,087	40,584,589	40,099,392	45,006,626
Operating Expenses	24,169,113	29,193,937	30,005,272	29,280,185	30,843,156
Capital Outlay Expenses	7,210,084	11,037,150	10,579,317	10,819,207	14,163,470

*Includes operating and capital outlay expenses.

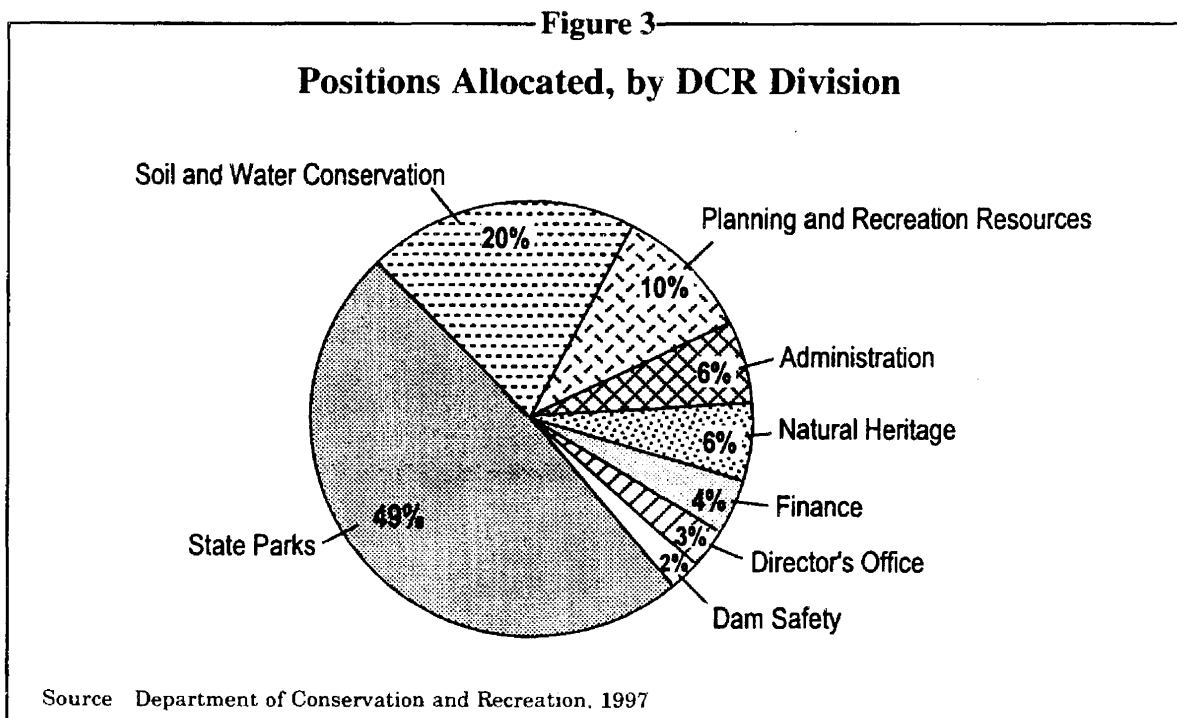
Source: Department of Conservation and Recreation.

DCR's capital outlay expenditures have almost doubled from FY 1993 to FY 1997. Most of these expenditures were for 1992 Park and Recreational Facilities Bond projects. The 1992 Park and Recreational Facilities Bond authorized \$95 million to acquire and improve State parks and natural areas. In FY 1997, \$12.5 million of the \$14.2 million spent by DCR on capital outlay was for Bond projects. As of July 1, 1997, 46 percent (\$43.4 million) of the total Bond funds had been expended.

Staffing

DCR's current MEL is 340. As of July 1997, 298 of these positions were filled. In addition to the full-time staff, the department uses a substantial number of part-time (p-14) positions to fulfill its responsibilities, especially at the State parks. The number of part-time positions typically increases during the summer months, which are the busiest for the State parks. During FY 1997, the number of part-time positions (expressed as full-time equivalent positions) ranged from 105 in January to 466 in July. The department also relies on many volunteers and inmate labor in the State parks.

Figure 3 illustrates how the established full-time positions are distributed throughout the agency. The State Parks Division is clearly the largest of the divisions with 167 positions, which is 49 percent of DCR's total workforce. The Soil and Water Conservation Division is the second largest, with 69 positions, or 20 percent of the workforce. Dam Safety is the smallest division, with only five positions, and two percent of DCR's workforce. Ten positions are assigned to the Director's office.



HISTORICAL PERSPECTIVE ON DCR ORGANIZATION AND MANAGEMENT ISSUES

DCR was previously assessed in December 1993 by the Virginia Department of Planning and Budget (DPB). The product of this review was a document titled *Organization and Staffing Review of the Department of Conservation and Recreation*. This review criticized the agency for lacking internal cohesion. The report indicated that

the agency had management problems, although it indicated that certain processes were underway, such as strategic plan development, that might help to improve the management of the agency and address some of its internal problems. The report stated that several DCR programs were understaffed at that time, that communication and coordination needed improvement, that financial controls were inadequate, and that the agency's training program was limited.

A key problem indicated in the report was the lack of cohesiveness that was perceived to exist between the divisions within the agency. The report stated that:

DCR programs and responsibilities have been moved in and out of the agency over the years. In fact, DCR has the distinction of being the most reorganized department in Virginia....

The history of reorganization has left its mark on the staff and programs of DCR. Many clients view the divisions as individual departments. Staff feel strong organizational ties to their division, rather than the department....

In the past, some programs have been poorly coordinated and have been competitive with each other. Program managers have only recently begun to work collaboratively to achieve common goals. As a result, the department has had difficulty establishing its identity, planning for the future, and shaping policy....

The single most difficult management problem faced by DCR is the absence of collaboration between divisions. The agency director has taken steps to create a cohesive agency from the separate divisions, especially through [a] strategic planning process. Many changes have been implemented. However, all top-level managers do not appear to be fully committed to breaking down turf barriers and increasing inter-divisional cooperation.

DPB's critique did not focus on the overall quality of DCR's operational divisions, nor on the ability of those divisions to serve constituent groups. The DPB report noted a lack of program evaluation activities and data collection at the agency, which made it difficult to assess program impacts. The report also noted that "each division has cultivated its own supporters and constituent groups."

JLARC REVIEW

JLARC's review of the Department of Conservation and Recreation is directed by Item 14 of the 1997 Appropriation Act. JLARC is directed to "review the organization, operation, and performance of the Department of Conservation and Recreation as

well as the Department's compliance with its legislative mandate." The study mandate directs JLARC to include:

- an examination of the Department's progress toward completing capital outlay and land acquisition projects authorized by the 1992 General Obligation Bond Referendum,
- a review of the maintenance and staffing of State parks,
- an examination of the Department's nonpoint source pollution control programs, and
- the organization and management of the Department, including the Department's ongoing reorganization, hiring practices and grant-making processes.

This report focuses on the performance of DCR's programs and the levels of funding and staffing used to carry out the agency's responsibilities. The report also looks at the manner in which the 1992 Park and Recreational Facilities Bond funds have been expended. In addition, because JLARC staff were also directed by House Joint Resolution 173 to examine the organization of agencies and agency functions within the natural resources secretariat, such issues that pertain to DCR are mentioned in this report, although several of these issues are discussed in more detail in the separate JLARC report on natural resources structural issues.

Study Approach

JLARC staff developed several issue areas to accomplish the study mandate. The study issues address:

- whether the department's range of activities is appropriate;
- whether the department is adequately organized, managed, and staffed;
- whether the department's internal support functions are appropriate;
- whether the department's programs may overlap with or hinder related programs in other agencies; and
- whether the department's programs are effective.

Research Activities

A wide range of research activities were undertaken to address the study mandate, and multiple sources of information and multiple methods of analysis were generally used to arrive at study findings. Research activities included: interviews

with personnel from relevant government agencies and other organizations, document reviews, site visits, and mail surveys of constituent organizations and staff from all of DCR's divisions. Many study findings are based on converging indicators rather than on one indicator alone.

The research activities assisted JLARC staff in compiling information about the agency's responsibilities and structure. Information was gathered regarding the level of resources provided to agency staff, areas of potential overlap with the programs of other agencies, and the effectiveness of the agency's programs.

Structured Interviews. Structured interviews were conducted with the Director, Deputy Director, all of the division heads, and 105 line staff both in Richmond and in the field. JLARC staff conducted interviews with staff from other State agencies also involved with implementing and administering conservation and recreation related programs. Staff of federal agencies and members of organizations involved with conservation activities were also interviewed.

Document Reviews. As part of the research process, JLARC staff reviewed several DCR internal reports and planning documents, studies conducted by other agencies and commissions, and the *Code of Virginia*. These documents provided the team with background information regarding the mission, structure, and operation of the agency.

A number of additional documents and data were also reviewed. These included: databases maintained by DCR; agency position descriptions; memoranda of understanding adopted by the agency; agency regulations; board meeting minutes; and agency financial data. JLARC staff also conducted reviews of program files to assist in determining the effectiveness of the agency's programs.

Site Visits. JLARC staff conducted site visits to augment information obtained from interviews and document reviews concerning State parks, capital outlay bond projects, soil and water conservation, and board activities. Site visits were conducted at all eight of the Division of Soil and Water Conservation's regional offices, 17 State parks, 13 of the State's soil and water conservation districts, three of the department's historic sites, and two natural area preserves.

Mail Surveys. Surveys were conducted with two groups: DCR staff and constituent associations. A survey was sent to all DCR staff under the level of division head (Appendix B). A total of 291 surveys were mailed out to DCR staff; 253 (87 percent) were completed and returned. State park managers were sent a copy of the DCR staff survey which included a separate section designed specifically for park managers. The surveys addressed issues such as availability of training, adequacy of staffing levels, provision of resources, morale of staff, and agency management.

A survey was also sent, during the summer of 1996, to 641 constituent organizations of agencies within the Natural Resources Secretariat. Constituent organiza-

tions were defined as organizations with members or staff who engage in activities related to the responsibilities of, who use the services of, or have some interaction with staff of State natural resource agencies. The survey addressed the level of services provided and customer satisfaction. Of the 240 survey respondents, 77 identified themselves as constituents of DCR.

REPORT ORGANIZATION

This report is organized into six chapters. This chapter has presented an overview of the history, responsibilities, and organizational structure of the Department of Conservation and Recreation. Issues surrounding State parks, which are staffed by DCR's largest division, are discussed in Chapter II. Chapter III examines the 1992 Park and Recreational Facilities Bond for the park system, particularly the factors which have impacted progress on completing bond projects and whether funds are being spent as the bond directs. Chapter IV examines DCR's soil and water conservation programs, which are run by the agency's second largest division. Chapter V addresses one of DCR's smaller divisions, the Natural Heritage Division. Finally, Chapter VI discusses the cohesiveness and management of the agency, and whether its support functions are adequate to assist the line staff in carrying out their responsibilities.

II. DCR's Operation of Virginia's State Parks

Virginia's State park system was established in 1936 when six parks were developed by the Civilian Conservation Corps. With the addition of four new parks from the 1992 Park and Recreational Facilities Bond Act, DCR now operates 28 State parks, six historic sites, and 21 natural areas in Virginia. Twenty-eight park managers and 121 full-time operational and administrative staff in the parks are responsible for operating, maintaining, and patrolling the parks and historic sites, and providing recreational and environmental education programs. In addition, 18 full-time staff provide support for the State parks from the department's central office in Richmond. DCR's State Parks Division is the agency's largest division.

There are a number of strengths of the Virginia State parks system. The State parks offer safe, clean places for people to enjoy a variety of recreational activities. Further, State park attendance and facility use has been increasing, indicating that people are becoming more aware of, and are more frequently using, the parks. Recent fee increases appear appropriate, as they have increased park revenues without negatively impacting attendance or facility use levels. The State parks also include significant natural and historical resources on-site.

However, there are a number of factors that have hindered the State parks' ability to operate effectively. State park planning, staffing, facility, and equipment limitations have impeded the parks' ability to address the broad goals identified by the department. Further, the management and organization of the State parks' responsibilities needs to be improved. Centralized decision-making by DCR management of State park activities and the inappropriate fragmentation of State park responsibilities into two divisions have negatively impacted the State parks' operations. Therefore, although the parks are able to provide adequate recreational opportunities and increase revenues, some parks are not adequately providing environmental education opportunities or managing the park resources – activities which are essential if the broad goals DCR has set for the parks are to be addressed.

The *Code of Virginia* does not clearly identify the purpose of State parks. Rather, it has been left up to the department to identify that role. There is currently a discrepancy between the broad State parks goals identified in the *Virginia Outdoors Plan* and the actions of DCR management with regard to parks, which focus considerably on recreation and revenue generation.

The General Assembly may wish to consider codifying the mission of State parks as encompassing broader goals such as those outlined in the *Virginia Outdoors Plan*. Under this circumstance, consideration would need to be given to providing additional resources to State parks to enable them to meet their resource management responsibilities.

THE STATE PARKS SYSTEM IN VIRGINIA AND ITS STRENGTHS

Virginia's State parks are located throughout the Commonwealth. The State parks offer a variety of recreational opportunities for the public, and they have many significant natural and historic resources on-site. The opportunities offered by the parks are being significantly enhanced by the projects authorized by the 1992 Park and Recreational Facilities Bond. This Bond has funded, and will be funding, considerable improvements for the parks including new parks and facilities, and repairs to facilities and infrastructure.

The parks are meeting the basic needs of visitors by offering safe and clean places to visit. In addition, appropriate fee increases, coupled with growing State park attendance and facility usage, are enabling the parks to increasingly be a source of their own revenue. DCR park staff efforts have contributed to the department being able to offer safe and clean parks to the public. Further, DCR management has given priority to revenue generation, which has enabled additional funds to be available for park operations without negatively impacting attendance or facility use.

The Virginia Outdoors Plan Identifies Broad Goals for the State Parks

The *Virginia Outdoors Plan* is the Commonwealth's comprehensive outdoor recreation plan. It is developed by DCR staff approximately every five years. The *Plan* provides guidance to federal, State, local, and private entities in conserving the State's outdoor recreation resource base and in providing outdoor recreation resource opportunities.

The 1996 *Virginia Outdoors Plan* identifies several goals for Virginia's State parks. According to the *Plan*:

The purpose of the Virginia State Parks system is to allow the citizens of Virginia to enjoy significant natural and cultural resources. This is accomplished through active cultural and natural resource management and by providing recreational facilities and programs that complement these resources.

The system's three major goals are:

- Manage natural and cultural resources entrusted to its care to provide a natural setting for quality, family-oriented outdoor recreation.
- Reflect the Commonwealth's wide diversity of landscapes.
- Promote appreciation for the State's natural and cultural wonders through its recreational offerings, its programming, and by its example.

These goals conform with the department's mission to "conserve, protect, enhance, and advocate the wise use of the Commonwealth's unique natural, historic, recreational, scenic, and cultural resources."

In accordance with these broad goals, Division of State Parks staff indicate that the parks operate according to four functional areas. These functional areas include: administration, visitor services (including recreation, marketing, and public relations), resource management and protection, and maintenance (including cleaning, grounds maintenance, and facility repairs).

State Parks Are Located Throughout the Commonwealth of Virginia

DCR's Division of State Parks operates 28 State parks and six historical sites on more than 60,000 acres in Virginia. In addition to these responsibilities, State park staff provide site management and security for the department's 21 natural areas.

DCR staff indicate that since the 1960s, one of the department's goals has been to locate a State park within one hour's drive of every Virginian. They now conclude that this goal has largely been achieved with the recent addition of four parks to the system. Based on the geographic distribution of the State parks, it appears that parks are well distributed across the State (Figure 4).

The recreational opportunities offered at the State parks vary from park to park with each park offering a mix. Opportunities offered include camping, cabin rentals, picnicking, horse riding trails, hiking trails, bicycle trails, swimming pools, swimming beaches, boat launching, fishing, hunting, outdoor adventure programs, interpretive programs, environmental education centers, and restaurants. (See Appendix C for a listing of all the parks and the opportunities offered at each.) Many of the recreational opportunities offered at the parks are provided in accordance with the demands of the public based on the *Virginia Outdoors Plan*.

The State Parks Have Significant Natural and Historic Resources On-Site

In addition to the wide variety of recreation opportunities previously identified, Virginia's State parks include significant natural and cultural resources on-site. For example:

- Seashore State Park is the site of the first landing of English settlers in 1607, and it also has a Cypress tree swamp and rare plants.
- Chippokes Plantation State Park includes a working farm that has been in existence for more than 360 years, a mansion that has been fully restored to replicate life in the 1800s, a museum, and a number of other historical buildings.

- The Shot Tower managed by New River Trail State Park is an historic site that was built more than 150 years ago to make ammunition.
- Sailor's Creek Battlefield, managed by Twin Lakes State Park, is the site of the last major Civil War battle in Virginia.
- Leesylvania State Park was home to Robert E. Lee's parents and grandparents.
- Natural Tunnel State Park has an 850 foot long and 10-story high natural tunnel that was formed over thousands of centuries.
- Belle Isle and Westmoreland State Parks have bald eagle nests.
- Kiptopeke State Park has a unique habitat that houses migratory birds.

Therefore, the parks have the potential to promote appreciation for the State's natural and cultural resources through its programming and by example.

The 1992 Park and Recreational Facilities Bond Has Provided for Additional Parks and Improved Facilities

The Park and Recreational Facilities Bond Act was passed by the General Assembly and approved by the voters of Virginia in 1992. This Act authorized \$95,365,000 for 22 State park and natural area project categories. Within these categories, DCR identified approximately 250 projects to be completed with Bond funds. The State parks will receive \$83,275,000 of the funds. These funds have been and will be used to renovate facilities, improve infrastructure, construct new facilities, acquire land, enhance handicap accessibility, and stabilize shorelines (Table 2).

Examples of specific improvements that have been or will be made to the parks include:

- \$14,439,384 to purchase and develop four new parks,
- \$6,049,981 to improve and construct new cabins,
- \$5,173,000 to repair dams,
- \$4,319,748 for paving,
- \$2,942,288 to improve and construct new campgrounds, and
- \$1,611,275 to improve and construct new staff residences.

Appendix D provides a full listing of the amount spent and budgeted for specific types of projects. As of July 1997, 46 percent of the Bond funds had been spent. Currently, DCR's goal is to complete all the Bond projects by December 1998. Chapter III contains a more detailed description of the Park and Recreational Facilities Bond.

Table 2

**1992 Park and Recreational Facilities Bond Project
Funding for State Parks**

Project Type	Amount Budgeted
Facility renovation	\$22,423,967
Improved infrastructure	21,056,936
Construct new facility	19,048,837
Land acquisition	18,163,304
Enhance handicap accessibility	1,215,000
Shoreline stabilization	456,381
Contingency*	910,576
Total	83,275,000

*Contingency funds are not budgeted to a particular project.

Source: DCR design and construction project status report, June 1997.

**Virginia's State Parks Are Meeting the Basic
Recreational Needs of the Visitors**

The State parks appear to be meeting the basic needs of the visitors. Based on a DCR survey of park visitors, visitors are satisfied with the parks. Further, the parks are generally safe and clean.

DCR Survey Indicates Visitors Are Satisfied with the Parks. In 1997, DCR conducted its first system-wide survey of park visitors by distributing and making available survey forms at all 28 State parks. The survey asked park visitors to rate their visit based on a number of factors. DCR compiled survey response data from visitors who attended a Virginia State park between May and July 1997. During this time, 565 visitors voluntarily completed a survey.

Overall, the survey responses were very favorable, indicating that visitors are satisfied with the parks. Ninety-two percent of respondents indicated that they would recommend a Virginia State park to a friend. Further, only three percent of respondents rated park services poor or unacceptable, only four percent rated park facilities poor or unacceptable, and only one percent rated staff assistance poor or unacceptable.

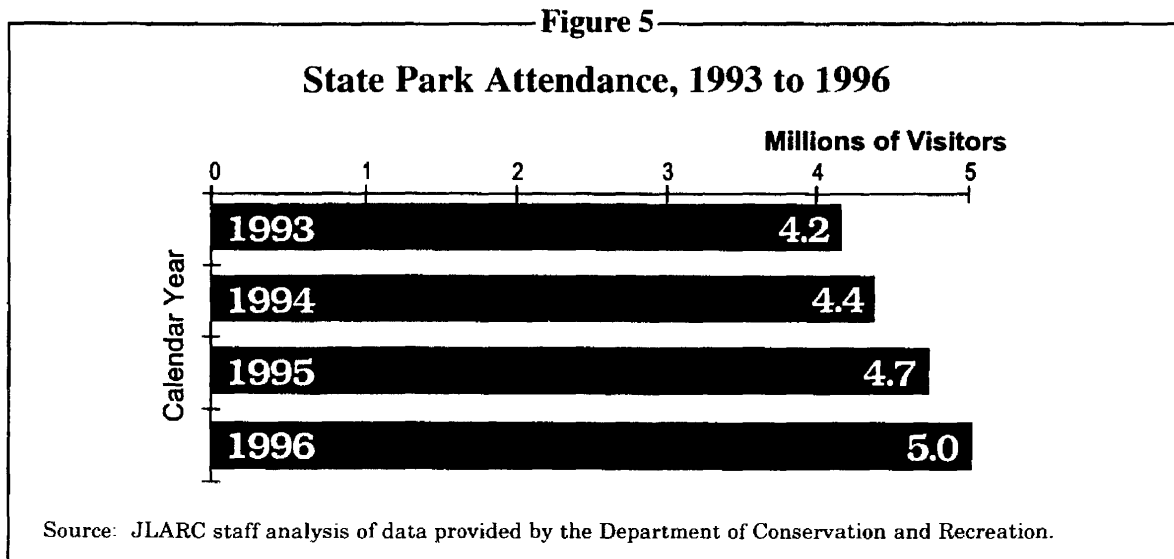
The State Parks Are Generally Safe. According to DCR estimates, nearly ten million people visited Virginia's State parks in 1995 and 1996. During this time, there were only nine violent crimes reported in State parks. All nine of these crimes were assault/battery incidents. On the DCR survey of park visitors, only two percent of respondents rated park security as poor or unacceptable. Therefore, it appears that the State parks are generally safe.

The low violent crime rate may in part be attributable to the law enforcement presence on the State parks. Of the 149 full-time employees in the State parks, 85 have law enforcement certification. These staff have full law enforcement powers on State park grounds, they are authorized to carry weapons, and they receive annual law enforcement training. In addition, 71 park staff live in on-site park housing and provide 24-hour security when necessary.

The State Parks Are Generally Clean. As previously indicated, JLARC staff visited 17 of the 28 State parks. As part of the visits, JLARC staff interviewed the park managers, toured the parks, and inspected the maintenance of the grounds and the cleanliness of the facilities. Based on interviews with the park managers, it is clear that cleaning the facilities and mowing the grass are high priorities. Accordingly, the grounds were adequately maintained and the facilities were generally clean. Further, only seven percent of the respondents to the DCR visitor survey rated facility cleanliness as poor or unacceptable.

State Park Attendance and Facility Use Is Increasing

Attendance at the State parks has been increasing, as has the use of State park facilities such as cabins and campgrounds. State park estimated attendance has steadily increased from 4.2 million during 1993 to approximately five million during 1996 (Figure 5). In addition, the number of cabin and campsite reservations increased from 13,825 in 1994 to 24,720 in 1996. Consequently, 82 percent of the State park managers reported that their facilities, programs, and staff are rarely under-utilized.



There are a number of factors that may explain the rise in the use of State parks. DCR has heightened its advertising of the State parks, with advertising expenditures increasing from \$108,000 in FY 1993 to \$220,000 in FY 1997. In addition, the

1992 Park and Recreational Facilities Bond authorized approximately \$83 million to construct and renovate park facilities and to acquire additional park land (the other \$12 million were authorized for natural area acquisition and improvements). These improvements have significantly enhanced the number and condition of facilities and activities available for visitors, they have increased the number of parks, and they have expanded the length of time that many facilities may be used from summer to year-round.

DCR has also established six visitor services supervisor positions for the parks. Staff in these positions are responsible for public relations and marketing in each of their respective districts. In addition, DCR created an enterprise bureau within the Division of State Parks whose responsibility in part is to increase the number of visitors.

Despite these actions, many State park staff believe the department needs to do even more to promote the parks. Fifty-two percent of the park managers responding to the JLARC survey disagreed that DCR does a good job of publicizing the existence of, and the services offered by, their park. In addition, according to the 1992 Virginia Outdoors Survey of 2,318 households in Virginia commissioned by DCR staff, lack of information was the most frequently indicated reason keeping households from using State parks. Therefore, it appears that DCR should continue its efforts to increase the advertising of its State parks.

State Parks Are Increasingly a Source of Their Own Revenue

DCR's current focus for the parks is on increasing their ability to generate revenue. Consequently, the parks have increased their revenues in recent years, and are relying less on General Funds.

The only performance measure submitted by DCR to the Department of Planning and Budget for the Division of State Parks relates to revenue generation. Specifically, the division's performance measure is: revenue generated per dollar of General Funds spent on State park operations. DCR facilities and programs that produce revenue include camping, cabins, swimming pools, beach concessions, equipment rentals, gift shops, and outdoor adventure programs. In addition, DCR rents farmland at Chippokes Plantation State Park and Belle Isle State Park, it rents land to the Department of Corrections for cattle grazing at Sky Meadows State Park, and it sells timber following timber management activities.

The department's goal is to increase the ratio of revenue generated per dollar of General Funds spent by ten percent each year. The Division of State Parks has met this goal, as its ratio increased from 36 percent in FY 1995 to 41 percent in FY 1996 and 63 percent in FY 1997. Its revenues have also increased, from \$3 million in FY 1993 to \$5.5 million in FY 1997. These revenues have been used to increase park advertising, repair facilities, replace equipment, and help operate the parks. Therefore, the department is relying proportionally less on General Funds for its operations.

To help meet its performance measure and to avoid unfair competition with the private sector, DCR has increased the fees for the State parks over the past few years. For example, the cost for a one room cabin has increased from \$192 per week in 1993 to \$258.37 in 1997 — a 35 percent increase. In addition, the cost for swimming at a park beach has more than doubled since 1993, increasing from \$1.75 to \$4 for an adult. Table 3 highlights some of the fee increases since 1993.

Table 3

Increases in Selected In-Season State Park Fees From 1993 to 1997

Facility	1993 Fee	1997 Fee	Percent Increase
One room cabin	\$192 per week	\$258.37 per week	35%
One bedroom cabin	\$216 per week	\$287.08 per week	33%
Two bedroom cabin	\$312 per week	\$394.26 per week	26%
Hookup camping*	\$12 per night	\$15.17 per night	26%
Swimming beach for 3-12 year olds on weekends	\$1.25 per day	\$3 per day	140%
Swimming beach for ages 13+	\$1.75 per day	\$4 per day	129%
Swimming pool for 3-12 year olds	\$25 for season pass	\$40 for season pass	60%
Swimming pool for ages 13+	\$30 for season pass	\$50 for season pass	67%

*Hookup camping fees vary depending on the park visited. Therefore, JLARC staff calculated the average hookup camping fee for the purposes of this review.

Source: JLARC analysis of DCR data, September 1997.

Park entrance fees have slightly increased. In 1993, park entrance fees were \$1 on weekends for seven parks, and between \$1.50 and \$2.50 on weekends for the other 17 parks. In 1997, park entrance fees were between \$3 or \$4 on weekends for eight parks, \$2 on weekends for 16 parks, and \$1 on weekends for the four new parks currently under development.

Despite the recent fee increases, attendance and cabin and campsite reservations have increased in recent years. In addition, according to the JLARC survey, 65 percent of park managers believe the current fee levels are appropriate. However, several park managers added that they felt fee levels were currently at their limit.

In addition, Virginia's State park fee levels are less than or comparable to those in other states. For example, Virginia's one bedroom cabin fees for 1997 were less than the rates charged by Maryland, Tennessee, West Virginia, Georgia, and Kentucky (North Carolina does not have one bedroom cabins), and its two bedroom cabin fees were third lowest among the seven states. Therefore, it appears that the recent fee increases have been appropriate.

WEAKNESSES OF VIRGINIA'S STATE PARKS SYSTEM

Despite the strengths of Virginia's State parks system, there are a number of areas where improvements are needed. For instance, although the department has identified broad goals for the State parks, DCR management's focus is limited to revenue generation and recreational opportunities. Because State park staff are strained in their ability to provide recreational opportunities and perform revenue generating activities, the parks are not able to adequately address some other goals. This is reflected by inadequate individual State park planning and limited environmental education and resource management activities at several parks. These activities are essential in order for the parks to address their broad goals.

The State parks also have facility repair and equipment replacement needs. The 1992 Park and Recreational Facilities Bond and increased park revenues have not been enough to address these needs.

Further, the management and organization of the State parks' responsibilities needs to be improved. Centralized decision-making by DCR management of State park activities and the inappropriate fragmentation of State park responsibilities into two divisions appears to have negatively impacted the State parks' ability to operate effectively.

The Department's Focus Has Been Too Limited, Given the Broad Goals of the State Parks System

Currently, revenue generation is the lone performance measure for the Division of State Parks, and it was the only activity included in the division's 1997 strategic plan. In accordance with this focus, fees have been appropriately increased without diminishing attendance or facility reservations. However, this focus has also guided park staffing, facility development, and programming decisions, which have negatively impacted the State parks' ability to address other goals.

Revenue Generation Was the Only Goal Identified in the Division of State Parks' 1997 Strategic Plan. The following goals were established as part of the Division of State Parks' strategic plan for 1997:

- Increase the paying visitation to the Department of Conservation and Recreation operated facilities by ten percent in FY 1997 relative to FY 1996 by expanding programming, facilities, and marketing efforts.
- Increase the average amount spent by park visitors by ten percent in FY 1997 relative to FY 1996 without negatively affecting overall attendance by instituting better business practices and expanding retail opportunities.
- Develop \$700,000 of alternative funding by obtaining non-DCR paid services, grants, and donations in FY 1997.
- Increase staff capabilities to develop and manage [the] DCR programs [listed above] through 6/30/97.

Other than revenue generation, no other aspects of the State parks' operations were addressed in the division's 1997 strategic plan. Prior to 1997, the division's last strategic plan was developed in 1989.

The planning team for the 1997 strategic plan, which was developed in 1996, included 21 park field staff and eight central office staff from the Division of State Parks. Division of State Parks staff indicated that items relating to the operations of the park, resource management, interpretive programming, visitor satisfaction, crime prevention, and accident prevention were excluded because they were directed by DCR management to include only activities relating to their ability to achieve their performance measure.

However, the 1998 State parks strategic plan completed in November 1997 illustrates a more comprehensive goal-setting approach. The 1998 strategic plan identifies five goals:

- Conserve significant natural, scenic, historic and cultural resources.
- Improve recreational and educational opportunities on appropriate natural and cultural resources.
- Increase the percentage of overall operational spending from non-general fund sources (Improve the self sufficiency of Virginia State parks).
- Improve organizational effectiveness and efficiency of the Division of State Parks.
- Enhance capital outlay to ensure smooth operation of bond facilities, plans for capital needs, preventive maintenance, and maintenance reserve.

These goals appropriately address the broad responsibilities of the parks.

Recently Established Park Positions Have Focused on Revenue Generation. A number of positions recently established by the department have focused on revenue generation rather than park operations. For example, the 1996 General Assembly provided funding for the department to establish 20 positions for the State parks. Of the 20 positions that were created, six were assigned to park operations in the field. Five of the positions were assigned to the Design and Construction Section until the bond is complete (at which time DCR reports they will be placed in the Parks Division), two were assigned to the Finance Division, one was assigned to the Division of State Parks' central office, and six were created as visitor services supervisors for the parks, and are located in the field. Visitor services supervisors are responsible for marketing, advertising, and garnering volunteer support and inmate labor for the parks in their district.

In addition, this summer DCR created two business manager positions from assistant manager positions that became vacant at Chippokes Plantation State Park and Natural Tunnel State Park. Also, at Twin Lakes State Park, a business manager position was created around the same time that a park ranger position became vacant. The business manager position was filled, but the park ranger position was abolished. The business managers are responsible for overseeing concessions, merchandise sales, financial management, and setting up special events such as park anniversary and holiday events. The assistant manager and park ranger positions have responsibilities related to the operations of the park including law enforcement, interpretation, and maintenance.

The park managers for these parks indicated that the advantage to having a business manager will probably be more efficient operation of their concessions and enhanced potential for increased revenue. The disadvantage is that the operations of the park, including law enforcement, maintenance, construction oversight, and interpretive programming will have to be conducted by a smaller number of operational staff.

In addition, in 1996 the department created an enterprise bureau within the Division of State Parks. This bureau includes two of the former regional managers for the State parks and one wage position. The bureau's overall responsibilities are to enhance the division's efforts to increase revenue and privatize park operations.

Environmental Facilities and Programs Have Been De-Emphasized. In addition to affecting staffing decisions, the department's focus on revenue generation has impacted decisions made regarding the development of some of the facilities from the 1992 Park and Recreational Facilities Bond, as well as services offered at the parks. For example, environmental education centers that were planned for Pocahontas State Park, Natural Tunnel State Park, and Smith Mountain Lake State Park have been re-designed into facilities that will enhance the department's ability to generate revenue. In turn, items such as classrooms, wet labs, and exhibit space have been reduced. The planning and development of these facilities will be discussed in more detail in the next chapter.

In addition, DCR management has denied funding to print additional copies of a manual developed to encourage school teachers to bring their classrooms to the parks. This 189-page manual, titled "Virginia's State Parks...Your Backyard Classrooms," was developed to provide a curriculum so that teachers could use the parks to teach students about the State's natural and cultural heritage.

In 1990, DCR paid \$30,000 to the Virginia Institute of Marine Science and the Department of Education to develop this manual. Within one year, DCR needed additional copies due to considerable demand for the manual, and they spent approximately \$10,000 to order more copies. In 1994, they needed additional copies again. Division of State Parks' staff were highly favorable toward this program. However, requests to print more copies have been denied by DCR management even though funds have reportedly been available. Consequently, the manual has not been available since 1994, and DCR staff have had to turn down numerous requests from teachers for copies.

Individual State Park Planning Is Not Adequate

Master planning and resource management planning are important activities for the parks to conduct to ensure appropriate development of the parks and adequate protection of park resources. However, most of the State parks do not have up-to-date master plans or resource management plans.

The *Capital Outlay Manual*, maintained by the Department of General Services, contains guidance, procedures, and policies that State agencies must follow in the planning for, and execution of, capital outlay projects. The *Capital Outlay Manual* requires that, "each State agency which possesses state-owned real property or proposes to acquire plant or property must have a master plan for each site." Master plans for parks are intended to describe the existing facilities on a park, provide plans for future development, and identify factors that need to be considered when developing the park.

However, master planning by the State parks has been insufficient for a considerable time. For instance, according to the 1989 *Virginia Outdoors Plan*:

Master planning is needed in all of our State Parks. Many of the existing master plans do not meet the current standards developed by the Department of General Services. If the Division of State Parks is to be able to balance the conservation of significant natural resources of the Commonwealth with the provision of recreational opportunities, and coexist with the urban growth in eastern Virginia, master planning must be a priority in the next five years.

This statement was reiterated in the 1996 *Virginia Outdoors Plan*, but still has not been adequately addressed. Currently, only eight of the 28 State parks have master plans that were completed within the last 20 years.

The lack of master planning has impacted the progress of the 1992 Park and Recreational Facilities Bond. As will be discussed in the next chapter, the lack of up-to-date master plans for the parks contributed to a rushed process to determine the construction needs of the parks.

Resource management planning has also been insufficient. The purpose of a resource management plan is to identify the resources in a park and the elements that impact those resources, and to prescribe activities that should be conducted to preserve and enhance the park's resources. Currently, only seven of the 28 State parks have completed resource management plans.

The lack of resource management plans has contributed to a lack of resource management activities on the parks. Few State parks have adequately identified or managed their resources. For example, several park managers indicated that they are unaware of all the plant and animal species that may exist on their park, and few parks have conducted any proactive forest management activities.

In 1995, the Divisions of State Parks and Planning and Recreation Resources recognized the need to have updated plans for each park. The divisions worked together to develop a schedule to complete comprehensive plans for the 23 parks that did not have updated comprehensive plans by mid-1997. The comprehensive plans were intended to include a master plan and a resource management plan for each park. However, none of these comprehensive plans were completed by mid-1997.

The department attempted to address the lack of resource management planning in 1997 by placing five environmental specialists in the field to update the resource management plans. In addition to the resource management plans, DCR needs to make completion of the master plans a higher priority.

***Recommendation (1).* The Department of Conservation and Recreation should complete master plans and resource management plans for each of the State parks by the end of 1999.**

Staffing Levels Are Not Adequate for State Parks to Address Their Goals

A 1993 DPB study of the State parks recommended 50 additional full-time positions for the parks based on existing staffing needs and expected increases in park responsibilities. Despite this recommendation, overall park staffing has decreased since 1993. While volunteer and inmate hours have increased during this time, volunteers and inmates cannot be relied upon to provide certain services or functions that are necessary for operating the parks. Therefore, although the parks are currently able to provide adequate recreational opportunities for the public, park staffing is strained.

Further, some park activities that appear important are being de-emphasized. Because the department's current focus is on increasing revenue and providing recre-

ational opportunities, these are the areas that have been prioritized. At several parks, activities such as environmental education and resource management, which must be provided for the parks to address their other goals, have been reduced or are not being sufficiently provided. These staffing limitations have also impaired State park employee morale, which is currently low.

State Park Staffing Has Not Been Adequate in the Past. The 1993 DPB report on DCR organization and staffing identified existing staffing needs and recognized there would be increases in State park responsibilities due to the Bond projects. As such, DPB recommended that, "an additional 50 positions are required to meet park operating needs." The report suggested that the positions be phased in over time as sufficient revenue becomes available to support them.

State Park Responsibilities Have Increased Since 1993. The staffing and funding needs of the parks have grown in the past few years due to increasing attendance, the improvement and addition of facilities from the 1992 Park and Recreational Facilities Bond, and the addition of concessions operation responsibilities at some parks. As previously indicated, State park attendance has increased substantially in the past five years, as has the use of State park overnight facilities such as cabins and campsites. Since these factors impact park workload, the State parks' responsibilities have increased during this time.

Further, the 1992 Park and Recreational Facilities Bond has increased the number of facilities in the parks, improved the facilities already existing in the parks, and increased the number of parks in the State park system. Consequently, cabins will now be available for year-round use (rather than just during the summer); new facilities will have to be staffed, managed, and maintained; and four new parks will have to be staffed, developed, and maintained.

In addition, during the past few years several State parks have had to assume management of a number of concessions, due to contractors withdrawing when they have not been able to make a profit. The park managers of these parks reported that this has had a significant impact on the responsibilities of the parks. For instance, operating a restaurant or a concessions stand involves hiring and supervising wage staff, the weekly ordering of food, and monitoring concession expenditures and revenues.

State Park Staffing Has Not Kept Pace With Increases in Responsibilities. Despite the historical staffing insufficiencies and the recent increase in responsibilities, State park staffing has decreased over the past few years. Volunteer and inmate hours have increased and have provided some services for the parks. However, volunteers and inmates cannot be relied upon to provide many of the services that are needed to operate the parks.

From 1993 to 1996, State park full-time and wage full-time equivalent staffing levels fluctuated, with a net decrease of approximately 14 positions during this

time (Table 4). In 1993, the maximum employment level (MEL) combined with the full-time equivalent wage staffing for the Division of State Parks was 599.48. In 1996, the total was 585.67.

Table 4

State Park Full-Time and Wage Staffing, 1993 to 1997

Year	Permanent, Full-Time, Maximum Employment Level ^a	Wage (P-14) Full-Time Equivalent Positions ^b	Total Full-Time Equivalent Positions
1993	160	439.48	599.48
1994	177	389.85	566.85
1995	175	407.63	582.63
1996	156	429.67	585.67
1997	167	N/A	N/A

^aDoes not include the Design and Construction Section, which was part of the Division of State Parks until April 1996

^bData are for the peak month for each year, which was July; data were not available for July 1997

Source: JLARC staff analysis of Department of Conservation and Recreation data.

The General Assembly has attempted to improve staffing in the State parks during the past two legislative sessions. During the 1996 Session, the General Assembly: authorized funding for 20 additional DCR positions, of which 13 went to the Division of State Parks; required that all vacant park ranger positions be filled by August 1, 1996; and required that DCR increase the use of inmate labor with a goal of using 200 inmates on a full-time basis. Since the 1996 Appropriation Act did not include requirements to fill park positions other than park rangers, the 1997 Session went further and required that all authorized full-time positions in the department that were vacant as of January 1, 1997 be filled by June 30, 1997, and again required that DCR use 200 inmates on a full-time basis.

These directives have helped restore some of DCR's full-time staffing of the parks, which fell from 177 in 1994 to 156 in 1996, and then rose to 167 in 1997. In addition, 23 of the 29 park positions that were vacant on January 1, 1997 were filled as of August 1, 1997. However, these actions alone have had a minimal impact on DCR's aggregate FTE positions, and do not approach the full-time staffing levels recommended by DPB in 1993.

Based on the General Assembly requirements and its own commitment to use inmate labor, DCR has considerably increased its use of inmate labor in the State parks over the last few years (Table 5). Inmates have been useful for large-scale manual labor tasks that do not have to be performed on a daily basis, such as raking leaves and removing trees and brush. According to several park managers, inmates are generally

Table 5

State Park Inmate and Volunteer Labor Hours, FY 1993 to 1997

Year	Inmate Hours*	Volunteer Hours
1993	N/A	30,765
1994	N/A	61,476
1995	N/A	93,838
1996	9,397	90,133
1997	35,861	108,577

*Data not available for FY 1993 to 1995

Source: JLARC analysis of Department of Conservation and Recreation data.

not used for activities that must be performed on a regular basis, such as cleaning bathrooms, because they cannot be relied upon to show up on a certain day or time due to lockdowns and a lack of available inmates. Further, it would not be appropriate for inmates to perform visitor services, such as providing information at a contact station.

