

2013 Summer Study

Stakeholder Advisory Group (SAG) - Efficiency Subcommittee Meeting – June 24, 2013

Piedmont Regional Office – Department of Environmental Quality - 4949-A Cox Road, Glen Allen, VA

2:00 p.m. – 5:00 p.m.

Subcommittee Members Present:
David Johnson – Virginia Department of Conservation and Recreation (DCR) - subcommittee chair
Jack Bricker – U.S.D.A. Natural Resources Conservation Service
Kathy Clarke – Northern Neck Soil and Water Conservation District (SWCD)
Matt Ferramosca – Virginia Grain Producers Association
Katie Frazier – Virginia Agribusiness Council
Katie Hellebush – Virginia Grain Producers Association
Alyson Sappington – Thomas Jefferson SWCD
Kendall Tyree – Virginia Association of Soil and Water Conservation Districts (VASWCD)
Don Wells – VASWCD
Greg Wichelns – Culpeper SWCD
Paul VanLenten – Legislative Fiscal Analyst, House Appropriations Committee

Other SAG Members/Support Staff Present:
David Dowling - DCR
James Davis-Martin - DCR
Darryl Glover – DCR
Stephanie Martin- DCR
Martha Moore- Virginia Farm Bureau (by phone)
Angela Neilan – Virginia Department of Environmental Quality (DEQ)
Michelle Vucci – DCR

Mr. Davis-Martin and Ms. Neilan began the meeting by asking for introductions. Mr. Davis-Martin discussed the meeting notes from the May 30 meeting. In regards to Workforce Sharing, he noted that there are issues related to: 1) the development and deployment of a skills data base; 2) the building of internal capacity; and 3) state/federal coordination. There was also a discussion of DCR’s intent to hire a professional engineer to address engineering capacity.

Mr. VanLenten asked about the level of engineering support provided by NRCS. Mr. Davis-Martin indicated that DCR’s plan is to hire an engineer to supplement NRCS support and Mr. Bricker indicated that NRCS processes would be followed. Mr. VanLenten asked that DCR continue to work with NRCS.

Mr. VanLenten asked about what entity would have responsibility for the skills database. Mr. Davis-Martin indicated that NRCS tracks the database and it is specific to individual or district capabilities. Mr. VanLenten asked about the cost of database development and whether DCR could provide funding as district budgets are already set. Mr. Davis-Martin indicated that this is a matter of internal capacity and DCR will look at how this can be addressed.

- Regional Coordination – Workload Leveling

Mr. Johnson explained the concept of workload leveling, which examines the use of excess capacity to address areas where the demand exceeds capacity. For instance, if there is a need to install fencing in one area of the state but there are not enough resources to do it, then a district could utilize available resources in another area of the state to complete the project. Mr. Johnson commented that the use of a workload leveling approach allows districts to act as ‘consultants’ to move practices.

There were comments related to the concept that workload leveling be applicable only in those cases where districts are in close proximity of one another. Ms. Tyree noted that the Association is already working with districts on this issue but doing so on an informal basis; therefore, formalizing this arrangement is not needed. Ms. Tyree also noted that the use of workload leveling is a district prerogative and concern. Mr. Wells noted that districts have been helping each other for years and commented that DCR needs 150 employees to address regional workforce issues. There was an acknowledgement that this is more of a communications issue.

Mr. Johnson noted that a formal process might help in terms of districts knowing when resources are available for sharing. Ms. Sappington commented that districts know what adjoining districts are doing and the formalization of a workload leveling process could create additional work. Ms. Tyree commented that the Association helps with providing information to districts and that the new information system may help further with resource notifications.

Mr. Johnson discussed the concept of independent profits centers and he indicated that the profit center approach is intended to ensure that cost-share funds distributed by the state are efficiently spent. Mr. VanLenten questioned whether a profit center arrangement could be done for counties and cities. Mr. VanLenten cited recent examples of how certain localities (i.e. Henrico, Hanover, Chesterfield) work together when county executives meet on issues but the localities continue to remain independent in terms of operations.

Mr. VanLenten also asked about adjoining districts and how busy they are. Ms. Tyree discussed the placement of interns by the Association in the districts and how this service is helpful. Mr. Bricker commented that there needs to be a discussion of capacity and whether districts may be receiving more funds than can be handled because of capacity issues. Mr. Davis-Martin indicated that capacity changes when staff changes and that the cost-share subcommittee is examining the right way to allocate dollars, thereby addressing Mr. Bricker’s comment.

