

# STATE OF COLORADO

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## OFFICE OF THE EXECUTIVE DIRECTOR

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February 29, 2012

TO: Senator Gail Schwartz, Chair  
Senate Agriculture, Natural Resources and Energy Committee

Representative Jerry Sonnenberg, Chair  
House Agriculture, Livestock and Natural Resources Committee

FR: Mike King, Executive Director

RE: Parks and Wildlife Merger – Implementation Report

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Pursuant to Senate Bill 11-208, the merger of the former Divisions of Wildlife, and Parks and Outdoor Recreation became effective on July 1, 2011. The legislation required development of a detailed merger implementation plan and also required this report from the Department of Natural Resources (DNR) on the progress of the merger thus far.

### **Interim Parks and Wildlife Board**

To facilitate the transition to a merged agency, Senate Bill 11-208 combined the existing Wildlife Commission and the Parks Board into the Parks and Wildlife Board (“Board”). The Board is intently focused on *integrating* the former divisions as opposed to simply joining two organizations under one “roof.” To that end, the members of the Board crafted proposals for a new legislative declaration and working mission statement with input from a wide range of stakeholders and the public. (The input process is described in more detail later in this report; see Process for Development of the Merger Implementation Plan.) The proposals promote two primary goals: 1) preservation and integration of the General Assembly’s historic vision for the former agencies, and 2) representation of the interests of *all* citizens of the state of Colorado and its visitors.

### *Legislative Declaration*

“It is the policy of the state of Colorado that the wildlife, natural, scenic, and scientific resources of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and its visitors. It is further declared to be the policy of this state that there shall be provided a comprehensive program designed to offer the greatest possible variety of recreational opportunity to the people of this state and its visitors and that, to carry out such program and policy, there shall be a continuous operation of planning, acquisition, development and

management of wildlife habitats, state parks, outdoor recreation lands, trails, waters, and facilities, and that both education and outreach activities will be designed to promote natural resource stewardship.”

### *Working Mission Statement*

“The mission of the Division of Parks and Wildlife is to perpetuate the wildlife resources of the state, to provide a quality state park system, and to provide enjoyable and sustainable outdoor recreation opportunities that educate and inspire current and future generations to serve as active stewards of Colorado’s natural resources.”

### *Strategic Priorities*

The Board has also worked over several months to identify strategic priorities for the merged agency. Focused again on integration as opposed to mere consolidation, the Commission’s dialogue about strategic goals, centers on recruitment and retention, financial stability, and habitat preservation and improvement.

### *Composition of Permanent Board*

In addition to the development of recommendations for a new legislative declaration and working mission statement, the combined Board was required to present a proposal for the name and composition of the permanent body. The Board voted early in the process to recommend changing the name of the body from “Board” to “Commission.” In early February 2012, the combined Board recommended the following with regard to composition:

- 2 voting members who are agricultural landowners or producers:
  - 1 member with experience in livestock production.
  - 1 member with experience in crop production.
- 2 voting members who are sportsmen or sportswomen who have purchased or applied for a hunting or fishing license for each of the previous three years or who can demonstrate reasonable knowledge of wildlife issues, wildlife habitat, and wildlife management, and/or the Commission’s duties, procedures, policies, authority, and past decisions.
- 2 voting members with experience in outdoor recreation who can demonstrate reasonable knowledge of parks and outdoor recreation resources and management, and/or the Commission’s duties, procedures, policies, authority, and past decisions.
- 1 voting member who is a county commissioner.
- 1 voting member who is a member of a nonprofit organization that supports and promotes the conservation and enhancement of Colorado’s wildlife and its habitat that recognizes and promotes primarily non-consumptive wildlife use, and that has expertise in wildlife issues, wildlife habitat, or wildlife management.
- 3 voting at-large members.
- 2 non-voting, ex-officio members:
  - Executive Director, Dept. of Natural Resources
  - Commissioner, Dept. of Agriculture

Members also recommended that the statute include a preamble stating that the Commission is established to serve the citizens of Colorado and articulating desired characteristics that a Governor should consider in selecting members, such as areas of particular knowledge and expertise (e.g. business, science), areas of experience (e.g. service on other boards or commissions, public-sector management), demonstrated leadership, or frequent use of resources managed by the Division of Parks and Wildlife. Members felt that such characteristics would help ensure that the Commission has the ability to respond to the changing needs of the agency.

Finally, members suggested that the statute provide that at least one Commissioner (but no more than 3) must be from each of the five districts set out for the former Wildlife Commission (see 33-9-101(1)(c)(I), and that no more than six of the members may be from the same political party. Both of these provisions would include at-large members, but not ex-officio members.