DCR has also placed an emphasis on increasing volunteerism in the State parks, and as a result, the number of volunteer hours has also significantly increased. Volunteers are used for a variety of purposes in the parks, including planting flowers and staffing visitor centers. However, park managers report that volunteers are typically unwilling to perform routine maintenance duties.

State park staff report that they are pleased with the impact that the increase in inmate and volunteer labor has had on their parks. However, they also indicate that it requires full-time staff time to recruit, train, and supervise volunteers and to supervise inmates. This type of labor has not been sufficient to offset the strain on staffing that has been produced by increases in workloads at parks that already had staffing needs.

Consequences of Inadequate Staffing Levels. The problems with State park staffing levels have been manifested in two primary ways. First, many parks are not able to address all the goals of the division. Second, the increased responsibilities of the park system are increasingly straining the staff's ability to provide recreational opportunities.

Activities related to the department's goals that are being de-emphasized at some parks due to limited staffing include interpretive programming and resource management. According to the 1992 Virginia Outdoors Survey, environmental education was rated the fourth most important service for State parks to provide of the 14 services that were ranked. However, when areas need to be reduced due to budget restrictions, interpretive (environmental education) programs are often curtailed through reductions in interpretive staff. Interpretive programs offered at the parks

include guided nature hikes and canoe trips, historical tours, and programs for children such as bird appreciation, insect identification, environmental awareness, and litter control.

Interpretive programming was the activity most frequently indicated by park managers as being eliminated or reduced in the past five years. Sixty-three percent of the park managers responding to this question on the JLARC survey indicated that interpretive programming had been eliminated or reduced in the last five years. For example:

Westmoreland State Park was not able to fund an interpreter for this year. As a result, the park's visitor center is only open when volunteers are available to staff it, which is typically on weekends during the summer. The park's visitor center includes exhibits on Chesapeake Bay initiatives, wetlands information, endangered species, and fossils from the shore. According to the park manager, the park turned down up to three requests per week from schools requesting to visit the visitor center last spring.

* * *

Twin Lakes State Park used to offer weekly guided tours of Sailor's Creek Battlefield, which is the site of Virginia's last major Civil War battle. However, this year they were only able to offer tours once per month. If a visitor requested a tour, he or she would have to wait until the monthly tour was scheduled. Sometimes, it was impossible for park staff to grant visitor requests for guided tours.

As a result, although overall State park program participation has increased, the number of interpretive programs and program participation has decreased at a number of parks over the past six years. Overall State park program participation increased from 68,256 in 1992 to 78,409 in 1997. This is largely due to a significant increase in program participation at Mason Neck State Park for 1997 (an increase of 9,646 from the previous year), and the recent acquisition of a new park and an historic site. The net change in program participation across the other State parks for 1997 was a decrease of 3,644 participants from 1992 levels. This decrease has occurred despite an overall increase in State park attendance of approximately 835,000 from 1993 to 1996 at these parks.

Despite the abundance of natural resources in the State parks, resource management within the State parks is also insufficient. Only seven of the 28 parks have up-to-date and complete resource management plans, and few have conducted sufficient resource management activities.

The department has recently taken steps to address the lack of resource management in the parks by establishing five environmental specialist positions to update the resource management plans and develop "prescriptions" for resource management

for each park to follow. However, the parks will likely need additional staff resources to be able to follow the prescriptions.

In addition to limiting interpretive and resource management activities, there are several indicators that State park staff are having difficulty providing the basic recreational services. For example:

- some parks have had to rely on wage staff to perform duties typically performed by full-time staff, which has increased turnover and reduced the parks' ability to attract quality employees;
- many park managers are having employees work outside of their position descriptions to perform responsibilities that would otherwise not be conducted, which has sometimes resulted in inefficient use of staff time;
- a number of the new parks are "lending" staff to compensate for full-time staffing needs at other parks, which has impaired the ability of the new parks to offer recreational opportunities to the public; and
- although DCR does not maintain data on the number of hours that full-time staff work, park managers report that they are working considerable overtime.

These factors have also negatively impacted employee morale in the State parks. The factor most frequently indicated by State park staff as primarily influencing their morale was heavy workload/lack of staff.

Addressing DCR Park Staffing Needs. To address the system-wide staffing problems of the parks, DCR agency management should empower the Division of State Parks to: (1) identify the service levels that are being provided with current staffing levels, and (2) determine the staffing levels needed to reduce the strain on current staff, and to provide a higher level of service. The benefits and costs that are anticipated through the addition of staff and the provision of a higher service level need to be concretely identified as part of this effort. DCR management should consider the product of this parks division assessment in making its agency budget request.

This information should provide a good basis for beginning to address the system-wide staffing problems. Budget and staff allocation decisions related to this information will need to be made, however, in the context of factors such as: policy decisions about the purpose seen for the parks system (as discussed later in this chapter); workloads added by the completion of the bond projects; and the level of services at the various parks which are desired by the State.

In addition to considering the system-wide staffing issue, JLARC staff also sought to identify the parks which appear to have low staffing levels relative to the other parks, even in the context of low overall staffing system-wide. Based on a statistical technique commonly referred to as regression analysis, JLARC staff found that

the full-time positions that are available to the parks have generally been allocated in a manner that bears a rational relationship to workload differences. However, six parks were identified that were more than one position below their expected staffing level based on current park system staffing norms: Bear Creek, Belle Isle, Fairy Stone, Pocahontas, Sky Meadows, and Twin Lakes State Parks (see Appendix E for a more detailed discussion of this analysis). Therefore, as funding becomes available for additional staff, the department should carefully review the staffing levels of the six parks that are below their expected staffing level. DCR should also consider repeating this type of analysis over time, to help ensure that its staffing allocations are distributed reasonably to each park, relative to meaningful workload measures.

Recommendation (2). The Department of Conservation and Recreation should review the responsibilities and the position descriptions of all park positions to determine whether staff are working outside of their position description. For situations where this is occurring, the department should revise the position description, have the position reviewed for re-classification, or establish additional positions.

Recommendation (3). The Department of Conservation and Recreation's Division of State Parks should assess the staffing level needed to appropriately provide current services, and the staffing levels required to potentially provide a higher level of service at the parks in areas such as interpretive programming, resource management, and recreational service. The benefits and costs that are anticipated through the addition of the staff and the provision of a higher level of service should be concretely identified as part of this effort. DCR management should consider the end product of this review in making its budget request.

Recommendation (4). As additional funds for staff become available, the Department of Conservation and Recreation should review the staffing levels of Bear Creek, Belle Isle, Fairy Stone, Pocahontas, Sky Meadows, and Twin Lakes State Parks to determine whether they are appropriate candidates to receive additional staff.

State Parks Have Maintenance and Equipment Replacement Needs

The 1992 Park and Recreational Facilities Bond authorized \$95 million to improve the State parks and Natural Heritage systems. Further, increased park revenues since 1993 have increased the amount of funds available for preventive maintenance, capital projects, and equipment replacement.

However, the majority of Bond funds allocated to the parks are being spent on acquisition and construction of new facilities. Further, the department has not adequately identified, justified, or requested sufficient funds for needed facility repairs and equipment replacement over the last several years. Consequently, the State parks have significant facility maintenance needs.

State Park Maintenance Needs Have Not Been Adequately Addressed.

From the 1992 Park and Recreational Facilities Bond, DCR has spent, and will be spending, approximately \$38.4 million on 165 facility and infrastructure improvement projects in the 24 parks that existed prior to 1992. In addition, the department spent \$9,184,623 from FY 1993 to FY 1997 on capital and preventive maintenance projects from funds obtained through increased revenues.

Despite the increase in available funding, it has not been enough to address all the maintenance needs of the parks. Based on site visits to 17 of the State parks, and the survey of all 28 State park managers, JLARC staff identified 113 facility and infrastructure improvement projects that were needed, which had not been adequately addressed by the department. Of these projects, 64 had appeared on a maintenance reserve list that was compiled in 1995 by DCR design and construction staff. The estimated cost to complete the 64 projects was \$4.8 million. Estimated costs for the other 53 projects were not available as of August 1997. These projects do not include those identified in DCR's \$2.5 million maintenance reserve budget request for the 1998-2000 biennium, the projects identified in the department's six-year capital outlay priority listing, or the projects that will be funded by the 1992 Park and Recreational Facilities Bond.

Examples of improvements needed on the parks that were identified by JLARC staff, and have not been adequately addressed by DCR, include:

At Occoneechee State Park, rip rap (a loose assemblage of broken stones erected in water or on soft ground as a foundation) needs to be replaced throughout the park because of erosion. The estimated cost of this project is \$300,000. The area near one site of significant erosion has been closed to the public due to safety concerns. This area includes a picnic shelter, which is currently not being used.

* * *

At Chippokes Plantation State Park, a number of historical structures are in disrepair. For instance, two cabins that were tenant houses in the 1800s are not being used because of structural needs, the old gift shop building is not being used because it needs stabilization and lead paint abatement, the maintenance shop has rot damage and needs roof repairs, and an old brick kitchen that is used for exhibits is rotting from moisture and needs brick work. The estimated cost for these repairs is \$172,000.

* * *

At Staunton River State Park, the visitor center has been closed since 1994 because of asbestos, lead paint, rotting beams, structural problems, and lack of air conditioning.

* * *

At Pocahontas State Park, the main office has termite damage, window sill damage, and the siding is rotting. The estimated cost for repair is \$20,000.

* * *

At Hungry Mother State Park, the campground roads have numerous potholes. No estimated cost for this project was available.

* * *

At Belle Isle State Park, \$4,584,907 was spent to purchase 739 acres for establishment of a new park. Five residences and a barn were included with this purchase. Four of the residences have been renovated and are being used – two are now park staff residences, one is the park office, and the other is being rented for meetings. The other residence is 2,800 square feet with five bedrooms. Some renovations have been done, but DCR still needs to replace all the floors, paint, and purchase furniture for it to be useable. It is not being used now, but DCR plans to use it for overnight lodging and meetings. The barn has been stabilized, but would need additional funds to become an interpretive display center. It is currently used only for storage.

Some of the facilities needing repair were included on land recently purchased by the department with Bond funds (such as the facilities at Belle Isle State Park). Bond funds covered the costs of purchasing the land and facilities, but did not cover repairs that were needed on the facilities that were purchased.

JLARC staff found that 33 of the 113 park buildings and facilities needing repairs are not being used, or are only being used minimally (such as for storage). The parks either have no funds to renovate these facilities, or do not have enough funds to fully renovate them. These buildings and facilities are listed in Table 6. According to State park staff, most of these facilities could be used if funds were available to renovate them.

The parks continue to have repair and renovation needs because the department has not adequately identified, justified, or requested sufficient capital funds for repairs and renovations. Therefore, DCR needs to identify and document all the repair and renovation needs in the State parks, and then determine cost estimates for each of the projects. Future budget requests should reflect and justify the needs of the parks. Policy-makers can then base their decision on complete information.

Recommendation (5). The Department of Conservation and Recreation should identify the repair, renovation, and maintenance needs of the State parks. The department should develop cost estimates for each project, and then make budget requests to the General Assembly based on the highest priority needs.

Table 6

Buildings and Facilities Not Being Used at the State Parks

Park	Buildings and Facilities Not Being Used
Belle Isle	house, barn
Chippokes Plantation	house, two cabins, comfort station, gift shop
Douthat	barn
Fairy Stone	comfort station, bunkhouse, log restroom
Hungry Mother	campground, bathhouse
Mason Neck	three houses, greenhouse
New River Trail	hotel, four houses, cabin, barn
Occoneechee	picnic shelter, two campsites, concessions building
Staunton River	visitor center, tennis courts
Twin Lakes	barn, farm house, milk house (all at Sailor's Creek)
Westmoreland	house

Source: JLARC site visits to 17 State parks, JLARC survey of State park employees, and interviews with park managers, summer 1997.

State Parks Have Equipment Replacement Needs. Due to increasing revenues over the past several years, State park annual major equipment expenditures have increased from \$213,919 in FY 1993 to \$1,131,785 in FY 1997. However, the State parks still have equipment replacement needs. The State parks have sufficient amounts and types of equipment, but they need to develop a replacement schedule for old and worn vehicles and lawn mowing equipment, and then make budget requests to the General Assembly based on the highest priority replacement needs that cannot be funded with park revenues.

Vehicles and lawn mowing equipment represent two of the types of equipment used most by park staff. Vehicles are used to patrol the grounds, transport wage staff and smaller equipment, and travel throughout the hundreds, and sometimes thousands, of acres of land on the parks. Lawn mowing equipment is important because maintaining the grounds is one of the priorities of State park staff. Staff mow the grass frequently, and the equipment is heavily used.

However, the equipment purchased by DCR for the State parks is often surplus from other agencies, and many of the vehicles and lawn mowing equipment are old and worn. The typical replacement schedule for State vehicles and tractors is 110,000 miles or ten years (15 years for dump trucks, which are not used as often). Based on a JLARC review of the State parks' equipment inventory, 31 percent of the 174 cars, trucks, and buses owned by the parks have more than 100,000 miles. Further, 38 percent of the dump trucks, tractors, and mowers owned by the parks are over ten years old. Therefore, it is clear that the parks have many equipment replacement needs.

Certain parks have particularly old equipment. For example:

At New River Trail State Park, six of the seven park vehicles have more than 100,000 miles and seven of the ten tractors and mowers are more than ten years old.

* * *

At Grayson Highlands State Park, three of the seven park vehicles have more than 100,000 miles, two of the four dump trucks are more than 15 years old, and four of the six tractors and mowers are more than ten years old.

Overall, park managers are not satisfied with their equipment. Only 26 percent of the park managers who responded to this question on the JLARC survey agreed that their park has the necessary equipment for staff to perform their duties. Comments made by park managers during interviews and on the survey identified a number of equipment needs. For example:

I had a law enforcement officer riding an ATV during the July Fourth weekend because we did not have enough vehicles. All vehicles except one have over 100,000 miles. We are in a crisis situation. Mowers are kept way [beyond] their useful life and this puts a strain on the operating budget due to increased maintenance costs.

* * *

Vehicles are not replaced in a timely fashion, and instead of purchasing usable vehicles, second-hand vehicles are purchased. Other equipment such as tractors and mowers are so outdated and old that repairs cost more in a year's time than new models.

Part of the problem is that DCR has not used a replacement schedule for park equipment, and it has not estimated the replacement costs for the equipment. Therefore, according to park staff, it is difficult to justify equipment needs. Further, it does not appear that there are enough park revenues to fund many of the State parks' equipment needs. For the parks to operate more efficiently, DCR needs to develop a replacement schedule for park vehicles and mowing equipment, and make replacement of equipment more of a priority. If necessary, the department should request additional general funds for this purpose.

Recommendation (6). The Department of Conservation and Recreation should develop a replacement schedule for State park equipment. The department should then make budget requests to the General Assembly based on the highest priority needs that cannot be funded with park revenues.

Management Problems Have Hindered State Park Operations

An increase in inappropriate centralized decision-making has also impeded the Division of State Parks' ability to operate the parks effectively. The inappropriate centralized decision-making is characterized by decisions made by DCR top management without the input of Division of State Parks' staff, micro-management by DCR management of several park activities, and poor communication to staff regarding DCR management intent. As a result, significant park staff time has been spent complying with directives that were eventually rescinded, policies are being followed inconsistently among the parks, administrative responsibilities of the parks have been increased, and employee morale has been negatively impacted. Consequently, park staff are confused about existing policies and procedures, and park operations are less efficient.

DCR Management Has Made Decisions Affecting the State Parks Without the Meaningful Involvement of Division of State Parks Staff. DCR management has made several decisions that affect the State parks, without meaningfully involving Division of State Parks staff. For example:

As previously indicated, the 1997 strategic plan for the Division of State Parks only refers to the ability of the parks to generate revenue. Division of State Parks staff reported that they were directed by DCR management to only include items relating to their ability to achieve their lone performance measure.

* * *

As is discussed later in this chapter, in April 1996 the design and construction section of the Division of State Parks was transferred to the Division of Planning and Recreation Resources. No one from the Division of State Parks was consulted prior to this decision.

* * *

In the past, park managers have been given the opportunity to respond to fee increase proposals, and frequently their concerns have been addressed. However, several district park managers reported that the park managers were not consulted during the development of fee levels for 1998.

* * *

DCR management appears to be phasing out the assistant manager position at parks other than district parks because as assistant manager positions become vacant, they are being replaced by business manager or chief ranger positions at these parks. State park staff were not consulted on this decision and have not been formally told that this is being done, or why it is being done.

DCR Micro-Management of Several Aspects of State Park Operations Appears to Be Creating Problems. During the past two years, DCR management has attempted to micro-manage several aspects of State park operations that were previously handled by Division of State Parks staff. A problem with this is that DCR management appears to be too far removed from the operational needs of the individual parks to effectively manage at its desired level of detail. This situation has created confusion at the parks. For example:

The State parks rely heavily on wage staff to mow grass, clean facilities, operate contact stations, and operate concessions. Prior to 1996, the parks had been able to hire as many wage staff as they needed as long as they stayed within budget, and within the agency's maximum level of wage staff. However, in 1996, DCR management changed the process for hiring wage staff on the parks. DCR management restricted the number of wage staff each park could hire and required that park staff either receive permission from DCR management for additional positions, or hire contract staff, which was often more expensive. This was required regardless of whether the parks had sufficient funding in their budgets for additional wage staff. This became an administrative burden for park staff because of the significant number of wage staff they hire and the considerable turnover that occurs among wage staff. Many State park staff reported that they still do not fully understand the requirements from last year, and they are not sure what the requirements currently are.

* * *

In the spring of 1997, the DCR director required that all fee waivers and fee adjustments from the parks be approved by her. In the past, park managers have been able to authorize fee waivers and adjustments as they deemed necessary. Parks often issue fee waivers and adjustments for groups such as volunteers, school groups, day care groups, businesses, and scouting groups. However, the fee waivers and adjustments are not reviewed on a timely basis by the DCR director, and as a result, park staff are inconsistently following this requirement. Further, having to request approval to adjust a fee requires additional paperwork for the park managers. If no response from the DCR director is received, some park managers will tell the visitor or group that the fee cannot be altered, while others will adjust the fee without approval.

* * *

This spring, the DCR director also required that any park activity within the riparian buffer zone at each State park must be approved by her. Since most State parks have bodies of water on them, and there is considerable development near these bodies of water, this di-

rective had a significant impact. For example, there are many cabin, campsite, and picnic shelter areas near bodies of water that need to be mowed and maintained. However, this directive has never been clearly disseminated to State park staff, and many are confused about what the requirements are. As a result, some refrain from activity within riparian buffer zones and some continue as they always have.

It appears that micro-management in these areas has not been effective and may be unnecessary. Instead, DCR management should consult with Division of State Parks staff to determine what the appropriate directives should be in these areas. Then, clear guidelines for park managers and staff to follow should be developed, and the staff should be held accountable for following the guidelines.

Recommendation (7). The Department of Conservation and Recreation director should consult with Division of State Parks staff to determine appropriate guidelines for wage staff hiring, fee waivers and adjustments, and riparian buffer activity. The department should then develop clear guidelines for these activities and hold park staff accountable for following the guidelines.

The State Parks Do Not Have Updated Policies and Procedures. In some situations, the State parks are susceptible to micro-management because they do not have updated policies and procedures documented in a policy and procedures manual. Several park managers reported that they are unaware of any written policies and procedures other than those for law enforcement, while others indicated they have a manual from 1991, but it is not updated.

Written policies and procedures would provide guidance for park managers to perform functions such as fee adjustments and hiring. Therefore, DCR needs to develop an updated policy and procedures manual for State parks operation which would include all park operating guidelines.

Recommendation (8). The Department of Conservation and Recreation should develop an updated policy and procedures manual for State park operations and disseminate this manual to all park managers.

DCR Management Has Not Adequately Addressed Two State Park Personnel Issues. There are currently two significant personnel issues that have not been adequately addressed by DCR management. First, until recently, several staff had been working in an "acting" capacity for nearly two years. Second, park staff are unclear whether they will have to spend additional rent for park housing. These situations negatively impacted employee morale.

Until December 1997, several State parks staff had been working in an "acting" capacity for nearly two years following a January 1996 reorganization of the Division of State Parks from a regional system to a district system. As part of the reorganization, three regional manager positions were transferred into other sections within

the division, and their responsibilities were divided among six park managers who became acting district managers.

Each district manager was given the responsibility of overseeing the management of between three and six parks, in addition to managing their own park. District responsibilities include supervising the park managers in their district, overseeing the other parks' budgets, and providing input on personnel, equipment, policy, and construction issues.

The district managers were told that their positions would be established as permanent district managers and that their grade level would be increased within a few months. However, the district managers were still performing in an "acting" capacity until December 1997, and were receiving no added compensation for performing supervisory responsibilities over and above their own park manager responsibilities. On December 10, 1997, the department filled the permanent district manager positions.

The other personnel issue that has not been adequately addressed by DCR management relates to the rent that State park staff pay for park housing. State park staff reported that they first heard in the fall of 1996 that DCR management was considering assessing the staff's "value" to determine whether park staff should pay fair market value for housing that is provided by the department. Currently, park staff pay between \$50 and \$100 per month for rent, depending on their position. During the summer of 1997, DCR management had all park residences appraised. The average appraisal value for the residences was \$78,598 and the average fair market rent assessment was \$483.90 per month.

Therefore, it appears that paying fair market value would be a significant increase in rent payments without a subsequent increase in salary. Park staff have not been adequately informed of DCR management's intent with regard to this issue. As a result, many rumors abound, negatively impacting staff morale.

Recommendation (9). The Department of Conservation and Recreation should communicate to State park staff its intentions regarding whether staff will be required to pay fair market value for housing provided by the department.

These Management Practices Have Impaired State Park Employee Morale and Trust. As previously indicated, lack of staff and heavy workload were the most frequently indicated factors that influenced State park employee morale. However, micro-management and centralized decision-making by DCR management, and rumors about increased rent payments, were also indicated on the JLARC survey by many State park employees as factors that negatively influenced their morale. Further, 80 percent of State park employees disagreed that employee trust in management is good, and 65 percent disagreed that management trust in employees is good.

The State Park Planning, Maintenance, and Construction Responsibilities Are Inappropriately Fragmented Between Two Divisions

The Division of Planning and Recreation Resources (DPRR) was created in the late 1980s when it was separated from the Division of State Parks. Then, in 1996 the Design and Construction Section of the Division of State Parks was transferred to DPRR. Currently, DPRR has 34 full-time positions and is responsible for capital outlay, land acquisition, and comprehensive planning for the State parks. In addition, DPRR handles recreation-related technical assistance for localities, recreational grants and loans to localities, scenic rivers and byways, environmental review, real estate issues for the department, improving public access to the State's waterways, and development of the *Virginia Outdoors Plan*.

However, the reasons for separating these functions into two divisions are no longer compelling. In addition, it does not appear appropriate for the State park functions to be divided among two divisions. For instance, the divisions have not successfully met a schedule to complete comprehensive planning for the State parks. Further, there needs to be improved cooperation between the divisions regarding capital outlay projects. Therefore, when the Park and Recreational Facilities Bond projects are completed, the divisions should be reunified.

Technical Assistance and Grants to Localities Have Significantly Decreased. According to the former DCR director who separated Planning and Recreation Resources from the Division of State Parks and current DCR staff, DPRR was created because grants and local assistance were major programs, with five full-time staff working on local assistance and four full-time staff working on grants, and the parks were often provided with staff resources that otherwise would have gone to local assistance. Further, many of these programs were statewide and were not necessarily related to State parks. However, the amount of technical assistance to localities and the amount of grant funding has significantly decreased since that time. Therefore, the initial reason for separating the divisions no longer is an issue.

Currently, only one DPRR employee has the primary responsibility of providing technical assistance to localities, and that employee has other responsibilities such as master planning and handicap accessibility issues in the State parks. In addition, the other four planning staff in the division provide some assistance for localities in addition to their other responsibilities.

However, the number of staff providing technical assistance has clearly decreased. Services for localities that have been reduced include assessments of local parks and recreation departments, studies to identify local recreation needs such as the "1992 Study of Parks and Recreation Departments in Virginia," assistance to localities for developing recreational facilities, and a yearly management conference.

Grant funding to localities has also decreased. Currently, only one employee in DPRR oversees the federal and State grant funds that are available for localities. The major federal grant programs that DCR administers are the Land and Water Con-

servation Fund (LWCF) and a federal trails program. LWCF funds are available to localities for the acquisition and/or development of outdoor recreation areas. Funding for LWCF decreased from \$1.6 million in 1985 to \$552,219 in 1995. No federal funds were provided for this program in 1996 and 1997; however, approximately \$700,000 of these funds remain obligated to localities, but unexpended. Federal funds for trails became available in 1993 and totaled approximately \$400,000 in both 1996 and 1997.

State grants to localities have also decreased. From 1966 to 1987 State funding to supplement the LWCF funds averaged \$500,000 per year. From 1988 to 1990, this was increased to \$2.1 million per year. In 1991 and 1992 the amount was reduced to \$181,765, and no State grant funds for local parks have been approved by the General Assembly since 1992. Today, the only park and recreation grant fund available to localities from the State is the Open Space Conservation Fund (Tax Check Off Fund), which averages about \$50,000 per year.

A significant service DCR currently provides to localities is the *Virginia Outdoors Plan*, which is a comprehensive analysis of federal, State, local, and private recreational opportunities and needs in Virginia that is developed by DPRR staff. Although the most recent plan was supposed to be completed in 1994, it was not released until April 1997. It was delayed largely due to the addition of information on the role of the private sector in offering recreational opportunities. According to DPRR staff, adding the information on the private sector took considerable time because they did additional survey work to identify private sector resources and they formed a panel to include private sector input.

State Park Planning Is Inappropriately Divided Into Two Divisions.

The divisions of State Parks and Planning and Recreation Resources are jointly responsible for developing comprehensive plans for the State parks, with DPRR having oversight of this process. DPRR staff have primary responsibility for completing State park master plans, and Division of State Park staff have responsibility for resource management plans. As previously indicated, the divisions developed an agreement to complete comprehensive plans by the end of 1997 for the 23 State parks that did not have updated comprehensive plans. However, as of mid-1997, none of these comprehensive plans had been completed. Staff from both divisions report that DPRR staff have been focused on completing the projects authorized by the 1992 Park and Recreational Facilities Bond Act, re-working the *Virginia Outdoors Plan*, and other division responsibilities. As a result, State park planning has been de-emphasized.

Division of State Parks' staff report that in some cases, they would prefer that comprehensive plans be completed for the parks prior to any further development from Bond projects. For example, significant development is currently under way at two of the new parks without up-to-date master plans to guide the development. Because State park planning is not overseen by Division of State Parks' staff, decisions on whether parks should be planned prior to being developed are being made by staff outside of the Division of State Parks. As a result, State parks staff do not believe that the parks are being developed appropriately.

Cooperation Between the Divisions Needs to Be Improved Regarding Capital Outlay Projects. As previously indicated, there are four main functional areas of State park operations: visitor services, administration, resource management and protection, and maintenance. Exhibit 1 lists the activities that State park staff have identified to be included in each function. Each of the activities listed in the exhibit are handled by Division of State Parks staff except construction – which is handled, along with land acquisition, by the Division of Planning and Recreation Resources' Design and Construction Section (DAC).

Exhibit 1

State Park Functional Areas			
Visitor Services	Administration	Resource Management and Protection	Maintenance
<ul style="list-style-type: none"> • overnight • day use • concessions • marketing • hospitality training • public information and relations • special events • community relations 	<ul style="list-style-type: none"> • procurement • personnel • financial management • volunteers • employee safety • risk management 	<ul style="list-style-type: none"> • natural areas • resource management • law enforcement/prevention • interpretive • environmental education • outdoor skills 	<ul style="list-style-type: none"> • preventive • cleaning • construction
Source: Department of Conservation and Recreation, June 1997.			

DAC was moved out of the Division of State Parks in April 1996 to accelerate the progress of the 1992 Park and Recreational Facilities Bond projects, and to institute a system of checks and balances by placing an independent party in charge of capital outlay. According to DAC staff, projects were being held up partly because Division of State Parks' staff were not making prompt decisions regarding project scopes, and checks and balances were needed to address audit problems.

While separating the functions may have accelerated the progress of the projects and improved oversight, according to the JLARC survey only 54 percent of the park managers agree that they are appropriately involved in the planning process for all construction and renovation projects in their parks. Further, park development and

maintenance reserve issues are now handled by DPRR. Therefore, decisions on issues such as campground development, Bond project scopes, and capital budget priorities are being handled by staff without experience or backgrounds in park operations, and often without meaningful involvement from Division of State Parks' staff.

Because DAC has been through many changes in the last five years (for example, four section directors, significant staff turnover, a reorganization, and a change in divisions), there would be a considerable impact if it were moved back to the Division of State Parks while it still has the significant workload created by the Bond. Therefore, no changes should be made until the Bond projects are completed.

When the Bond projects are completed, DCR's capital outlay budget and DAC's staffing level will be considerably smaller than it currently is. With appropriate procedures in place for capital outlay expenditures, it appears that DAC would adequately function within the Division of State Parks. Therefore, when the Bond projects are completed, DPRR, including DAC, should be reunified with the Division of State Parks.

Recommendation (10). The Division of Planning and Recreation Resources should be reunified with the Division of State Parks into a Division of Parks and Recreation when the Park and Recreational Facilities Bond projects are completed.

THE STATE NEEDS TO DETERMINE THE CENTRAL PURPOSE OF THE PARKS SYSTEM

The *Code of Virginia* does not define the purpose of State parks. It is important that this mission be defined, because the extent of State park resource needs is dependent on the mission of the parks. At a minimum, the department needs to identify and justify the additional staffing and funding levels necessary for the parks to have adequate staffing, equipment, and facilities to provide basic recreational services to the public.

However, the parks would need further staffing and funding to address all their goals, if this were the department's focus. The General Assembly needs to determine whether it is appropriate for the parks to continue focusing primarily on recreation and revenue generation, or whether the parks should balance these activities with environmental education and resource management to meet all their goals. If the General Assembly determines that the Division of State Parks should focus more on its goal to manage and promote appreciation for the natural and cultural resources on the parks, in addition to providing adequate recreational services, then the department needs to identify additional staffing and funding requirements to address those goals.

Recommendation (11). The General Assembly may wish to define the purpose of the State Parks in Section 10.1-200 of the *Code of Virginia*.

III. DCR's Progress in Completing Bond Projects

The Commonwealth of Virginia Park and Recreational Facilities Bond Act of 1992 was passed by the General Assembly during the 1992 Session and approved by the voters of Virginia in a November 1992 referendum by slightly more than a two-to-one margin. The Bond Act authorized \$95,365,000 for 22 State park and natural area project categories. Within these categories, DCR identified approximately 250 projects to be completed with Bond funds. These projects have significantly impacted the State parks and Natural Heritage programs. Bond funds have been used to add acres to the State park and natural area systems, repair facilities and infrastructure on the parks, add facilities to the parks, and improve public access to the natural areas.

However, there have been delays in completing the projects authorized by this Bond. As of July 1997 – nearly five years after the Bond passed – 46 percent of the funds had been spent. A number of factors have contributed to the delays. The most significant factors are a lack of adequate planning by the department, lack of staff and poor organization within the Design and Construction Section (DAC), a change in focus by DCR management, delays caused by DCR management placing certain projects on hold, and the number of projects involved. In the past year, DCR has made improvements to the staffing and organization of DAC. It now appears that this section has the appropriate framework to manage the Bond projects.

However, because of the inadequate planning, and the change in focus by DCR management since the Bond Act was passed, many of the Bond projects will not reflect their original scope. In addition, the department has re-planned some projects toward revenue generating facilities. In some instances, the department may not be fully meeting legislative intent. Funds specified in the Bond Act to be used for environmental education centers and park acquisition and infrastructure are being used for other projects.

The department has also placed a higher priority on new park development over land acquisition. The department has budgeted much of the funds designated for park acquisition to be used for infrastructure and development of the new parks. Consequently, the new parks will be further developed than they would have been if more funds were spent on land acquisition. However, this has also resulted in new parks that are incomplete, and missed opportunities for cost savings.

When the Bond Act was passed, DCR management set a goal of completing all the projects by December 1998. Despite considerable delays in completing the projects from 1992 to 1996, the department is maintaining this goal. While it would be favorable to achieve the original goal for completion, the rush to complete the projects by December 1998 raises concerns about the quality of the projects. Therefore, the department needs to revise its goal for project completion.

THE BOND HAS FUNDED SIGNIFICANT IMPROVEMENTS FOR DCR'S PARKS AND NATURAL AREAS

The 1992 Acts of Assembly specified 22 project categories for which the Bond proceeds were to be used (Table 7). Several categories did not indicate specific projects to be completed. Instead, they indicated a broad description of types of projects to be completed. For example, some of the project categories were:

- acquisition of land for parks;
- construction of and improvements to facilities at various State parks to provide for visitor information, overnight accommodations, food service, park access, day-use activities, support activities and other recreational uses; and
- construction of campgrounds and the installation of utilities and paving at various State parks.

DCR included a number of projects within these and several other categories. Consequently, within the 22 project categories, DCR identified approximately 250 projects to be completed (this figure fluctuates due to projects being created, canceled, and combined).

The projects that have been and will be funded by the Park and Recreational Facilities Bond have resulted in significant improvements for Virginia's State parks and natural areas. Table 8 (page 48) lists the number of projects to be funded and the amount of funding for each project type.

These improvements have enhanced park infrastructure, repaired buildings, expanded the use of park facilities, and added park facilities. They will also improve public access to the State's natural areas.

Examples of specific improvements that have been made include:

- Four additional parks have been purchased and added to the State parks system.
- Eight additional natural areas have been purchased and added to the natural area preserves system.
- Leesylvania State Park has added a number of new facilities including a park office, a visitor center, a maintenance shed, a picnic shelter, paved roads, and a staff residence.
- A new visitor center and park office have been constructed at Occoneechee State Park.

Table 7

Park and Recreational Facilities Bond Act Project Categories

Project Category	Amount
Improvements to facilities to provide access for handicapped persons at various State parks	\$1,215,000
Construction of employee residences at various State parks	996,000
Improvements to dams at Douthat and Hungry Mother State Parks	5,173,000
Improvements to utility systems at various State parks	11,564,000
Construction of and improvements to facilities at various State parks to provide for visitor information, overnight accommodations, food service, park access, day-use activities, support activities and other recreational uses	15,300,000
Acquisition of land for parks	26,450,000
Acquisition of land for natural areas	11,475,000
Construction of walkways and overlook areas at the Natural Tunnel State Park	237,000
Improvements to natural area sites	615,000
Construction of office and visitor center at Occoneechee State Park	587,000
Construction of maintenance facilities at Hungry Mother State Park and Seashore State Park	497,000
Construction of office at Lake Anna State Park	152,000
Construction of campgrounds and the installation of utilities and paving at various State parks	1,963,000
Improvements to park visitor center at the Smith Mountain Lake Environmental Education Center	203,000
Improvements to cabins at various State parks	2,468,000
Construction of interpretive exhibits at Natural Tunnel State Park and Caledon Natural Area	271,000
Improvements to the swimming pool complex at Staunton River State Park	950,000
Construction of recreational and support facilities at Leesylvania State Park	3,620,000
Construction of and improvements to facilities at Pocahontas State Park	7,567,000
Construction of a dining facility to serve Hemlock Haven Conference Center at Hungry Mother State Park	1,182,000
Construction of cabins at Westmoreland State Park	165,000
Construction of an environmental education and conference center at Natural Tunnel State Park	2,715,000
Total	\$95,365,000

Source: 1992 Acts of Assembly. Project categories are shown in the order they appear in the Act.

Table 8

Projects Funded by the 1992 Park and Recreational Facilities Bond

Type of Project	Number of Projects	Amount Budgeted
Repair, renovation, and infrastructure improvements to existing State parks	163	\$37,035,574
Additional facilities for existing State parks	41	19,048,837
Acquisition of State park land	17	18,163,304
Acquisition of natural areas	20	11,475,000
Infrastructure for new State parks	3	8,116,710
Improved access to natural areas	8	615,000
Contingency*	N/A	910,576

*Contingency funds are funds that are not currently budgeted to a project.

Source: JLARC analysis of DCR Bond project status report, June 1997.

- Nineteen cabins at Westmoreland State Park have been renovated with improved siding and heating systems for year-round use (rather than just summer use).
- An underground electrical system has replaced above-ground power lines at Seashore State Park.
- The sewer system at Claytor Lake State Park has been replaced.

THE PROGRESS OF THE BOND PROJECTS HAS BEEN DELAYED

Despite the improvements that the Bond has funded and will be funding, the projects could have been completed more quickly than they have been. A number of factors, including lack of adequate planning, lack of staff, poor organization of the Design and Construction Section, changes in the scope of the projects, delays caused by DCR management placing certain projects on hold, and the number and type of projects involved have delayed the progress of the Bond projects.

The Project Planning Process Was Not Adequate

It was difficult for JLARC staff to assess the planning that went into the Bond projects because few of the planning documents completed in preparation for the Bond were available from DCR. DCR staff indicated that documents were prepared regarding the rationale for the projects selected, project cost estimate development, and plans for how the projects would be completed over time. However, DCR staff were unable to locate most of these documents. According to DCR management, these documents may have been lost in the transition from the previous agency director to the current director. Based on interviews with JLARC staff, current and former DCR staff indicated that the planning process for the Bond projects was rushed. As a result, many of the project cost estimates were not accurate.

In 1990 the General Assembly asked DCR to compile a list of projects based on what they would do for the parks and natural areas with various amounts of funding. For example, DCR was asked to develop project lists based on potential funding amounts of \$50 million, \$100 million, and \$150 million.

For the most part, DCR had to develop the lists of projects because they had not previously identified all the needs of the parks. For example, as indicated in the previous chapter, DCR did not have up-to-date master plans for most of the State parks, which could have guided new facility development. To compile the lists, DCR staff reviewed the *Virginia Outdoors Plan* (which identified acquisition priorities), identified development needs for the new parks, and then added the major needs of the existing parks. To determine the major needs of the existing parks, DCR staff analyzed capital budget requests that had not been submitted or had been submitted but not funded, and they consulted with some of the park managers.

According to DCR staff, when it became apparent that the Bond would pass with proceeds totaling \$95,365,000 for parks and recreation, they rushed to finalize the list of projects and determine cost estimates. To estimate the costs of the projects, DCR design and construction staff reviewed capital outlay books which listed costs for projects such as plumbing and electrical work, and they used cost figures for similar projects that had been recently completed in the parks. They did not consider inflation when estimating the project costs. DCR staff reported that in many cases they knew the cost estimates were inaccurate; they assumed that additional funding would be obtained to supplement the project budgets. For example:

For the project to build 20 cabins at Smith Mountain Lake State Park, DCR staff estimated that the cabins would cost \$80,000 each. Therefore, the project was budgeted \$1.6 million. However, DCR staff failed to include costs to extend a road and utility lines to the cabin area because they assumed these costs would be addressed by maintenance reserve funds or the Virginia Department of Transportation. As a result, the \$1.6 million budgeted for this project was not enough to fund the construction of 20 cabins.

As will be discussed later in this chapter, inaccurate cost estimates contributed to project delays.

Bond Project Completion Has Not Kept Pace with the Department's Goal

The department's goal from the beginning was to complete all the projects by December 1998. Because few planning documents were available from DCR, JLARC staff were unable to identify any comprehensive annual project completion or expenditure goals that had been developed. However, given the low percentage of Bond funds that had been spent and projects that have been completed four years after the Bond referendum passed, it appears that progress has not kept pace with the department's goal.

Bond expenditures have gradually increased from FY 1993 to FY 1997 (Figure 6). However, as of July 1, 1996, only 32 percent of the Bond funds had been spent, and as of July 1, 1997 only 46 percent of the Bond funds had been spent. Therefore, despite spending only 46 percent of the funds in four and one-half years, DCR will have to spend 54 percent of the Bond funds in a year and a half to complete the projects by December 1998.