Ms. Clarke commented that, years ago, district capacity was good because well-trained staff addressed practices with farmers. At this point, districts are running out of tools to assist farmers. For instance,

90% of farmers in her district now have nutrient management plans and the use of dollars does not look as good as the district cannot pay what it used to pay because some many practices have been implemented. New practices are now needed as the districts do not want to lose staff because of successful implementation of existing practices. Mr. Davis-Martin commented that regional coordinators are already working to encourage districts to examine new practices. Mr. Bricker asked if the Association could assist as well.

Mr. Davis-Martin asked about the skills database and whether it should still be done. Mr. Wichelns responded that there needs to be a balance between the use of the database and the workload needed to maintain it. Mr. Wells asked if DCR could help direct someone who does not know where to go for resources. Ms. Martin indicated that there is an NRCS agreement where, twice per year, there is a list of employees with Conservation Reserve Program (CRP) approval and the job authority associated with it generated.

Ms. Sappington asked about the difference between the skills database and job approval authority. Ms. Sappington indicated that a database could exist on a webpage and not be complicated. Mr. Wichelns also commented that a skills database might be useful for newer employees. Mr. Davis-Martin asked if workload leveling notification could gauge the use of such a database. Mr. Johnson asked whether load leveling applies in the office and not just in the field.

Mr. Johnson also asked if district workload is fully loaded, under loaded, or whether it depends on the situation. Mr. Wichelns indicated that the workload is unbelievably loaded, and Ms. Clarke indicated that there is no down time. Mr. Johnson also asked about workload in terms of cost-share and Ms. Sappington indicated that the workload is beyond current capacity. Mr. Davis-Martin commented that this is exactly why we are looking to see if there are any areas where districts might be able to operate more efficiently.

Mr. Johnson asked about situations where the cost-share funds received could not be spent – for instance, what if there were \$50 million for cost-share and not \$30 million. Ms. Sappington responded that the Summer Study in 2012 examined the option of having more district staff. Mr. VanLenten indicated that, with more dollars, there needs to more positions as you cannot keep the size of the operation at the same level. Mr. Bricker indicated that capacity needs to be addressed in terms of the number of positions and the skill set of those positions. He also noted that the use of cost-share funding matters as typically agronomic practices can be delivered with fewer people. Ms. Sappington reiterated that districts are currently functioning beyond capacity.

Mr. Johnson asked what the solution might be to the capacity issue. Mr. Wichelns indicated that some districts are hiring more staff and Ms. Sappington indicated that this was being done using savings. Mr. Wichelns also commented that, once the gear-up for the July 2014 local stormwater program implementation has passed, district workload may level off. Ms. Sappington commented that, if the economy picks up, then district demands will increase with less ability to then handle agricultural issues.

Mr. Johnson asked about local hiring processes. Mr. Wichelns replied that districts leverage funding from local governments using stormwater grants. He also indicated that every district weighs the ‘pros’

and 'cons' of hiring positions. Mr. Johnson asked if any districts have been required to lay off personnel. The response was that hours may be reduced because of funding but this was only the case in a handful of districts. Ms. Tyree commented that there is no workload decrease for districts and that there is a funding problem as there are no locality funds to augment cost-share dollars.

Mr. Johnson asked how funding gaps could be identified. Mr. Davis-Martin indicated that the budget template developed by the 2012 Summer Study workgroup would help identify gaps. It was also noted that locality funding varies by district and depends on how much local money goes to agriculture. Ms. Martin indicated that districts have to prepare budgets for local supervisor review.

- Inter-district communications

Ms. Sappington commented that the new district information system may help and that statewide assistance in the form of press releases to highlight cost-share issues would be helpful. Mr. Davis-Martin indicated that marketing efforts are undertaken by regional coordinators.

- Cost Reduction – Insurance, Personnel Benefits, Technical Assistance

Mr. VanLenten commented about the state Master Equipment Lease Program (MELP) and the possibility of expanding this program to districts. He commented that localities currently use the Virginia Resources Authority (VRA) to accomplish the same objective as the MELP, which is to obtain equipment at lower interest rates. Mr. Wells commented that the Department of Environmental Quality (DEQ) has used the VRA for years to finance wastewater treatment projects. He also commented that districts have been able to handle these issues and he was not aware of any problems.