### **Assent to Pittman-Robertson and Dingell-Johnson**

Expenses of both former agencies are paid for in part with funds that are subject to constraints set forth in the Colorado Constitution, federal laws and rules, state laws, and contracts. Funds subject to these constraints include all federal funds, GOCO funds, lottery funds, hunting and fishing license fee revenue, and numerous others. Of particular note is the potential for improper use of hunting and fishing license fee revenue. Under both federal and state law, these funds may be used only for purposes of managing the fish and wildlife-related resources over which agency has authority. Their use for other purposes is considered “diversion.” If a state is found to be in diversion, it may become ineligible for federal wildlife-related funding (totaling approximately \$20 million annually in recent years) and for all other federal funding as well.

Integrating the programs, operations, and activities of the former parks and wildlife agencies and commingling their respective funds could result in diversion if not managed properly. Accordingly, two key requirements for implementing the merger are to (1) ensure that all funds are used only for the purposes for which they are intended and (2) ensure that all funds can be separately and properly accounted for to show that the agency is in compliance with statutes, rules and contracts.

To that end, immediately after the merger was announced DNR met with staff from the US Fish and Wildlife Service to discuss the merger and underscore the commitment to avoid diversion. DNR and the Division of Parks and Wildlife intend to continue to work closely with the USFWS to insure that the merger is implemented in a manner that does not jeopardize federal funding.

Based on the recently completed Merger Implementation Plan, a team of employees has compiled an inventory of all operations of the two former agencies that will be integrated through the merger. This same team has also developed a suite or “menu” of management and accounting practices which can be applied across the full range of circumstances that will result from integrating these operations. As each specific element of the merger is implemented, the most viable management approach will be selected from this “menu” based on a case-by-case review. Accordingly, each element of the merger, along with the management and accounting practices which will be applied, will be documented. This documentation will be shared with the USFWS and others.

### **Process for Development of the Merger Implementation Plan**

Fulfilling its commitment to an employee-driven process, supplemented by input from stakeholders and the public, DNR created a 12-member Transition Team comprised of six employees from the former Division of Parks and Outdoor Recreation and six from the former Division of Wildlife. The

Transition Team was tasked with developing a recommended plan to merge the two agencies with a goal of identifying ways to accomplish three primary objectives: 1) eliminate unnecessary duplication, 2) identify the means to achieve the greatest possible efficiencies in the delivery of products and services, and 3) identify strategies to enhance the effectiveness of programs and operations while fulfilling the new joint mission.

To form its final recommendations, the Transition Team relied heavily on alternatives and recommendations developed by 10 employee Work Groups that align with major, shared “core functions” within both agencies. These “core functions” included: Biologists/Scientists, Capital Development, Customer Service, Field Operations, Financial Services, Invasive Species, Property Evaluation, Public Information/Branding/Marketing, Volunteers/Education/Interpretation, and Water/Real Estate. In addition to fulfilling its primary charge, the Transition Team assisted the employee work groups by providing resources where needed, and challenging Work Group members to be comprehensive, forward-thinking, and creative in their work.

Information about the transition process, including requests for employee and public input, was posted on the DNR website. <http://dnr.state.co.us/DPW/Pages/Default.aspx>. In addition, information was provided via email to all agency employees and numerous interested individuals and stakeholders.

Input and feedback from agency employees, senior managers, stakeholders, and the public was gathered throughout the process. From July 2011 through January 2012, DNR and the Transition Team specifically sought input on a new legislative declaration, a working mission statement, composition of the permanent Parks and Wildlife Commission, and alternatives to achieve both cost savings and service enhancements. When asked to share thoughts and ideas about draft implementation alternatives, over 200 employees submitted approximately 1,000 pages of feedback. Input received from all sources (employees, stakeholders, and the public) was reviewed and considered by the Transition Team, agency leadership, and the Parks and Wildlife Commission. Summaries of input are included in Appendices A-G of the Merger Implementation Plan (Attachment 1 – Merger Implementation Plan).

In addition to soliciting written responses to requests for input, the Parks and Wildlife Commission provided opportunities for comment at each of its monthly meetings (July 2011 through February 2012). Additional public meetings were held in November and December 2011 to further explore perspectives on the composition of the permanent board.

## **Merger Implementation Plan**

### *Work Group Alternatives*

Final Work Group reports were presented to the Transition Team, agency employees and managers, and the public on October 11, 2011. Included in the reports were recommended alternatives that would, among other things: consolidate work units performing similar functions thus eliminating duplicate supervisory/managerial positions; leverage existing knowledge and expertise across a broader range of activities; consolidate databases; initiate long-term evaluation of capital assets; standardize and streamline administrative processes; and enhance customer service.