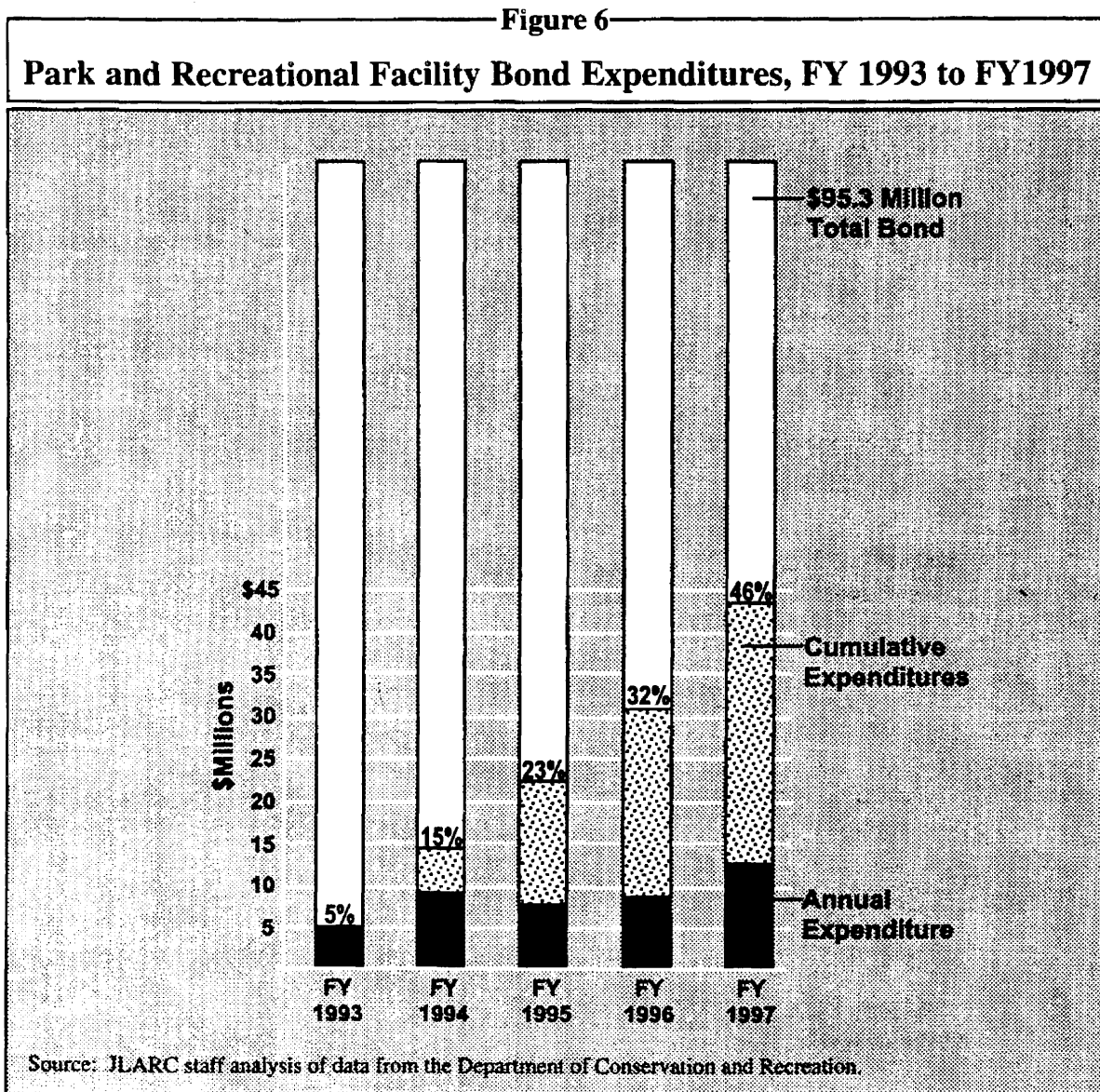
Project completion progress has also been slow. As Table 9 indicates, by the end of 1995 – three years after the Bond referendum passed – only 18 percent of the 250 projects had been completed. As of July 1997, 39 percent of the projects had been completed, and four percent had been canceled.

Table 9

Number of Bond Projects Completed, by Year (as of July 1997)

Year	<i>State Parks</i>		<i>Natural Areas</i>		Total
	Construction Projects	Acquisition Projects	Construction Projects	Acquisition Projects	
1993	2	1	0	0	3
1994	15	1	0	0	16
1995	21	2	0	4	27
1996	30	5	0	1	36
1997	10	0	3	3	16
Completion sub-total	78	9	3	8	98
Ongoing	89	1	5	11	106
Not started	33	0	0	2	35
Canceled	11	0	0	0	11
Total	211	10	8	21	250

Source: JLARC staff analysis of DCR project status listing, July 1997.



JLARC staff also found that many projects are taking a long time to be completed. JLARC staff reviewed the files for 82 of the 205 construction projects for the existing State parks. This represented 40 percent of the construction projects for the existing State parks. JLARC staff found that for the 65 projects that had been completed or were still ongoing, the average length of time from the date the project began to either completeness or the present time was approximately 23 months. Forty-eight of these projects (74 percent) took longer than 12 months to be completed. This is a conservative analysis of the length of time to complete a project, because many of these projects had been in the planning stages for considerable lengths of time prior to being bid out to an architectural and engineering firm for a design.

Project Delays Were Due to Many Factors

One of the main reasons the projects have been delayed is that DCR was unprepared to handle the considerable addition to their workload that the \$95 million Bond brought to the department. The Design and Construction Section did not have enough staff, it was not organized properly, and the project costs had not been adequately estimated prior to the passage of the Bond.

Further, in 1994 DCR management's focus changed. Instead of attempting to obtain additional funds to subsidize budget over-runs, DCR decided to down-size many of the projects. Consequently, in 1995 little progress was made in completing projects because staff spent considerable time re-scoping all of the projects that had not yet been constructed, including projects that were being designed and that had not yet started. Accordingly, most of the projects were delayed during the design phase rather than the construction phase of the capital outlay process.

In addition, in late 1995 DCR management placed several projects on hold once again for additional review and thereby further delayed their progress. The assignment of many projects to park managers has also contributed to the delays, because the park managers are often unable to focus on overseeing construction projects with all the other responsibilities they have. Further, the number and type of projects involved and the remote location of many State parks has made it difficult for DCR to move projects through the capital outlay process.

DCR's Use of Wage Staff in the Design and Construction Section Hindered Bond Progress. Prior to 1992, DCR's annual capital expenditures were less than \$2 million, and in 1992 DAC's staffing level was 11 full-time employees. After the Bond referendum passed, DCR's Design and Construction Section did not have sufficient numbers of full-time staff to handle the additional responsibilities of \$95 million of capital projects. Instead of substantially increasing full-time staff (which could have been hired on a restricted or fixed tenure basis), DCR heavily used p-14 wage staff to supplement the section's staffing level. The result was a tremendous amount of turnover in DAC and a subsequent decrease in productivity.

From 1992 to 1997, DAC's full-time staffing level increased from 11 to 24 (Table 10). However, the most significant increase in staff did not occur until 1997 when six additional positions were added. To compensate for the lack of full-time staff, DCR hired wage staff to handle many of the architectural, engineering, capital outlay, and administrative responsibilities of the Bond projects.

The use of wage staff has been problematic because turnover among the wage staff has been considerable. From 1993 to 1996, 63 wage staff left DCR. The reasons for the high turnover are not clear. DAC staff report that the turnover among wage staff has been high because many of the employees hired were architects, engineers, and construction managers who left as soon as a full-time job became available elsewhere.

Table 10

Design and Construction Section Staffing, 1992 to 1997

Calendar Year	<i>Full-Time Staff</i>		<i>Wage Staff</i>	
	Number of Positions	Number Who Left	Number Employed	Number Who Left
1992	11	0	16	2
1993	15	1	45	5
1994	17	2	48	22
1995	17	5	43	14
1996	18	4	38	22
1997	24	3	16	0

Source: JLARC staff analysis of DCR data, August 1997.

Every DAC employee who was interviewed indicated that the turnover among wage staff had a negative impact on the progress of the Bond projects. Many of the wage staff had responsibility for managing several Bond projects, which included working with State parks to develop a scope for the project, working with an architectural and engineering firm to develop a design for the project, and overseeing the contractor selected to perform the construction. Every time a project manager left it caused delays because a new project manager had to be appointed and become familiar with the specifications of the project. Because of the extensive turnover, many projects had multiple project managers. In some cases projects had as many as six or seven different managers. Further, many projects went through periods of time without a project manager.

The Design and Construction Section Was Not Organized Appropriately Until Recently. Given the significant increase in workload and staff, the Design and Construction Section needed to reorganize to enable projects to move through the capital outlay process efficiently. However, the reorganization was not done until 1995, and the process was not fully established until the beginning of 1997.

For the first two years after the Bond was passed, the section was not organized appropriately. Three managers were assigned to oversee a certain number of projects and project managers based on which State parks they were assigned. As such, workload was organized by park rather than type of project. Projects were assigned to an engineer or architect who would take the project from beginning to end. Using a "cradle to grave" system was supposed to increase the accountability of the project managers. However, the project managers did not adequately communicate with each other. As a result, DAC staff indicated that employees were not able to build expertise in certain types of projects because they were involved with a variety of projects on a specific park. Further, staff with expertise in certain types of projects were not necessarily assigned to, or involved with, those projects.

In 1995, the section reorganized to include a Planning/Design Bureau and a Construction Bureau. Projects were passed off from the Planning/Design Bureau to the Construction Bureau as they proceeded through the capital outlay process. However, according to DAC staff, the staff from the Construction Bureau were not appropriately involved in the planning and design phases, and this caused miscommunication and delays when the projects were passed off to the Construction Bureau.

This year, construction staff report that they have been appropriately involved in the process, and this has improved the process. For example, one DAC employee stated:

Before, construction staff were not involved in planning and design. Now, it is the norm that we are involved. The impact has been that we now have a better idea of the history of the project, it saves time in getting us familiar with the project, we see the preliminary drawings and the alternatives that have been discussed and can understand why things have and have not been done, and we provide input on the impact of the design on construction.

Therefore, DAC now appears to have the appropriate organizational structure to enable staff to effectively complete the projects.

Many Projects Were Re-Scoped in 1995. In 1992, DCR staff realized they would not have enough Bond funds to complete all the projects in accordance with the project scopes that had been envisioned, because the cost estimates for the projects were not accurate. They assumed that additional funding would be obtained for the projects that would not have enough funds. Consequently, by 1995 many of the projects were going over-budget, and funds were being taken from other projects that had not been started.

DCR management changed in 1994, and in early 1995 the new management decided that instead of either canceling the projects that could not be funded or attempting to find alternative funding for those projects, all the projects should be re-scoped to fit within the \$95 million authorized by the Bond Act. This required downsizing many of the projects. According to a former DAC director, this also enabled them to improve consistency among projects and establish prototypes.

This proved to be a considerable task because by January 1, 1995 only 19 of the 250 projects (18 percent) had been completed. Therefore, most of the projects had to be reviewed. For approximately six months after January 1, little was accomplished with regard to design or construction, as most staff were involved in reviewing the projects to bring the project scopes within budget. After this six month period, staff gradually returned to regular duties of moving projects through the process. Currently, most projects have been re-scoped.

During this time, there was also confusion within DAC because the section director position was vacant, and the section was undergoing a reorganization around

the same time that the projects were being re-scoped. DAC staff reported that minimal progress was made in completing the projects.

The impact of all this is that in 1995, few projects were started. Based on the JLARC review of 82 design and construction project files, only six projects were started in 1995 because of the re-scoping of projects (Table 11). This also impacted the number of projects that went to construction in both 1995 and 1996.

Table 11

**Year of Start and Completion for the 82 Projects
Selected for Review by JLARC Staff**

<i>Number of Projects</i>			
Calendar Year	Design Started	Construction Started	Completed
1993	28	12	1
1994	14	12	10
1995	6	7	12
1996	16	14	11
1997*	1	9	2
Total	65	53	36

Notes: Three of the 82 projects reviewed were canceled.

Design and construction start dates were not available for three projects.

The design phase had not begun for 11 of the projects.

*As of July 1997.

Source: JLARC staff analysis of DCR design and construction files, July 1997.

Most of the Projects That Were Delayed Were Delayed During the Design Phase. Most construction projects at DCR are completed by outside contractors and involve four phases: planning, design, bid, and construction. In addition, many smaller projects are completed as park construction agreements (PCAs), which are assigned to park managers to complete. Usually, park staff are used for the labor. Often, these projects do not need to be designed or bid out.

As previously indicated, 48 of the projects (74 percent) reviewed in the JLARC sample took longer than 12 months to be completed. JLARC staff analyzed the design and construction files to determine at which phase in the process the delays occurred for these projects. This review indicated that most of the delays occurred during the design phase. The fact that many of the projects that were re-scoped in 1995 were already in the design phase at the time of this review probably affected this finding.

Several Projects Were Delayed by DCR Management. Beginning in October 1995 – approximately ten months after all the projects were placed on hold to be re-scoped – five projects were again placed on hold by DCR management to be further evaluated. These projects were:

- the Natural Tunnel multi-purpose conference facility and amphitheater, which was an environmental education center at the time (with a project budget of \$2,715,000),
- the Hungry Mother visitor center with displays (\$1,250,000),
- the Pocahontas heritage center, which was an environmental education center at the time (\$1,177,000),
- the Smith Mountain Lake lodge, which was an environmental education center at the time (\$203,000), and
- the Douthat amphitheater (\$100,000).

A memo written by a former DAC director in January 1996 indicates that the budgets for these projects, which totaled \$5,445,000, represented approximately ten percent of the budget of outstanding Bond projects to be completed. The memo suggests that DCR management “keep in mind (that) on some of the projects we have already begun negotiations with architects and we have placed them on hold waiting on the final decision.”

As a result, the progress of these projects has been delayed. For example:

According to DAC and State park staff, the Natural Tunnel environmental education center was on hold for approximately one year. At the time the project was put on hold (October 1995), final negotiations were being made with the architectural and engineering firm selected to develop the project design. Consequently, the project design was not completed until the summer of 1997, and project construction was not advertised for bid until September 1997.

There was a lack of significant progress through the summer of 1997 on the other projects that were held-up. The Pocahontas heritage center was not advertised for bid until August 1997. The Douthat amphitheater project is a park construction agreement (PCA) that had not started as of August 1997. The Hungry Mother visitor center and the Smith Mountain Lake lodge were in the design phase as of August 1997.

Many Projects Assigned to Park Managers Have Been Delayed. According to the DAC project status sheet, 44 projects with a total budget of \$8,768,235 have been assigned to park managers to complete as park construction agreements. Projects

completed under PCAs include landscaping, upgrading trails, residence renovations, picnic shelter renovations, and campground renovations. Park managers typically use existing park staff to perform the construction, or hire additional wage staff to assist.

When a park construction agreement is signed, the park manager is given a specific budget and sometimes a set of plans for the project. However, until August 1997 there were no time schedules included in the agreement. Therefore, there were no scheduled completion dates for the PCA projects. Since the park managers have many responsibilities involving the operation of their parks other than overseeing PCA projects, these projects were often not prioritized and took a long time to be completed. For example:

A number of PCAs were signed by the park manager at Douthat State Park. However, a flood at the park in 1996 required Douthat employees to focus their attention on flood repairs and park operations, rather than construction. As a result, five PCA projects at Douthat that were budgeted a total of \$614,000 have taken more than one year to complete since the PCA was signed.

* * *

A PCA with a budget of \$127,000 was signed in January 1994 for the park manager of Grayson Highlands State Park to install campground water and electrical hookups. The project was not completed until June 1996.

* * *

A PCA with a budget of \$46,000 was signed in April 1994 for picnic area improvements at Leesylvania State Park. As of August 1997, \$1,000 still remained from this project to wire a small shelter for vending machines.

* * *

The Occoneechee park manager began work on a PCA in 1996 to renovate two campgrounds. As of August 1997, 54 percent of the \$100,000 budget for this project had been spent or obligated. The park manager reported that he expects the project to be completed in 1998.

Twenty-one of the 82 design and construction project files reviewed by JLARC staff were PCA projects. The average length of time for completion of the PCAs, from the date that the PCAs were signed, was 23.4 months. This includes projects that were ongoing as of July 1997. Therefore, although PCA projects are typically smaller in scope than projects that are contracted out, the PCA projects are not being completed faster than larger projects.

The Number and Types of Projects and the Remote Location of Many State Parks Has Made It Difficult for DCR to Move Projects Through the Capital Outlay Process. DCR has faced a number of obstacles to completing the Bond projects because of the nature of the State parks system and the number and types of projects it is attempting to complete. As previously indicated, DCR is attempting to complete approximately 250 projects from the \$95 million that was authorized. Few of these projects were planned or designed prior to the passage of the Bond. Further, these projects are scattered throughout the State among 28 State parks and 21 natural areas. And, these projects are typically small in scope, averaging \$374,016 per project.

On the other hand, the Commonwealth of Virginia Mental Health Facilities Bond Act of 1992, which authorized \$45,173,000 for mental health facilities, had only seven projects. All of these projects had pre-planning studies completed prior to the passage of the Bond. The mental health facility projects average \$6,453,286 per project. The Commonwealth of Virginia Higher Educational Institutions Bond Act of 1992 authorized \$160,323,400 for 32 projects at 12 campuses. The higher education projects average \$5,010,106 per project.

Because of the differences in the number of projects to be completed, and the sizes of the projects, it does not appear appropriate to compare the progress of the three Bond Acts. Most projects go through the capital outlay process which often includes reviews by a number of State agencies at several points during design and construction. According to Department of General Services (DGS) staff responsible for overseeing the capital outlay process, it takes longer for dozens of smaller projects to go through the process than it does for one multi-million dollar project.

In addition, 37 of the Park and Recreational Facilities Bond projects were State park and natural area land acquisition projects. Land acquisition projects take considerable time due to negotiations with landowners, the need to conduct multiple appraisals, and frequent boundary questions. In addition, Division of Natural Heritage staff have spent time attempting to leverage the Bond funds to secure grants for additional land acquisition. As of October 1997, \$2.8 million of federal grant funds have been leveraged.

Further, the number of smaller projects undertaken by DCR and the remote location of many of the projects has caused particular difficulties for DCR. Many of the parks are in remote areas of the State, and when DCR advertises to bid for construction for smaller projects, it is sometimes difficult for them to attract quality bidders. For example, for a cabin renovation project at Douthat State Park in Bath County, DCR had to advertise for bid three times over a period of nine months before an acceptable bid was received. In addition, according to DGS staff, the contractors that bid on State parks are often smaller and less reputable than typical contractors. Further, the State parks have many old and historical buildings. Renovations to these buildings sometimes take longer than typical renovation projects.

The construction process itself has also caused delays. Issues such as weather and unforeseen conditions have particular impact on State park projects because many of the construction sites were previously undisturbed.

MANY BOND PROJECTS WILL NOT MEET THEIR INTENDED SCOPE

For the most part, DCR is conforming with the original list of projects that was developed in 1992. But, many of these projects will not reflect the scope that was originally intended for them. This is largely due to a change in DCR management focus. When the Bond referendum passed, DCR management expected to complete many of the projects by acquiring funds from additional sources when necessary. However, subsequent DCR directors have determined that the projects will largely be completed using only the \$95 million authorized by the Bond. Therefore, many projects were down-sized. This has resulted in a number of projects that will not reflect their intended scope.

In addition, recent DCR directors have changed the focus of some projects toward revenue generating facilities. In some instances, it appears that the department has acted contrary to the expectations of the public, and it may not be fully meeting legislative intent.

DCR management has also placed a higher priority on the development of the new State parks over additional land acquisition. According to DCR officials, advantages of this approach are that the parks will be better able to meet the agency's goal for revenue generation, and the new parks will be further developed with Bond funds than they would have been if more funds were spent on land acquisition. However, this has also resulted in new parks that are incomplete, and missed opportunities for cost savings.

Many Projects Will Not Reflect Their Intended Scope Because of Inadequate Planning

Because many of the projects were down-sized to keep them within the original budgets, many of these projects will not reflect the scope that was intended for them when the Bond was being advertised to the public in 1992. For example:

DCR budgeted \$1.6 million for 20 cabins to be built at Smith Mountain Lake State Park. However, as previously indicated, they did not include the additional costs for roads and utilities. The project was re-scoped so that the \$1.6 million would include cabin construction, site work, roads, and utilities. As a result, only 13 cabins will be built.

* * *

The boat launch facility at Staunton River State Park was budgeted \$500,000. It was originally intended to be a marina facility with a road leading to the facility, a dock, a boat launch, restrooms, lights, and gas facilities. However, now the project is designed to include only the road and the boat launch.

In addition, as of August 1997, nine projects had been canceled by DCR. Some projects were canceled because the cost estimates were so inaccurate that the project could not be completed with the amount of funds budgeted. Other projects were canceled so that the funds could be used for other more desirable projects. For example:

The foot bridge and campground renovation projects at Seashore State Park were canceled because they were not thought to be needed. The foot bridge project was originally budgeted \$50,000 for a half-mile long foot bridge across land. The park manager reported that he does not know why this project was included in the Bond, and he does not see how it would be beneficial. Funds from both these projects were transferred to the Chesapeake Bay Center Bond project.

* * *

At Leesylvania State Park, funds from the amphitheater project were transferred to the visitor center project. The amphitheater project was eliminated because it was determined by the park manager and design and construction staff that it did not need any work.

Some Projects Will Not Reflect Their Intended Scope Because of the Department's Focus on Revenue Generation

As indicated in Chapter II, the department has designated revenue generation as the primary focus of the State parks. In accordance with this focus, the department has re-designed some of the Bond projects in favor of facilities that are better able to generate revenue for the parks. For example:

The original list of Bond projects for Pocahontas State Park included an environmental education center, which was budgeted \$1,177,000. However, the department has changed the scope of this project to a heritage center, which will largely consist of meeting rooms, which can be rented. The environmental education center would have included an auditorium, permanent exhibit space, and a wet laboratory. The heritage center was advertised for bid in August 1997.

* * *

The 1992 Acts of Assembly authorized \$203,000 for "Improvements to park visitor center at the Smith Mountain Lake Environmental Education Center." As such, the original Bond project list included \$203,000 for an education center at this park. However, the project was first changed to a conference facility, and then it was changed to a four or five bedroom lodge. According to DCR staff, this is being done because a lodge will generate more revenue for the park. As of August 1997, this project was still in the design phase. It is unclear what, if any, funds will be available to improve the park visitor center as called for by the Act.

* * *

The 1992 Acts of Assembly authorized \$2,715,000 for "Construction of an environmental education and conference center at Natural Tunnel State Park." As of January 1995, it was planned that the center would be 16,000 square feet with \$370,200 designated for exhibits. In September 1995 it was determined that the project budget would not support this scope, so it was reduced to 10,000 square feet. At this time, the project included classroom space for 90 students, dormitory facilities for 40 individuals, an auditorium for 100 people, and a 400 square foot wet laboratory for 30-45 students to conduct science projects. In April 1996, \$715,000 was taken out of this project for renovation of an amphitheater, and in December 1996, the project was re-scoped again and re-named the Cove Ridge Outdoor Center. At this point, the wet laboratory was eliminated from the project, the exhibit budget was reduced to \$100,000, the dormitory facilities were reduced to hold 24 people, the classroom size was reduced to 45 students, and the auditorium was reduced by 300 square feet. Thus, the State is not constructing a center of the scale or value that could have been funded under the Act.

The amphitheater renovation was not originally included as part of this project, and according to the park manager, it was not a priority for the park to renovate this facility. The facility is useable and has been used several times this year. It seats 5,000 people. Recent events at the amphitheater include a gospel service, several weddings, a tobacco rally, and a DARE graduation. The Bond project will add restrooms and concessions buildings, and it will extend the roof-line to cover some of the seating. Both these projects were advertised for bid in September 1997.

These projects represented three of the projects that were placed on hold by DCR management in October 1995.

The Department May Not Be Fully Meeting Legislative Intent and the Expectations of the Public

It appears that the department may not be fully meeting legislative intent with its changes to the Smith Mountain Lake and Natural Tunnel facilities. According to the language in the Acts of Assembly:

To the extent that the cost of any capital project is less than the amount allocated to such capital project, the Governor or the Governor's designee may increase the amount allocated to any other project included herein. No allocation to a capital project may be increased until it has been demonstrated to the satisfaction of the Governor or the Governor's designee that:

- a) the cost of the capital project has been reduced to the extent reasonable,
- b) the capital project has not been expanded or enhanced beyond that originally approved, and
- c) the capital project is suitable and adequate for the scope originally intended.

The Department of Planning and Budget (DPB) has been appointed as the Governor's designee. Therefore, DCR must obtain approval from DPB prior to using funds for purposes other than those specified in the Acts of Assembly. Whether or not a project was "suitable and adequate for the scope originally intended" was left up to the department and DPB for interpretation.

For these projects, the 1992 Acts of Assembly clearly indicates that the funds are to be used for environmental education centers. DCR did not request or receive permission from DPB to use the funds from these projects for purposes other than those specified in the Acts of Assembly.

In the case of the Pocahontas heritage center, it appears the department acted contrary to the expectations of the public. For instance, the master plan for Pocahontas State Park recommends the construction of an environmental education center and indicates that it should be "a major focal point of the park." According to the park manager, the local community was significantly involved in the development of the master plan. Further, park staff advertised the proposed environmental education center to the community as a major selling point for the Bond prior to its passage.

The Department Has Prioritized Development of the New State Parks Over Additional Land Acquisition

It appears that DCR will be spending nearly one-half of the park acquisition funds for infrastructure and development of three of the new parks. It is beneficial for

the new parks to receive funding for infrastructure and development so that they may be made available for public use. However, there have been a number of potential acquisitions that the department has not adequately pursued even though enough funds were available at the time. The result is that three of the new parks are incomplete due to in-holdings, and opportunities to expand the new parks and achieve cost savings have been missed.

Almost One-Half of the Park Acquisition Funds Will Be Spent on Infrastructure and Development. The 1992 Park and Recreational Facilities Bond Act authorized \$26,450,000 for "acquisition of land for parks" and \$11,475,000 for "acquisition of land for natural areas." The counsel selected by the Attorney General's office to interpret the Bond Act has ruled that Bond acquisition funds may also be used for basic infrastructure projects on the new parks such as roads and utilities. Further, DCR may transfer funds out of acquisition for new park development with the approval of DPB. While it appears that all of the natural area acquisition money will be spent on natural area acquisition, DCR has budgeted nearly \$12.4 million (47 percent) of the acquisition money for State parks to be spent on infrastructure and development.

The department has concluded that no more State park acquisition possibilities exist, and will be spending the remaining State park acquisition funds on infrastructure and development of three of the new State parks: Belle Isle, James River, and Shenandoah River. On June 2, 1997, DPB authorized the transfer of \$3,487,543 from the amount designated for new park acquisition in the Acts of Assembly for development of these parks. The other \$9 million will be used for infrastructure. Infrastructure and development being funded in these parks include:

- Belle Isle: boat launch, contact station, comfort stations, drainfields, maintenance area, parking lots, picnic shelters, roads, trees for reforestation, and water system.
- James River: boat ramps, primitive campground, comfort stations, contact station, drainfields, electrical system, maintenance area, parking lots, picnic shelters, pier, roads, staff residence, and water system.
- Shenandoah River: primitive campground, contact station, electrical system, maintenance area, office, parking lots, picnic shelters, roads, staff residence, and water system.

In the department's view, the advantage of spending funds for development is that the new State parks will be further developed than they would have been if more funds were spent on land acquisition. Consequently, the parks' facilities could be made available for public use sooner than if the department had to rely on General Funds or other sources for infrastructure and development projects. Also, the parks will be able to generate additional revenue which will enhance the department's ability to achieve its performance goal. However, a consequence of this approach has been that four opportunities to acquire in-holdings and four opportunities to acquire adjacent lands for the new parks have been missed.

Three of the New Parks Have Significant In-Holdings. DCR spent \$9,722,962 of the park acquisition funds to purchase a total of 3,139 acres to create Belle Isle, James River, and Shenandoah River State parks. This is within the range of acres originally expected to be purchased when the Bond passed. However, the land purchased for each of these parks is not completely contiguous. Within these parks, there are seven in-holdings owned by six different landowners, comprising 556 acres (Figures 7 to 9). In-holdings are parcels of land owned by private citizens that are surrounded by the State park.

Several park managers on existing parks that have in-holdings reported that they cause a number of management problems for the park. For example:

At one time, Hungry Mother State Park had problems with alcohol and drug use by a landowner of an in-holding on the park who has since moved out. Currently, the park is unable to expand camping and trails due to several in-holdings.

* * *

At Claytor Lake State Park, there is a 30-acre in-holding that includes about 50 homes. Behind the in-holding is park land that includes a cliff. This has increased their law enforcement responsibilities because people often use alcohol and drugs in this area, and jump off the cliff into the lake illegally. If DCR owned this in-holding, the park could better secure this area.

DCR has made some effort to purchase each of the in-holdings on the new State parks. However, it appears that DCR could have had a reasonable opportunity to acquire four of these parcels if they had made additional efforts. For example:

At Belle Isle State Park, a 2.1 acre parcel of land with a residence was appraised for \$175,000 in 1993. The landowner wanted more than this amount for his land, so he asked DCR for another appraisal in 1996. Purchasing this parcel would provide the park with an existing residence that could be used when additional staff are hired, and it would provide the park with additional waterfront property, which would improve public access to the Rappahannock River. However, the house could not be rented to the public due to restrictive covenants that exist because the park would not own all of the parcels in this area (the other parcel in this area not owned by DCR is a 3.1 acre in-holding). According to a memo written by the DCR director, "this property is worthless to us with the current restrictive covenants..." The DCR director's conclusion that the property was worthless suggests that the following was not adequately considered: the benefits to the park of owning this land, and the possibility that the other 3.1-acre in-holding could someday become available to the department, thereby releasing the restrictive covenants. Although the landowner was interested in selling, no further appraisals or negotiations were pursued.

* * *

Figure 7

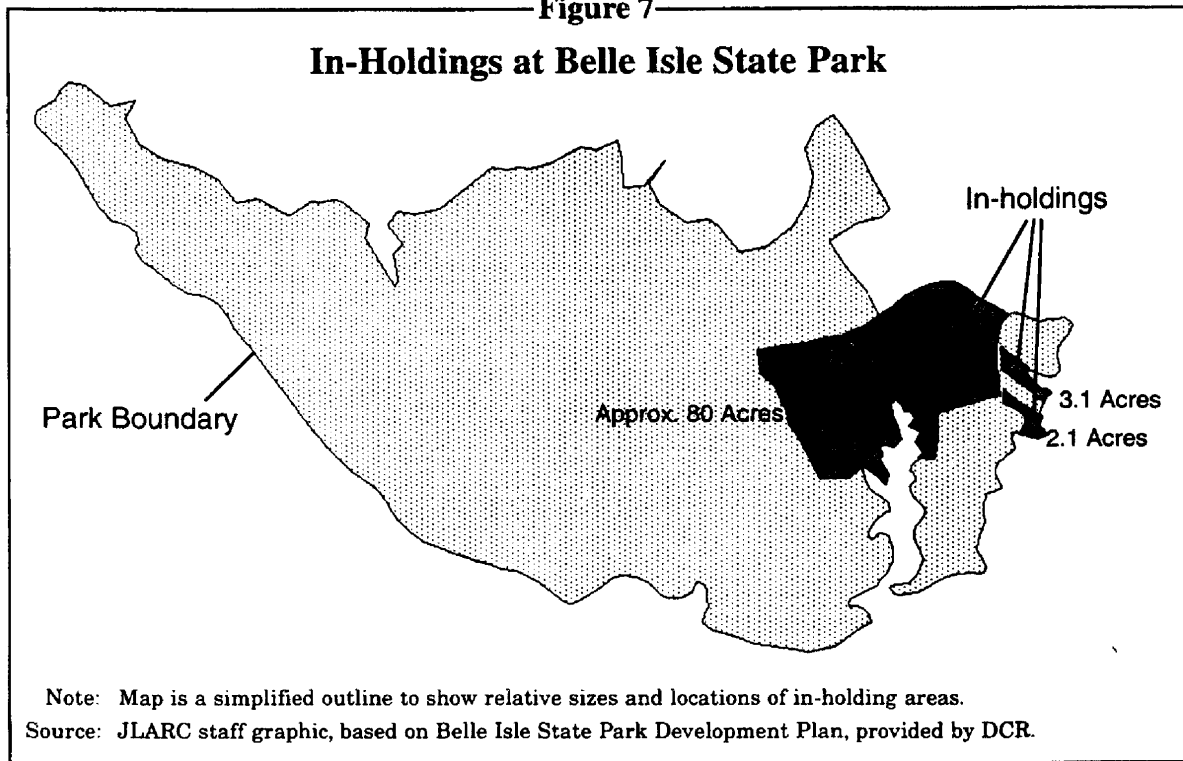


Figure 8

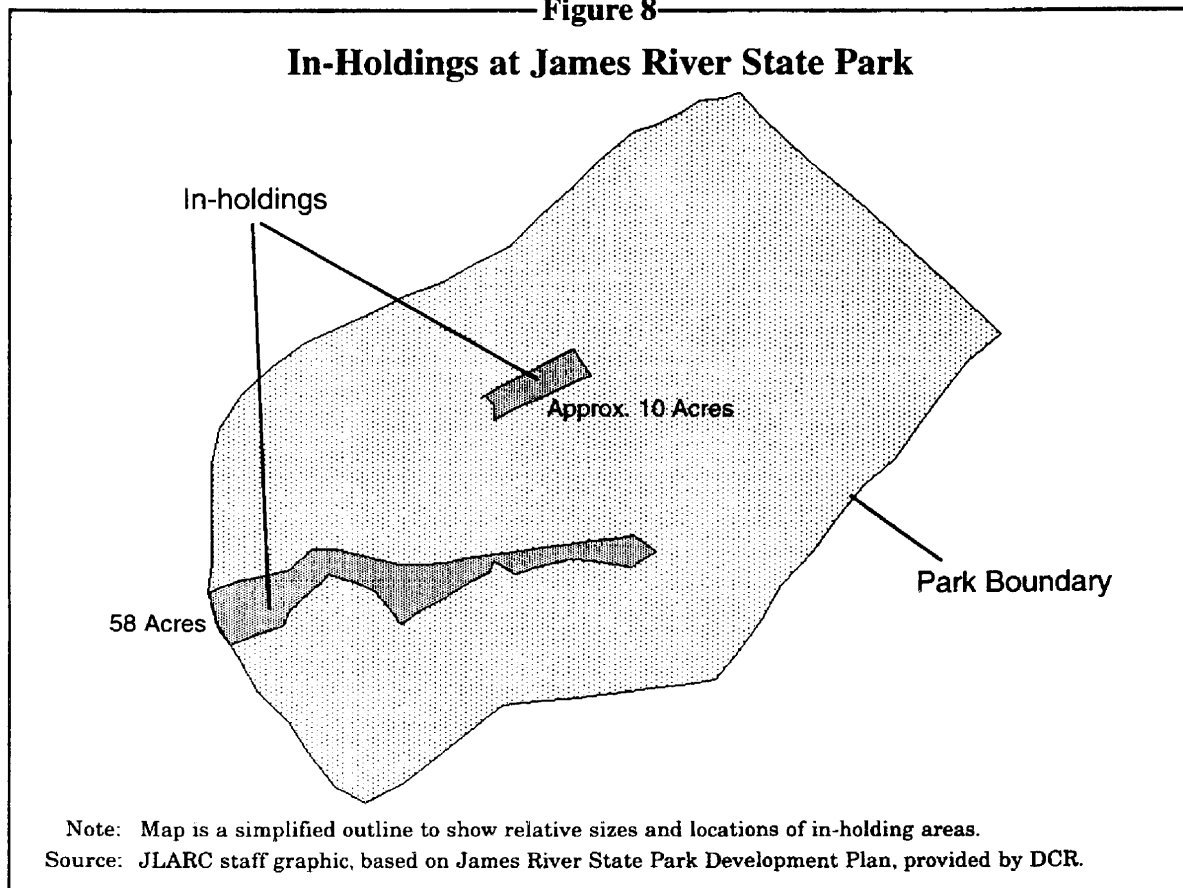
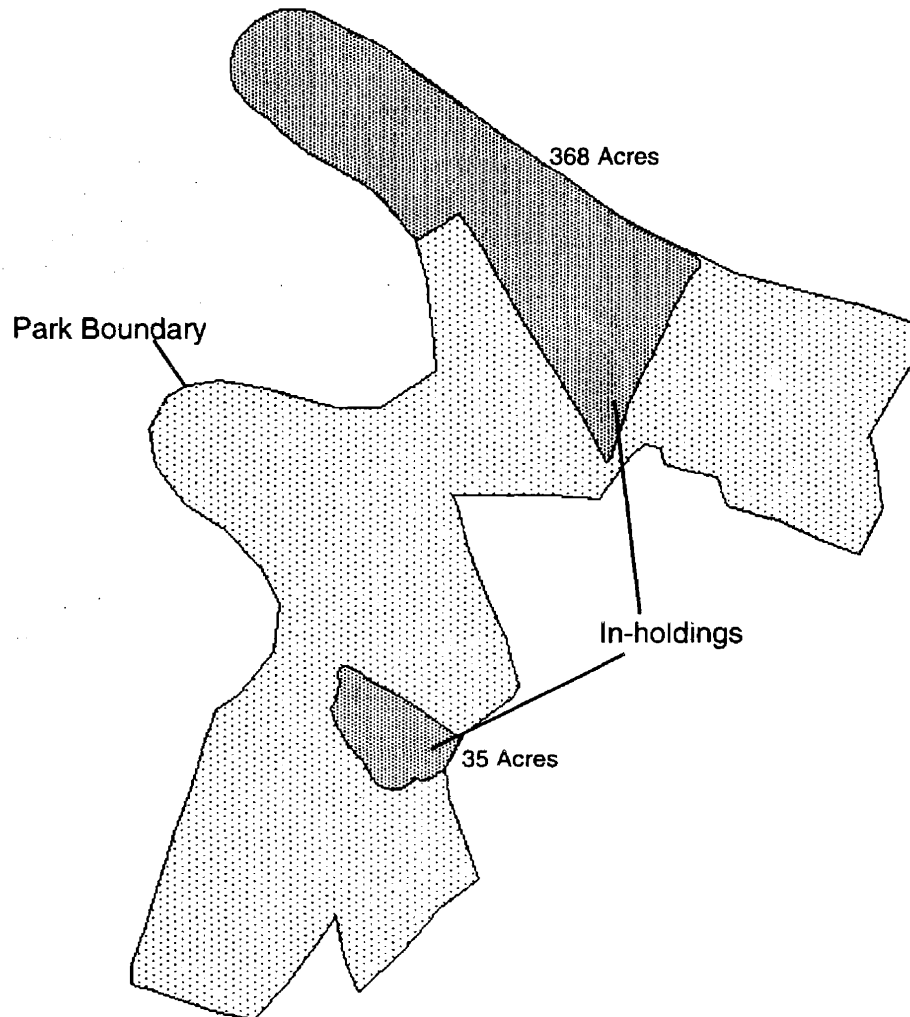


Figure 9

In-Holdings at Shenandoah River State Park



Note: Map is a simplified outline to show relative sizes and locations of in-holding areas.

Source: JLARC staff graphic, based on Shenandoah River State Park Development Plan, provided by DCR.

The other 3.1-acre parcel in this area of Belle Isle State Park is not developed and does not include a residence. Attempts to exchange land with this landowner in 1994 and 1995 fell through when the landowner became upset about a boat launch that was being built on the park. No efforts have been made to negotiate with this landowner since 1995.

* * *

At James River State Park, negotiations to purchase a 58-acre in-holding stalled in 1996 when the landowner wanted \$224,200, which was significantly more than the appraised value of the land (which was

\$125,500). Later that year, DCR purchased a separate 95 acre in-holding on this park for \$396,000. The department could have had the in-holding re-appraised to determine whether it was now more valuable because the park owned the land around it. This was not done. Instead, DCR plans to spend \$160,000 from the James River acquisition budget on land in Amherst County to be leased to the City of Lynchburg for recreational purposes.

* * *

At Shenandoah River State Park, the resident of a 35-acre in-holding was forced off the property due to a house fire in March 1997. According to the park manager, the house is not habitable and it does not appear the landowner will make the improvements needed. Prior to the fire, the land, including the house, was appraised for \$79,250. No efforts have been made by DCR to negotiate with the landowner since 1995.

Despite the in-holdings, DCR has determined that no remaining acquisition funds may be used to purchase these parcels.

Opportunities to Expand the New Parks by Purchasing Adjacent Land Have Not Been Pursued. In addition, in the last several months, DCR has had four opportunities to pursue the acquisition of land that borders the new State parks and would add considerable benefits for the parks. However, DCR management has stated that the remaining land acquisition funds will not be used for this purpose, and they have not pursued these opportunities.

The opportunities for acquisition that DCR did not pursue include:

At Shenandoah River State Park, the landowner of a five-acre parcel of land that borders the park on two sides recently approached the department about selling his land. Ownership of this land could make it easier for DCR to build roads on the park because of more beneficial terrain on this parcel. Further, the parcel includes a three bedroom house and a detached garage. The house could be used for park staff and the garage could be used for an office. Although no appraisals were done, according to DCR staff the tax value of the house and property for sale is \$130,000. Currently, the department is paying \$900 per month for the park manager to rent an off-site house with a den for an office because there is no house or office on the park. In addition, DCR has earmarked \$150,000 to build a new park manager's house on the park. The budgeted cost of the new park manger's house plus the \$900 per month rent the department has been paying are greater than the costs of the house already on the parcel, and thus it appears that cost savings could have been achieved from purchasing this land.

* * *

Also at Shenandoah River State Park, a 22-acre parcel of land with a four bedroom house is currently on the market for \$195,000. This property borders the southeast part of the park on two sides. DCR has not pursued negotiations with the landowner.

* * *

Also at Shenandoah River State Park, the department was notified in May 1997 that 450 acres of land adjacent to the park was available to the department. The land includes 2.5 miles of river front, a private campground with two concessionaires, and roads leading to the Shenandoah River. According to DCR staff, the landowner is asking \$1 million for the land. The department has concluded that no funds may be used for this purchase and has not appraised the land or pursued negotiations.

* * *

At James River State Park, the landowner of a 148-acre parcel adjacent to the park approached DCR in June 1997 expressing interest in selling his land. According to DCR staff, purchasing this land would enable a trail to be extended, it would allow easier access to the river without having to build as many roads, and it includes a two bedroom residence that could be used for park housing. In 1996 the land and residence had been appraised for \$220,000. According to DCR staff, the landowner is asking around \$300,000. The department has not pursued any negotiations with the landowner. However, \$150,000 has been earmarked to build a new staff residence on this park.

Therefore, in addition to increasing the amount of land, facilities, and water access for the new parks, these acquisitions would have provided opportunities for cost savings and enhanced the parks' potential to generate revenue. Owning the buildings on these areas could have enabled the department to build fewer residences and offices for the new parks. Further, DCR could have rented the concessions at Shenandoah River State Park to generate revenue for the department, which is the Division of State Parks' only performance measure.

Sufficient Funds Were Available to Pursue These Acquisitions. According to the director of the Division of Planning and Recreation Resources, which oversees DAC, as of July 1997 no funds remained for any acquisitions because all of the remaining acquisition funds had been earmarked for construction, and were being obligated at that time. However, as of August 1997, more than \$7 million of the acquisition funds had not been obligated, and \$10.7 million of the acquisition funds had not been spent. Therefore, it is clear that sufficient acquisition funds were available prior

to and during the summer of 1997 for the department to pursue additional acquisitions if it had chosen to do so.

DCR's Bond Expenditures Need to Be Further Reviewed

A number of factors have suggested that DCR's activities with regard to the administration of the Park and Recreational Facilities Bond need to be further reviewed. In a recent audit report, the Auditor of Public Accounts (APA) criticized the department for inappropriately spending Bond funds. Further, this review by JLARC staff has identified additional questions regarding the department's compliance with the intent of the Acts of Assembly, significant transfers of funds among projects, and questions regarding specific project expenditures. Therefore, Bond counsel and the APA need to become further involved in DCR's administration of the Bond.

A Recent Auditor of Public Accounts Audit Criticized DCR's Bond Expenditures. The Auditor of Public Accounts' audit of DCR dated June 20, 1997 included two findings of inappropriate Bond expenditures by DCR. The audit reported that DCR inappropriately spent funds designated for park acquisition on a boat launch and a boat parking area at Belle Isle State Park, and on a parking system at James River State Park.

According to the audit, "The use of acquisition funds for parking facilities and launch ramps, prior to receiving the Governor's approval are violations of the 1992 bond referendum." This conclusion was made based on the Bond counsel's interpretation of the General Assembly's intent for the acquisition funds. The Bond counsel ruled that acquisition funds could be used for basic infrastructure such as roads and utilities, but not further development such as parking lots, boat launches, and other facilities.

Review by JLARC Staff Has Identified Additional Questionable Expenses. Questions are raised in this report regarding whether DCR acted in compliance with the intent of the Acts of Assembly when changing the environmental education center at Smith Mountain Lake State Park to a lodge, and when taking \$715,000 out of the Natural Tunnel environmental education center budget for an amphitheater renovation project. Therefore, Bond counsel should determine whether these changes are in accordance with the intent of the law. As of September 1997, construction had not begun on these projects.

In addition, JLARC staff have identified some Bond expenditures that may be legitimate, but are questionable. For example:

An employee residence at New River Trail State Park in Carroll County built in 1996 was appraised for \$70,000. However, it cost the department \$124,147 to construct this house.

* * *

The park construction agreement for a campground renovation at Occoneechee State Park budgeted \$2,500 for a design and \$5,000 for construction, in addition to the \$82,910 for the park's construction budget. The park manager reported that he was never given a design for this project, and there was no construction on this project other than by the park. The park manager was not aware of how the money was used by the department.

* * *

The park construction agreement for a picnic shelter at Occoneechee State Park budgeted \$10,250 for the design. The only design the park manager received was a one page sketch that included directions for building the shelter.

Further, DCR's internal auditor reviewed a sample of ten DAC files and the system of internal controls over the active construction and acquisition projects. The auditor's report, which was released in November 1997, cited a number of problems including:

- incomplete project files,
- several change orders that did not have an explanation of the reason the change order was needed,
- the cost codes used to capture real property acquisition costs in the Commonwealth Accounting and Reporting System were not reconciled to the information provided to the Fixed Assets Accounting System coordinator, and
- a duplicate payment of \$3,414 to a vendor.

DCR Is Transferring Funds Among Many Projects. As previously indicated, in 1995 DCR re-scoped all the projects that had not been constructed. As a result, many of the project budgets were changed, and DCR transferred funds within project categories among many projects to accommodate this. In addition, as projects are completed, if funds remain within the project budget, they are also transferred to other projects. As a result, many transfers of funds among projects have occurred. Given DCR's history of problem audit reports, the potential for errors exists when this much movement of funds is occurring.

Therefore, Bond counsel and the APA should further review DCR's administration of the Bond projects. The Bond counsel should rule on DCR's compliance with the intent of the Acts of Assembly, and the Auditor of Public Accounts should focus on the Bond expenditures as part of their next audit of DCR.

Recommendation (12). The Department of Conservation and Recreation should consult with the Bond counsel to determine whether it acted in accordance with the Acts of Assembly in using funds for the Smith Mountain Lake and Natural Tunnel environmental education center projects for purposes other than for environmental education centers.

Recommendation (13). The Auditor of Public Accounts should review the Department of Conservation and Recreation's Bond expenditures as part of their next audit of the department.

THE RUSH TO COMPLETE THE PROJECTS BY DECEMBER 1998 RAISES CONCERNS ABOUT THE QUALITY OF THE PROJECTS

When the Bond was passed in 1992, DCR set an internal goal to complete all the projects by December 1998. Despite the considerable delays that have occurred, DCR states an intention to hold to this deadline. As a result, there is currently a considerable rush to move all the remaining projects through the capital outlay process, and there appears to be a department policy to emphasize the quantity of projects completed over the quality of the projects. Many problems with the projects have ensued. Therefore, the department should set a new goal that will require expeditious actions to complete, but which will not compromise the quality of the work.

It Does Not Appear Realistic or Necessary for the Department to Achieve This Goal

Despite the significant delays that have occurred, the department is holding to its original goal to complete all the Bond projects by December 1998. As previously indicated, DCR had only spent 46 percent of the Bond funds and had only completed or canceled 43 percent of the projects during the first four and one-half years after the Bond was passed. Now, DCR plans to spend the remaining 54 percent of the funds and complete 58 percent of the projects in less than a year and a half. Although DAC's staffing and organization have improved, completing more than 50 percent of the projects in less than a year and a half appears to be a considerable task.

There is no legislative requirement directing that the projects be completed by December 1998, nor is there a deadline for when the Bonds must be issued. In fact, DMHMRSAS capital outlay staff indicated that the Mental Health Facilities Bond projects will not be completed until December 1999. Thus, it does not appear that DCR has to complete the projects by December 1998, other than to meet its internal goal.

The Push to Complete the Projects Appears to Have Contributed to a Number of Problems During the Past Year

To meet its internal goal, staff from both the Design and Construction Section and the Division of State Parks have reported that DCR management is emphasizing the goal of completing the projects by December 1998 over the quality of the projects. For example:

A Design and Construction employee reported that there is currently a tremendous push to get things done. As a result, he said they "tend to do stupid things." For example, they will now shave time by advertising a project for bid before the design is completed. He said that in the long-run this could cost more and cause delays because it increases the probability of change orders during construction.

* * *

Another Design and Construction employee reported that he had been told by his supervisor to emphasize quantity over quality.

* * *

Many Division of State Parks' staff report that efforts to increase their involvement in the design and construction process and recommend changes to facilities to better suit the needs of the parks have been turned down due to the need to complete projects quickly.

In addition, according to the director of the Division of Planning and Recreation Resources, the number one priority of the agency is to complete the projects by December 1998. Also, the DCR internal auditor's report on the Bond projects noted that "there is significant pressure to complete all the bond projects by December 31, 1998..."

DCR's push to complete the projects appears to have contributed to a number of problems during the past year. Specific examples of problems that have occurred during the last year are listed below:

At Shenandoah River State Park, the road project was bid out before an erosion and sediment control plan had been reviewed and approved by DCR's Division of Soil and Water Conservation. Erosion and sediment measures subsequently had to be changed, and as a result, there have already been a number of additional work orders costing approximately \$200,000.

* * *

According to Division of State Parks staff, DAC had planned to begin dam renovation projects at Hungry Mother and Douthat State Park in the spring of 1997 and lower the lakes at these parks in June. This would have had a significant impact on the parks' operations, because among the primary attractions of both parks in the summer are their beaches and boat rentals. After considerable debate with DAC staff, Division of State Parks staff were able to convince DAC to delay the projects to avoid impacting the park operations during the summer. However, State parks staff report that considerable time was wasted debating this issue.

* * *

Further, DCR Division of Dam Safety staff indicate that construction to repair the Douthat dam began in August 1997 before the dam was safely ready to be worked on. Dam Safety staff were alarmed at the time because excavation was planned to begin with heavy, vibrating equipment on an earth embankment with a full reservoir and no means to lower the water should any problems develop. In proceeding with the construction, Dam Safety staff informed DAC that the State parks, DCR, and the contractors were assuming a risk that was unwise and unnecessary. Dam Safety staff suggested that DAC wait one more week so that the reservoir could be lowered and the operation could proceed in a more appropriate way. They felt the consequences of a major incident were too high to take what they believed were unnecessary risks. Despite these concerns, DAC neglected to wait a week before beginning construction on the dam due to a desire to complete the project this year.

* * *

Several park managers reported that their input into the projects being designed for their park has decreased over the past several months. For instance, one park manager said that he was told by DAC staff that it was too late for him to have any input on a particular project because changes to the design would delay the process.

In these situations, projects will potentially be going over-budget, staff time has been wasted unnecessarily, and the needs of the parks are not being adequately addressed.

DCR needs to revise its priorities with regard to completing the Bond projects by better balancing the quality of the projects with the need to complete the projects. DAC now has the staffing level and the appropriate organization to effectively complete the projects. However, it does not appear that DAC can complete the projects by December 1998 without negatively impacting the quality of the projects. Therefore, DCR should revise its goal for completing the Bond projects.

Recommendation (14). The Department of Conservation and Recreation should revise its goal of completing the Park and Recreational Facilities Bond projects, based on an informed estimate of the time it will likely require to effectively and efficiently complete the work.

RECOMMENDATIONS FOR FUTURE BOND PROJECTS

Since this study has been conducted five years after the Park and Recreational Facilities Bond Act passed, many of the problems that have occurred cannot be alleviated. However, several recommendations can be made for future Bond projects that may be authorized to DCR, or to other State agencies.

First, the agency administering the Bond projects should spend ample time planning the projects prior to beginning the capital outlay process. In DCR's situation, few of the projects were adequately planned prior to the passage of the Bond. And, once the Bond passed, DCR staff spent minimal time planning the projects and proceeded rapidly into the design process, because they believed that the public expected to see immediate results after the referendum passed. Dispensing with a good planning process did not aid the department in achieving immediate results, and in fact appears to ultimately have contributed to a less productive beginning of the projects. Instead, DCR should have first spent several months adequately scoping and estimating the cost of the projects to determine what could be accomplished within budget.

Second, the agency should have up-to-date master plans for all facilities (and in DCR's case, for all parks). If DCR had up-to-date master plans for all its parks, it would have assisted the department in planning for the Bond projects, and it would have provided blueprints for DCR staff to review when the projects were being designed.

Third, the agency should identify and request the appropriate number of full-time staff needed to manage the design and construction process (restricted, or fixed tenure, positions could be used for this purpose). Or, the agency should attempt to privatize the management of the projects to an architectural and engineering firm, which would then be held accountable for the progress and quality of the projects. Based on DCR's recent experience, using wage staff to supplement an agency's design and construction staffing level can be problematic due to turnover, and may not be a desirable alternative.

Fourth, the General Assembly may wish to be more specific when developing language for certain Bond projects in the Acts of Assembly. For example, the Park and Recreational Facilities Bond Act defined one of the projects as "Acquisition of land for parks." It was unclear whether this included infrastructure and development of the parks. Bond counsel had to be consulted to interpret the intent of the General Assembly. Ultimately, the Bond counsel's definition differed from the definition used by DCR staff during the planning for the Bond projects, which included development of the new parks.

IV. Soil and Water Conservation Programs

The Department of Conservation and Recreation (DCR) operates a number of programs which address the impact of land use on water quality. These programs aim to reduce nonpoint source pollution of Virginia's waters, including the Chesapeake Bay. Determining the impact of nonpoint source pollution prevention efforts is inherently difficult given the diffuse nature of nonpoint source pollution. Reduction efforts do not generally lend themselves to a regulatory approach, as with point source pollution. Rather, there appears to be general agreement that addressing the problem requires a wide range of approaches, and ultimately reductions are dependent on the voluntary land use practices of individuals and entities which undertake land-disturbing activities.

This chapter primarily examines the programs of the Division of Soil and Water Conservation (DSWC), which houses DCR's programs to address the impact of land use on water quality. However, because dam safety has traditionally been considered a soil and water conservation program (and was housed in the Division of Soil and Water Conservation until last year), issues pertaining to the Division of Dam Safety are also included in this chapter.

From a review of the soil and water conservation programs, it appears that the agency has an appropriate range of programs and the programs are generally operating well. However, the division's efforts to address nonpoint source pollution are hindered by a number of structural and non-structural problems. In particular, adequate staff resources appear to be lacking, especially in light of the division's increasing responsibilities. Further, while the division has begun refocusing its field offices to provide a more comprehensive watershed approach to nonpoint source reduction efforts, much work remains to fully coordinate the various programs.

To improve program coordination, increased attention needs to be given to strategic planning and tracking of nonpoint source pollution prevention activities along watersheds. There is currently no framework which ties together the various activities undertaken in each watershed. Through strategic planning, DCR can better coordinate and target its limited resources to the activities with the greatest chance of impacting nonpoint source pollution in each watershed. By tracking the activities undertaken, DCR can better assess the benefits achieved by the nonpoint source reduction efforts.

A number of the division's responsibilities are carried out, in part, through local soil and water conservation districts (SWCDs). This review found that the role of the districts in implementing nonpoint source programs needs to be reviewed in light of increasing responsibilities being placed on them. Within DCR, efficiencies would be achieved by moving the Dam Safety Program into the Division of Soil and Water Conservation instead of maintaining it as a separate division. These issues are discussed in this chapter. In addition, it appears that DCR's efforts to address nonpoint source pollution could be improved through the streamlining and better coordination of cer-

tain water pollution prevention activities across agencies. These structural issues are addressed in the JLARC report, *Structure of Virginia's Natural Resources Secretariat*, issued concurrently with this report.

DIVISION ADDRESSES NONPOINT SOURCE POLLUTION PREVENTION THROUGH A BROAD ARRAY OF PROGRAMS AND ACTIVITIES

The DSWC operates a wide range of programs intended to promote soil and water conservation, and particularly the reduction of nonpoint source pollution. Nonpoint source pollution is water pollution from such substances as sediment and nutrients that are carried to waterways by rainfall or snowmelt moving over and through the ground. (Point source pollution, in contrast, is pollution which is delivered to waterways from a single discharge point such as an industrial discharge pipe.) Section 10.1-104.1 of the *Code of Virginia* designates DCR as the lead State agency for nonpoint source pollution prevention efforts.

While point source pollution programs are usually regulatory, programs to address nonpoint source pollution are generally voluntary. They rely on the cooperation of citizens and educational outreach in order to reach their goals. In particular, many of the DSWC's programs support stewardship practices by individuals or provide assistance to local governments with resource management issues. The division has made progress towards voluntary implementation of these programs. However, new and emerging responsibilities are putting an added strain on already limited staffing resources, threatening the ability of the division to effectively operate. To better position the division to meet these new responsibilities, the division has begun to reevaluate the way it provides programs at the field level. If well planned, this effort should result in an enhanced ability to address nonpoint source pollution problems at the local level.

Division of Soil and Water Conservation Programs and Activities

Nonpoint source water quality degradation can be caused by a wide range of activities. In order to address the many causes of nonpoint source pollution, prevention activities must also be numerous. The DSWC has programs directed at both urban and agricultural causes of nonpoint source pollution. In addition, it administers grant programs which allow locally-based community groups to participate in efforts to improve water quality in their watersheds. While most of the division's programs focus on nonpoint source pollution prevention, two of its programs (Floodplain Management and Shoreline Erosion Advisory Service) also focus on the protection of property from loss due to flooding or erosion.

Exhibit 2 lists the programs and activities undertaken by the division. For management purposes, the division's programs are grouped into three bureaus. The Bureau of Urban Programs contains the Erosion and Sediment Control (E&S) Pro-

Exhibit 2**Division of Soil and Water Conservation Programs**

- Erosion and Sediment Control
- Erosion and Sediment Control Training and Certification
- Stormwater Management
- Floodplain Management
- Virginia Agricultural Best Management Practices (Cost-share and Income Tax Credit) Nutrient Management
- Nutrient Management Training and Certification
- Soil and Water Conservation District Financial and Technical Assistance
- Nonpoint Source Program Management
- Dam Safety Engineering Assistance to Soil and Water Conservation Districts
- Shoreline Erosion Advisory Service and Other Riparian Management
- Public Beaches Assistance
- Analysis of Nonpoint Source Pollution Data (Nonpoint Source Watershed Assessment, Modeling, and GIS)
- Management of Federal and State Grants for Chesapeake Bay and Nonpoint Source Pollution Prevention Efforts
- Tributary Strategies Development
- Development of Strategies to Address Nonpoint Source Impaired Waters
Soil Survey
- Executive Memorandum 4-(93), Conservation Treatment of State-Owned Lands

Source: JLARC staff interviews with DCR DSWC staff.

gram, Stormwater Management (SWM) Program, and Floodplain Management Program. The Bureau of District and Landowner Services houses the Nutrient Management Program and various assistance programs for the soil and water conservation districts. The Bureau of Nonpoint Source Programs is responsible for the State's Nonpoint Source Management Program, and the division's databases and geographic information system (GIS), non-point source grant programs, the Agricultural Best Management Practices (Cost-share and Income Tax Credit) Program, Chesapeake Bay tributary strategies work, and the Shoreline Erosion Advisory Service Program. DSWC program staff are housed in Richmond as well as in eight regional offices across the Commonwealth.

Programs Are Making a Contribution to Nonpoint Source Pollution Prevention Efforts

DCR has developed a wide range of programs to address the causes of nonpoint source pollution. As the lead State agency for nonpoint source pollution prevention, the agency houses the majority of State programs which address this issue. As discussed later in this chapter, there are difficulties with assessing the impact of nonpoint source pollution prevention activities on water quality. However, overall the division's programs appear to reach a wide audience, from local governments to agricultural producers to local watershed groups, and the programs are well received by their clients. For example:

The primary responsibility of the division's field operations managers is to provide assistance to the soil and water conservation districts within their jurisdiction. Field operations managers focus their activities on assisting the districts with implementing programs and with administrative matters. Interviews with district staff revealed that, overall, they are very satisfied with the level of assistance they receive from the field operations managers and other DCR field staff. There was a general consensus that the field staff provide a high level of service. The field staff were reported to be very knowledgeable about the programs and highly responsive to requests for assistance. Without the assistance provided by the DCR field staff, it is questionable whether many of the districts could operate at the level they do now.

* * *

The Virginia Agricultural Best Management Practices Program, also known as the cost-share program, reimburses agricultural producers for a portion of the cost of installing certain best management practices (BMPs) which minimize the degradation of water quality. The cost-share program is implemented through the State's soil and water conservation districts in the Chesapeake Bay basin.

In the past two fiscal years, DCR has allocated over \$2.1 million to districts for the installation of almost 1,500 BMPs by landowners. These practices are helping to conserve Virginia's natural resources by reducing the amount of nutrients, sediment, and toxins entering the surface and groundwater. In addition to the funds, DCR and district staff also provided technical assistance to the landowners.

* * *

Through its grant programs, DCR provides funding to local groups, universities, and others for a variety of nonpoint source pollution prevention activities, including: watershed projects which examine the effectiveness of BMPs, research into alternative reduction approaches,

field days and other efforts aimed at educating the public as to the causes of and strategies to reduce nonpoint source pollution, and development of Chesapeake Bay tributary strategies.

These efforts indicate a clear contribution by DCR to Virginia's nonpoint source pollution prevention efforts.

New and Emerging Responsibilities Are Challenging the Division

In addition to the wide range of programs the division already performs, there are a number of new and emerging responsibilities which the division is expected to address. These responsibilities include development of Chesapeake Bay tributary strategies, implementation of the Water Quality Improvement Act, and development of strategies for addressing waters impaired due to nonpoint sources. These new responsibilities are straining the staffing resources of the division. And, it appears that some additional activities have the potential to increase the division's workload even more.

Development of Tributary Strategies. In 1983, Virginia, Maryland, Pennsylvania, the District of Columbia, the Environmental Protection Agency, and the Chesapeake Bay Commission formally agreed to undertake a cooperative effort to restore and protect the Chesapeake Bay. One of the cornerstones of this effort began with the Bay Agreement of 1987, which provided that the parties would "begin implementation of a basin-wide strategy to equitably achieve by the year 2000 at least a 40 percent reduction of nitrogen and phosphorus entering the main stem of the Chesapeake Bay."

Amendments to the Chesapeake Bay Agreement in 1992 required the signatories to develop strategies for achieving the reduction goal for each of the tributary rivers of the Bay. To meet this requirement, Virginia is developing tributary strategy documents for four river basins as well as the eastern and western coastal basins. The Potomac-Shenandoah Tributary Strategy document was issued in December 1996. The remaining tributary strategies are currently being developed. Section 2.1-51.12:2 of the *Code of Virginia* sets a timeline for completion of all of these documents by January 1, 1999. (See the 1997 JLARC report titled *Virginia's Progress Toward Chesapeake Bay Nutrient Reduction Goals* for further discussion of Virginia's tributary strategies.)

DCR, DEQ, and CBLAD are working cooperatively in the development of the strategies. DCR has devoted one full-time position and portions of at least two additional positions to the tributary strategy effort. Staff responsibilities include: data collection and analysis, including computer modeling; working with local groups in the identification of additional best management practices that would be appropriate for implementation; and preparation of written strategy documents. These responsibilities have been undertaken without additional staff assigned to the division.

Implementation of the Water Quality Improvement Act and Fund. The 1997 General Assembly passed the Water Quality Improvement Act (WQIA), which creates a fund for use in projects aimed at implementation of the tributary strategies

and other approaches to reducing and/or preventing water pollution. The General Assembly allocated \$10 million to be used to address point source pollution and \$5 million to address nonpoint source pollution for FY 1998. In the Act, DCR is given lead responsibility for coordinating projects addressing nonpoint source pollution. The Act stipulates that none of the funding can be used for administration of the Water Quality Improvement Fund. Therefore, DCR and other agencies have had to take on this responsibility without added resources.

For the FY 1998 funds, DCR received 89 applications totaling over \$8 million in requests for funding. In addition to conducting administrative work associated with processing the applications, DCR staff chair a grants review committee consisting of staff from DCR, DEQ, CBLAD, the Department of Forestry, the Virginia Department of Agriculture and Consumer Services, the Virginia Marine Resources Commission, and the Department of Health. This committee is responsible for making recommendations to the DCR director concerning which projects to fund and which State agency should oversee each project. Based on this process and the Secretary of Natural Resources' final determination concerning project management, 34 watershed projects and 36 cost-share contracts with soil and water conservation districts will be funded for FY 1998. DCR will be responsible for overseeing all contracts, and for directly managing all cost-share contracts and a majority of the water quality improvement projects.

Development of Total Maximum Daily Load (TMDL) Strategies for Nonpoint Source-Impaired Waters. States are required by Section 303(d) of the Clean Water Act to develop biennially a list of impaired waterways in their states. This is commonly called the 303(d), or TMDL, list. States are then required to develop total maximum daily loads that must be achieved for each waterway on the list. The Environmental Protection Agency (EPA) has recently begun stressing the development of TMDLs, calling on states to:

[develop] an appropriate schedule for the establishment of TMDLs for all waters on the most recent section 303(d) list, beginning with the 1998 list.... These State schedules should be expeditious and normally extend from eight to thirteen years in length.

States are supposed to submit their comprehensive schedule to the EPA by April 1, 1998.

In Virginia, DEQ has responsibility for development of the 303(d) list and subsequent TMDLs. For the 1997 303(d) list, 1,456 miles of streams were identified as impaired – 28 miles impaired primarily due to point sources, 38 miles attributed to combined sewer overflows and urban nonpoint sources, 1,203 miles due primarily to other nonpoint sources, and 187 miles due to unknown sources.

Since most of the stream segments on the list are identified as impaired due to nonpoint sources, DEQ and DCR have recognized that DCR needs to be involved in the development of TMDL strategies for these waterways. While a few TMDL-related

projects have been funded through the Clean Water Act nonpoint source grant program to collect some basic data, DEQ and DCR staff reported that a greatly increased level of effort will be needed to develop the nonpoint source TMDLs within the overall schedule outlined by the EPA. The agencies are currently in the process of determining what DCR's role will be. However, it does not appear that DCR currently has the staff resources to undertake this major effort, as required by the EPA. (This issue will be discussed more fully later in this chapter.)

Additional Factors Which May Impact Division Workload. In addition to the new DCR duties just discussed, there are some emerging situations which have the clear potential to increase the division's workload. First, DCR is in the process of revising its stormwater management regulations. Several local governments have expressed interest in developing local stormwater management programs based on the revised regulations. Therefore, the work of the stormwater management staff in assisting local governments may increase once these regulations are finalized.

In addition, a recent adoption statement on riparian forest buffers at the 1996 Chesapeake Bay Executive Council calls for the planting of 610 miles of forested riparian buffer in Virginia's portion of the Bay basin by the year 2010. While the Department of Forestry is the lead agency for this initiative as it pertains to tree planting, the ultimate goal of the initiative depends on proper riparian management. DCR staff have taken the lead, in cooperation with other agencies' staff, to conduct several workshops on riparian management. Attendees to these workshops include other State agency staff, federal and local government staff, soil and water conservation district staff, and managers of small watershed projects. The goal is to develop local networks of staff across the State who can work cooperatively on local riparian problems, and ultimately reduce nonpoint source pollution due to eroding streambanks. It may be desirable to increase this type of work to achieve the intent of the riparian buffer initiative.

Another issue which needs to be monitored is the federal government's role in assisting farmers in reducing and preventing nonpoint source pollution due to agricultural practices. The Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture assists farmers through numerous cost-share and technical assistance programs. Through a memorandum of understanding, NRCS, DCR, and the local soil and water conservation districts (SWCDs) have created a "partnership" to ensure that the agencies work together to provide assistance to clients. However, NRCS staffing has recently declined considerably. While NRCS used to have an office in every county, as of April 1997, there were only 54 offices statewide.

The impact of further decreases in NRCS staff on Virginia's efforts to reduce nonpoint source pollution caused by agricultural practices (a critical component of efforts to reach the 40 percent pollution reduction goals for the Chesapeake Bay) will need to be closely monitored. Virginia may need to consider adjustments to its strategies and level of agricultural assistance provided through DCR in light of this development.

Division Has Begun Moving Toward Watershed-Based Approach to Field Work

Nonpoint source program staff and academic literature on nonpoint source pollution prevention suggest that there is a national trend toward a watershed approach to addressing water quality issues. This approach is supported by the U.S. EPA. As reported in a recent EPA guidance concerning TMDLs, the EPA Assistant Administrator stated that:

We are making the transition from a clean water program based primarily on technology-based controls to water quality-based controls implemented on a watershed basis.... If we are to achieve clean water everywhere...we must continue to build capacity to identify remaining problem areas and fix each problem on a watershed-by-watershed basis.

This approach appears appropriate for Virginia's nonpoint source programs, which generally rely on voluntary, cooperative efforts at the local level to effect nonpoint source reductions. Specifically, it will allow the division to focus its resources, to the extent possible, where they are most needed – on impaired waterways. Particularly in light of the WQIA and other recent water quality initiatives, it will be critical for the division to track, on a watershed basis, the pollution prevention activities being undertaken so that an assessment may be made as to the impact of these activities on water quality. A watershed approach will allow the division to gauge its performance on outcome-based measures such as water quality improvements on particular waterways. Currently, its performance relies heavily on whether each program is reaching goals such as the number of plans written or the number of site plans reviewed.

The division has been discussing a move toward more of a watershed-based approach to its nonpoint source pollution prevention programs at various times during the past several years. In late 1996, new boundaries were drawn for the field offices so that all field staff within the same office would have the same territory. These new boundaries were approved by the Department of Planning and Budget in December 1996 and became effective on July 1, 1997, with an expected one-year transition period following. Prior to uniform service areas, the field staff from each of the division's programs, while based out of the same offices, covered different service areas.

In the Spring of 1997, all division staff were notified of the new service area boundaries and planning was begun to identify how the integration of field office programs would be accomplished. The division director reported that he expects each field office to "take ownership" for the watersheds within the office territory, and work together to identify nonpoint source pollution problems and implement approaches to ameliorate those problems in each watershed. This approach is particularly appropriate for the grant programs. According to the division director, this strategy would better support community groups which are typically formed to address concerns with individual watersheds. The combined expertise of DCR staff across programs could be brought together to support the efforts of these local watershed groups. As will be

discussed later in the chapter, the initial efforts undertaken in setting the uniform service areas were problematic, and it is too early to tell whether the current efforts will effect meaningful improvements in service delivery. However, with proper planning these efforts appear promising.

NON-STRUCTURAL LIMITATIONS TO IMPROVED PERFORMANCE

Based on DEQ's TMDL (303d) list, it is clear that there are significant water quality problems in the State attributable to nonpoint sources. For example, an analysis of DEQ data by JLARC staff found that from FY 1988 to FY 1995, more monitoring stations reported increases in fecal coliform bacteria, which is often associated with nonpoint source pollutants, than reported decreases. Further, as documented in the Shenandoah-Potomac Tributary Strategy document and JLARC staff's report on that tributary strategy document, there is much nonpoint source work to be accomplished to meet the nutrient reduction goals in the Chesapeake Bay Agreement.

While the nonpoint source pollution reduction task is significant, there are a number of limitations which are preventing DCR from fully meeting the nonpoint source challenges. First, the division's staff are being strained beyond their ability to effectively meet all responsibilities assigned to the division. Second, there has been a lack of adequate strategic planning at all levels of the division. As a result, programs have not been utilized to their full potential. Third, the division lacks adequate tracking and other mechanisms to be able to assess the impact of its activities.

Division Has Been Hindered by Staffing Limitations

Significant programs in the DSWC have been created in the last decade. As a result, the division grew substantially in a relatively short period of time. For example, the erosion and sediment control program added an 11-position field staff presence in 1989. And, programs for nutrient management and stormwater management were created in 1989. Staffing for the division peaked at 87 full-time positions in 1990, and has been declining since then. The 1993 DPB report on DCR generally reported that the division's programs were adequately staffed. However, since that time positions have declined further, while new duties have been added to the division, as discussed previously.

The decline in positions and increase in responsibilities appears to be negatively impacting the division's ability to carry out its work. Further exacerbating the situation is the fact that some key division positions have been left vacant for extended periods of time in recent years. In addition, the division suffers from a lack of secretarial and program support positions, which detracts from program staff's ability to focus on technical responsibilities. These staffing problems need to be addressed to ensure the division can adequately accomplish its functions.

Staffing Levels Have Declined in Recent Years. The DSWC's core set of responsibilities was fairly stable during the early to mid-1990s. However, since first increasing its staff for its core programs in the late 1980s, the division's staffing has been in a state of decline. Excluding dam safety (which was transferred to another division), the division has lost 15 percent of its full-time MEL staff (13 positions) since 1990 (Table 12). Many of these staff losses occurred during the two State employee buy-out programs in 1992 and 1995. There has also been a slight decrease in the full-time equivalent wage staff used by the division.

Table 12

Division of Soil and Water Conservation Staffing

Year	Maximum Employment Level*	Full-Time Equivalent Wage Staff (Yearly Average)
1990 {**	87	N/A**
1993	83	7.7
1994	83	6.6
1995	75	6.5
1996	74	4.1
1997	69***	4.8

*Maximum employment level data are as of July of each year.

**Data not available.

***Five positions for the Dam Safety Program were taken out of the DSWC in September 1996.

Source: JLARC staff analysis of Department of Conservation and Recreation data.

It appears that division leadership eliminated management positions where possible, while trying to minimize cuts to program staff. However, given the magnitude of the staffing reductions, several program staff positions have necessarily been eliminated. As a result, most of the division's programs have had decreases in technical positions. Correspondingly, 87 percent of DSWC staff responding to the JLARC staff survey of DCR employees reported that their workload had increased since joining DCR. Only two percent reported declines in workload, while 11 percent reported no change in workload. Further, almost half of the staff reported having too many responsibilities to effectively complete their work.

Key Positions Have Been Left Vacant for Extended Periods. The loss in division positions has been exacerbated by extended vacancies in recent years. Of the 22 division positions which were vacant at some point during the past five years, seven positions remained vacant for one year or longer and an additional seven were vacant for between nine and 12 months. In addition, the average length of time positions

remain vacant appears to have increased over time. Between January 1991 and December 1993, the average length of time positions remained vacant was four months. However, between January 1994 and July 1997, the average length of time positions remained vacant had risen to 11 months.

Two of the positions with extended vacancies were bureau manager positions. The Bureau of Nonpoint Source Programs manager position has remained open for just over one year (and is still currently vacant), while the Bureau of Urban Programs manager position was vacant for 17 months. DCR top management reported not authorizing these positions to be filled because they were undecided on whether the positions would be moved to the field. However, it is unclear why upper management positions within the division should be located in the field. These positions are needed in the central office to provide direction to the programs within each bureau, as well as to provide coordination both between bureau programs and between bureaus.

Extended vacancies have also occurred in program-level positions. For example:

One of the field staff positions in the Erosion and Sediment Control (E&S) Program was vacant for 20 months. This vacancy impacted three other field staff as the work of the vacant position had to be divided among the other E&S field staff in that area of the State. For one of the field staff, this additional work resulted in that person being responsible for overseeing 25 local programs. This is a large number of localities to adequately oversee and assist. The staff person reported that less attention necessarily was given to each locality. This type of situation is troubling given that there are problems with local compliance, as will be discussed later in the chapter. It is particularly important that field staff devote significant attention to the local programs to help them improve.

* * *

One of the two remaining field positions in the Shoreline Erosion Advisory Service (SEAS) Program (three of the positions have been cut) was vacant for 30 months. Therefore, the other field staff person had to cover the whole eastern portion of the State during that 30 months. The program manager reported that response times to address citizen requests increased as a result. When the vacant position was finally filled, the new staff person was faced with a backlog of approximately 50 requests for assistance.

* * *

The E&S program currently operates with 11 field staff positions. These staff, along with the five Stormwater Management program staff, are supervised by two program manager positions. However, one of the

program manager positions has been vacant for 34 months. To compensate for the vacancy, the program manager for the Floodplain Management Program has provided some management assistance regarding administrative matters. Otherwise, the primary program manager has been responsible for all programmatic oversight. This arrangement has created confusion at the field staff level.

While this arrangement may be understandable for a short period of time, it appears inappropriate to allow this structure to continue for the 34 months that the other manager position has been vacant. Further exacerbating this situation is the fact that the bureau manager position within which the programs are located was vacant for 17 months.

Staff reported that, as a result of vacancies and position losses, they focus mostly on “putting out fires” as well as meeting minimum requirements of any mandated programs. Further, they focus on the specifics of their own programs, with little attention paid to the need for coordination or the potential for overlap with activities undertaken by other programs in the division.

This approach does not leave room for adequate strategic planning to determine how best to meet program and division objectives. It does not allow for staff time to identify ways to coordinate their efforts to achieve efficiencies and to focus on the best long-term approach to achieving the goals of the division. For example, several staff reported a lack of time to adequately develop watershed projects, and as a result there have been less-than-ideal projects funded through the division’s grant programs. In addition, very little staff resources are devoted to urban nutrient management, although urban areas have been identified as a significant source of excess nutrients flowing into the State’s waters. Only one-half of one staff person is currently devoted to this effort.

DCR needs to conduct a detailed examination of the division’s staffing needs in light of the additional duties being assigned to it and the significance of the nonpoint source issue to Virginia’s efforts to clean up the Chesapeake Bay. This examination should determine both field level and central office personnel needs. Department requests for additional staff should be based, in part, on this analysis.

Division Staff Report Inadequate Clerical Support. In addition to declines in technical program positions, administrative positions have been reduced over time. This decrease in program support positions has resulted in inefficiencies, according to division staff. For example, there are only two program support positions for the central office staff of two bureaus. These bureaus – Nonpoint Source Programs and Urban Programs – are responsible for some very paperwork-intensive activities, such as contract administration, federal reporting, and a training and certification program. Technical staff report that they have to perform many clerical responsibilities due to inadequate administrative staffing levels. These tasks take time away from what should be the focus of the program staff — their technical duties. With new responsibilities

such as the Water Quality Improvement Fund grant administration, which will likely result in substantial paperwork, this situation will only worsen.

Given the increasing responsibilities of the division, it is critical that staff time be spent in the most efficient way possible. Therefore, the division needs to determine the amount of clerical work being conducted by program staff and seek to hire administrative assistance for these activities.

Recommendation (15). DCR should conduct a detailed examination of the division's staffing needs in light of its water quality improvement and Chesapeake Bay nonpoint source pollution reduction responsibilities. This examination should determine both field and central office technical and support personnel needs. Department requests for additional staff should be based, in part, on this analysis.

Lack of Adequate Planning and Coordination at All Levels of Division Operations

With limited resources and the enormity of the nonpoint source pollution prevention task, it is imperative that division resources be targeted to activities and areas with the greatest potential for benefit. Currently, the division's ability to efficiently and effectively address nonpoint source pollution is hampered by a lack of planning and coordination across all programs within the division. While the programs are in place, they are not well integrated. Rather, each program generally works independently. Particularly with new, major initiatives such as the Water Quality Improvement Act, the division needs to carefully plan how best to coordinate its programs, especially grant programs, to ensure maximum impact.

The division has taken some steps recently to begin to focus its resources at the watershed level. This redirection of staff toward a watershed orientation has the potential to increase the effectiveness and efficiency of division programs, particularly grant programs and the assessment of program impacts. However, this effort requires careful planning, flexibility, and the full cooperation of division employees. Evidence suggests that the initial phase of this undertaking – the development of uniform service areas for all field offices – was poorly planned and implemented. Recently, the division has been working toward clarifying the goals of the effort and on developing implementation plans. However, attention still needs to be given to the structure of central staff functions to ensure that the watershed approach reaches its full potential. Further, strategic planning is needed to ensure resources at the division level as well as program level are focused on activities with the greatest potential for nonpoint source improvements.

The Reorganization to Uniform Service Areas Lacked Adequate Planning. The move to a watershed-based focus for DSWC programs is generally appropriate. However, the process through which the shift to uniform service areas occurred has been problematic due to inadequate planning. Prior to the delineation of new field

office boundaries, a clear vision for the new structure was not articulated to and understood by all staff, a formal analysis of workload was not conducted, and staff and client concerns were not adequately addressed.

The boundaries for the uniform service areas were determined through meetings with the agency deputy director and a group of DSWC central and field office staff during late 1996. The group was given three parameters to guide them:

- Set up boundaries that minimize the subdivision of planning district commissions or soil and water conservation districts.
- Give consideration to major travel corridors.
- Evaluate existing office locations.

It appears the map of the uniform service areas the group developed was similar to the regional office structure which existed several years ago. Without meaningful data to consider in its deliberations, it appears the group focused its efforts on minimizing disruptions to field staff, clients, and programs rather than identifying a structure which would best position the division to meet a specific set of objectives.

For example, the uniform service areas were determined prior to a detailed analysis of current staff workload across the State. While the agency's deputy director stated that a workload analysis for each program would be a step in the reorganization process, an analysis was not conducted prior to determining the new territories. In addition, if the overall goal of the change was to move to an integrated watershed management approach, then it appears that greater consideration should have been given to identifying critical problem areas for water quality. But, this examination was not undertaken either.

Further, several concerns expressed by staff that appear to legitimately deserve consideration were not addressed prior to the reorganization. Staff voiced concern that the change would result in an uneven distribution of workload and relationships with clients would be severed by the new boundaries. Some staff also did not understand the need for uniform service areas, as they saw little overlap between their clients and the clients of other division staff. DCR management did not address these concerns. In the end, several staff involved in redrawing the boundaries indicated that they believe their role was for appearance rather than substance.

It was not until the Spring of 1997 that the division, through group meetings, began to identify a clear vision and goals to be accomplished through a uniform service area structure. As previously noted, the division director envisions that each field office will "take ownership" for the watersheds within its territory, and work together where feasible to address identified problems in each watershed. A "transition team" was formed in August, consisting of eight division staff, to advise division management on issues pertaining to the implementation of uniform service areas. In particular, the transition team is charged with developing an implementation plan for the move to

uniform service areas. The process of developing uniform service boundaries would have been more meaningful if it had been conducted concurrently, or after, the strategic planning work currently underway. Therefore, as part of its deliberations the transition team should reexamine the uniform service area boundaries to determine whether the boundaries are appropriate to the goals and objectives of the division.

Recommendation (16). As part of its deliberations, the Division of Soil and Water Conservation Transition Team should examine the concerns raised by staff about the uniform service area structure and reexamine the uniform service boundaries to determine if any changes are needed.

There Is a Lack of Adequate Coordination Across Programs. The move to more of a joint effort to identify and address problems on a watershed-by-watershed basis will be a major departure for division staff. Currently, there is very little interaction across programs. This lack of interaction across programs is evident in the staff concerns about division communication, the lack of adequate division-wide strategic planning, and this study's identification of areas warranting further coordination, and has been further exacerbated by the extended vacancies in two of the bureau manager positions.

On the JLARC survey of DCR employees, 83 percent of the DSWC staff responding to the survey reported that communication within their workgroup was good. However, the percentage of positive responses dropped to 49 percent when DSWC staff were asked whether communication within the division was good. These responses suggest that problems with communication occur at a higher level than within individual programs. Examples of the type of communication deficiencies that were cited by DSWC staff include a lack of staff meetings, failure to coordinate training sessions and schedules, and failure to keep all members in the chain of command informed.

In addition to a lack of communication across programs, there is a lack of adequate strategic planning across programs. Until recently, the DSWC only had strategic plans for some of the individual programs and one of the bureaus. Without a division-wide plan, the opportunity for cross-program interaction is minimized. A strategic plan for the division was recently developed which generally addresses the responsibilities of each of the division's programs. However, the plan does not address issues that span program boundaries, nor identifies areas where coordination across programs could help them to reach division goals.

Based on interviews with division staff and a review of division activities, it appears that there are a number of areas warranting closer cooperation across program areas. For example:

Efficiencies could be achieved if there were some cross-training of staff with responsibilities for erosion and sediment control, shoreline erosion, and riparian management. With some training, erosion and sediment control staff could assist with citizen requests for assistance with non-tidal shoreline erosion problems in the western side of the State,

since there are no division shoreline erosion staff located there. Currently, staff report that citizens in the western side of the State have to wait up to six months for assistance due to limited staffing.