For the most part, Work Groups did not present competing alternatives, but rather alternatives that illustrated how the agency can move from minimal to full integration. Work Group proposals to achieve cost savings and service enhancements are provided in Attachment 2 – Summary of Potential Efficiencies Cost Savings and Enhancements.

## *Transition Team Recommendations*

The Transition Team drafted its final recommendations after reviewing extensive public input and feedback from employees, agency managers, stakeholders and the Parks and Wildlife Commission. Those recommendations contain few significant departures from the alternatives presented by the Work Groups and represent a series of meaningful strategies to eliminate unnecessary duplication, achieve efficiencies in the delivery of products and services, and enhance the effectiveness of programs and operations while fulfilling the new joint mission.

### *• Increased Efficiencies and Cost Savings*

Potential cost savings from the merger were almost immediately identified by analyzing duplicate positions. Since July 1, positions vacated through attrition have been held for evaluation. Thus far, the following vacant positions have been held for redeployment or elimination: Division Director, Chief Engineer, Assistant Director of Field Operations, and Chief of Law Enforcement. These four positions alone represent annual savings of approximately \$550,000 (comprised of 85% base salaries and 15% benefit costs).

The integration of regional operations provides an opportunity to achieve additional cost savings. The adoption of recommendations to consolidate the seven existing regions (four from the former Division of Wildlife and three from State Parks) into four will result in the elimination or redeployment of personal services costs for approximately 11 to 15 duplicate managerial and administrative positions. These positions represent savings ranging from approximately \$700,000 to \$1 million (comprised of 82% base salaries and 18% benefit costs). Changes in regional structure must occur over time to fulfill our commitment to achieve savings through employee attrition as opposed to layoffs. Work has already begun to identify specific actions necessary to implement changes.

Efficiencies and cost-savings are also anticipated by co-locating and integrating regional offices, and operational units such as Law Enforcement, Capital Development/Engineering, Licensing/Registrations, and Financial Services. For example, in the short-term, Region Office staff for the High Plains Region (parks) will be co-located with staff from the Northeast Region (wildlife) in the facilities located at 6060 Broadway and staff from the former Rocky Mountain Region (parks) will be moved to the Northwest Region (wildlife) location in Grand Junction. Other efforts to co-locate will require additional time to implement.

In addition to co-location of work units, other operational efficiencies and cost savings are anticipated in core functional areas of the agency's operation. Summaries of potential cost-savings strategies are included in each section of the Merger Implementation Plan and include, but are not limited to the following:

- Develop a guided approach to capital development planning and a comprehensive controlled maintenance program to ensure greater energy savings, strategic goal alignment, lower maintenance costs, and optimal allocation of funds.
- Integrate licensing and registration systems to provide a more efficient and effective means to report sales, monitor revenue, and maintain customer information.
- Streamline and standardize administrative processes associated with financial services (procurement, budgeting, and accounting), training, law enforcement certifications, etc.
- Combine websites and databases (assets, volunteers, partners, etc.) to create efficiencies in the operation of agency programs, reduce development and maintenance costs, and facilitate integration.

- Joint management, transfer of management responsibilities, or disposal of properties may result in reductions in maintenance backlog, duplication of effort, costs of equipment and contract labor, etc.

With respect to land assets, a Property Evaluation team will be convened to develop a systematic approach to evaluate all properties currently owned by the merged agency. Any recommendations for change in management of properties will be developed with input from citizens and communities with a stake in those decisions. The Parks and Wildlife Commission will entertain any recommendations for change in property management through the current process established for Commission decisions.

- *Enhancements to Agency Operation*

Capitalizing on the synergies that already exist between staff and programs, the Transition Team identified a number of alternatives to enhance service delivery and facilitate mission fulfillment. While a comprehensive list of opportunities for enhancement are available in each section of the Merger Implementation Plan, key recommendations include the following:

- Combining Resource Stewardship, Colorado Natural Areas Program and habitat biologists will ensure integrated stewardship planning, noxious weed management support, inventory and monitoring on State Parks and State Wildlife Areas, and will meet the expressed need for improved property stewardship.
- Co-locating regional offices along with combining licensing and registration systems will improve customer service and enhance customer access to agency information, products and services by providing “one-stop shopping” for customers.
- Aligning aquatic nuisance species (ANS) and terrestrial noxious weed programs will create a centrally located program to implement these critical programs more effectively statewide.
- Combining education and volunteer program staff will provide unified and broader messages allowing the agency to respond to demographic and social trends. Doing so will increase the agency’s potential for broadening its constituency.

All recommendations contained within the Merger Implementation Plan will be evaluated by the Director and agency staff over the next year to determine the appropriate means of implementation within existing budgets. Additional reports on implementation will also be provided to the General Assembly on an annual basis.