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Through the Floodplain Management Program, localities can obtain reduced flood insurance rates for their residents if they have local programs meeting certain requirements beyond those of the basic National Flood Insurance Program. One factor that qualifies a locality for the reduced rate program (called the Community Rating System) is having a stormwater management program. There are several localities which have either DCR or CBLAD-approved stormwater management programs which do not participate in the Community Rating System. Floodplain management staff could work with the stormwater management staff, as well as with CBLAD staff, to identify localities with stormwater management programs that could qualify them for the Community Rating System. In turn, the stormwater management staff could use the potential for reduced flood insurance rates as a "selling point" for garnering local government interest in adopting stormwater management programs.

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Three primary nonpoint source water quality grants are issued by the division, including Section 319 grants, Chesapeake Bay grants, and Water Quality Improvement Fund (WQIF) grants. Each has a different process for determining elements to be funded by the grants, including different review committees. These grant programs are not well integrated. For example, there is insufficient coordination to ensure that management of similar projects is assigned to the same staff. And, division staff often are not aware of what projects are being funded by each of the grants. This lack of information creates inefficiencies. Also, projects are managed by staff across the division; however, there are no written division guidelines for how projects should be managed.

In August, division management created a temporary grants management team to examine ways to better integrate the WQIF with the other grants. This grant team could also be charged with developing written project management guidelines and identifying ways to disseminate information on grant projects to division staff. Consideration should be given to creating a permanent grants team consisting of staff from all three bureaus as one mechanism for better communicating information about grant projects across the division.

One factor that appears to impact the ability of programs to work cooperatively is the lack of staff. Program managers reported that, under current staffing conditions, much of their time is spent "putting out fires." The extended vacancies of two of the bureau manager positions have contributed to coordination and communication problems, since these positions are responsible for coordinating activities across programs as well as communicating management decisions to program staff.

As noted previously, the division is moving toward a watershed-based approach to field work. While the move to uniform service areas appears appropriate, it needs to be combined with an effort to address the staffing problems and the lack of incentive for communication across programs that have led to communication and coordination problems. It should be feasible to address these problems while leaving the current reporting structure in place, however. The current reporting arrangement, in which the field staff report to central office program managers, has the benefit of providing for more consistent direction of program activities. The arrangement also functions without adding another level of bureaucracy between the central office and these staff, which could hinder communication further.

Rather, central office program managers should play a critical role in identifying avenues for and encouraging cooperation across programs, while at the same time, providing the expertise needed to support the field staff for each program. It is important to note that even with an overall watershed focus, there is still much work that is unique to each program. In particular, some of the division's programs have mandated components, such as erosion and sediment control plan reviews for all State agency projects. These responsibilities must be accomplished regardless of identified watershed priorities. Therefore, there needs to be a balance between the watershed approach and specific program objectives. The division's "transition team" for planning the watershed approach needs to consider these issues in its work.

Recommendation (17). DCR management should ensure that staff engaged in planning for the watershed-based approach seek to identify specific functions which could benefit from greater coordination across programs, while also identifying a balance between coordination needs and individual program needs. Further, consideration should be given to the creation of division-wide teams to address cross-cutting issues such as grant and project management, geographic information system (GIS) needs, and riparian management.

There Is a Lack of Adequate Planning Within Programmatic Areas. Division staff reported having to spend most of their time addressing immediate programmatic needs, and therefore lacked the time to conduct planning activities. This lack of planning is evident when examining the activities of various division programs. There are a number of cases in which program activities do not appear to be consistent with program priorities or for which program priorities are not clear. For example:

Nutrient management plans are written to address the amount, placement, timing, and application of manure, fertilizers, biosolids, or other

materials containing nutrients on specific sites. Proper implementation of the plans reduces the amount of nonpoint source pollution leaving the land while maintaining the productivity of agricultural operations. Interviews with field staff indicated that they are unable to write plans for all of the programs which require them, such as areas addressed by the tributary strategies.

There is a need to prioritize plan-writing to best accomplish the aim of this program. However, disagreement exists among program staff over where to focus their plan-writing efforts. Some staff reported that they focus their efforts on writing plans for large farms or those which are causing a particular problem. This way, they can cover the most land in the shortest time, and have the most impact. But, other staff reported that they give priority to clients who need the plans for programs which have deadlines. Still others stated that they give priority to clients on a first-come first-served basis. These conflicting priorities should be resolved through strategic planning.

* * *

Reflective of the enormous need for nutrient management plans, DCR instituted a training and certification program in 1996. This program trains others who are involved in agricultural activities to develop nutrient management plans. This approach seems appropriate. However, it appears the training and certification program needs to better target those who participate in the program. As of March, 1997, only seven percent of the people who had been certified (seven staff) were from soil and water conservation districts.

Currently, DCR nutrient management specialists have to spend an appreciable amount of time reviewing plans written by districts because so few of the district personnel have received their certification. Many districts, including all of those within Tidewater Virginia, write plans for their clients. When the plan is written by someone who is not certified, it must be reviewed by a DCR nutrient management specialist. Therefore, targeting district staff as participants in the training and certification program would have beneficial results in reaching the department's nonpoint source pollution reduction goals. And, it would allow the DCR staff to spend less time reviewing district plans, and more time writing plans. While DCR notifies districts of upcoming training, it appears that the division's staff need to develop a strategy for better encouraging district personnel to attend the training and subsequently obtain their certification.

* * *

The Virginia Agricultural Best Management Practices Program, also known as the cost-share program, reimburses agricultural producers for installing certain best management practices (BMPs) which minimize the degradation of water quality. While the program generally appears to be well run, increased emphasis needs to be placed on ensuring as many funds as possible are spent in watersheds identified as having a high potential for impairment or with recognized impairments. District staff reported that they target landowners in high priority watersheds for participation in the program. And, DCR staff reported that they allocate funding to districts in part based on whether there are high priority watersheds within their jurisdiction.

However, based on data supplied by DCR, JLARC staff found that in FY 1997, only a third of all funds allocated by DCR for the cost-share program were spent in the watersheds it identifies as high priority. While best management practices are important for addressing water quality in all waterways, they can be especially important for addressing waterways which have degraded water quality. Therefore, attention should be given by DCR and the districts to ensure that funds are tied more directly to high priority areas.

* * *

The Erosion and Sediment Control and Floodplain Management Programs rely on local governments for implementation of their programs. Both programs periodically visit local governments to evaluate their erosion and sediment control and floodplain management programs and to provide technical assistance as needed. However, in recent years there has been a decrease in the frequency of local government assistance visits by Floodplain Management staff. And, some localities with substantial development have not received timely follow-up by Erosion and Sediment Control staff when the local programs have been found out of compliance. Since the success of both programs is dependent on adequate local programs, DCR program staff should be prioritizing their work more toward local assistance. Ultimately, this should lessen the amount of time they have to spend addressing complaints from local residents.

The problems identified could be ameliorated in part through better planning. It is important for program managers and other division management to periodically assess their programs to ensure priorities are appropriate and are being met, and to identify strategies for correcting any identified problems. Division staff have not done an adequate job of strategic planning.

Further, where the need for planning has been identified, there have been problems with follow-through. For example:

The Nonpoint Source Pollution Management Program, funded by the Environmental Protection Agency (EPA) through Section 319 funds and overseen by DSWC staff, needs an update to its management plan. This update has been encouraged by the EPA and recognized as a need by agency staff. The update to the plan is to be accomplished through a group effort including staff of DCR as well as other agencies involved in nonpoint source pollution prevention. While there is general consensus on the need to update the plan, there have been delays in accomplishing this task. The original goal for having an updated plan was December 1996. As of December 1997, the plan still has not been completed. Staff report that though the plan is important, more immediate needs arise that must be addressed due to limited staffing, such as implementation of the Water Quality Improvement Act.

* * *

The Floodplain Management Program received a Coastal Resources Management Program grant from DEQ in 1994 to revise the State Floodplain Management Plan and to add a discussion of coastal resources into the document. Once completed, this plan would assist both State agencies and local governments in their actions as they pertain to floodplains. After getting several extensions, the plan is still not complete. Further, although this plan sets the floodplain management policy for the State, the process for updating the plan has not included discussions across the division, agency, or other agencies as to the appropriate State policy.

One problem faced by the division is the lack of data available to all division staff to use in strategic planning. Much data are collected by various staff of the division or are available from other agencies. However, these data are not routinely distributed across the division, much less across agencies. Examples of data that could be useful in planning include volunteer monitoring data, the Total Maximum Daily Load (303d) list, local land use information, and the results of various grant projects. With access to various data, agency staff could better target their efforts to areas with the greatest need. This issue is further discussed in the next section.

Recommendation (18). The DCR Division of Soil and Water Conservation should establish priorities and strategies for achieving those priorities for each of its programs. These should be incorporated into the division's strategic plan.

Adequate Tracking and Other Mechanisms Are Not in Place to Ensure Accountability

To fully realize the vision for the reorganization of field offices to a watershed orientation, the field offices need comprehensive, detailed information on land use, water quality, and nonpoint source pollution prevention activities which have occurred and are occurring in each watershed. This information is also needed to meet reporting requirements of the Water Quality Improvement Act. The Act calls for the department to periodically report on the status of nonpoint source pollution as well as whether the programs developed pursuant to the Act are effectively implemented. Currently, the division is not in a position to provide this level of support to the field offices, nor to provide the information to the General Assembly as required by statute.

The division does not comprehensively compile data on a watershed basis to clearly identify what activities are being undertaken in each watershed and subsequently to assess the impact of those activities on water quality. And, what data are available are not routinely shared across staff. For example:

Information obtained from the numerous grant projects funded through the division is not systematically compiled or disseminated for use by others. This results in missed opportunities to learn from the experiences of past grant projects and to use the data obtained from the projects to better assess watershed conditions and identify needs.

In addition to the lack of a comprehensive, watershed-based database, there are problems with the way the division assesses the impact of its programs: For example:

The division assesses the tons of soil prevented from entering State waters due to the Erosion and Sediment Control Program as part of one performance measure it submits to the Department of Planning and Budget. There appears to be a problem with the way the measure determines the impact of the erosion and sediment control program. Specifically, this measure appears to over-estimate the benefit of soil loss reductions due to the E&S program. In calculating the amount of soil kept from entering State waters, an assumption is made that the "model" construction site will allow 30 percent of the sediment to leave the site; that is, that E&S measures, properly in place, will be 70 percent effective in the reduction of sediment loading.

DCR staff apply local program compliance ratings to the amount of disturbed acreage in each locality to derive the amount of soil prevented from running off. The better the local program, the more soil will be estimated to be prevented from leaving the site.

Based on this calculation, current program operations reportedly result in a 67 percent reduction in sediment loading – only three percent less than the maximum expected if all E&S measures were consistently used. This result appears inconsistent with the fact that a number of local E&S programs do not comply with State E&S requirements. DCR staff reported that this result may be due to the fact that most of the localities with high levels of land-disturbing activity have compliant programs. However, given that a few of these programs plus several of the localities with moderate amounts of disturbed acreage are out of compliance, it does not appear possible to have truly achieved this level of reduction in soil loss. DCR should closely examine this measure to determine changes that should be made to ensure that the measure accurately reflects program results.

Without proper assessment measures, the division is not able to accurately report to others what their efforts are accomplishing in terms of water quality improvements.

One assessment tool that the division uses extensively is its watershed assessment report. This report ranks watersheds according to their potential for water quality problems primarily based on certain elements of local land use, such as the level of disturbed acreage and the type of agricultural operations in the watershed. While this document provides useful information, it does not present a full picture of water quality and the impacts thereon and, therefore, has limitations for use. As noted in DCR's 1996 Watershed Assessment report:

The overall rank excludes abandoned mined land data and septic system data, which may have a very important effect on water quality problems on a local or regional basis.... Many other data sources could be used to further determine the importance of a watershed and the need for protection. Information such as public water supply locations or other specific use requirements of water resources should be incorporated where possible. Thus far, these data have not been used in the statewide rankings.

Further, as identified by the U.S. EPA, efforts need to be made to better incorporate DCR's watershed assessment data with DEQ's water quality monitoring data in determining the overall condition and needs of each watershed.

In addition, while taking into account the impact of certain agricultural nonpoint source controls implemented (data from the Agricultural Best Management Practices and Nutrient Management Programs), the watershed rankings do not take into account how well certain urban activities are managed. For example, the results of the Erosion and Sediment Control Program's local program compliance ratings are not used in evaluating the potential impact of construction activities on water quality. And, the use of the nutrient management program data presents problems. Specifically:

The level of plan implementation is a particular problem area for assessing the impact of the Nutrient Management Program. There are at least two implementation issues that are critical: first, whether each plan is being used at all; and second, whether each plan is being implemented consistently and properly throughout the year. DCR has acknowledged that 100 percent implementation of best management practices such as nutrient management is never possible, but it assumes full implementation in estimating the impact or effectiveness of the nutrient management effort. When asked to estimate what percent of agricultural operators were fully implementing their nutrient management plans, the responses of field staff ranged from 40 to 80 percent. Based upon the observations of field staff and a study commissioned by the department in 1995, it is clear that a 100 percent implementation rate is not realistic. Accurately assessing the effectiveness of nutrient management efforts will require a more realistic estimation of the level of plan implementation.

These issues need to be addressed to provide a more accurate picture of nonpoint source problems and the impact of pollution prevention activities.

The division needs to develop a process whereby information obtained by staff across the division and through various grant programs can be incorporated together into an accurate and reliable watershed database. Access to this data by staff will enable them to make more informed decisions as to how to prioritize their work and will better position the division to assess the impact their work may be having on water quality.

Recommendation (19). DCR should expand its geographically-based database to provide comprehensive information for a watershed on land use impacts on water quality, actual water quality (where data are available from DEQ, citizen water quality monitoring, or grant projects), and activities undertaken to address water quality problems. This database should be used in program planning and assessment of progress in achieving nonpoint source pollution reduction.

STRUCTURAL LIMITATIONS TO IMPROVED PERFORMANCE

The current structure of the Natural Resources Secretariat impacts, both positively and negatively, the ability of DCR to fully address nonpoint source pollution. On the positive side, the separation of point source and nonpoint source pollution efforts, while creating challenges for coordination, allows for the implementation of a range of nonpoint source programs without these programs being overshadowed by the larger point source programs. On the negative side, the separation of certain nonpoint source activities into multiple agencies creates some inefficiencies. These issues are discussed in a separate JLARC report titled *Structure of Virginia's Natural Resources Secretariat*.

One issue which needs further examination is the role of soil and water conservation districts. As with DCR, districts are being expected to take on increasing nonpoint source pollution prevention responsibilities with limited ability to adequately meet these responsibilities. An assessment is needed to determine the functions in which districts realistically can and should participate. In addition, within DCR, action should be taken to consolidate the Dam Safety Program into the Division of Soil and Water Conservation, thus resulting in a more efficient agency structure.

The Role of the Soil and Water Conservation Districts Needs to Be Defined

Soil and water conservation districts are political subdivisions of State government that are overseen by locally elected and appointed directors. District boards range in size from five to 13 directors. The districts are a major mechanism through which DCR accomplishes its nonpoint source pollution reduction responsibilities, and funding for the district's activities flows through DCR (about \$1.77 million in FY 1996, or about one-third of the district budgets).

As is the case for DCR soil and water conservation staff, district staffing appears limited, although it appears that they are anticipated to play a major role in implementing activities for the Water Quality Improvement Act. Across the 46 districts in the State, the range in staff sizes is from one to five, and the average staff size is about 2.4 positions – about 1.4 technical staff and one clerical staff person. (See Appendix F for a listing of the staff size of each district.) Not all districts have had a full-time technical staff person. Specifically, in 1996, there were seven districts without full-time technical positions. The General Assembly appropriated an additional \$300,000 in FY 1998, in part, so that each district could fill at least one of these positions.

The lack of technical personnel is an impediment to implementing conservation practices and reaching program goals. With the minimal staff in some districts, the performance levels across districts are very uneven.

Under the current situation, in which the State has some major goals for water quality improvement and nonpoint source reductions, it appears that the role of districts needs to be assessed. Districts could continue to do what they can with the resources they are able to secure under the current system. If this is the role they are to play in the future, then no change may be needed. However, the districts have the potential to play a much greater role in helping to meet local and State water quality goals. They could be strengthened to provide greater coordination and technical assistance.

Recommendation (20). The General Assembly may wish to consider convening a legislative subcommittee, with assistance from DCR and the Virginia Association of Soil and Water Conservation Districts, to study the role of the districts, especially focusing on what might be required to enable the districts to be effective in helping the State meet the expectations of the Wa-

ter Quality Improvement Act. The General Assembly may wish to consider the results from that review in determining if amendments are necessary to Section 10.1-506 through 10.1-559 of the *Code of Virginia* to reflect any changes in the expectations or role of the districts.

Placement of the Dam Safety Program

The Virginia Dam Safety Act and Regulations establish the framework of the Dam Safety Program. The purpose of the program is to “provide for safe design, construction, operation and maintenance of dams to protect public safety.” This is accomplished through a process of periodic certification of dams. Currently, 478 of the 1,500 dams in Virginia are required to be certified. Authority for the program rests with the Board of Soil and Water Conservation.

In September 1996, the DCR director created a separate Division of Dam Safety. Prior to that time, the Dam Safety Program was part of the Soil and Water Conservation Division. The director reported that this action was taken to alleviate any appearance of a conflict of interest between the Dam Safety Program and the dam safety engineer for the SWCDs, who was also located in the Soil and Water Conservation Division. There was a concern for the appearance that the district dam safety engineer could receive preferential treatment from the dam safety staff since they were located in the same division. However, as will be discussed in the last chapter of this report, the conflict is with the Board of Soil and Water Conservation making certification decisions on SWCD-owned dams – dams which the Board has ultimate responsibility for inspecting.

As such, there does not appear to be any compelling reason for maintaining a separate division solely for the Dam Safety Program. In fact, having a separate division has served to increase the administrative duties of the dam safety program manager, thus creating inefficiencies. This program would be more appropriately grouped with the other programs within the Division of Soil and Water Conservation.

If the Soil and Water Conservation Division has responsibility for the staff work associated with both functions, steps could be taken to ensure that the SWCD dam engineer did not report to the same supervisor as the manager of the dam safety program. Ultimately, under any organizational arrangement, one person will need to resolve any conflicts between the two, whether it be at the director level or the division chief level.

***Recommendation (21).* DCR should eliminate the separate Division of Dam Safety and place the Dam Safety Program in the Division of Soil and Water Conservation.**

V. Virginia's Natural Heritage Program

Virginia's Natural Heritage Program, located within DCR's Natural Heritage Division, is responsible for identifying and protecting Virginia's rare, threatened, and endangered natural heritage resources. Natural Heritage staff are working effectively toward accomplishing this mission, and it appears the division is adequately managed and organized at the division level. However, some of the same issues that are negatively impacting the Division of State Parks' ability to operate are also affecting the Natural Heritage Division, including centralized decision-making by DCR management and a perceived lack of support from DCR management.

A previous JLARC report recommended that the Natural Heritage Program be consolidated with the Department of Game and Inland Fisheries (DGIF) and the Virginia Department of Agriculture and Consumer Services' (VDACS) endangered plant program into a Department of Wildlife Resources, to unify wildlife management functions and alleviate duplication. This has not been done, and Natural Heritage staff report that the relationship between these agencies has not improved. Therefore, at a minimum, the agencies need to better communicate and coordinate their work.

The Natural Heritage Division Is Working Effectively Toward Accomplishing Its Mission

The mission of the Natural Heritage Division is "to identify, protect, and restore Virginia's natural heritage resources to conserve their intrinsic values, sustain the health of ecological systems, and provide for human well-being." Based on the activities of Natural Heritage staff, it appears that the division is working effectively toward its mission. In fact, in 1994 Virginia's Natural Heritage Program won an award from the Nature Conservancy, an international conservation organization, for being the outstanding natural heritage program in the Western Hemisphere.

In its 1997 strategic plan, Natural Heritage staff developed four goals to accomplish its mission. These goals are:

- Assess and address natural heritage conservation priorities through an ecological approach, integrating information management, inventory, protection, and stewardship.
- Promote citizen awareness and involvement in natural heritage conservation through informational and educational services, partnerships, and local initiatives.
- Secure funding and resources from a broad spectrum of external and internal sources.

- Evaluate and improve the efficiency, effectiveness, and integration of program operations.

Natural Heritage staff perform a number of activities to meet the division's goals. These include: inventorying rare plant and animal species and natural communities, managing and dedicating natural area preserves, preserving rare species through resource management, conducting environmental project reviews, and applying for grant funds.

Inventorying Rare Plant, Animal, and Insect Species. As of October 1997, Natural Heritage staff had compiled site location information for 1,637 rare plant and animal species and natural communities in its database. For each species, Natural Heritage staff maintain information on the scientific name, the number found in the State, the location of these species in the State, the rarity ranking, and threatened or endangered status. The DCR data management system consists of 30 primary files or integrated databases containing over 1,628 unique fields of information.

One of the responsibilities of Natural Heritage biologists, botanists, and ecologists is to survey areas of the State where rare species are likely to inhabit and compile information for the database. From 1994 to 1997, 125 species were removed from the rare animals list due to field research that indicated a higher frequency of occurrence than is required to be on the list.

According to Natural Heritage staff, species information is used for a number of purposes. For example, it is used in State and federal endangered species listing and recovery actions, environmental review and analysis, and identifying priority ecosystems for protection through federal, State, local, and private conservation programs.

Managing and Dedicating Natural Area Preserves. Many rare species are found in the 21 natural area preserves owned by DCR (Figure 10). The 1989 Natural Area Preserves Act authorized DCR to create a natural area preserves system. Natural area preserves contain rare species, natural communities, and land formations that need to be protected. As of August 1997, the 21 natural area preserves comprised 12,734 acres. Park and Recreational Facilities Bond funds have been used to purchase 5,171 of these acres.

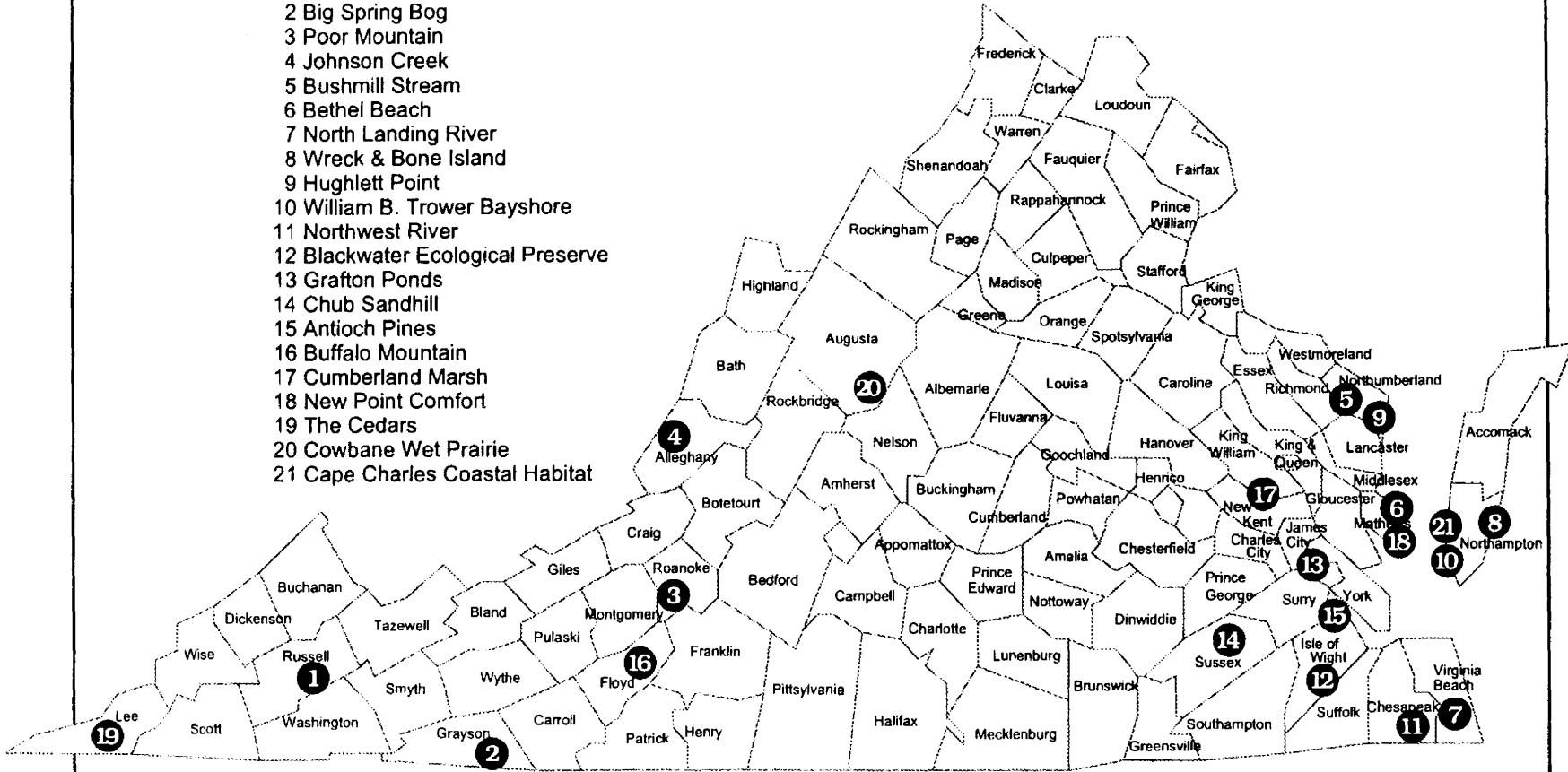
Approximately 50 percent of the Bond funds for natural area preserve acquisition had yet to be spent as of August 1997. The role of Natural Heritage staff in this process is to identify significant areas and leverage additional funds for purchases. DCR Design and Construction Section staff oversee the real estate transactions. Delays in spending Natural Heritage acquisition funds are due to attempts to leverage Bond funds and lengthy negotiations with landowners.

Virginia's natural area preserves protect a number of rare species and resources. For example:

Figure 10

DCR Natural Area Preserve System

- 1 Pinnacle
- 2 Big Spring Bog
- 3 Poor Mountain
- 4 Johnson Creek
- 5 Bushmill Stream
- 6 Bethel Beach
- 7 North Landing River
- 8 Wreck & Bone Island
- 9 Hughlett Point
- 10 William B. Trower Bayshore
- 11 Northwest River
- 12 Blackwater Ecological Preserve
- 13 Grafton Ponds
- 14 Chub Sandhill
- 15 Antioch Pines
- 16 Buffalo Mountain
- 17 Cumberland Marsh
- 18 New Point Comfort
- 19 The Cedars
- 20 Cowbane Wet Prairie
- 21 Cape Charles Coastal Habitat



Source: Department of Conservation and Recreation.

- The Bethel Beach Natural Area Preserve in Mathews County protects rare plants, beach and marsh nesting birds, and the Northeastern Beach tiger beetle, which is on the federal threatened species list.
- The Bush Mill Stream Natural Area Preserve in Northumberland County protects a mature hardwood forest and a Great Blue Heron foraging area.
- The Wreck Island Natural Area Preserve in Northampton County protects an endangered shorebird nesting habitat and coastal grasslands.

Natural Heritage staff also dedicate public and private lands as natural area preserves through conservation easements. The landowner retains ownership of the property, but agrees to conform with the conservation goals of the property.

Preserving Rare Species Through Resource Management. The Natural Area Stewardship Section of the Division of Natural Heritage is responsible for managing the habitat of rare species and communities on natural area preserves, other DCR-owned lands, and other public and privately owned lands. As such, staff in this section conduct collaborative resource management activities with State, local, and federal agencies, and with private landowners. Resource management activities include providing technical assistance to land managers and conducting field activities, such as controlled burning of selected areas.

Natural Heritage stewardship staff are also responsible for developing resource management plans for each of the department's natural area preserves. Resource management plans are developed to guide the management of natural area preserves through the establishment of goals and objectives and the formulation of management standards. The plans also summarize current knowledge about the sites, their resources, and their surroundings.

However, they are currently behind in resource management plan development. Currently, they have completed resource management plans for only two of the preserves. According to Natural Heritage staff, they are behind because most of the preserves have been acquired since 1993, and because most of the staff in the Stewardship Section are non-general fund staff. Therefore, these staff must focus on grant-related activities, and are not available to develop resource management plans.

Conducting Environmental Project Reviews. During FY 1997, Natural Heritage staff conducted 2,458 environmental reviews, which included 337 joint permit application projects and 670 Virginia Department of Transportation projects to determine the effect that the projects might have on rare, threatened, or endangered plants, insects, animals, natural communities, or land formations. Natural Heritage staff make recommendations based on their determination of the project's impact on resources in the proposed project area.

Natural Heritage staff also received hundreds of requests for natural heritage information from the public during FY 1997. These requests typically come from environmental groups, universities, high school teachers and students, and other natural heritage programs.

Applying for Grant Funds. Natural Heritage staff have been successful in leveraging State general funds and Bond funds for federal grant funds. From FY 1993 to FY 1997, Natural Heritage staff leveraged \$5,065,310. These funds have been used to purchase land for natural area preserves, survey public and private land for rare species, and conduct resource management activities on public and private land.

The Division of Natural Heritage Is Adequately Managed at the Division Level

Based on interviews with Natural Heritage staff and the survey of DCR employees, it appears that the Natural Heritage Program is adequately managed. Natural Heritage staff responded favorably to a number of survey questions that addressed the management of the division (Table 13). For instance, 100 percent of Natural Heritage staff who responded to the JLARC survey indicated that they have a clear understanding of what is expected of them, and agreed that communication within the division is good. In addition, during interviews with Natural Heritage staff, employees spoke favorably of the division's management.

Further, when asked on the JLARC survey what about DCR is most helpful in allowing staff to effectively complete their work, seven of the 13 Natural Heritage staff responding to this question cited factors related to the division's management. Examples of items that Natural Heritage employees identified as being most helpful included:

My direct supervisor and the division director.

* * *

Strong support of management and colleagues within my division.

* * *

Within our division we are given the responsibility and resources to complete our work. But this is not the case with DCR as a whole.

* * *

The division I work in is highly organized which makes my duties more understandable. We work as a team.

* * *

Table 13

Selected Responses by Natural Heritage Staff to the JLARC Survey

Survey Question	Percent That Agreed or Strongly Agree	Percent That Disagreed or Strongly Disagreed
I have a clear understanding of what is expected of me in performing my job.	100%	0%
Communication within my division is good.	100	0
I have adequate input into the establishment of work priorities for my division.	87	13
I receive the supervision I need to adequately perform my job.	80	20

Note: The number of Natural Heritage Division staff responding to each of these questions was 15.

Source: JLARC survey of DCR employees, summer 1997.

The atmosphere within (my) division – created at division level – in spite of ineffectiveness at the department level.

Therefore, it appears that the Division of Natural Heritage is adequately managed to enable employees to work effectively toward the division's goals.

The Natural Heritage Division Is Adequately Organized

The Natural Heritage Division is divided into four sections: natural heritage inventory, information management, natural area protection, and natural area stewardship. The responsibilities of each section are clear, and based on employee survey responses, it appears that the sections communicate adequately.

Most Natural Heritage staff are centralized within a Richmond office. These staff have expertise in a particular field that is applied to the entire State. For instance, program staff include botanists, zoologists, ecologists, and stewardship biologists who do not concentrate on particular species, but rather on a field of expertise. Therefore, these staff work on projects throughout the State. The staff that are specialized in a particular discipline are regionalized. For example, the karst (cave) protection specialist is based in southwest Virginia, where most caves are found, and a fire management specialist is based near the North Landing River Natural Area Preserve in southeast Virginia, where fire management activities are being conducted.

In addition, Natural Heritage staff report that the strength of their program lies in their ability to access their centralized hard copy information and maps, and to have daily contact to discuss the various aspects of the natural communities they are studying. Therefore, it appears that the organization of this division is adequate.

Certain Factors Are Negatively Impacting the Division's Ability to Operate

Despite the appropriate management and organization of the Natural Heritage Division, some of the same issues that are impeding the Division of State Parks' ability to operate are also affecting the Natural Heritage Division. These factors include centralized decision-making by, and perceived lack of support from, DCR management.

Centralized Decision-Making Has Negatively Impacted Natural Heritage Operations. During interviews with Natural Heritage staff for this study and the previous study of wildlife management functions, a number of staff expressed concerns that decisions typically made within the division were now being made at the agency level without the input of division staff. Decisions that have been centralized and micro-managed include staffing decisions and grant application submissions. For example:

In the past, Natural Heritage staff were able to hire wage staff as they needed as long as they had funding to do so. However, Natural Heritage staff currently have to get written permission from DCR management to fill wage positions,. This year, their request for permission to hire four work-study students from Virginia Commonwealth University (VCU), as they have done for the past several years, was denied even though the division had funding for this purpose. The students would have been scheduled to work 20 hours per week during the nine-month school year on activities such as data management and project review. VCU would have paid half the salary for the students.

* * *

Prior to 1994, Natural Heritage staff were able to make decisions on submitting grant proposals with the only requirement being that they had to send a copy to the DCR director's office. However, beginning in 1994, they were required to receive approval from the DCR director's office before they could apply for grant funding. A number of grant proposal requests were turned down by DCR management including a request to apply for a \$225,000 EPA grant to inventory wetlands in Shenandoah County, and a request to apply for an \$811,000 land acquisition grant from the U.S. Fish and Wildlife Service (USFWS) to improve public access to the Chesapeake Bay and protect endangered

species in Northampton County. In 1997, the USFWS grant proposal was again submitted to the DCR director for approval, and this time was approved, and the grant was awarded to the Division of Natural Heritage.

These decisions have negatively impacted the division's ability to work toward its mission. A number of Natural Heritage staff have also interpreted these actions to be a lack of support from DCR management for their program.

Natural Heritage Employee Morale Is Impacted by a Perceived Lack of Support from DCR Management. Although Natural Heritage employees believe their division is well-managed, Natural Heritage employee morale is predominantly fair. On the JLARC survey of DCR employees, 50 percent of Natural Heritage staff responding to this question rated their morale fair and 14 percent rated it poor. The remaining employees rated their morale good, while none rated it excellent. According to the JLARC survey, the primary factor influencing the morale of Natural Heritage staff was a perceived lack of support from DCR management. This factor was cited by 11 of 15 respondents (73 percent).

In addition, employee trust has been negatively impacted. Ninety-three percent of Natural Heritage employees disagreed with the statement that "Employee trust in management is good", and 93 percent also disagreed with the statement that "Management trust in employees is good."

The Natural Heritage Program Needs to Better Coordinate Its Wildlife Management Activities with DGIF and VDACS

A previous JLARC study recommended that the Natural Heritage Program be consolidated with the wildlife management functions of DGIF and VDACS to establish a Department of Wildlife Resources. The study found inadequate cooperation and a substantial duplication of work between the agencies. For example, JLARC staff found that DCR and DGIF maintain information on 521 of the same species, which constitutes 32 percent of the species monitored by DCR and 37 percent of the species on DGIF's database. The report concluded that the following advantages would result from a consolidation:

- Public and private entities would only have to go to one agency for wildlife information.
- The wildlife information maintained by the State and provided to the public would be more accurate and complete.
- Species recovery efforts would be improved, because the biologists would have access to all information collected in the State on that species.

- Rare plants and natural communities on the wildlife management areas could be identified by Natural Heritage staff and protected.
- The Natural Heritage Program would be able to coordinate its field research with DGIF's statewide network of game and nongame biologists.

However, a consolidation of these functions has not occurred, and Natural Heritage staff report that cooperation among the agencies has not improved. If the programs are not going to be consolidated, then the departments need to improve their cooperation to better serve the public and alleviate duplication of effort.

***Recommendation (22).* At a minimum, the Natural Heritage Division, the Department of Game and Inland Fisheries, and the Department of Agriculture and Consumer Services should better coordinate their wildlife management activities. These agencies should develop a memorandum of understanding which identifies mechanisms they will institute to avoid duplication of work activities and share data.**

VI. DCR's Management and Support Functions

DCR's history of leadership and cohesiveness problems was noted in the first chapter of this report. A 1993 report about DCR by the Department of Planning and Budget (DPB) indicated that: the agency has lacked leadership continuity, the organizational divisions of the agency have tended to operate in isolation, employees generally have viewed themselves as division employees rather than having an organizational perspective, and the agency has done a poor job of identifying and representing its resource needs.

The JLARC staff review for this report indicates that internal problems at DCR have persisted and in some ways have been exacerbated in recent years. Although current agency management has promoted certain initiatives, such as creating some internal task forces to consider agency problems, that have some potential to improve agency operations, many problems have not been successfully addressed, and some new problems appear to have been created.

Since 1994, the agency has had three directors and one acting director. The deputy director position of the agency, held by a long-term employee of the agency, was abolished as unnecessary, but then was subsequently reestablished and filled from outside of the agency. Agency staff have operated for the last few years without knowledge of an agency strategic plan. The 1997 strategic plan for the parks division embraced only one goal, revenue generation. A majority of DCR employees do not believe that current management of the agency values the conservation of natural resources, and there is a lack of trust between management and employees at the agency.

The extent of the resources that will be available to DCR in the near future to conduct its work is also unclear. The 1993 DPB report on DCR indicated that it had staffing problems. In apparent recognition of some of the agency's needs, subsequent Appropriation Acts have allowed DCR to have in place more positions than it had in FY 1993. However, the agency's actual filled positions in FYs 1995 and 1996 dropped below the FY 1993 level, and only rose to the same level as FY 1993 after a 1997 General Assembly mandate directing DCR to fill its vacant positions. Recently, agency management internally specified maximum position levels by division that would artificially restrict staffing levels for at least the period between mid-November, 1997, and January, 1998. There appears to be a mismatch between increasing demands being made upon DCR, reflected in workloads being generated by the 1992 Bond Act and the 1997 Water Quality Improvement Act, and the staffing approach that is being taken at the agency.

DCR appears to need organizational unity and substantial internal improvements, especially in order to address its added and emerging responsibilities. This chapter addresses some of the internal issues that exist, including agency cohesion, agency management, and agency support functions. Management of the agency needs to work to further the goal of agency cohesion. Agency management also needs to have a vision that embraces the full mission of the agency, addresses barriers to staff pro-

ductivity, frankly assesses and pursues resource needs, and appropriately delegates responsibilities. The administrative support infrastructure of the agency also needs to be strengthened.

DCR IS NOT A COHESIVE AGENCY

DCR's mission statement states that the agency is responsible for the conservation of Virginia's natural and recreational resources. Consistent with this mission, the agency has created five operational divisions and two support divisions. Each of the operational divisions is responsible for some facet of Virginia's natural or recreational resources. However, the agency's divisions do not work well together. Ultimately, this lack of cooperation impedes DCR's ability to fully accomplish its mission.

DCR's management has stated that its goal is to create a single, cohesive agency out of the department's multiple programs. This appears to be an appropriate goal. The findings from this review indicate that there should be a sufficient commonality of interests and objectives among the agency's programs to achieve a cohesive agency.

However, given the technical nature of its programs, and the limited interaction between programs that currently exists, a cohesive agency will not be easy to establish. Complicating the task further are communication, training, morale, and staffing problems. The agency also has an unwieldy structure of numerous boards and foundations that does not appear helpful to achieving agency cohesion.

DCR's Divisions Share Common Goals

DCR's mission is to "conserve, protect, enhance, and advocate the wise use of the Commonwealth's unique natural, historic, recreational, scenic and cultural resources." This mission statement appears appropriate because it encompasses the goals of each division. Each DCR division is capable of working toward certain aspects of this mission.

Further, it is clear from this mission statement that DCR's divisions share common goals. Therefore, although the divisions oversee different programs, it makes sense for them to be grouped together in a department whose mission focuses on conservation.

DCR's Divisions Do Not Adequately Coordinate Their Activities

Despite the fact that the agency has divisions and programs appropriate to its mission and that its divisions share common goals, various DCR management teams over the years have not successfully encouraged these divisions and programs to work together. This point was noted in the 1993 DPB report. Also, in an interview with

JLARC staff in March 1997, the current director of DCR indicated that the divisions still do not view themselves as part of a larger agency. Instead, the director said, they tend to think of themselves as independent groups.

During this review, many employees also stated in interviews with JLARC staff that DCR's divisions act more like independent agencies than they do components of one agency. As a result, the agency's divisions have missed opportunities to further DCR's mission and have also failed to incorporate each other's goals into their activities. For example:

DCR owns eight dams located on State parks throughout the Commonwealth. Three of these dams have maintained conditional permits for at least the last five years. Major renovations of two of these dams – at Hungry Mother and Douthat State Parks – were funded through the 1992 Park and Recreational Facilities Bond (discussed in greater detail in Chapter III). Both of these dams are Class I dams, which means that there would be probable loss of life if the dams were to fail. While the Dam Safety staff have repeatedly cited the need for these dams to be fixed, and the funds to fix them have been available for several years now, DCR Design and Construction staff failed to act on Dam Safety staff's concerns during that time, and only recently began repairs to these dams. This lack of attention to its own dams sets a poor example for other dam owners. Further, it points to a lack of cooperation between DCR divisions (Planning and Recreational Resources and Dam Safety) to ensure that high priority needs are carried out across divisions.

* * *

Although the State parks have the potential to serve as models for appropriate soil and water conservation techniques, the divisions do not adequately communicate. Improved communication could enable the parks to better address shoreline erosion and implement erosion and sediment controls during park construction projects. (Chapters II and III provide examples of shoreline erosion problems and inadequate erosion and sediment controls in the parks). Further, one role of the Division of Soil and Water Conservation (DSWC) staff is educating the public concerning the causes of nonpoint source pollution and approaches to minimize nonpoint source pollution. However, DSWC staff have not used State parks as an avenue for supplying the public with information on nonpoint source pollution issues, for instance by having exhibits and brochures available at the parks.

* * *

Executive Memorandum 4(93) requires all State agencies which own or lease land used for agricultural purposes to implement nutrient

management plans on those lands. All such agencies are to report to DCR on the lands in their possession, to submit nutrient management plans to DCR for review, and to implement those plans. Plans are supposed to be updated every three years. Three State parks – Sky Meadows, Belle Isle, and Chippokes Plantation– require a nutrient management plan due to their agricultural land use. However, the plan for Chippokes Plantation State Park was originally established in 1990 and has yet to be revised.

* * *

The Natural Heritage Division is responsible for identifying and protecting Virginia's rare, threatened, and endangered natural heritage resources. Some of these resources can be found on State parks. The State parks do not have adequate staffing or expertise to manage these resources. Although the Natural Heritage Division has extensive resource management expertise, division staff do not routinely assist the State Parks Division on resource management.

While DCR's current leadership indicates that it has been working to increase the interaction and communication between division heads, it appears that there has been little effort expended to bring the agency's employees together until recently. At present, DCR management states that it is in the process of organizing an agency-wide meeting for next year. Should that meeting occur, it will provide an opportunity for the employees to increase their understanding of the agency's operations, and to develop personal relationships which could, in turn, enhance the possibility for successful interactions between the agency's divisions.

Agency employees state that the last department-wide meeting took place in 1993, during the preparation of the Vision 2000 strategic plan. That strategic plan, which the Department of Planning and Budget believed to be "...a strategic plan that should lead DCR successfully into the 21st century," was developed using the input provided by employee focus groups, regional employee meetings, and a two-day agency-wide gathering. During the process, employees stated that a real sense of "agency," rather than "division," was beginning to take hold. In fact, the goals of the plan included increasing communication within the department and having DCR function as a department where all programs, administrative units, and individuals worked cooperatively as a team to achieve the department's vision and mission. However, the Vision 2000 strategic plan was abandoned shortly after a new director was appointed to head DCR.

Two Recent DCR Initiatives Are Promising, But Need to Be Part of a Broader Effort to Achieve Agency Cohesion

Two efforts recently initiated by DCR management, the Information Systems Advisory Committee and the Employee Recognition Program, provide a glimpse into

how DCR could work if it were to develop an agency-wide focus. Both of these efforts, which included representatives from each of DCR's divisions, are representative of a team-oriented approach to solving agency-wide problems. While these initiatives have potential, they should be expanded upon, and become part of an even broader effort to achieve agency cohesion.

The Information Systems Advisory Committee (ISAC). ISAC was initiated in April 1997. Its purpose is to provide a mechanism through which the agency's divisions may collectively discuss information systems issues and their impacts on the divisions' ability to meet their missions. Each division is entitled to at least one representative on the committee, and each representative is to be knowledgeable about his or her division's mission and functions, business practices, and information systems uses and requirements.

Since its creation, ISAC has had a number of achievements. The group's deliberations have led to the issuance of contracts for the revision of the agency's information systems management plan, the upgrade of its financial accounting package, and the purchase of new work stations to replace the outdated systems responsible for the agency's geographic information systems and parks reservations systems. Members of the committee report that in the future, the group will be investigating how to streamline new software and computer hardware purchases to ensure that the agency's Automated Data Processing Section is aware of those purchases and capable of supporting them.

The Employee Recognition Program. Recognizing that "employee recognition is a vital component of a motivated, productive workforce that can best carry out DCR's mission," a study group was established at the request of the DCR director "to evaluate the existing employee recognition program within the department and make recommendations for improving it." The study group consisted of eight members, representing all of DCR's divisions. Completing its work in March, 1997, the study group concluded that:

As part of its review of DCR's employee recognition program, the committee received information about other areas of concern to staff. These areas of concern include lack of communication, poor morale, and the lack of opportunities for professional development. Enhancement of DCR's employee recognition program will be an important first step in addressing these other areas of concern.

In response to its findings, the interdivisional study group recommended that DCR create several additional awards, including awards for team accomplishments. The study group felt that, "[t]he collective award ideas would ideally encourage team effort, [and] support team building" at DCR. Since the initiation of the employee recognition program, staff report the program's luncheons have outgrown the agency's facilities and will need larger meeting areas.

Need for an Expanded Effort by DCR Management and Staff to Achieve Agency Cohesion. More could be done by DCR's management and by staff to develop an agency-wide focus. However, DCR staff need to be open-minded about the benefits of increased teamwork and willing to make some changes in work habits. For example, one agency which has been successful in developing an agency-wide focus is the Department of Mines, Minerals, and Energy (DMME).

Like DCR, DMME was created in 1985 by placing a number of related, but highly diverse, technical programs together within one agency. From the outset, however, that agency's management team developed a strategic plan which emphasized the department's mission rather than that of its divisions. For example:

DMME's 1996-1997 strategic plan included a number of items to improve agency communication. The opening statement of the plan includes values for agency staff to recognize when dealing with each other. One of these values involves, "openly communicating agency plans and decisions and therefore recognizing each other's need for information and understanding." In addition, one of the strategies included in this plan states that "each division will communicate the Department's Strategic Plan and its own operational plan, and make available other divisional plans to its staff by June 30, 1996." Another strategy requires that, "each section will foster collaboration and team work to improve the effectiveness of our work, including the use of interoffice and interdivision teams when multiple skills are needed to effectively complete projects." This strategy is reiterated in each division's performance plan.

The management team adhered to the strategic plan, updating it annually, until all of its employees had come to accept this approach to doing business.

The Department of Forestry (DOF) has also taken steps to increase agency communication and coordination across agency functions. For example, the DOF strategic plan includes several values for DOF staff to follow to improve agency communication. These values include:

- communicating in an open, honest, effective manner;
- being helpful and supportive to one another, demonstrating the spirit of cooperation/teamwork and mutual trust and respect for each other; and
- clearly defining, communicating, and understanding vision, strategies, goals, objectives, roles, and responsibilities.

Further, DOF has created self-directed work teams at the regional level to foster communication and coordination among staff involved in different disciplines such as forest fire prevention and timber management activities. To facilitate this, DOF management has created a strategic management team whose responsibility in part is to "pro-

vide strategic leadership to all DOF teams to foster collaboration and teamwork.” If DCR were to utilize a similar approach to its operations, it could likely develop an agency-wide focus as well.

Perhaps due to a lack of leadership continuity at DCR, the agency’s strategic planning efforts have not yet reached an implementation phase, and therefore, have not yet had a visible impact on the agency. For instance, the agency’s last two strategic planning efforts were conducted at the end of administrations, rather than initially when they can make the most impact on the agency’s operations. The most recent strategic planning effort was conducted in the past few months. While this latest effort is a positive step, this does not negate the fact that agency staff for years have largely operated without a strategic plan to guide their actions. Moreover, it appears that the recent plan could do more to address issues which cross-cut its different divisions. Thus, DCR should build upon its current strategic planning process, incorporating the inter-divisional issues necessary to build a cohesive agency.

Recommendation (23). DCR should develop more inter-divisional teams, such as the Information Systems Advisory Committee, to develop working relationships between the divisions at levels below division director.

Recommendation (24). DCR should build upon its recent strategic planning effort to address issues of agency cohesion. DCR should ensure that it maintains a current strategic plan through periodic updates.

DCR BOARD STRUCTURE NEEDS TO BE STREAMLINED

DCR supports numerous boards and foundations. A number of these boards and foundations have overlapping responsibilities, resulting in duplication of effort. Several others have only limited authority and meet very infrequently. The board structure could be streamlined by consolidating some boards and foundations, while eliminating others. These changes would reduce the total number of boards and foundations associated with DCR. A more consolidated board structure could assist DCR in achieving a more cohesive agency. Further, it would result in modest cost savings and a lessening of the administrative work associated with these entities.

Current Board Structure

As shown in Exhibit 3, DCR supports three policy boards, four foundations, and 19 advisory boards. The three policy boards associated with DCR are the Board of Conservation and Recreation, the Virginia Soil and Water Conservation Board, and the Board on Conservation and Development of Public Beaches. The Board of Conservation and Recreation (BCR) is responsible for advising the Governor and the director on activities of the department and for formulating recommendations to the director concerning requests for grants and loans pertaining to outdoor recreation, designation of

Exhibit 3

**Department of Conservation and Recreation
Boards and Foundations**

Policy Boards

Board of Conservation and Recreation
Virginia Soil and Water Conservation Board
Board on Conservation and Development of Public Beaches

Advisory Boards

Cave Board
Appomattox State Scenic River Advisory Board
Catoctin Creek State Scenic River Advisory Board
Chicahominy State Scenic River Advisory Board
Clinch Scenic River Advisory Board
Falls of the James Scenic River Advisory Board
Goose Creek Scenic River Advisory Board
Guest Scenic River Advisory Board
Moormans Scenic River Advisory Board
North Landing and Tributaries Scenic River Advisory Board
Nottoway State Scenic River Advisory Board
Rappahannock State Scenic River Advisory Board
Rivanna State Scenic River Advisory Board
Rockfish State Scenic River Advisory Board
St. Mary's Scenic River Advisory Board
Shenandoah State Scenic River Advisory Board
Staunton State Scenic River Advisory Board
Upper James Scenic River Advisory Board
Historic Lower James River Advisory Committee

Foundations

Chippokes Plantation Farm Foundation
Virginia Conservation and Recreation Foundation
Virginia Outdoors Foundation
Virginia State Parks Foundation

Source: Department of Conservation and Recreation.

recreational and historical sites eligible for recreational access road funds, designations proposed for scenic rivers and highways, acquisition of real property, and acquisition of gifts. In addition, the Board promulgates regulations necessary for the execution of the Virginia Stormwater Management Act. Further, in 1997, the BCR was given responsibilities related to the Water Quality Improvement Fund.

The Virginia Soil and Water Conservation Board (VS&WCB) is responsible for coordinating the programs of the soil and water conservation districts, providing financial assistance to districts, and for controlling and preventing soil erosion, flood water, and sediment damages. The VS&WCB also promulgates erosion and sediment control and dam safety regulations.

The Board on Conservation and Development of Public Beaches is responsible for allocating funds to localities to use for public beach protection and development. The Board also oversees local implementation of approved projects.

The four foundations that DCR is associated with include: the Chippokes Plantation Farm Foundation, the Virginia Conservation and Recreation Foundation, the Virginia Outdoors Foundation, and the Virginia State Parks Foundation. The Chippokes Plantation Farm Foundation is responsible for providing financial and technical assistance for the operation of the Chippokes Plantation Model Farm and the Agriculture and Forestry Center. The Virginia Conservation and Recreation Foundation establishes and administers the Conservation and Recreation Fund to protect and preserve ecological, cultural and historical resources, lands for recreation purposes, State forest lands, and lands for threatened and endangered species. The Virginia Outdoors Foundation promotes the preservation of open space lands and preserves the natural, scenic, historic, scientific, open-space, and recreational areas of the Commonwealth. Finally, the Virginia State Parks Foundation has the broad responsibility of generally assisting DCR in its responsibilities. However, the Foundation primarily focuses its attention on the State parks.

Further, DCR is assisted by 19 advisory boards. These boards include the Cave Board and scenic and historic river advisory boards. Generally, each of these advisory boards is responsible for reviewing actions which may impact its area of concern and making recommendations about those actions.

The Board of Conservation and Recreation and the Board of Soil and Water Conservation Should Be Consolidated into One Agency Board

During the course of the JLARC staff review of DCR, a number of research activities related to the agency boards were conducted, including a review of board responsibilities, a review of board meeting minutes, attendance at board meetings, a review of board expenses, and interviews with board and DCR staff members. Based on these research activities, it appears that consolidating the BCR and VS&WCB merits consideration. There are a number of advantages to consolidating these boards. First, the goal of increasing agency cohesion would be advanced through the creation of

one body capable of overseeing all of DCR's operations. A combined board could look across agency functions to help identify activities which would benefit from input across divisions or on which DCR's divisions should work together.

Second, it would reduce administrative costs associated with maintaining separate boards. With fewer board members and a fewer number of total meetings held, a few thousand dollars could be saved in reimbursable expenses typically incurred by board members and in preparation of board meeting materials. In addition, the staff time expended preparing for and attending numerous meetings would be reduced.

Third, it would eliminate the fragmenting of responsibilities which occurs from having both boards. Currently, both the BCR and the VS&WCB oversee components of DCR's soil and water conservation activities. For example, the BCR oversees DCR's stormwater management regulations, while the VS&WCB oversees the erosion and sediment control regulations. These two sets of regulations are closely linked. In fact, the erosion and sediment control regulations contain some provisions for stormwater management. It is inefficient and ineffective to have two boards separately addressing these programs.

One potential concern with such a structure is whether one board would be able to handle the combined responsibilities currently handled by each separate board. It appears that this concern could be addressed through the use of a subcommittee structure, as is a common practice among Virginia's various boards. In fact, this type of arrangement was used in the past by the supervisory board which once oversaw DCR's activities, and again, recently, by the Board of Conservation and Recreation to handle the revisions to the stormwater management regulations.

Recommendation (25). The General Assembly may wish to consider merging the Board of Conservation and Recreation and the Virginia Soil and Water Conservation Board. The merger of these two boards would create one body to which DCR would look for advice and policy direction.

Virginia Soil and Water Conservation Board Responsibilities Need to Be Streamlined

An examination of the operations of the VS&WCB indicates that certain of the Board's responsibilities are problematic. First, it appears that the VS&WCB's authority to appoint soil and water conservation district directors and secretary-treasurers is unnecessary. Second, the VS&WCB's inspection and approval of soil and water conservation district-owned dams appears to be a conflict of interest. These issues need to be addressed.

VS&WCB Approval of District Candidates Appears Unnecessary. Soil and water conservation districts (SWCDs) are political subdivisions of the Commonwealth run by locally elected and appointed officials, who are called district directors. The *Code* provides for elected directors, as well as "two district directors appointed by

the [Virginia Soil and Water Conservation] Board... who are by training and experience qualified to perform the specialized services which will be required of them in the performance of their duties." One of these appointees is to be an extension agent within the localities constituting the district.

The *Code of Virginia* charges the Virginia Soil and Water Conservation Board, a State board, with a number of responsibilities pertaining to soil and water conservation districts. The State Board is responsible for creating and modifying district boundaries, and for accepting nominating petitions for elected district director positions. The State Board is also responsible for making appointments to fill unexpired terms of district directors, and approving the qualifications of all candidates for the position of secretary-treasurer for the districts. The Board also has the power to remove district directors from office for neglect of duty, malfeasance, or other unlawful activities. Some of these responsibilities appear to be inappropriate and unnecessary for the State Board to perform.

It would be more appropriate to allow the locally-elected district directors to make decisions regarding the candidates and qualifications of candidates for local positions. The district directors are in a better position to know the qualifications of the candidates for these positions. The members of the State Board may know nothing about the candidates other than what is provided on their resume and the fact that the candidates have been recommended by the district, and their approval of candidates appears to be a pro forma exercise. Allowing the State Board to retain the power to remove persons for malfeasance or neglect of duty would provide sufficient oversight authority of the local district boards.

Recommendation (26). The General Assembly may wish to amend Sections 10.1-529 and 10.1-532 of the *Code of Virginia* to eliminate the requirements that the Virginia Soil and Water Conservation Board approve all candidates for the positions of director and secretary-treasurer for districts.

VS&WCB Oversight of District-Owned Dams Is Problematic. In 1986, the General Assembly transferred responsibility for dam safety from the State Water Control Board to the VS&WCB. In this role the Board promulgates the dam safety regulations and issues certificates for dams meeting various program requirements. During the same General Assembly Session, a separate piece of legislation gave the VS&WCB responsibility for inspecting SWCD-owned dams. These periodic inspections are an integral part of the process of determining compliance with the Dam Safety Program and hence the type of dam certificate issued. In this role the Board is providing a service to the district dam owners. This function is carried out by a staff engineer in the Division of Soil and Water Conservation.

There are problems with the dam safety responsibilities as currently assigned to the Board. First, the Board's duty to inspect dams on behalf of the SWCDs appears to conflict with its duty to decide on the certification of these dams. Second, six of the 12 Board members are directors of local SWCDs. Currently, one of these Board members is a director from a district which owns 11 dams. This presents an appearance

that the SWCD-owned dams may receive preferential treatment before the Board. And, this appears to have resulted in an actual conflict of interest in one case, as the following case example describes:

At the July 10, 1997 VS&WCB meeting, three dams owned by a district were brought before the Board with a staff recommendation that they receive conditional operation and maintenance certificates. One of the VS&WCB members is a director of that district. All three dams were approved for conditional certificates. There is no indication that the VS&WCB member, who is also on the district board, abstained from the vote. Therefore, it appears that this board member voted in favor of granting certificates to dams owned by his district.

Actions should be taken to alleviate these conflicts. First, the *Code of Virginia* should be amended to give responsibility for inspecting SWCD-owned dams to the department. This would eliminate the conflict between the Board's roles as "service provider" and "regulator" to the SWCDs. Eliminating the appearance of partiality toward SWCD-owned dams by the Board is more problematic to correct. One option could be to transfer responsibility for dam safety to the Board of Conservation and Recreation, if this Board is maintained. Alternatively, at a minimum the VS&WCB's policies should clearly state that a board member is not to vote on a dam which is owned by a district on which that member sits as a director.

Recommendation (27). The General Assembly may wish to consider amending Section 10.1-607 of the *Code of Virginia* to transfer responsibility for inspecting SWCD-owned dams from the Virginia Soil and Water Conservation Board to DCR.

Recommendation (28). The General Assembly may wish to consider amending Sections 10.1-604 *et al.* of the *Code of Virginia* to transfer oversight responsibility for the Dam Safety Program from the Virginia Soil and Water Conservation Board to the Board of Conservation and Recreation.

Recommendation (29). If the Virginia Soil and Water Conservation Board retains responsibility for the Dam Safety Program, the Board's policies should be amended to clearly prohibit a board member from voting on a dam which is owned by a SWCD on which that member sits as a director.

The Board on Conservation and Development of Public Beaches, the Conservation and Recreation Foundation, and the State Parks Foundation Should Be Eliminated

In addition to the two broader policy boards previously discussed, DCR also staffs a number of boards and foundations which have a more limited focus. Many of these entities appear redundant and/or unneeded. In particular, it appears that the Board on Conservation and Development of Public Beaches, the Virginia Conservation

and Recreation Foundation, and the Virginia State Parks Foundation could be eliminated without negatively affecting the agency's ability to achieve its mission.

The Board on Conservation and Development of Public Beaches Should Be Abolished. As established in the *Code of Virginia*, the Board on Conservation and Development of Public Beaches oversees the disbursement of a fund which is designed to assist localities in fighting the effects of erosion on publicly owned beaches. The Board was established to develop objective criteria from which determinations about a project's value could be made. By law, the Board must meet once prior to the beginning of the fiscal year to review grant applications for the fund. For FY 1998, the total amount of funds to be disbursed by this board is \$150,000.

However, despite creating the Board to develop and implement objective criteria for the award of grants to local public beach preservation projects, the General Assembly routinely bypasses the Board mechanism. For instance, in FY 1997, the General Assembly awarded the City of Norfolk a \$300,000 grant for the preservation of its publicly owned beaches. That sum is twice the size of the Board's entire funding for FY 1998.

Furthermore, only 29 miles of publicly owned beaches exist in Virginia; most of which are located in Hampton, Norfolk, and Virginia Beach. Therefore, despite the development of objective criteria for the disbursement of the fund, the primary recipients of the Board's grants are these cities. From an analysis of the Board's minutes, it appears that these three cities each receive \$25,000 from the Board each year. The remainder of the Board's grants are received by smaller localities or are provided to State universities for technical research.

Given that the General Assembly routinely bypasses the Board on Conservation and Development of Public Beaches, the small fund which it distributes, and the small amount of publicly owned beaches in Virginia, it appears that the Board should be eliminated. The Board's responsibilities could be assumed by the previously recommended agency-wide board or the Board of Conservation and Recreation, which has experience with grants and loans to localities, or DCR, which itself administers a number of grants and loans to localities. This action would further reduce the level of fragmentation which currently characterizes DCR's board structure. In addition, elimination would save approximately \$3,000 in annual Board expenses.

Recommendation (30). **The General Assembly may wish to consider eliminating the Board on Conservation and Development of Public Beaches. Its responsibilities should be directly administered by DCR, or should be transferred to an agency-wide board.**

The Virginia Conservation and Recreation Foundation Should Be Abolished. The Virginia Conservation and Recreation Foundation was established in 1992 to manage the Conservation and Recreation Fund. The fund's purpose is to purchase fee simple title, or other rights, to property for the protection and preservation of ecological, cultural, or historic resources; recreational lands; State forests; habitat for threat-

ened and endangered species; habitat for fish and wildlife; natural areas; and open space. Another responsibility of the foundation is to develop an inventory of those properties in which the State owns an interest for the above purposes. The foundation is overseen by a Board of Trustees whose membership consists of the Secretary of Natural Resources, the State Treasurer, and seven trustees at large. DCR's director serves as the foundation's executive secretary and the Secretary of Natural Resources serves as the chair.

Although the foundation is responsible for the management of the fund, the foundation's minutes indicate that the fund has never been allocated any appropriation, nor has the foundation developed an inventory of State-owned lands. Moreover, the foundation's minutes indicate that since 1993, the foundation has been called to meet only twice. These meetings were held in October, 1996, and December, 1996. Furthermore, the minutes indicate that the foundation's issues overlap with those of other boards and foundations, such as the Board of Conservation and Recreation and the Virginia Outdoors Foundation. Unless the foundation becomes more actively involved in matters like raising funds for its purposes, or unless the General Assembly specifies other duties for it, it appears that the functions of the Virginia Conservation and Recreation Foundation could be administered through the Board of Conservation and Recreation or the agency-wide board recommended earlier.

Recommendation (31). The General Assembly may wish to consider amending Sections 10.1-1017 through 10.1-1025 of the *Code of Virginia* to eliminate the Virginia Conservation and Recreation Foundation, and transfer its functions to the Board of Conservation and Recreation or the new DCR policy board previously recommended. The General Assembly may wish to consider transferring the responsibility for the inventory of State-owned natural resource lands to DCR.

The Virginia State Parks Foundation Should Be Abolished. The Virginia State Parks Foundation was created in 1992. This foundation has statutory responsibility to assist DCR in its duties and responsibilities. However, its primary role is to distribute funds that have been donated to the State parks.

It does not appear that this foundation is necessary. The foundation met five times from February 1996 to May 1997. Based on a review of the meeting minutes and observation of a board meeting, the majority of each meeting involved DCR staff updating the foundation on the activities of the department. At only two of the meetings did the foundation actually approve the distribution of funds to the parks, and for the most part this involved "rubber-stamping" funds that had already been designated for a specific purpose. The amount of money that the foundation has distributed has been small, or typically less than \$150,000 per year. It appears that the functions of this foundation could be assumed by the single DCR policy board recommended earlier.

Recommendation (32). The General Assembly may wish to consider amending Sections 10.1-218 through 10.1-225 of the *Code of Virginia* to elimi-

nate the Virginia State Parks Foundation, and transfer its functions to the Board of Conservation and Recreation or the new DCR policy board previously recommended.

DCR's Advisory Boards Appear to Be Appropriately Structured

As previously noted, DCR is associated with a number of advisory boards. They include the Cave Board, 17 scenic river advisory boards, and one historic river advisory board. The Cave Board is responsible for advising the department on matters relating to caves and karst, maintaining an inventory of publicly owned caves in Virginia, providing cave data for use by State and other governmental agencies, and facilitating data gathering and research efforts on caves.

The scenic river advisory boards are responsible for assisting and advising the director about the protection and management of Virginia's scenic rivers. These advisory boards are established after the General Assembly has designated either a river or a river segment as "scenic." DCR, however, is actually responsible for recommending waterways for scenic river designation to the Governor and the General Assembly.

In contrast to the scenic rivers, the Lower James River has been designated by the *Code of Virginia* as an historic river. The Lower James River Advisory Committee is responsible for assisting and advising DCR, the political subdivisions through which the Lower James River passes, and other public bodies about the protection and management of this portion of the James River.

This review of the advisory boards indicates that their structure is appropriate. The boards provide the public with an appropriate avenue from which to become involved in the management of these natural resources. In addition, these boards provide the public with an entry point into wider discussions about Virginia's natural environment. Therefore, no change is recommended to the agency's advisory boards.

MANAGEMENT OF DCR NEEDS IMPROVEMENT

DCR has historically had management problems relating to lack of structural stability, poor communication, and the absence of collaboration between its divisions. Further, there has been a lack of continuity in DCR management, with considerable turnover of agency heads over the past several years. This problem was noted by the Auditor of Public Accounts in both its FY 1995 and FY 1996 audits of DCR. Those audits also noted that DCR's policies and procedures were outdated and that a need existed for additional training of staff. This review of DCR indicates that these organizational problems still persist.

However, rather than focusing on alleviating these organization-wide problems, recent DCR directors have focused on directing the operational activities of the DCR divisions, assuming responsibilities that would usually belong at the division director level. Consequently, DCR employees have expressed the opinion that they are being micro-managed and they are not consulted regarding decisions which affect their jobs. In turn, employee morale has suffered, as have the programs with which the department is charged.

Rather than micro-managing the agency's operations, DCR management should focus on setting broad policies for the divisions to follow. These policies should guide the divisions' operations and foster communication and coordination of responsibilities between divisions.

There Has Been a Lack of Continuity in Agency Leadership

One of DCR's most significant problems has been a lack of management continuity. In particular, the agency's performance has been hampered by turnover in the director's position. DCR has had seven directors in the past seven years. Turnover, however, has also taken place in other management positions. For instance, the Administration Division has had three directors in the past seven years. Other changes to the management team's structure have also impacted DCR. Most significant of these changes was the elimination of the deputy director's position and its eventual re-establishment.

Agency Head Turnover Has Been Problematic. Turnover in the agency director's position has seriously affected DCR's employees and the agency's ability to fulfill its mission. Eighty-two percent of DCR's employees stated that turnover within DCR's leadership has adversely affected the agency's ability to carry out its mission. In addition, numerous employees pointed to turnover in the director's position as one of DCR's most significant weaknesses. For example:

Often there are sudden changes in DCR priorities from agency head directives or changes due to the frequent turnover in DCR leadership.

* * *

The reorganizations have disrupted efficiency, morale and services. Every newcomer wants to do things differently just to prove they've been here.

* * *

Quit reorganizing every six to twelve months. Some change is good, but not constantly.

* * *

Turnover in the director's office is the most important reason for the agency's audit problems. This agency has had three or four different directors in a relatively short period of time. Due to that turnover, the agency has been unable to obtain the resources necessary to correct its problems. Furthermore, many of the directors did not have the time in office to direct resources where they were most needed.

* * *

Without the focus and direction which comes from a stable director, a staff becomes more interested in the status quo than in looking ahead. Typically, 'acting' directors also have additional responsibilities, such as running an individual section or program. Under such circumstances their hands are full. They have too much to worry about to sit back and plan a division's future. Furthermore, when folks are uncertain about the future, the best strategy is often simply to keep up with the day-to-day activities which must be performed.

Due to the turnover in the director's position, it appears that DCR's employees are often being pulled in multiple directions. The following case examples further illustrate how changes in agency leadership have affected DCR's employees:

Many of the staff favored the strategic planning process initiated by one of the agency's directors. The agency's employees devoted a great deal of time to the project and many still refer to the plan often. However, after that director left the agency, the new director abandoned the plan. Employees reported that this director was not supportive of strategic planning at the agency. Therefore, after months of work on a strategic plan, the plan was scrapped.

* * *

Two years ago, the Division of State Parks attempted to implement a program budgeting process to calculate the costs of its programs, such as individual offices, campgrounds, and pools. At the time, due to the object codes used by DCR, the division was only capable of calculating its expenses for items such as electricity or wages. However, the program budgeting system the division set up was criticized by the agency's financial staff because its data did not correspond to that maintained in CARS.

At the time, a financial staff person suggested that instead of using the previous program budgeting system, the Division of State Parks utilize a "task and phase" system. The only drawback of this system would be the need for additional data entry.

Several months later, all of the park managers and many central office Parks staff were summoned to a meeting in Richmond by the agency's acting director. No one in the Division of State Parks knew why this meeting had been called. At the meeting, State Parks Division staff were accused of "screwing things up" and told that task and phase "was dead."

However, two months later, the current agency head came aboard. After learning more about task and phase budgeting, the current director reinstated the plan. A year later the plan was scrapped. State Parks staff report that they are unsure why the plan was scrapped, but they believe it had to do with the increased data entry required.

In addition to the impact which turnover has had on DCR's employees, it has also affected the agency's management. The current director has noted that because the employees believe "they will outlast her tenure," it is much more difficult to manage the agency. She says, "DCR employees are tired of change," and as a result, she must communicate why decisions have been made, or the staff "won't buy into them." However, as detailed in other sections of this report, it does not appear that an appropriate level of communication and trust has been established to achieve this kind of understanding between DCR's management and staff.

DCR Reversed Its Position on the Need for a Deputy Director Position, Displacing a High-Level Employee in the Process. Another change which impacted DCR was the elimination of the agency's deputy director position in 1994. At the time, it was reported that the position, which was held by a 29-year employee of the department, was unnecessary. The action and the rationale offered for it appeared questionable, given the size of the agency and the number of boards and programs with which the agency was involved.

The position was later reestablished in 1996. Because these actions taken by the agency heads seemed contradictory, many DCR employees believe that both the elimination and subsequent reestablishment of the position were motivated by factors unrelated to the agency's best interests. Several staff mentioned that this type of action was one reason for their low morale.

Staff Rate Communication as Poor

According to interviews and employee survey responses, poor communication appears to be a pervasive problem in DCR, as it was in the 1993 DPB study. Over 83 percent of DCR's employees responding to the JLARC staff survey disagreed with the statement, "Communication within DCR is good." Among the communication problems which employees reported are a lack of knowledge about the agency's goals and priorities, out-dated policies and procedures, and slow communication within the agency's divisions. As a result of these problems, more employees are turning to the "grapevine"

for information, and interactions between the agency's divisions have continued to be difficult to coordinate.

Staff Are Not Aware of DCR's Goals and Priorities. Fifty-one percent of DCR's employees responding to the JLARC survey reported that they are not aware of the agency's goals and priorities. Such information is crucial for employees working in an agency with many different programs, because those goals and priorities provide employees with an understanding of the needs and requirements of other programs. Furthermore, without an understanding of the agency's goals and priorities, employees cannot readily relate their own jobs and performance to DCR's overall mission.

Among the best methods for communicating an agency's goals and priorities is a strategic plan. Until recently, DCR had not developed an agency-wide strategic plan since the Vision 2000 plan was developed in 1993. The Vision 2000 strategic plan was widely distributed to all DCR employees. However, as previously noted, when a new director came to DCR in 1994, use of this strategic plan was discontinued. DCR management indicates it will widely distribute to employees the new strategic plan its divisions just recently completed. This could be a useful step in improving the communication problem with staff.

Another way to make staff aware of the agency's goals and priorities is through the process of developing the agency budget. As part of the last two biennial budget submissions, State agencies have been required to develop "Issues Assessments" to identify major trends and issues facing the agency. At DCR, each division was responsible for developing its own issues assessment and submitting the findings to the agency's management team for editing and ultimate submission to the Department of Planning and Budget. Once division staff submitted their assessments to the Director's office during the 1996 budget cycle, it appears that little further communication about the assessments occurred. Several staff reported that they were not informed about any modifications that may have been made to their division's work, nor were they informed about the other divisions' assessments. The value of an issues assessment process appears to be reduced when only a few employees in an agency know what it contains.

Furthermore, some employees who stated they did have an opportunity to review the final version of DCR's previous issues assessment reported that it did not appear to contain many of the staff's concerns. As a result, these employees stated it is their impression that employee input is not valued by agency management. In fact, one staff member commented that the whole experience was "a waste of time." Overall, 51 percent of DCR employees responding to the JLARC staff survey reported they do not have adequate input into their divisions' priorities.

As shown in Table 14, DCR employees believe there are communication problems at DCR. Although employees report that communication within their immediate work groups is good, 52 percent disagree with the statement that communication within their division is good, and 83 percent disagree with the statement that agency commu-

Table 14

Survey Results Concerning Agency Communication

Survey Statements	Strongly Agree (percent)	Agree (percent)	Disagree (percent)	Strongly Disagree (percent)	(n)*
"Communication within DCR is good."	1	16	50	33	249
"Communication within my division is good."	8	39	38	14	248
"Communication within my immediate work group is good."	33	45	17	6	251

*Number of respondents.

Source: JLARC survey of DCR employees, summer 1997.

nication is good. These findings suggest there are some problems with the transmission of information through DCR's management levels.

Another indication that communication along the chain of command is problematic is the fact that 57 percent of DCR's employees reported on the JLARC staff survey that they are not informed about policy changes affecting their jobs. The failure of DCR management to communicate policy changes to its employees creates confusion, increases the chances that mistakes will be made, and reduces the employees' ability to adapt to those changes.

Recommendation (33). DCR management should develop a process for communicating its strategic plans to employees.

Agency Policies and Procedures Are Outdated or Unclear. Proper communication between employees and management is hindered not only by management's failure to communicate policy changes, but also by the state of DCR's existing policies and procedures, many of which managers and employees state are out-of-date. In addition, employees reported that the agency's policies and procedures are unclear and inconsistently applied across the entire agency. About 70 percent of DCR's employees responding to the JLARC staff survey disagreed with the statement, "DCR's policies and procedures are clear." Similarly, 70 percent of DCR's employees disagreed with the statement, "DCR's internal policies and procedures are consistently applied across the agency." In fact, some employees have reported that they do not believe that any policies or procedures guide their actions. Table 15 provides the employees' responses to the JLARC survey questions concerning DCR policies and procedures.

One reason for the employees' view that the agency's policies and procedures are unclear, or that they do not exist, is that they may not have access to them. DCR's policies and procedures are located in hard copy form in each division director's office

Table 15

Survey Results Concerning Agency Policies and Procedures

Survey Statements	Strongly Agree (percent)	Agree (percent)	Disagree (percent)	Strongly Disagree (percent)	(n)*
"I am informed promptly when policies or procedures that affect me are changed."	6	37	41	16	249
"DCR's internal policies and procedures are clear."	1	29	46	24	250
"DCR's internal policies and procedures are consistently applied across the agency."	1	25	49	25	239

*Number of respondents.

Source: JLARC survey of DCR employees, summer 1997.

as well as electronically on the agency's Intranet, which is essentially an internal Internet available only to staff. DCR does not provide each of its employees with a hard copy version of its policies and procedures. Many staff may be unable to access the hard copy versions of DCR's policies and procedures kept in the division directors' offices. These staff include all personnel located in the agency's State parks and the Division of Soil and Water Conservation's field offices. Further, many staff are reportedly unable to access the Intranet, including those stationed in the State parks and DSWC field offices and those central office staff whose computers are not configured properly.

As mentioned previously, DCR's managers and employees recognize that many of the agency's policies and procedures are in need of revision. And, the lack of up-to-date financial policies and procedures has been noted by the Auditor of Public Accounts (APA). Included in each of the agency's past two audits has been the recommendation that DCR update its financial policies and procedures. The APA's 1995 audit report stated that:

Financial Services does not maintain current policies and procedures. The last update was September 1993. Written policies and procedures provide information for other divisions to follow when processing transactions. The use of out-dated procedures can cause inefficiencies in operations. Financial Services has had audit points addressing improper voucher coding, late payments, agency transaction vouchers, and petty cash controls. However, it has not changed its policies and procedures, and many of these issues continue to occur. Financial Services should have current policies and procedures for all financial services.

Nevertheless, little progress has been made in revising DCR's policies and procedures. For instance:

One employee noted that implementation of the agency's travel policy was problematic three years ago. At the time, the agency's division heads were implementing the policy in different manners. Rather than clarify the policy, the employee stated the agency resolved the problem by sending letters to the affected division heads explaining how the policy should be interpreted.

While DCR management was correct to clarify the travel policy for the affected division heads, a more effective strategy would have been to rewrite the policy to include the clarifications. A rewritten policy would have resolved the problem both at the time and for the future. Instead, DCR continued to rely upon a travel policy originally implemented in November, 1992. That policy, however, was out-dated by 1994, because it did not incorporate changes which the Governor had made to the State's travel regulations in October, 1994. In August, 1997, DCR management revised its travel policy.

Recommendation (34). DCR should make the revision of its policies and procedures a high priority. All policies and procedures should be examined to determine whether they are up-to-date. Revised and existing policies and procedures should be made available as quickly as possible to DCR's employees. This may be accomplished through use of the agency's Intranet or by providing each employee with a hard copy edition of the agency's Policies and Procedures Manual.

Computer Problems Hamper the Flow of Reliable Communication to the Field. In addition to the agency's other communications problems, many of the staff located in State parks and field offices stated that the agency's computer communications are unreliable. The staff have reported difficulty receiving electronic mail and other types of transmissions from the agency's central office, and managers in these offices do not have access to information which is maintained by the central office in electronic form. Moreover, these locations do not have access to the agency's Intranet, which contains DCR's policies and procedures as well as the employee newsletter.

These difficulties have not only hampered communication, but also these locations' operations. Because the agency's computer communications are unreliable, the parks and field offices have found transmitting data, such as purchase orders, to the central office difficult. As a result, purchases of supplies and equipment have been delayed. In some instances, employees report electronic messages from the central office have had to be printed at that location and faxed to the agency's parks and field offices. For example:

On a site visit to a field office, JLARC staff observed that the site's computer communications did not function properly. The office's computer system was unable to receive an electronic message sent by the

agency director. The message restricted field office staff from travel that day due to high ozone levels in the area. Eventually, the message was delivered to the field office by facsimile. However, the office's personnel had already left for the day to conduct work in the field.

Although DCR's Automated Data Processing (ADP) Section is aware of the agency's computer communications problem, it has not yet corrected it.

Recommendation (35). **The agency's ADP Section should make the improvement of remote sites' communications a top priority.**

Agency Leadership Needs to Appropriately Delegate Responsibilities

Throughout this review, many employees voiced concerns with micro-management by DCR's top leadership. Several case examples illustrate some of these problems identified by staff that the attempt to micro-manage has created:

One employee stated that the Design and Construction Section's workload has increased as a result of the additional layers of approval for contracts which management had put in place. The employee stated that any contract over \$10,000 must be initialed by the project's manager, the bureau chief, the Design and Construction director, and the Planning and Recreation Resources director before the department's director would sign the contract. The employee said that given the amount of money which the Design and Construction Section must oversee, four additional layers of approval seems excessive.

* * *

Other divisions must also obtain the agency director's approval before issuing any contracts over \$10,000. For example, the director of the Soil and Water Conservation Division used to have signature authority for all Chesapeake Bay Nonpoint Source Pollution Prevention (319) grants issued which were under \$100,000. This approach was taken since the agency director previously signed off on the federal applications for these grants, which detail how the grant funds will be distributed. Further, it is division staff who have the detailed knowledge of what needs to be accomplished with the grant funds. Since most of the grant projects range between \$20,000 to \$25,000, they must get approval from the agency director. Hence, the agency director is essentially approving these projects twice.

* * *

The process for hiring wage staff has changed. In the past, division directors had authority to hire new part-time (P-14) staff as needed,

as long as they stayed within budget. The division directors would annually send a list of the types and number of P-14 staff they expected to hire during the year. Currently, the division directors must get separate approval from the agency director for every new P-14 they wish to hire, even though the funds allocated to P-14 assistance in division budgets have already been approved. This practice increases paperwork, causes delays, and calls into question the authority of division directors to manage their own budgets.

* * *

A previous change to hiring wage staff in parks occurred in early 1996 by DCR's acting director. According to DCR park managers, DCR management restricted the number of wage staff each park could hire by directing that the State parks' MEL for wage staff would be the number of people rather than the number of positions. Therefore, if a position turned over five times during the summer, it would count toward the MEL as five rather than one. As a result, the parks did not have enough position slots to fill their needs.

DCR management told park staff to contract out services or hire temporary agency employees to meet any needs they had. After contacting several temporary agencies, some parks found that it cost more to hire from a temporary agency than to hire a wage employee. For example, a park found that it cost \$1.89 more per hour to hire a maintenance laborer, \$0.98 more per hour to hire a secretary, and \$0.77 more to hire a carpenter. According to several park managers, when DCR management was informed of the additional costs, they replied that they did not care.

Employees reported that multiple levels of management must "sign off" on minor decisions. That, in turn, has reduced the speed at which employees' needs for information can be met. Sixty-six percent of DCR's employees responding to the JLARC staff survey disagreed with the statement, "Decisions that affect my work are made in a timely manner." As reported by staff:

People are so afraid that the most minor decision or draft of a sensitive letter goes through four or five people and the response in turn goes back down the line of four or five people. Upper management is smothering under the volume and program managers and staff are fuming because simple tasks take weeks or months to complete.

* * *

In recent years, the ability of the Division of State Parks to function has been usurped by the department's director... [T]he management

of the parks and the servicing of the public has gotten extremely complicated and requires that the state parks staff person in the field go through numerous levels of bureaucracy to get anything done.

Furthermore, as shown in Table 16, nearly 51 percent of DCR's employees responding to the JLARC survey indicated that they do not have adequate input into the establishment of work priorities for their divisions. In addition, 55 percent of DCR's employees reported they must ask approval for decisions that they believe they should be able to make for themselves, and more than 74 percent of the agency's employees indicated that DCR leadership does not provide adequate opportunities for their involvement in policy and decision-making. As one employee noted:

The factors which affect my morale include the micromanagement of all job functions. There's no internal communications – the DCR director's office knows it all. There's no need for input from managers or staff.

Table 16

Survey Results Concerning Employee Input into Workload Priorities

Survey Statements	Strongly Agree (percent)	Agree (percent)	Disagree (percent)	Strongly Disagree (percent)	(n)*
"I am required to request approval for decisions I should be allowed to make myself."	22	33	43	2	248
"I have adequate input into the establishment of work priorities for my division."	8	41	39	12	249
"DCR leadership provides adequate opportunity for meaningful involvement in policy and decision-making."	1	24	48	26	245
"Decisions that affect my work are made in a timely fashion."	1	33	44	23	248

*Number of respondents.

Source: JLARC survey of DCR employees, summer 1997.

The examples provided of micro-management practices, coupled with the agency's limited use of its strategic plan and lack of communication about agency direction, show that employees' responses are reflecting underlying problems.

By excluding their employees from policy and decision-making, DCR management fails to utilize its staff's experience and promotes employees' belief that management does not trust them. Further, it can result in inappropriate decisions due to a lack of knowledge about all of the aspects of an issue. The agency's management should provide its divisions with the authority to perform programmatic activities without micro-management as long as the divisions stay within their approved budgets.

Agency Training Appears to Be Inadequate

According to financial records and employee input, the level of training provided by DCR is inadequate. For instance, DCR's report on its Employee Recognition Program states that one reason why earlier employee recognition programs were unsuccessful was because management had a "lack of training" in the area of recognition. In addition, the 1997 Strategic Information Technology Plan, prepared by the Department of Information Technology for DCR, states that increasing computer training for the agency's employees was a "repetitive theme" within their findings, and that resolution of the problem would "contribute to an overall increase in the department's operating efficiencies." More significantly, more than 40 percent of DCR's employees reported in the JLARC staff survey that they do not believe they have been provided adequate training to perform their jobs. Agency financial records indicate that expenditures for training have declined significantly since FY 1994.

Many DCR employees reported that they have never received any training from DCR, and that they rely on their own experience to guide their actions. Among the comments DCR staff provided are the following:

Technical training is needed for technical staff to keep current. Most staff are recognized experts in some technical conservation area, whether it be GIS/modeling, water quality testing, river restoration, or urban erosion control. DSWC not only mentors and trains DCR staff but provides outreach and training to staffs of other natural resources agencies as well as Soil and Water Conservation Districts, private consultants, and conservation organizations (Trout Unlimited, Friends of the Shenandoah River, etc.). Technical training, which sometimes is expensive and is only offered out-of-state is ... discouraged.

* * *

I have [many] years of experience in my field. Therefore, I have more experience than most of my co-workers and am not in need of a large amount of additional training. However, there is virtually no training provided to less experienced personnel.

Such responses raise questions about the staff's ability to efficiently and effectively perform their duties, especially those staff assigned to highly technical areas.

Training should be encouraged by DCR, because it increases the employees' ability to contribute to the agency's effectiveness. Among the areas in which employees state they need additional training are: the agency's computer software, the agency's financial policies and procedures, and technical information related to their specialties.

However, financial records obtained from DCR indicate that the level of spending on training has declined significantly over the past four years. Since FY 1994, the agency's expenditures on training have declined by more than 68 percent. Table 17 displays DCR's training expenditures between FY 1993 and FY 1997.

Table 17

Total DCR Training Expenditures, FY 1993 to FY 1997

Fiscal Year	Total Training Expenditures
1993	\$164,720
1994	194,659
1995	102,329
1996	137,601
1997	61,908

Source: Department of Conservation and Recreation.

Recently, however, it appears that DCR management has begun to consider training to be a greater priority. Some managers reported that the agency's director has instructed them to include more money in their budgets for staff training. This is a positive step towards ensuring that DCR's staff will be able to keep up-to-date with technological changes in their fields and successfully perform their duties in the future.

Recommendation (36). DCR should ensure its staff receive adequate training, especially in areas such as computer use, financial procedures, and technical fields.

Agency Management Problems Are Reflected in Employee Morale

Given the problems described in previous sections of this chapter, DCR does not appear to operate as efficiently and effectively as possible. The organization has problems that are related to a lack of leadership continuity, micro-management, poor communication, and inadequate training. These problems have a major impact upon employee morale, despite the employees' apparent interest in their work. Concerns about "poor morale" at the agency were noted in the conclusion of the March 1997 report of an internal study group formed by DCR management. JLARC staff also found,

through a survey of DCR employees during the summer of 1997 as well as in interviews throughout the year, that employee morale at the agency is a problem.

Agency Morale Is Perceived as Low by DCR Employees. In structured interviews with JLARC staff and in their responses to the JLARC employee survey, DCR employees indicated that they believe agency morale to be low. Among the factors which employees stated had affected their morale were: poor internal communication, micro-management, and a low level of trust among employees in agency management.

The employee survey addressed morale in two ways: individual perceptions of morale and perceptions of agency morale. The survey item regarding agency morale asked respondents whether they agreed or disagreed with the statement, "Employee morale is good." This survey item had been used in four previous JLARC surveys of State employees at other agencies. Table 18 compares the results of these surveys. Eighty-seven percent of DCR employees disagreed or strongly disagreed with the statement. This percentage is larger than that expressed by any of the other four agencies' employees. The agency with the most similar result on this question was the Department of Education in 1991, which at that time was in the midst of a reorganization in which 64 percent of the agency positions were abolished and employees had to apply and compete to get a position back with the agency.

Table 18

Comparison of Survey Responses Rating Morale

Statement: <i>Employee morale is good.</i>						
Department	Strongly Agree (percent)	Agree (percent)	Disagree (percent)	Strongly Disagree (percent)	No Opinion/No Response (percent)	Number of Respondents
Department of Conservation and Recreation (1997)	1	9	41	46	3	252
Department of Environmental Quality (1996)	0	18	50	24	7	255
Department of Personnel and Training (1993)	0	28	49	15	9	80
Department of Education (1991)	0	10	37	45	8	71
Department of Taxation (1991)	2	25	32	32	10	190

Source: JLARC staff surveys from the Department of Taxation, Department of Education, Department of Personnel and Training, Department of Environmental Quality, and Department of Conservation and Recreation reports.

Individual ratings of personal morale were somewhat higher than those reported for agency morale. Nevertheless, only 34 percent of DCR's employees rated their own morale as good or excellent. A plurality of the agency's staff rated their own morale as "fair." Table 19 shows individual ratings of personal morale and compares this rating with the previous JLARC employee surveys that used this item.

Table 19

**Comparison of Survey Responses
Concerning Employee Perceptions of Their Own Morale**

Question: How would you rate your own morale at the present time?					
Department	Excellent (percent)	Good (percent)	Fair (percent)	Poor (percent)	Number of Respondents
Department of Conservation and Recreation (1997)	7	26	43	20	241
Department of Environmental Quality (1996)	6	31	46	17	255
Department of Personnel and Training (1993)	6	50	36	8	80
Department of Taxation (1991)	1	34	37	19	190

Source: JLARC staff surveys from the Department of Taxation, Department of Personnel and Training, Department of Environmental Quality, and Department of Conservation and Recreation reports. This question was not part of the survey of Department of Education staff.

Performance Viewed as Having No Impact on Career Opportunities.

In addition to factors such as micro-management, a lack of management continuity, and poor communication, other factors also play a role in the low morale exhibited by DCR employees. One of these other factors is the lack of importance attached to good job performance. Sixty percent of DCR's employees responding to the JLARC staff survey disagreed with the statement that good job performance will enhance their career opportunities within DCR. In fact, a few employees indicated that if they were to perform their jobs well, that effort would cause their careers to suffer.

Mistrust Is a Problem. Another factor contributing to the employees' low morale is their mistrust of agency management. More than 85 percent of DCR's employees indicated that employee trust in management is not good (Table 20). In addition, more than 75 percent of the agency's employees reported that management does not trust them. The agency's director has recognized that trust is a problem. During an interview with JLARC staff, the agency head stated:

Table 20

**Survey Results Concerning the Employees' Perceptions
of DCR's Management Team**

Survey Statements	Strongly Agree (percent)	Agree (percent)	Disagree (percent)	Strongly Disagree (percent)	(n)*
"If I perform my job well, my career opportunities within DCR will be enhanced."	4	35	42	18	248
"If I perform my job well, my career opportunities within DCR may suffer."	5	15	71	9	245
"Employee trust in management is good."	1	13	47	38	247
"Management trust in employees is good."	1	23	43	32	244
"DCR leadership's goals and priorities are clear."	3	27	53	17	246
"DCR's leadership values the conservation of natural resources."	6	39	37	18	239
"DCR is well managed."	1	23	47	30	239

*Number of respondents.

Source: JLARC survey of DCR employees, summer 1997.

Too often in the past, the staff have been disappointed by a director who has promised to fix something only to later fail or back off the commitment. The only way I can move past this lack of confidence is through my performance as director.

However, it does not appear that the employees' mistrust solely stems from the perceived failures of past directors to deliver on their commitments. Table 20 shows that 77 percent of the employees indicated the agency is not well managed and 70 percent indicated that current leadership does not have clear goals and priorities. A significant factor may be the employees' belief that the agency's current leadership does not value the central mission of the agency. Nearly 55 percent of the agency's staff were of the opinion that the department's leadership does not value the conservation of natural resources.

Employees Enjoy Their Work. Despite their mistrust of DCR management, the agency's employees reported that they enjoy their work. More than 97 percent of the agency's employees said they find their work interesting. However, the employees report that because of the agency's problems, DCR does not have a supportive work

environment. Nevertheless, the employees say they remain with the agency because they believe in the importance of conserving Virginia's natural resources.

DCR HAS STAFFING PROBLEMS

DCR's communication and morale problems appear severe, and they need to be corrected. However, correcting those problems is especially important given that DCR also appears to have staffing problems. These problems were identified at least as early as 1993, when a DPB report noted that staffing shortages existed. Since that time, the agency has not proactively sought to address the problem, and in fact has exacerbated the problem by leaving vacant positions open for extended periods of time. At the same time, new responsibilities have been added to the department. Current staffing levels do not appear adequate to meet these added responsibilities.

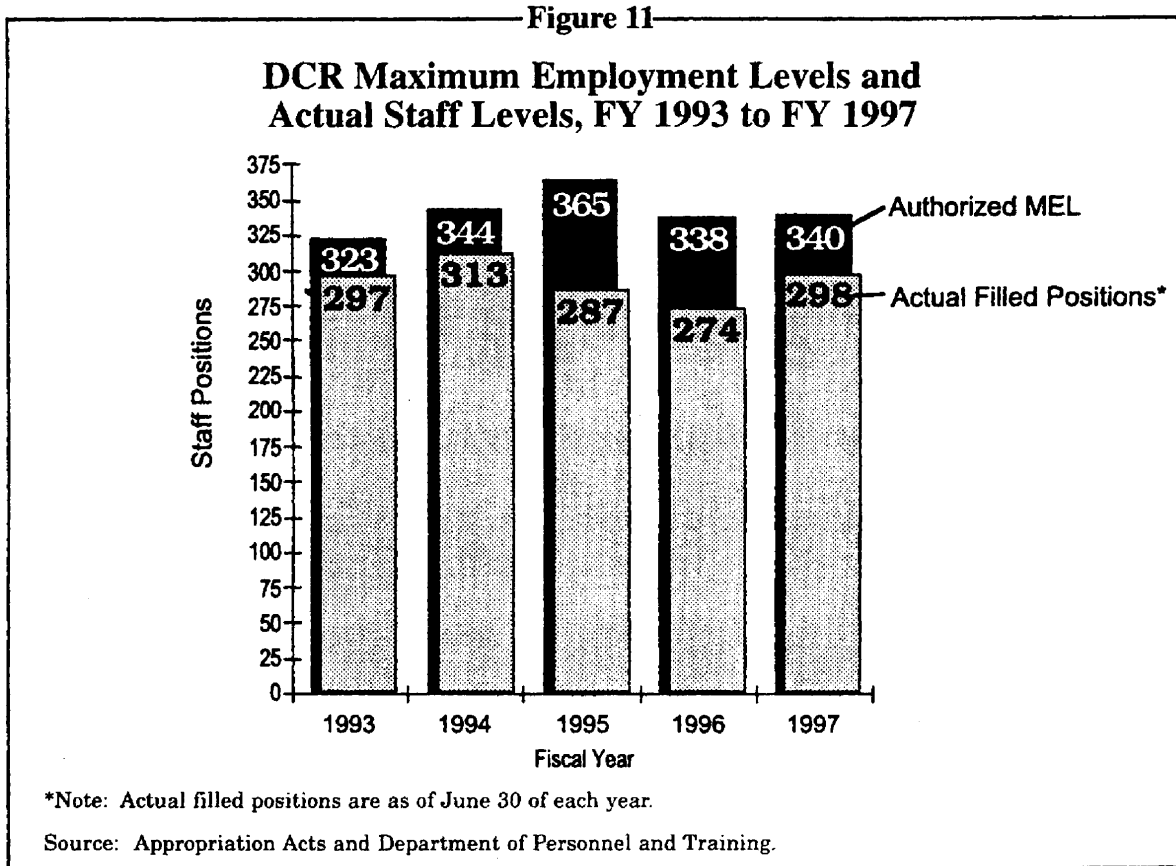
DCR Staff Levels After the 1993 DPB Report Documented Staffing Shortages

In its 1993 review of DCR, DPB reported that several of DCR's programs were understaffed. For instance, DPB's review noted that an additional 50 positions would be required to meet the Division of State Parks' workload requirements. Other divisions were noted to also require additional positions, including the Division of Natural Heritage.

However, since 1993, actual staffing levels at DCR have not increased. As shown in Figure 11, although DCR's maximum employment level (MEL) increased between FY 1993 and FY 1995, the actual number of filled positions declined through FY 1996. Many of the agency's employees left DCR after passage of the Workforce Transition Act (WTA) in 1995. Agency records indicate that 28 employees left the agency as a result of the WTA, many with decades of experience. In addition, in FY 1996, 20 administrative positions were eliminated through budget amendments. However, the number of filled positions increased in FY 1997. This increase is attributable to a 1997 General Assembly mandate directing DCR to fill its vacant positions.

Delays in Filling Vacancies Have Exacerbated Staffing Problems

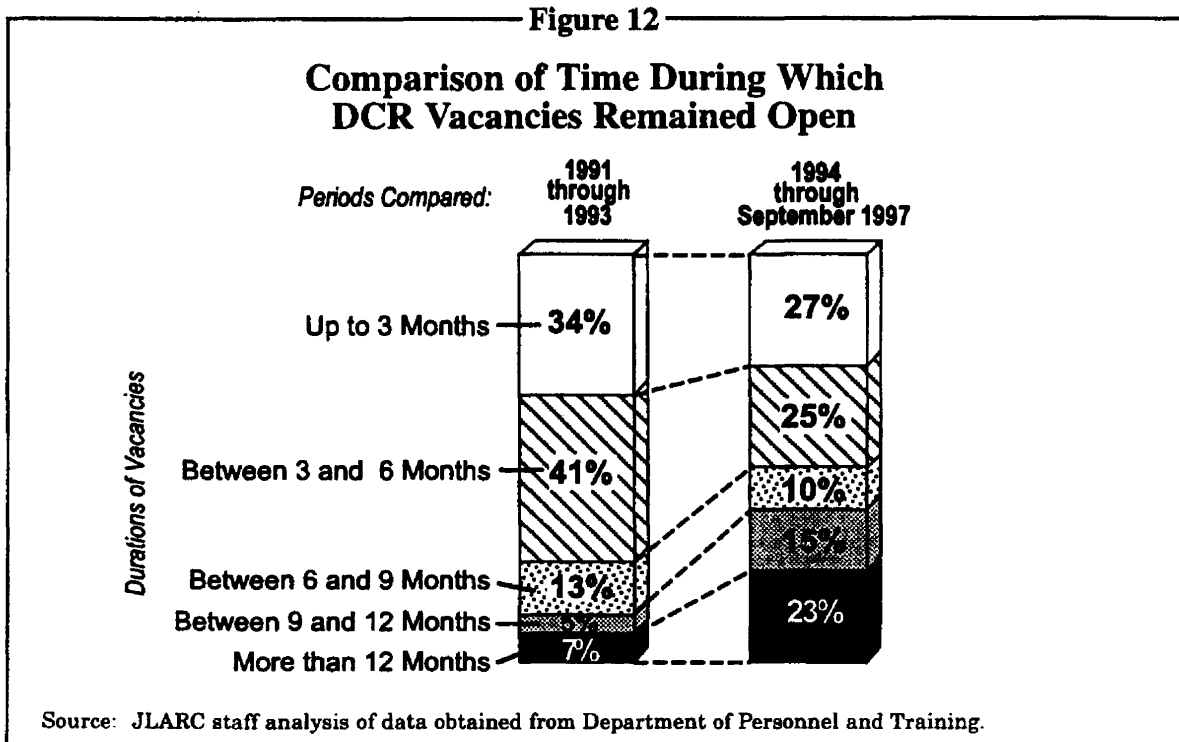
Another staffing concern has been the length of time for which positions have been kept vacant. Many of the agency's positions have been vacant for periods in excess of one year. As previously referenced, recently the General Assembly mandated that DCR fill all of its positions that were vacant as of January 1, 1997. Of those positions vacant as of January 1, 1997, 30 percent were vacant for more than one year. Several were vacant for two years or longer. These extended vacancies have placed a great burden on the agency's employees, many of whom have had to assume additional responsibilities for long periods of time.



To further explore this issue, JLARC staff examined the position histories of all DCR positions which had turned over during the past five years. The data, obtained from the Department of Personnel and Training, indicates that many of these positions have remained open for periods in excess of one year. In total, of the 113 positions examined, 36 positions (32 percent) were vacant for a period of time in excess of 12 months. In general, the types of positions which were left vacant for the longest periods of time include: executive secretary senior, accountant senior, personnel practices analyst, environmental engineer senior, park ranger, and park ranger senior.

It also appears that the average length of time a vacant position remains open has increased. During the period between January 1, 1991, and December 31, 1993, vacancies, on average, remained open for five months. However, during the period between January 1, 1994 and September 22, 1997, vacancies on average remained open for more than eight months. Furthermore, the percentage of positions which were vacant for more than 12 months increased from seven percent between 1991 and 1993 to 23 percent between 1994 and the 1997 (Figure 12).

The extended period of time in which many DCR positions have remained vacant has placed an added burden on those agency employees assigned additional responsibilities in order to "pick up the slack." Many employees report that due to the



additional responsibilities assigned to them, their own work has suffered. In most instances, the employees report their positions were not regraded to account for the new duties, nor did they receive additional compensation for assuming them. For example, an employee stated:

I have requested a [thorough] audit of my position, since previous requests for a position regrade have been denied. This action has been supported by my supervisor. I have assumed all of the duties previously handled by a [position seven grades higher]. The duties I now perform are located word for word on the [higher grade's] position description.

Additional Staffing Has Been Authorized by the General Assembly

In recent years, the General Assembly has taken two major actions in response to DCR's staffing levels. First, the General Assembly authorized 20 additional positions for the Division of State Parks in 1996. Second, the General Assembly passed legislation which required that DCR fill all of its positions vacant as of January 1, 1997 by June 30, 1997. DCR was not successful in meeting that deadline.

On January 1, 1997, DCR records indicate that 61 (18 percent) of the agency's 340 authorized positions were vacant. By July 1, 1997, the agency had filled 42 of those positions, or 69 percent of those which were vacant on January 1. Of the remaining vacancies, DCR records indicate that 14 positions were still under recruitment as of

July 1, 1997. The agency had taken no action on five positions. Table 21 displays the status of DCR's January 1, 1997 vacancies as of July 1, 1997, at which time 19 of these positions were vacant. In total, on July 1, 1997, 30 positions were vacant due to new vacancies that had been created. On November 30, 1997, DCR had 25 vacancies.

Table 21

The Status of DCR's January 1, 1997 Vacancies as of July 1, 1997

Division	Jan. 1, 1997 Vacancies	Positions Filled	Positions Under Recruitment	No Action
Administration	5	3	1	1
Finance	5	1	4	0
Dam Safety	0	0	0	0
Natural Heritage	3	2	1	0
Planning and Recreation Resources	10	9	0	1
Soil and Water Conservation	9	4	4	1
State Parks	29	23	4	2
Totals	61	42	14	5

Source: Department of Conservation and Recreation, 1997.

Current Agency Staffing Policies Undercut Progress in Filling Vacancies

Although DCR management has eliminated many of its vacancies, the agency appears poised to undercut that progress. Recently, division directors received a staffing memorandum from the agency's director notifying them of a newly established full-time equivalent employment level (FTE) for each division. The FTE employment level includes both full-time employees and full-time equivalent wage staff. The memorandum specified that the "FTE goal" must be met between mid-November, 1997 through January, 1998. The FTE level specified for each division appeared to have no relation to the ability of the division's budget to support additional personnel needs.

Among the measures which may need to be adopted to meet the goals are the following: freezing positions which are currently being recruited; abandoning plans to advertise other vacancies, including federally funded positions; and reducing the use of wage staff. This action appears to have much more to do with simply reducing numbers than improving agency performance. Further, it appears to be counter to the intent of the staffing directive issued by the 1997 General Assembly.

Recommendation (37). DCR management should abandon its plan to restrict the agency's staffing levels that appears to conflict with the intent of the 1997 General Assembly staffing directive.

Added Responsibilities Compound Staffing Problem

Although DCR's authorized maximum employment level is slightly higher in 1997 than it was in 1993, DCR's responsibilities have increased considerably since 1993. For instance, the Division of Soil and Water Conservation has assumed responsibility, in cooperation with other agencies, for development of Chesapeake Bay tributary strategies, implementation of the Water Quality Improvement Act, and development of strategies for addressing waters impaired due to nonpoint sources.

In addition, the Divisions of State Parks, Planning and Recreation Resources, and Natural Heritage have assumed additional responsibilities due to the 1992 Park and Recreational Facilities Bond Act which authorized \$95 million for projects to improve DCR's State parks and natural area preserves. These projects are being managed by the Division of Planning and Recreation Resources' Design and Construction Section, and they will add land and facilities to the State parks and natural area preserves systems, which are managed by the Division of State Parks and the Division of Natural Heritage.

Support Functions May Be Particularly Understaffed

In an interview with JLARC staff, the DCR director stated that the "infrastructure" of the agency was "a disaster" when she assumed leadership of the department. The director indicated that the way that staffing reductions were achieved in the past was for administrative support to take a disproportionate amount of the cuts, because this is an area which the public does not see. The director indicated that it is possible to continue with shortcomings in this area for a while, but not permanently. The director attributed some of the department's problems with financial management and its history of problem audits to these administrative support shortcomings. During the course of the review, other DCR staff stated that administrative support staffing, and especially clerical staffing, was a problem. DCR's administrative and financial staffing levels relative to total staffing are less than other peer agencies of DCR's approximate size. It appears that as a result of clerical staffing shortages, operational staff have assumed duties which limit the time they can devote to their programs.

Recommendation (38). DCR management should analyze the current level of support staff assisting the agency's operations. Where insufficient, DCR should request additional administrative and clerical support staff positions during the next budget cycle.

AGENCY SUPPORT FUNCTIONS NEED IMPROVEMENT

At present, DCR maintains two support divisions. The first, Administration, is responsible for meeting the agency's human resources, information services, risk

management, procurement, and communications needs. The second, created in 1996, is the Finance Division. The Finance Division is responsible for the agency's accounting and grants management functions.

However, neither division currently serves DCR's operational divisions well. Both support divisions have management problems which prevent their efficient and effective function. Among the problems cited by operational division staff are that the agency's finances are not well managed, that the agency's computer support is inadequate, and that the agency's Human Resources Section is unresponsive. Without strong support divisions to bind the different operational divisions' common functions together, establishing a single, cohesive agency out of DCR's programs will be very difficult.

Agency Finances Are Not Well Managed

The Auditor of Public Accounts (APA) has cited DCR for inadequate financial controls many times in the past ten years. However, despite numerous management attempts to address the APA's findings, DCR's finances continue to be problematic. The Finance Division's creation is the latest attempt by management to correct DCR's finances. However, it is too early to tell whether the division's creation will have a measurable impact on the agency's financial problems. This appears to be the case because the division has not addressed problems such as the agency's outdated policies and procedures or its staff's inadequate level of training.

Outdated Financial Policies and Procedures Need to Be Revised. As mentioned, the Finance Division's creation has not had a measurable impact on DCR's financial performance. Neither has it reduced the workload of DCR's financial staff. Despite the addition of four new positions, 85 percent of the Finance Division's employees stated on the JLARC survey that their workloads had increased since assuming their current positions. In part, this is due to the agency's outdated financial policies and procedures.

Outdated policies and procedures inhibit proper communication and increase the likelihood that errors will be made. Correcting those errors requires more time and often includes duplication of effort. Eighty-five percent of the Finance Division's employees stated on the JLARC survey that DCR's policies and procedures are unclear. Furthermore, more than 85 percent of the division's employees stated that the agency's policies and procedures are inconsistently applied across DCR. Since the Finance Division's creation, only three of the agency's 26 financial policies have been updated.

At the time of this review, DCR's policy manual contained a number of "placeholders" for areas in which no actual policies have been developed. In the financial area, established "placeholders" included those for the following issues:

- suspected theft or fraudulent transactions,
- cash receipts,
- vendor invoices and receiving reports,

- revenue/grant administration, and
- construction in progress.

Furthermore, the policy manual also contains a number of policies which refer to previous organizational structures, or which continue to refer to the Division of Administration or the abolished Fiscal Services Section for financial information. Such outdated policies can lead to confusion on the part of agency employees, especially those located outside the central office. The following case examples highlight these types of policies:

DCR Policy 200 is titled "Department Fiscal Responsibilities." The policy, established in 1990, states, "The Financial Services Section supports the Department's programs so that its mission is attained in an efficient and effective manner." However, the Financial Services Section no longer exists. The section was abolished and a separate, independent Finance Division has been created in its place.

Furthermore, the policy states, "While each division is accountable in its respective program areas, the Fiscal Services Section is responsible for overall financial coordination and financial management" of DCR, and a list of specific financial responsibilities assigned to the section is included. However, neither the Fiscal Services Section nor the more recently created Finance Division handles the entire list of responsibilities presented. Items such as DCR's procurement administration, travel charge cards, and accounts payable processing are handled by the Procurement Section of the Division of Administration. The Division of Administration is also responsible for the agency's risk management functions. Furthermore, budget planning and preparation are the responsibility of the budget analyst assigned to the Director's Office.

* * *

Another DCR policy, Policy 205, addresses the purchasing of goods and services. The policy states, "Divisions are responsible for purchase or requisition of all goods and services in compliance with Procurement Guidelines published by the Fiscal Services Section." Once again, this policy is outdated. As mentioned previously, the Fiscal Services Section does not exist. However, this policy also fails to account for the reassignment of DCR's procurement functions more than two years ago. DCR's procurement functions are now handled by the Procurement Section of the Division of Administration.

In addition, the policy notes that, "The acquisition of ADP, word processing and telecommunications products and services is handled by the ADP section." This is also inaccurate. The ADP section no longer has responsibility for approving ADP, word processing, telecommuni-

cations purchases. That authority is instead vested in the agency's procurement officer, who is the head of the Procurement Section.

In addition, the Finance Division's director has also commented on the need to address outdated DCR policies. The director noted in an interview with JLARC staff that DCR's decentralized payment and money collection systems could operate more smoothly if adequate policies governing employee judgment calls were in place. Therefore, DCR should examine its policies and procedures as soon as possible, and revise those which are outdated. The APA has made this recommendation in each of the agency's past two audits.

Recommendation (39). **DCR management should make the revision of its financial policies and procedures a priority. The Finance Division should develop a timetable for the revision of these policies and examine whether any additional policies are necessary to improve the agency's financial performance.**

Adequate Training Needs to Be Provided to Finance Division Employees. In addition to updating its policies, it also appears that DCR management needs to better train its financial staff. Fifty percent of the Finance Division's staff reported on the JLARC survey that they do not believe they have been adequately trained to handle their job responsibilities. In addition, 71 percent of the Finance Division's employees reported that they do not believe they are encouraged to seek out training opportunities. Many employees reported they have received no training since joining DCR, and only a few employees reported attending any training during FY 1996. Nearly 86 percent of the Finance Division's staff reported that work in their division is completed in an inefficient and ineffective manner.

Automated Data Processing Assistance Inadequate to Meet Agency Needs

More than 52 percent of DCR's employees stated on the JLARC survey that the agency's computer capabilities were inadequate for their work. Among the problems the employees cited were that the agency's computer communications were unreliable, that employees needed additional computer training, and that employees needed more timely user support. In order to address these concerns, DCR will need to improve the staffing level of its Automated Data Processing (ADP) Section.

Inadequate Staffing Levels Have Magnified DCR's Computer Problems. Although many of DCR's computer problems began as a result of the installation problems associated with the agency's new computer systems, these problems were magnified by the lack of adequate staffing levels within the ADP Section. Because the section was understaffed, its employees could not both repair the agency's systems and perform other tasks such as user support. For example, the agency's 1997 Strategic Information Technology Plan states:

The most pressing identifiable need is for the department to reestablish, as quickly as possible, an adequately staffed central information technology group. The loss of such a central group over the past few years is considered to be the primary reason that other departmental information technology situations have deteriorated to such a great extent.

To remedy the situation, the 1997 Strategic Information Technology Plan outlines three additional positions which DCR should establish to adequately staff its ADP Section. These positions include: requirements analyst and designer, PC support, and a training coordinator. At present, the ADP Section consists of a section manager, a network support technician, a programmer/analyst, and a wage computer support specialist. Establishing the other positions would address a number of the agency's most pressing computer information needs. For example, the PC support position would meet the employees' stated need for more timely user support, and the training coordinator could assess what additional information employees need to more fully utilize the agency's new computer systems. Computer training was noted as a serious problem by the 1997 Strategic Information Technology Plan.

Recommendation (40). DCR should seek to establish the additional positions outlined in the 1997 Strategic Information Technology Plan to increase the agency's ability to support end-users, its programs, and computer training opportunities.

ADP Staff Should Play a Central Role in the Purchase of Computer Equipment and Software. The 1997 Strategic Information Technology Plan states that:

The computer hardware on which applications are executed must be a compatible and homogeneous mixture of components. Without conformity to an agreed upon set of components, it is difficult to electronically pass data and information between applications, databases, and files with the assurance that the [information will be] passed successfully, completely, and accurately.

The plan also states that:

It appeared that projects were undertaken [at DCR] more to solve a specific problem rather than actually support a departmental or divisional operations need. This appears to have resulted in the acquisition of hardware and software that either does not work in accordance with requirements or does not meet performance expectations. Additional expenditures are required to make the hardware and software work.

Therefore, the plan recommends that the agency's Information Systems Advisory Committee (ISAC) "identify the products currently being used to transfer data in

support of mission critical functions." Once these products are identified, the plan suggests the ISAC can then determine whether the effort should be made to adopt a common product line. Currently, the plan notes that employees serving in different areas of DCR must often re-enter information which was originally entered into a similar, yet slightly different, type of application. According to the plan, the duplication of effort needed to re-enter the information increases the possibility that inaccurate information may be maintained, because as additional employees enter the same information, the possibility for mistakes increases.

In addition, the plan recommends that an advisory committee be created to establish specifications for acquiring information technology. According to the plan, this group "would review all requests for information technology to ensure they are in support of the department's vision, goals, and objectives." The plan also states that the advisory committee would recommend the priority in which these projects should be undertaken. However, this review indicates that a new advisory body is unnecessary. DCR could rely upon the ISAC to perform this role, which the ADP Section staff state the group is already exploring. The Council should also catalog the items currently used by DCR employees. Currently, ADP staff report they are unsure what items are located on the agency's computer systems, because they have had difficulty preventing employees from installing unauthorized software.

Recommendation (41). The purchase of information hardware and software should be in compliance with the requirements of DCR's computer network. Therefore, such purchases should be reviewed by ISAC or the ADP Section to ensure that they are necessary and that they meet the standards necessary for their full support by the agency's computer systems.

Human Resources Section Needs Improvement

DCR's Human Resources (HR) Section does not adequately meet DCR's needs. The section's orientation package does not provide new employees with an understanding of the agency's operations, nor does the section adequately track DCR's personnel needs. As a result, agency managers believe the section's performance needs improvement. In addition, DCR employees state the section could be more responsive.

The Human Resources Section Could Provide a Better Employee Orientation Process. Currently, the orientation materials provided by DCR are inadequate. An examination of the employee orientation packet indicates that very little discussion is included on the agency's mission or division responsibilities. For instance, the only item included in the employee orientation packet which deals specifically with DCR's operations is a one-page organizational chart listing the agency's divisions by name. This fails to meet the standards for the employee orientation process established in DCR policy 304, and limits the amount of knowledge which employees have about the agency's overall operations and the importance of their activities to DCR's mission. Therefore, additional information should be included in the agency's employee

orientation packet on the department, its mission and organizational structure, and its division responsibilities.

The Human Resources Section Fails to Adequately Track Staffing and Personnel Information. It does not appear that the Human Resources Section adequately tracks DCR's staffing needs. According to DCR policy 301, the section is responsible for forecasting the agency's manpower needs. However, the section does not perform this function, despite the fact that it maintains records of the agency's personnel actions on the State's Personnel Management Information System (PMIS). Because the section does not perform manpower forecasting and planning, it appears DCR has had difficulty in the past justifying its requests for additional MEL. For example, DPB's 1993 review of DCR states:

Decision makers have not always had the information required to justify requests for staff and operating funds. The agency has not been provided significant staffing increases as a result, despite the fact that its workload has increased.

Furthermore, it does not appear that the Human Resources Section adequately monitors the agency's wage employee hours. The section is assigned responsibility for tracking wage employee hours under DCR policy 311. However, the APA's FY 1996 audit of DCR cited DCR for failing to properly monitor the number of hours worked by wage employees.

Although the Human Resources Section does not adequately track DCR's staffing needs, it should be noted that the section has recently initiated some staffing reports. For instance, in response to the General Assembly's inquiries about the agency's staffing practices, the section began developing vacancy status reports. The first of these reports was issued in January, 1997. In addition, after an internal management review of the agency's PROBUD, PMIS, and payroll systems revealed that the agency's employment levels had not been reconciled, the section began the development of a monthly full-time equivalency report. These actions are stated to have been taken in order to tighten DCR's internal controls over staffing records. Nonetheless, the additional improvements discussed are needed.

The Human Resources Section's Assistance to Employees and the Operating Divisions Appears Inadequate. In addition to its failure to produce a number of management reports for DCR's division heads and management, it also appears that the Human Resources Section does not adequately assist the divisions in the hiring process. The operational divisions' staff have reported that they have experienced delays when requesting the documentation and approvals necessary to fill vacant positions. Furthermore, these staff state they would like additional assistance from the section throughout the hiring process.

Finally, the section could also do more to assist employees. For example, DCR policy 310, which was established in 1990, lists eight types of leave: annual, sick, mili-

tary, worker's compensation, leave without pay, overtime, compensatory, and educational. However, only two types of leave, overtime leave and compensatory leave, have actually had policies and procedures put in place to govern their use. The remainder are listed only as placeholders under the heading "to be established." In addition, several DCR staff reported that they do not receive timely responses to questions asked of Human Resources staff. For example, one employee indicated that she repeatedly requested the Human Resources Section to inform her of whether her position was exempt from the Fair Labor Standards Act, and received no response.

Recommendation (42). The Division of Administration should identify ways that the Human Resources Section could better assist the other DCR divisions and seek to incorporate these changes into the section's practices. The section should develop additional materials for its employee orientation packet, and fulfill its personnel tracking responsibilities as outlined in the agency's policy manual.

Appendixes

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Appendix A
Study Mandate

Item 14M of the 1997 Appropriation Act

Review of the Department of Conservation and Recreation

The Joint Legislative Audit and Review Commission shall review the organization, operation, and performance of the Department of Conservation and Recreation as well as the Department's compliance with its legislative mandate. This review shall include, but not be limited to, the following: (1) an examination of the Department's progress towards completing capital outlay and land acquisition projects authorized by the 1992 General Obligation Bond Referendum; (2) a review of the maintenance and staffing of state parks; (3) an examination of the Department's non-point pollution control programs; and (4) the organization and management of the Department, including the Department's ongoing reorganization, hiring practices and grant-making processes.

The Commission shall submit its report to the 1998 General Assembly. All agencies of the Commonwealth shall cooperate fully with the Commission and shall provide all information requested by the Commission and its staff. The Department of Conservation and Recreation shall also provide the Commission's staff with access to the Department's employees for confidential interviews, as deemed appropriate by the Commission and its staff.

Appendix B

Surveys of DCR Recreation Employees and Park Managers

Note: Aggregate responses to most survey questions have been included on the survey form. Questions 1 through 25 were asked of DCR employees. Additional questions 26 through 35, which begin on page B-10, were posed to park managers.

Commonwealth of Virginia
Joint Legislative Audit and Review Commission of
The Virginia General Assembly

A Survey of Department of Conservation and Recreation Employees

Item 14 of the 1997 Appropriation Act directs the Joint Legislative Audit and Review Commission (JLARC) to study the organization, operation, and performance of the Department of Conservation and Recreation (DCR). A copy of our study mandate is attached to this survey. As part of the review of DCR, JLARC staff are conducting this survey of all full-time DCR employees below the division head level.

The survey consists of 25 questions designed to provide information necessary to JLARC's evaluation of DCR's organization and management. It requests information about your career background, the level of training you have been provided, your workload, your views on how well the agency is managed, and the appropriateness of DCR's current responsibilities.

JLARC employee surveys are exempt from the Freedom of Information Act's provisions, so we hope you will be frank in your responses. The code number at the top of page 2 of the survey is being used so we can log the surveys as they are received and in case follow-up on particular questions is needed. **The data gathered from this survey will be reported in aggregate form only, and no identifying information will be given to or shared with any agency.**

Your responses to the survey's questions are very important to the study, and we appreciate your time and effort. Your answers will assist us in providing the information requested by the General Assembly. We will report our findings on DCR to the General Assembly in December. Please return the completed survey directly to JLARC in the attached, postage-paid envelope by **July 22, 1997**. If you have any questions, please call Paul Van Lenten or Linda Ford at (804) 786-1258.

(1) How long have you worked for the Commonwealth of Virginia? *(Please fill in the blanks.)*

_____ Years _____ Months = **10.3 yrs. average**

(2) How long have you worked for the Department of Conservation and Recreation (DCR)? *(Please fill in the blanks.)*

_____ Years _____ Months = **8.6 yrs. average**

(3) What is the total length of time you have served in your current position? *(Please fill in the blanks.)*

_____ Years _____ Months = **5.74 yrs. average**

(4) What is your current grade level? *(Please fill in the blank.)* _____ **≅ grade 10**

(5) Do you have a position description? *(Please check the appropriate box.)*

98.4 Yes **(If Yes, please continue with question 6)**

1.6 No **(If No, please skip to question 7)**

(6) Does your position description accurately reflect your job responsibilities? *(Please check the appropriate box.)*

83.8 Yes No 16.2

(7) When was your last written performance evaluation completed? *(Please fill in the blanks.)*

_____ Month _____ Year

(8) Do you supervise any staff? *(Please check the appropriate box.)*

66.7 Yes No 33.3

If yes, on the corresponding line please indicate the number of staff you directly supervise who are:

Permanent full-time employees	_____
Temporary wage employees	_____
Contract personnel	_____
Work/study students or interns	_____
Other <i>(Please explain)</i> : _____	_____

(9) When you started working at DCR, was the agency's mission adequately explained to you? *(Please check the appropriate box.)*

67.2 Yes No 32.8

(10) Do you feel that employees are made aware of the agency's goals and priorities? *(Please check the appropriate box.)*

48.2 Yes No 51.8

(11) Do you think that you have been provided with sufficient training to handle the job demands of your position? *(Please check the appropriate box.)*

59.3 Yes No 40.6

(12) Did you attend any in-house or external training during fiscal year 1997 (July 1, 1996 to June 30, 1997)? *(Please check the appropriate box.)*

76.4 Yes **(If Yes, please continue with question 13)**

23.6 No **(If No, please skip to question 14)**

(13) In the space provided, please list the subject(s) of that training.

(14) In the space provided, please specify what additional training, if any, you feel is needed.

(15) Are DCR's computer capabilities adequate for the work you perform? *(Please check the appropriate box.)*

46.1 Yes No 53.9

If no, what additional capabilities do you feel DCR needs?

(16) While you have been in your current position with DCR, has your workload increased, decreased, or stayed the same? *(Please check the appropriate box.)*

87.1 Increased 2.0 Decreased 10.9 Stayed the same

If your workload has increased or decreased, what would you say accounts for the change in your workload?

(17) Please respond to the following statements on the basis of how you currently view the organization, management, and operations of DCR. (For each statement, please check only one box. For any items for which you would like to provide additional comments, please do so on page 10 of the survey or attach additional sheets.)

	<u>Strongly Agree %</u>	<u>Agree %</u>	<u>Disagree %</u>	<u>Strongly Disagree %</u>
a. I have a clear understanding of what is expected of me in performing my job.	<input type="checkbox"/> 20.4	<input type="checkbox"/> 59.2	<input type="checkbox"/> 15.6	<input type="checkbox"/> 4.8
b. I receive the supervision I need to adequately perform my job.	<input type="checkbox"/> 18.1	<input type="checkbox"/> 60.6	<input type="checkbox"/> 17.3	<input type="checkbox"/> 4.0
c. I am informed promptly when policies or procedures that affect me are changed.	<input type="checkbox"/> 6.4	<input type="checkbox"/> 36.9	<input type="checkbox"/> 41.0	<input type="checkbox"/> 15.7
d. Communication within DCR is good.	<input type="checkbox"/> 1.2	<input type="checkbox"/> 15.7	<input type="checkbox"/> 49.8	<input type="checkbox"/> 33.3
e. Communication within my division is good.	<input type="checkbox"/> 8.5	<input type="checkbox"/> 39.1	<input type="checkbox"/> 38.3	<input type="checkbox"/> 14.1
f. Communication within my immediate work group is good.	<input type="checkbox"/> 32.7	<input type="checkbox"/> 44.6	<input type="checkbox"/> 16.7	<input type="checkbox"/> 6.0
g. I have adequate input into the establishment of work priorities for my division.	<input type="checkbox"/> 8.4	<input type="checkbox"/> 41.0	<input type="checkbox"/> 39.0	<input type="checkbox"/> 11.6
h. Work in my division is completed in an efficient, effective manner.	<input type="checkbox"/> 8.8	<input type="checkbox"/> 43.4	<input type="checkbox"/> 38.2	<input type="checkbox"/> 9.6
i. Working relationships with other divisions in the department are good.	<input type="checkbox"/> 2.9	<input type="checkbox"/> 55.6	<input type="checkbox"/> 31.1	<input type="checkbox"/> 10.4
j. Working relationships with other State agencies are good.	<input type="checkbox"/> 7.3	<input type="checkbox"/> 69.5	<input type="checkbox"/> 19.9	<input type="checkbox"/> 3.3
k. The equipment and supplies (vehicles, telephones, copiers, etc.) I need to complete my work are available.	<input type="checkbox"/> 6.4	<input type="checkbox"/> 52.0	<input type="checkbox"/> 23.2	<input type="checkbox"/> 18.4
l. High-quality work is performed by my division.	<input type="checkbox"/> 25.1	<input type="checkbox"/> 51.8	<input type="checkbox"/> 18.6	<input type="checkbox"/> 4.5
m. Promotion decisions within my division have been fair and deserved.	<input type="checkbox"/> 3.9	<input type="checkbox"/> 55.0	<input type="checkbox"/> 24.9	<input type="checkbox"/> 16.2
n. My division currently has <u>too many</u> staff for the assigned workload.	<input type="checkbox"/> 0.8	<input type="checkbox"/> 3.2	<input type="checkbox"/> 34.3	<input type="checkbox"/> 61.7
o. My division currently has <u>too few</u> staff to handle the assigned workload.	<input type="checkbox"/> 53.6	<input type="checkbox"/> 39.1	<input type="checkbox"/> 6.5	<input type="checkbox"/> 0.8
p. When all vacant positions are filled in my division, my division is adequately staffed.	<input type="checkbox"/> 2.9	<input type="checkbox"/> 28.7	<input type="checkbox"/> 47.9	<input type="checkbox"/> 20.5

		<u>Strongly Agree %</u>	<u>Agree %</u>	<u>Disagree %</u>	<u>Strongly Disagree %</u>
q.	I could handle more responsibilities than I currently have.	<input type="checkbox"/> 3.6	<input type="checkbox"/> 18.6	<input type="checkbox"/> 60.1	<input type="checkbox"/> 17.7
r.	I have too many responsibilities to effectively complete my work.	<input type="checkbox"/> 12.6	<input type="checkbox"/> 41.5	<input type="checkbox"/> 45.1	<input type="checkbox"/> 0.8
s.	DCR has <u>too many</u> layers of management.	<input type="checkbox"/> 19.2	<input type="checkbox"/> 37.1	<input type="checkbox"/> 42.9	<input type="checkbox"/> 0.8
t.	DCR has <u>too few</u> layers of management.	<input type="checkbox"/> 1.3	<input type="checkbox"/> 8.5	<input type="checkbox"/> 71.2	<input type="checkbox"/> 19.1
u.	I am required to request approval for decisions I should be allowed to make myself.	<input type="checkbox"/> 22.2	<input type="checkbox"/> 32.7	<input type="checkbox"/> 43.1	<input type="checkbox"/> 2.0
v.	I believe that taking risks to improve programs is supported by management.	<input type="checkbox"/> 2.0	<input type="checkbox"/> 29.5	<input type="checkbox"/> 47.1	<input type="checkbox"/> 21.3
w.	DCR's internal policies and procedures are clear.	<input type="checkbox"/> 1.2	<input type="checkbox"/> 28.8	<input type="checkbox"/> 46.4	<input type="checkbox"/> 23.6
x.	DCR's internal policies and procedures are consistently applied across the agency.	<input type="checkbox"/> 1.3	<input type="checkbox"/> 25.1	<input type="checkbox"/> 48.9	<input type="checkbox"/> 24.7
y.	DCR is well-managed.	<input type="checkbox"/> 0.8	<input type="checkbox"/> 22.6	<input type="checkbox"/> 46.9	<input type="checkbox"/> 29.7
z.	The work I perform is interesting.	<input type="checkbox"/> 47.0	<input type="checkbox"/> 50.6	<input type="checkbox"/> 2.0	<input type="checkbox"/> 0.4
aa.	I am satisfied with my job.	<input type="checkbox"/> 23.4	<input type="checkbox"/> 52.4	<input type="checkbox"/> 21.0	<input type="checkbox"/> 3.2
bb.	My performance evaluations have been fair and accurate.	<input type="checkbox"/> 18.5	<input type="checkbox"/> 55.9	<input type="checkbox"/> 19.3	<input type="checkbox"/> 6.3
cc.	My salary fairly compensates me for the work I perform.	<input type="checkbox"/> 3.6	<input type="checkbox"/> 22.4	<input type="checkbox"/> 40.4	<input type="checkbox"/> 33.6
dd.	Compensatory time is awarded fairly and equitably.	<input type="checkbox"/> 3.8	<input type="checkbox"/> 54.2	<input type="checkbox"/> 23.3	<input type="checkbox"/> 18.6
ee.	Staff initiative in requesting training is encouraged.	<input type="checkbox"/> 6.1	<input type="checkbox"/> 44.7	<input type="checkbox"/> 40.2	<input type="checkbox"/> 8.9
ff.	If I perform my job well, my career opportunities within DCR will be enhanced.	<input type="checkbox"/> 4.0	<input type="checkbox"/> 35.5	<input type="checkbox"/> 42.3	<input type="checkbox"/> 18.1
gg.	If I perform my job well, my career opportunities within DCR may suffer.	<input type="checkbox"/> 4.9	<input type="checkbox"/> 15.1	<input type="checkbox"/> 71.4	<input type="checkbox"/> 8.6
hh.	DCR leadership provides adequate opportunity for meaningful involvement in policy and decision-making.	<input type="checkbox"/> 1.2	<input type="checkbox"/> 24.5	<input type="checkbox"/> 48.2	<input type="checkbox"/> 26.1
ii.	Decisions that affect my work are made in a timely manner.	<input type="checkbox"/> 0.8	<input type="checkbox"/> 32.7	<input type="checkbox"/> 43.9	<input type="checkbox"/> 22.6

		<u>Strongly Agree %</u>	<u>Agree %</u>	<u>Disagree %</u>	<u>Strongly Disagree %</u>
jj.	Turnover in DCR's leadership has adversely affected the ability of the agency to carry out its mission.	<input type="checkbox"/> 49.8	<input type="checkbox"/> 37.2	<input type="checkbox"/> 10.9	<input type="checkbox"/> 2.1
kk.	DCR leadership's goals and priorities are clear.	<input type="checkbox"/> 3.2	<input type="checkbox"/> 26.8	<input type="checkbox"/> 53.2	<input type="checkbox"/> 16.7
ll.	DCR's leadership values the conservation of natural resources.	<input type="checkbox"/> 6.3	<input type="checkbox"/> 38.9	<input type="checkbox"/> 37.2	<input type="checkbox"/> 17.6
mm.	Employee trust in management is good.	<input type="checkbox"/> 1.2	<input type="checkbox"/> 13.4	<input type="checkbox"/> 47.4	<input type="checkbox"/> 38.1
nn.	Management trust in employees is good.	<input type="checkbox"/> 1.2	<input type="checkbox"/> 23.4	<input type="checkbox"/> 43.4	<input type="checkbox"/> 32.0
oo.	Employee morale is good.	<input type="checkbox"/> 1.2	<input type="checkbox"/> 9.4	<input type="checkbox"/> 41.6	<input type="checkbox"/> 47.8

If you are in a Soil and Water Conservation Division field office, please respond to the next three statements (If not, please skip to question ss.)

		<u>Strongly Agree %</u>	<u>Agree %</u>	<u>Disagree %</u>	<u>Strongly Disagree %</u>
pp.	Agency communication to field staff is good.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 40.0	<input type="checkbox"/> 48.6	<input type="checkbox"/> 11.4
qq.	I have been kept well-informed about the shift to uniform service areas in the field offices.	<input type="checkbox"/> 2.9	<input type="checkbox"/> 67.6	<input type="checkbox"/> 23.5	<input type="checkbox"/> 5.9
rr.	I have had adequate input into the planning of the shift to uniform service areas.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 39.4	<input type="checkbox"/> 45.5	<input type="checkbox"/> 15.1

If you are a supervisor, please respond to the next two statements. (If not, please skip to question 18.)

		<u>Strongly Agree %</u>	<u>Agree %</u>	<u>Disagree %</u>	<u>Strongly Disagree %</u>
ss.	I could supervise more staff without adversely affecting my current workload.	<input type="checkbox"/> 11.6	<input type="checkbox"/> 52.9	<input type="checkbox"/> 27.7	<input type="checkbox"/> 7.7
tt.	I have too many staff reporting to me.	<input type="checkbox"/> 1.3	<input type="checkbox"/> 11.0	<input type="checkbox"/> 74.0	<input type="checkbox"/> 13.6

(18) How would you rate your own morale at the present time? (Please check the appropriate box.)

Excellent 7.4 Good 27.3 Fair 44.6 Poor 20.7

(19) What factors primarily influence your current morale?

(20) Do you feel comfortable discussing work-related questions and concerns you have with your supervisor? *(Please check the appropriate box.)*

80.5 Yes No 19.5

Comments:

(21) Do you feel that you have timely access to your supervisor to discuss any concerns you may have about your work or policies and procedures? *(Please check the appropriate box.)*

80.9 Yes No 19.1

Comments:

(22) What about DCR is most helpful in allowing you to effectively complete your work? *(Attach additional sheets as necessary.)*

(23) Are there functions that are not currently performed by your agency that you believe should be performed by your agency? *(Please check the appropriate box.)*

44.0 Yes No 56.0

If yes, please list those functions in the space below.

(24) Are there functions currently provided by DCR that you believe should be performed by another agency or the private sector? *(Please check the appropriate box.)*

25.3 Yes No 74.7

If yes, please cite both the function and your suggested location in the space below.

(25) What could your division or DCR do differently to operate more efficiently, effectively, or economically? *(Attach additional sheets as necessary.)*

The following questions have been developed specifically for park managers.

(26) Please indicate the extent to which you agree or disagree with the following statements. (*For each statement, please check only one box.*)

	Strongly Agree %	Agree %	Disagree %	Strongly Disagree %
a. My park provides a level of services appropriate to the demands of this region of the State.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 44.4	<input type="checkbox"/> 51.8	<input type="checkbox"/> 3.7
b. My park is rarely over-crowded.	<input type="checkbox"/> 7.4	<input type="checkbox"/> 55.6	<input type="checkbox"/> 33.3	<input type="checkbox"/> 3.7
c. My park's facilities, programs, and staff are rarely under-utilized.	<input type="checkbox"/> 25.9	<input type="checkbox"/> 55.6	<input type="checkbox"/> 18.5	<input type="checkbox"/> 0.0
d. My park is appropriately staffed.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 7.7	<input type="checkbox"/> 53.8	<input type="checkbox"/> 38.5
e. I am able to fill wage and seasonal positions as needed.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 28.6	<input type="checkbox"/> 39.3	<input type="checkbox"/> 32.1
f. Considering the number of full-time and wage staff and the hours of volunteer and inmate labor used on my park, my park is better staffed now than five years ago.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 25.9	<input type="checkbox"/> 55.6	<input type="checkbox"/> 18.5
g. My park has the necessary equipment for staff to perform their duties.	<input type="checkbox"/> 3.7	<input type="checkbox"/> 22.2	<input type="checkbox"/> 51.9	<input type="checkbox"/> 22.2
h. My park is appropriately funded.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 29.6	<input type="checkbox"/> 55.6	<input type="checkbox"/> 14.8
i. An adequate amount of preventive maintenance activities are performed on my park's facilities.	<input type="checkbox"/> 3.7	<input type="checkbox"/> 51.9	<input type="checkbox"/> 33.3	<input type="checkbox"/> 11.1
j. I have been appropriately involved in determining which programs, facilities, exhibits, and recreational opportunities are available in my park.	<input type="checkbox"/> 0.0	<input type="checkbox"/> 64.3	<input type="checkbox"/> 28.6	<input type="checkbox"/> 7.1
k. I have been appropriately involved in the planning process for all construction and renovation projects on my park.	<input type="checkbox"/> 7.1	<input type="checkbox"/> 46.4	<input type="checkbox"/> 32.1	<input type="checkbox"/> 14.3
l. I have been appropriately involved in setting the fees charged at my park.	<input type="checkbox"/> 3.7	<input type="checkbox"/> 59.3	<input type="checkbox"/> 29.6	<input type="checkbox"/> 7.4

	<u>Strongly Agree %</u>	<u>Agree %</u>	<u>Disagree %</u>	<u>Strongly Disagree %</u>
m. The fees charged at my park are appropriate.	<input type="checkbox"/> 7.7	<input type="checkbox"/> 57.7	<input type="checkbox"/> 30.8	<input type="checkbox"/> 3.8
n. Crime is not a significant problem on my park.	<input type="checkbox"/> 7.4	<input type="checkbox"/> 59.3	<input type="checkbox"/> 29.6	<input type="checkbox"/> 3.7
o. DCR does a good job of publicizing the existence and the services offered by my park.	<input type="checkbox"/> 3.7	<input type="checkbox"/> 44.4	<input type="checkbox"/> 48.1	<input type="checkbox"/> 3.7

(27) For each item on question (26) for which you “disagree” or “strongly disagree”, please use the space below to indicate the reason(s) for your disagreement. Please label each reason with the letter from the statement in question (26) with which you disagree.

(28) In your opinion, are any services in your park not being provided that you think should be, or are any facilities not being used, due to full-time positions being vacant? *(Please check the appropriate box.)*

59.3 No

40.7 Yes If YES, please specify in the space below which services are not being provided or which facilities are not being used.

(29) In your opinion, are any services in your park not being provided that you think should be, or are any facilities not being used, due to a lack of additional wage or seasonal staff? *(Please check the appropriate box.)*

44.4 No

55.6 Yes If YES, please specify in the space below which services are not being provided or which facilities are not being used, and which additional wage or seasonal staff are needed.

(30) In your opinion, are any services in your park not being provided that you think should be, or are any facilities not being used, due to not enough full-time positions being allocated to your park? *(Please check the appropriate box.)*

44 No

56 Yes If YES:

a. Please specify in the space below which services are not being provided or which facilities are not being used.

b. Please list the additional positions that would be needed to provide these services or enable these facilities to be used.

(31) Are any facilities in your park not being used due to a lack of operating funds for items such as electricity, water services, equipment, or maintenance supplies? *(Please check the appropriate box.)*

81.5 No

18.5 Yes If YES, please specify in the space below which facilities are not being used.

(32) Are there any repair, renovation, or new construction needs in your park that have not been adequately addressed by the department (for example, through the General Obligation Bond)? *(Please check the appropriate box.)*

30.8 No

69.2 Yes If YES:

a. Please specify in the space below which facilities or infrastructure need repairs or renovation and which facilities or infrastructure need to be constructed.

b. Please list below which, if any, of the facilities or infrastructure needing repair or renovation are not being used due to repair or renovation needs.

(33) Have any Bond construction projects that have been undertaken or completed in your park failed to meet your expectations? *(Please check the appropriate box.)*

59.3 No

40.7 Yes If YES, please specify in the space below which projects have failed to meet your expectations, and explain why.

(34) What services, if any, have been added at your park in the last five years? *(Please list the additional services below.)*

(35) What services, if any, have been eliminated or substantially reduced from your park in the last five years? *(Please list the eliminated or reduced services below, and indicate why they were eliminated or reduced.)*

The following space is provided for additional comments you may have about the issues raised in the survey. (*Attach additional sheets as necessary.*)

THANK YOU FOR YOUR TIME AND COOPERATION.

PLEASE RETURN BY JULY 22, 1997
(USING THE ENCLOSED, POSTAGE PAID ENVELOPE) TO:

JLARC
SUITE 1100, GENERAL ASSEMBLY BUILDING
RICHMOND, VIRGINIA 23219

ATTENTION: PAUL VAN LENTEN

Appendix C

Facilities and Opportunities Available at Virginia's State Parks

Park	Camp- ing	Cabins	Picnick- ing	Trails	Swim- ing	Boat Launch	Fish- ing	Visitor Center	Environ- mental Education Center	Rest- aurant
Bear Creek	x		x	hiking	beach	x	x			
Belle Isle			x	hiking, biking			x			
Chippokes Plantation	x		x	hiking, biking	pool		x	x	x	
Claytor Lake	x	x	x	hiking	beach	x	x	x	x	
Douthat	x	x	x	hiking, biking	beach	x	x	x	x	x
Fairy Stone	x	x	x	hiking, biking	beach	x	x	x		
False Cape	x			hiking, biking			x		x	
Grayson Highlands	x		x	bridle, hiking, biking			x	x		
Holliday Lake	x		x	bridle, hiking, biking	beach	x	x	x		
Hungry Mother	x	x	x	hiking	beach	x	x	x		x
James River			x	hiking			x			
Karlan			x	bridle, hiking, biking						
Kiptopeke	x		x	hiking, biking	beach	x	x			
Lake Anna			x	hiking	beach	x	x	x	x	
Leesylvania			x	hiking		x	x			
Mason Neck			x	hiking		x	x	x	x	
Natural Tunnel	x		x	hiking	pool		x	x		
New River Trail			x	bridle, hiking, biking			x	x		
Occoneechee	x		x	hiking		x	x	x		
Pocahontas	x	x	x	bridle, hiking, biking	pool	x	x	x	x	
Seashore	x	x	x	hiking, biking	beach	x	x	x	x	
Shenandoah River				hiking			x			
Sky Meadows	x		x	bridle, hiking			x	x		
Smith Mountain Lake	x		x	hiking	beach	x	x	x		
Staunton River	x	x	x	hiking	pool	x	x	x	x	
Twin Lakes	x		x	bridle, hiking, biking	beach	x	x	x		
Westmoreland	x	x	x	hiking	pool	x	x	x		x
York River			x	bridle, hiking, biking		x	x	x	x	

Source: JLARC staff review of "Virginia State Parks" brochure, JLARC site visits to State Parks, and JLARC survey of park managers.

Appendix D

Park Projects to Be Funded by the Park and Recreational Facilities Bond Act

Project Type	Amount Budgeted	Number of Projects
Amphitheaters	\$92,181	4
Bathhouses	929,456	7
Boating Facilities	635,000	3
Bridges	468,575	3
Cabins	6,049,981	20
Campgrounds	2,942,288	9
Concessions Buildings	503,445	3
Conference Centers	805,000	5
Dams	5,173,000	2
Environmental Education Centers	6,856,686	5
Exhibits	721,000	5
Handicap Accessibility	1,215,000	28
Land Acquisition	18,163,304	17
Maintenance Areas	2,485,677	7
New Park Infrastructure	6,755,830	3
Offices	685,000	4
Fencing	225,000	2
Residences	1,611,275	17
Paving	4,319,748	13
Picnic Shelters	705,500	7
Swimming Pools	950,000	1
Restaurants	1,382,000	3
Sewers	4,870,358	4
Shoreline Stabilization	456,381	3
Signs	25,765	2
Trails	360,199	4
Underground Electric	3,336,194	7
Visitor Centers	3,546,028	7
Water Systems	6,094,553	31
Contingency*	910,576	1

* Contingency funds are not budgeted to a particular project.

Source: JLARC analysis of DCR Bond project status report, June 1997.

Appendix E

Analysis of State Park Staffing and Workload Factors

JLARC staff conducted a correlation and regression analysis to determine what workload factors appear to have a relationship to currently assigned staffing levels, and to identify which parks have relatively high or low staffing levels relative to their workload levels. The purpose of this analysis was to assess whether park staffing appears to be reasonably distributed in relation to workload from one park to the next. This particular approach, however, does not address the question of whether the overall park system is over or under-staffed.

In the regression analysis, the number of buildings and number of visitors per park emerged as the two most important factors in explaining existing staffing levels, and trail miles per park had a minor impact on staffing. These factors explained about 70 percent of the variation in park staffing (69 percent in a regression using the raw data, and 72 percent in a regression using log-transformed data). Based on site visits to the State Parks and interviews with the park managers, it appears that buildings and visitors are appropriate as key measures for which to base staffing decisions. Other factors included in the analysis that had almost no impact were the number of acres and campsites. The regression equation that resulted from the analysis using the raw data estimated that current park staffing is typically equal to:

$$2.723713 + (.000002361 * \text{visitors}) + (.043216 * \text{buildings}) + (.025991 * \text{trail miles}).$$

Using the number of buildings, visitors, and trail miles to compare the “expected” (based on the current systemwide relationship between these factors and staffing) and actual staff positions in the State Parks, 15 parks were within one position of their expected level. Kiptopeke, Lake Anna, and Natural Tunnel were about one position above their expected level, while Hungry Mother State Park was more than one position above the expected level. Hungry Mother’s higher staffing level may be attributed to the presence of the Hemlock Haven Conference Center, which creates additional work for the staff. Sky Meadows, Twin Lakes, Belle Isle, Pocohontas, Bear Creek, and Fairy Stone were more than one position below their expected staffing level. A technical appendix describing the analysis and the results in more detail is available on request.

Appendix F

Soil and Water Conservation District Staffing

District Name	Technical Staff	Clerical Staff	AWQS*	Total Staff
Appomattox River	1	0.5	0.02	1.52
Big Walker	1.5	0.5	0	2
Blue Ridge	1	0.5	0	1.5
Clinch Valley	1.5	1	0	2.5
Colonial	1	0.5	1	2.5
Culpepper	1	1	0	2
Daniel Boone	1	0.5	0	1.5
Eastern Shore	1.4	1.5	1	3.9
Evergreen	1	1	0	2
Halifax	1	0.5	0	1.5
Hanover-Caroline	0.5	1.5	1	3
Headwaters	1	1	0	2
Henricopolis	2	0.5	0	2.5
Holston River	1	1	0	2
J.R. Horsley	1	1	0	2
James River	1	0.5	0.98	2.48
John Marshall	3	1	0	4
Lake Country	1	1	0	2
Lonesome Pine	1	0.5	0	1.5
Lord Fairfax	1	1	0	2
Loudoun	3	2	0	5
Monacan	0.8	0.85	0	1.65
Mountain	1	1	0	2
Mountain Castles	1	0.5	0	1.5
Natural Bridge	1	0.5	0	1.5
Natural Tunnel	1	1	0	2
New River	1	1	0	2
Northern Neck	0	2	2	4
Northern Virginia	1.5	3	0.5	5
Patrick	1.5	1	0	2.5
Peaks of Otter	1	0.5	0	1.5
Peanut	1	1	0.85	2.85
Peter Francisco	0.2	0.5	0	0.7
Piedmont	1.5	1	0	2.5
Pittsylvania	1	0.5	0	1.5
Prince William	1.5	2	0.5	4
Robert E. Lee	1	1	0	2
Shenandoah Valley	2	1	0	3
Skyline	1.5	1	0	2.5

Appendix F (continued)

Soil and Water Conservation District Staffing

District Name	Technical Staff	Clerical Staff	AWQS*	Total Staff
Southside	1	0.5	0	1.5
Tazewell	0.5	1.5	0	2
Thomas Jefferson	1.5	0.5	0	2
Three Rivers	0.5	1.5	2	4
Tidewater	0.5	1	1	2.5
Tri-County/City	1	1.5	1	3.5
Virginia Dare	0.75	1.25	0.15	2.15
TOTALS	52.15	45.6	12	109.75
Averages	1.13	0.99	0.26	2.39

* Chesapeake Bay Preservation Act Agricultural Water Quality Specialists

Source: JLARC analysis of Soil and Water Conservation District data, 1997.

Appendix G

Agency Response

As part of an extensive data validation process, State agencies involved in a JLARC assessment effort are given the opportunity to comment on an exposure draft of the report. Appropriate technical corrections resulting from the written comments have been made in this final version of the report. Page references in the agency response relate to an earlier exposure draft and may not correspond to page numbers in this version.

This appendix contains the response from the Department of Conservation and Recreation.



George Allen
Governor

Kathleen W. Lawrence
Director

By Norton Dunlop
Secretary of Natural
Resources

COMMONWEALTH of VIRGINIA
DEPARTMENT OF CONSERVATION AND RECREATION

203 Governor Street, Suite 302

TDD (804) 786-2121 Richmond, Virginia 23219-2010 (804) 786-6124 FAX (804) 7866141

Philip A. Leone, Director
Joint Legislative Audit
and Review Commission.
Suite 1100,GAB,Capital Square
Richmond, VA 23219

Dear Mr. Leone,

Enclosed is the Department's written response to the recommendations noted on the exposure draft as received today at 11am. It is my understanding that you also will be making changes to the text of the report as a result of the meeting on Friday December 12, where staff discussed the factual content as differentiated from opinion or conclusions. Therefore I am not commenting further on the text in the first draft received last week.

With best regards,

A handwritten signature in cursive script that reads 'Kathleen W. Lawrence'.

Kathleen W. Lawrence
Director

Recommendation (1).

DCR has been and continues to be committed to both the master planning and resource management planning process. All parks have master plans and resource management plans. A major push has been underway since 1995 to update all the master plans and resource management plans; however, the production process has proven more time consuming than originally thought.

Initially, in order to keep the process moving quickly, there was no public involvement; instead the divisions relied on the park staff's knowledge of their surrounding communities. Once into the process, this was determined to be unsatisfactory, and a modified approach was developed that included the input of members of park friends groups, major user groups, representatives of the local government, and representatives of adjacent land owners. In addition, public meetings were held on the new park development. Responding to the public's interests and concerns significantly extends the process. However, all agree that a better product is the result.

The Department's current strategic plan calls for us to complete six more additional comprehensive master plans over the next two years. Critical parks and specific issues at individual parks will be dealt with first. It will take 4-6 years to finish the entire process for each and every park. However, we are accelerating the development of the mission, goals and objectives for each park and will complete this process within two years.

At no point in time will or should all master plans be updated annually.

Recommendation (2).

All of the Department's position descriptions, including parks, are reviewed annually with changes made to accurately reflect job duties.

Recommendation (3).

Individual state parks continually assess the staffing level needed to appropriately provide current services annually through the program planning and budgeting process. It should be noted that in calendar year 1997, State Parks hosted more than 3,500 interpretive/educational programs involving more than 78,000 participants.

Recommendation (4).

As previously stated in the Department's response to Recommendation 3, this process is continually on-going.

Recommendation (5).

The infrastructure within the State Park system has been and is in the process of being refurbished in part by Bond expenditures. The Department has an updated and extensive list of maintenance projects which is guiding the annual maintenance reserve program. Each biennium, requests for additional maintenance funds have been presented to the Department of Planning and Budget. In the Department's strategic plan we identified the need to develop comprehensive maintenance management plans for all Department facilities.

Recommendation (6).

The Department is currently developing a replacement schedule for all Department equipment.

Recommendation (7).

The development of the regulation known as 4 VAC 5-35-10 et seq. Standard Fees For Use Of Department of Conservation and Recreation Facilities, Programs and Services was made in response to the Auditor of Public Account's audit point that such fees were not being centrally managed and were not set forth as regulations as they should. These regulations are currently exempt from the conditions of the Administrative Process Act, but are subject to the Virginia Register Act. Transfer of the Director's regulatory authority under 4 VAC 5-35-30 and 4 VAC 5-35-40 may or may not be possible for setting and waiving fees for the use of the Department's Facilities, Programs and Services. If legally possible to allow independent, unreviewed, and unpublicized waivers or deviations of these regulatory fees through a delegation of authority, or by other means, to the State Park Managers, the individuals so delegated such powers would become responsible for regulatory documentation similar to that required now of the Director. Good management of this process by the Director would be prudent to ensure both regulatory compliance and financial management objectives are met.

Recommendation (8).

The Department Director has requested the completion of a comprehensive operations manual for all Divisions. The Division of State Parks has included this requirement in its 1997 Strategic Plan, Strategy 1.1.1 and 4.2.3.

Recommendation (9).

The study is on-going, to comply with the Department of General Services' Directive Number 6.

Recommendation (10).

It is premature to consider the merging of these two divisions prior to the completion of the Bond process. Work load analysis will be completed at that time to determine if reorganization is

needed.

Recommendation (11).

The Department Director will commission the Board of Conservation and Recreation to conduct a study on the issue of a purpose statement of the parks for inclusion in the Code of Virginia. This study will make special efforts to ensure that all interested parties are involved and the public at large has an opportunity for involvement and comment.

Recommendation (12).

The Department has not eliminated any environmental education projects, instead the purpose and function of the centers has been expanded to meet as many environmental and recreational needs as appropriate within Bond constraints.

Recommendation (13).

The Auditor of Public Accounts did audit DCR's bond expenditures this year and has had the opportunity to do so every year since 1992.

Recommendation (14).

The Department is aggressively pursuing the completion of bond projects by December 1998 without sacrificing effectiveness or efficiency. The Department is on schedule to complete all projects by December 1998 with the exception of the George Washington Grist Mill restoration. All projects were planned, designed and constructed using the same fundamental format - planning, design and construction. During the planning process, which was recently completed, the Design And Construction balanced the needs and expectations of the park manager with the project scope and budget. Often balancing the varied perspectives and expectations of the project within the budget constraint required significant time, effort and negotiation to achieve consensus.

As the bond projects mature through the construction process, the Department is realizing savings on the projects. Savings generally result from not fully using the 5% contingency on the projects or realization of the benefits of a competitive market with construction bids less than anticipated and budgeted. The Department is planning to utilize these savings to create more projects to improve the state parks. It is these possible extra projects which may require some additional time beyond December 1998. The Department is currently in the process of scoping, planning and designing some of these extra projects now.

The Department will reevaluate the completion deadline in six months to determine if the deadline can be still met while effectively and efficiently completing the work. Refer to the attached charts of bond expenditures and project status.

Recommendation (15).

An analysis of staffing needs related to Water Quality Improvement Act implementation has been conducted and submitted by DCR as part of the biennial budget process. This included staffing needs identified to support Governor Allen's initiatives to meet the forty percent reduction goal pursuant to the Chesapeake Bay Agreement.

Recommendation (16).

A workload analysis has been completed and "transitional" activities have already involved moving some positions that have become vacant in the past year. The Division of Soil and Water Conservation had originally evaluated and determined the need for 8 regional offices in the late 1980's. Due to the multiple programs having different client groups, no one regional configuration is going to be ideal for all programs, and over time, land use changes will further change staffing needs. Additional evaluation of the regional boundaries will not likely result in a better arrangement.

Recommendation (17).

The Department is in the process of reviewing cross-cutting regional administrative issues, to include data needs and accomplishment tracking. DCR's Division of Soil and Water Conservation is evaluating how to improve regional project development and support activities and implement regional grants management. Considerations will cover cross-cutting programmatic issues, GIS analysis, data development and distribution, Non Point Source targeting and support for impaired waters evaluation and Total Maximum Daily Load development.

Recommendation (18).

Part of the transition to the new watershed-based approach for assessing priorities and targeting program activities will involve cross-cutting priority development and strategy development for implementation. The results of the strategy development will be incorporated into the Division's internal performance measures and employee performance plans.

Recommendation (19).

The Department's geographically based databases will be expanded as appropriate to meet programmatic needs.

Recommendation (20).

The Department reviews the role of the Soil and Water Conservation Districts annually on a multitude of issues such as tributary strategy, cost share administration and nutrient management

plan writing. There have been numerous studies on the role of the Districts which have outlined the role and the funding of the Districts including two within the last two years. Additional review will be a distraction from implementation of the Water Quality Improvement Act. Should an additional study be required, an ad hoc committee composed of citizens and organization representatives who are users of the Districts' services and programs should be commissioned.

Recommendation (21).

Independence is essential in a regulatory enforcement program involving public safety and Commonwealth liability. The location of the SWCD engineer for dams is only part of the equation. Independence from the owners of soil and water conservation district dams is best achieved by keeping the dam safety program out of the Division of Soil and Water Conservation because of that division's inherent ties and involvement in districts' programs, many of which involve technical assistance to the districts. This is in significant contrast with the regulatory nature of the dam safety program. In addition to the SWCD dams, the dam safety program also regulates dams owned by the Division of State Parks as well as other state agencies outside of DCR. Having the regulatory program subservient to another division reduces its independence.

The Dam Safety Act specifically cites the DCR Director as the decision maker for dams constituting an imminent danger to life or property and for dealing with the owner of any dam which constitutes an unreasonable threat to public safety. Maintaining the separate Division of Dam Safety provides the program manager with direct access to the Department Director without having to go through several layers of management. This can be a key factor in providing a timely response to the Department of Emergency Services or others during an emergency involving a dam.

Recommendation (22).

The Department of Conservation and Recreation currently has memoranda of agreement with the Department of Agriculture and Consumer Services and the Department of Game and Inland Fisheries. A review of the existing MOAs, enhanced communication and mutual data exchange between DCR and the Departments of Game and Inland Fisheries and Agriculture and Consumer Services may lead to greater efficiency in these areas.

Recommendation (23).

DCR has several inter-divisional teams. The Information Systems Advisory Committee is just one example. The agency has a trained group of Facilitators for team activities, and the Facilitator is always assigned from another division so the focus of the group remains objective. We use this process for our strategic planning, budget development and inter-divisional issues such as erosion and sedimentation control on construction projects and environmental review. Additional teams will be formed as needed.

Recommendation (24).

As addressed in recommendation 24 the Department forms cross divisional teams as the needs dictate. A sequelae of this process is improved inter-divisional relationships and agency cohesion. As we all know, strategic plans are vital dynamic documents that are updated on a continuous basis.

Recommendation (25).

Currently the three Policy Boards assigned to DCR are all functional, but they could be streamlined into one policy board covering the entire Department's programs. Some minor cost savings could be effected, but the major impact would be that of the single, consolidated image imparted by such a board and the cohesiveness of all DCR programs receiving policy guidance, advice and oversight by the same Board.

Recommendation (26).

The report does not discuss the current authority of the Virginia Soil and Water Conservation Board (Board) to appoint persons to fill local Soil and Water Conservation District Director elected position vacancies also. If legislation is proposed that the Board is to be taken out of the approval process of appointed District Directors and District Secretary-Treasurers, then consideration should be made to remove Board authority for filling elected vacancies as well and place that responsibility with the local Soil and Water Conservation District.

Recommendation (27).

Transferring the responsibility for inspection of the Soil and Water Conservation District (SWCD) dams from the Virginia Soil and Water Conservation Board (Board) to the DCR Director recognizes and clarifies the current situation, while removing a potential conflict of interest for the Board. In fact, the dam safety engineer providing the local SWCD dam inspections is currently a DCR employee under the authority of the DCR Director. Section 10.1-607 could be changed in the second paragraph as follows: "The Board Director shall be responsible for the inspection and reinspection of flood control dams where the maintenance and operation of the dam is the responsibility of a soil and water conservation district and where the permit for operation of the impounding structure is held by such a district." The Director of the Department of Conservation and Recreation is defined earlier in the Code of Virginia (§ 10.1-100) and the entire position title would not need to be repeated here.

Recommendation (28).

Transfer of the Dam Safety Program oversight responsibility from the Virginia Soil and Water Conservation Board (VS&WCB) to the Board of Conservation and Recreation (BCR) would be particularly appropriate in the event that a single Board for the Department is created. Transfer

without Board consolidation is still a means of reducing potential conflict of interest. The Virginia Soil and Water Conservation Board has seven (7) citizen members appointed by the Governor out of twelve voting members. The remaining voting members are ex officio. Currently six (6) of the seven citizen members are also elected District Directors of local Soil and Water Conservation Districts. The BCR members could have individual conflicts of interest, but the chances are considerably less than that of the VaS&WCB members.

Recommendation (29).

This is Virginia law, as covered by the Virginia Conflict of Interest Act. Therefore further "policy" development is not needed. The Virginia Soil and Water Conservation Board (VS&WCB) members have been provided with written guidance from the Governor's Policy Office through the publication "Complying with the Ethics Rules and the Freedom of Information Act;" copies of the Virginia Conflict of Interest Act in the VS&WCB Members Manual; and, instruction within the past 15 months at a Board meeting on these subjects by the Assistant Attorney General assigned to this Department. Pending any other change, the Department will take further action to separate the list of dams pending certification by local SWCD's and to remind the VS&WCB members before votes are taken that they must abstain from voting upon dam certification of those dams related to their local Soil and Water Conservation District.

Recommendation (30).

The Department believes that the grant functions could be handled by DCR.

Recommendation (31).

Concur.

Recommendation (32).

The Board of Conservation and Recreation (BCR) currently has the authority to make certain recommendations to assist the Department in fund raising similar to the activities of the Virginia State Park Foundation (VSPF). However, if consolidation is made, it would be wise to transfer additional language on fund raising in the VSPF code to the BCR or to DCR. All existing funds in the VSPF Fund should be transferred intact to another DCR controlled fund that could be spent to assist in any Department activity as the current VSPF fund allows.

Recommendation (33).

All employees will be notified that they can access on the DCR intranet, the Department's and all Divisions' strategic plans by the end of calendar year 1997.

Recommendation (34).

The process of revising the Department's policies and procedures was begun in March 1997 with the formation of a Department Policy Evaluation Team. The team will continue its efforts and develop a re-write schedule for its policies and procedures.

We do not agree that a hard copy edition of the Department's Policies and Procedures Manual should be provided to all employees. Administrative oversight of this function would be costly in terms of reproduction costs, distribution costs, and the clerical costs required to ensure copies of all modifications and re-writes are distributed to all employees at all locations. The most convenient and efficient means to make the policies available is via the Department's Intranet, which is the current practice. For those locations, or individuals, that do not have access to the Intranet, we will review alternatives and identify a satisfactory means to make the policies available for their review.

Recommendation (35).

The Department has limited expertise within its Information Systems Section for telecommunications, particularly involving remote sites. We have contracted with the Department of Information Technology on several occasions to assist us with telecommunication problems from the field locations. Service to our field locations will be a key consideration when our Information Systems Strategic Plan is reviewed in 1998.

Recommendation (36).

Divisions have been directed to increase their training budgets for staff training. For FY98 the agency has just over \$284,000 budgeted for training. We will also initiate a training management review in 1998 to assess how training is planned and carried out within the Department. The Division of State Parks currently has an excellent training program and may well serve as the model for the rest of the agency. Also, we had previously identified a target date of March 31, 1998 to establish a training library for the Department located within the Human Resources Section.

Recommendation (37).

There is not, nor has there been a plan to restrict the agency's staffing levels in conflict with the 1997 General Assembly staffing directive. The directive says that all vacancies on January 1, 1997 must be filled by June 30, 1997 or an explanation of why this could not / was not done, be transmitted to the General Assembly. Over ninety percent of the positions have been filled. DCR fully intends to fill the remaining positions as soon as is reasonably possible.

Recommendation (38).

The Department annually assess staffing levels to provide on-going services. In addition, there

are alternatives other than requesting additional staff positions, which include the use of contract workers, temporary workers, advanced automation, shared staff, work-study students, and volunteers. The Department will determine the appropriate mix of human resources to accomplish statutory objectives.

Recommendation (39).

The Department will continue to amend and revise all existing policies, and will continue this effort in an expedited manner as described in the Department's response to recommendation 35. A timetable for financial policy and procedure development will be established and adopted as part of the Division of Finance's strategic plan.

Recommendation (40).

The Department agrees that additional resources are needed, the correct solution is likely to be a combination of additional DCR staff and/or additional contract support services. The best combination for meeting the Agency's needs will be determined by the Department. This is consistent with the Departments budget request.

Recommendation (41).

The purchase of information hardware and software in compliance with DCR's requirements was recognized as a problem by the Department's Information Systems Advisory Committee (ISAC) in April 1997. DCR Policy #413 addresses this issue. The ISAC has reviewed and re-written the policy with the final draft completed in November 1997. We expect the new procedures to be in place by February 1998. However, rather than have the ISAC review all computer related purchases, the review will be conducted by the Information Systems Section.

The ISAC also recognized the need to standardize hardware and software configurations throughout the agency and initiated action toward this goal in June 1997. A standard configuration for the purchase of personal computers was approved by the Agency Director in August 1997. The ISAC will continue its review of hardware and software standardization requirements for the agency.

Recommendation (42).

The Department is aware that improvements can be made in the services provided by the Human Resources Section. As part of the Division of Administration's Strategic Plan developed in November 1997, the Director of Human Resources included a strategy (#1.5.3) to assess the needs of Human Resources customers in the Department and produce a report with recommendations by September 1, 1998. We have already had contact with the Department of Personnel and Training and they are available to assist with the assessment.

The Human Resource section has initiated action to improve its employee orientation program. They have already developed new orientation binders for presenting to new employees and will also explore new alternatives for conducting the orientation briefings.

JLARC Staff

DIRECTOR: PHILIP A. LEONE
DEPUTY DIRECTOR: R. KIRK JONAS

DIVISION I CHIEF: GLEN S. TITTERMARY
● *DIVISION II CHIEF:* ROBERT B. ROTZ

SECTION MANAGERS:

PATRICIA S. BISHOP, FISCAL AND ADMINISTRATIVE SERVICES

JOHN W. LONG, PUBLICATIONS AND GRAPHICS

GREGORY J. REST, RESEARCH METHODS

PROJECT TEAM LEADERS:

CRAIG M. BURNS

● LINDA BACON FORD

HAROLD E. GREER, III

JOSEPH J. HILBERT

WAYNE M. TURNAGE

PROJECT TEAM STAFF:

● EMILY J. BIKOFSKY

CYNTHIA A. BOWLING

STEVEN E. FORD

DEBORAH MOORE GARDNER

JACK M. JONES

MARCUS D. JONES

WAYNE A. JONES

APRIL R. KEES

MELISSA L. KING

ERIC H. MESSICK

● ROSS J. SEGEL

E. KIM SNEAD

● PAUL VAN LENTEN

ROWENA P. ZIMMERMANN

ADMINISTRATIVE AND RESEARCH SUPPORT STAFF:

JOAN M. IRBY

BETSY M. JACKSON

BECKY C. TORRENCE

AMANDA J. SMITH, INTERN

● Indicates staff with primary assignment to this project

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