Mr. Davis-Martin asked about district practices relating to insurance and personnel benefits. Ms. Sappington responded that her district had been using private vehicle insurance before approaching state risk management for better rates. Ms. Tyree also commented that the Association offers training to districts. Ms. Sappington also asked whether any assistance could be provided with the administration of Virginia Retirement System (VRS) benefits. She asked if the Association could help, and Ms. Tyree responded that each district has to handle this on their own. Ms. Tyree also commented that 13 districts have VRS participants. Ms. Martin noted that not all districts offer the same benefits to employees. Mr. Wells commented that there are other ways for district employees to pick up VRS benefits, one way being to go through the locality.

Mr. Davis-Martin asked if a recommendation of the subcommittee be that districts be permitted to 'tap into' the locality for VRS benefits. Mr. Wells responded that, for those districts with many localities, this could be a problem. Mr. VanLenten then asked if localities could serve as fiscal agents.

Mr. Davis-Martin commented that employee retention is a critical issue for districts and benefits are important to that retention. Ms. Tyree commented that 'between district' retention is an issue as some districts offer better pay than others. Mr. Wells commented that locality funding is a problem in terms of competitive pay. Ms. Martin commented that local income and the locality's willingness to provide resources is an issue.

Mr. Davis-Martin asked whether pay and/or benefits should be addressed in grant agreements. Ms. Sappington asked whether the state would pay benefits. Ms. Clarke commented that it would be beneficial if the discounts offered to state employees (like those from Verizon for example) were offered to district employees. Mr. Johnson indicated that DCR would follow up on this issue. There was also a comment that political subdivisions have discounts like those of state employees.

Mr. Wichelns commented that, if districts can retain experienced staff, then that district will continue to be more efficient. He cited concerns about keeping salaries competitive. Mr. Bricker commented that districts may be maintaining staff at reduced levels in order to keep experienced staff and offer competitive salaries. Mr. Wells commented that salary increases for districts are weighed against salary increases for localities. Mr. Johnson asked how this problem could be addressed and Mr. Wichelns replied that more revenues need to be sought.

Mr. Davis-Martin commented that a higher amount of technical assistance dollars results in high cost-share efforts. Ms. Sappington commented that, even if eight percent for technical assistance were enough to cover district costs, how can enough funding be offered for salary increases over time? Mr. Bricker commented that delivery of a higher level of services such as those associated with engineered practices does not work well with technical assistance funding set at eight percent.

Mr. Davis-Martin asked what could be recommended and inquired as to whether the budget template fully accounts for personnel needs. Ms. Tyree commented that the need to provide pay and benefits information in the template should be communicated to districts.

Ms. Moore asked about peer review and whether this could be examined by the subcommittee. Mr. Davis-Martin indicated that this would be addressed through a DCR webinar.

Mr. Johnson asked about technical assistance and noted that districts appeared to be overworked but not overfunded. Assuming no new funding, how can workload factors be changed to improve efficiency (change the workload) and streamline processes? He noted for example that even in the regulatory world inspections are not that often. He asked if there were trade offs. Ms. Sappington commented that her district now checks cost-share projects when they are complete, not along the way, although her district is available to provide assistance if needed. Ms. Sappington indicated that her district is efficient now but cannot do more without making compromises.

Mr. Johnson inquired about the three inspections for cover crops and noted that DEQ for some of its programs were looking at self-certifications or phone certifications. Ms. Sappington suggested that they are already on the cutting edge.

Ms. Clarke commented about the paper processes involved with cutting small checks to farmers, for instance, at \$2.00 per acre. Ms. Clarke also discussed the need to be able to have electronic maps to assist districts. She commented that for some projects you have to touch a folder five times before it is filed. Ms. Martin indicated that the issue of electronic mapping is currently being addressed. Mr. Davis-Martin suggested that the RMP and conservation planning modules that are being constructed may help.

Ms. Clarke commented on redundant procedures and the three-part process for cost-share project processing, which are applying, reporting, and sign off. Mr. Dowling asked whether districts should be surveyed regarding this issue to identify areas where greater efficiencies might be gained through potential changes in procedures. Mr. Davis-Martin indicated that this survey could be undertaken in the winter/spring time frame. Mr. Johnson asked whether a management consulting group should interview districts and perform a comprehensive review.

Ms. Clarke asked if it were possible to utilize electronic signatures and how technology could be improved. Mr. Johnson indicated that bureaucracy (for example procedure, law, or regulation) should not be a barrier to the ability to reduce administrative burden.

Ms. Sappington indicated that a survey to the districts would be useful. Mr. Wichelns indicated that districts may be able to do more as technology develops.

Mr. Johnson asked if data are being collected that are superfluous. Ms. Martin responded that only minimal data are collected and that farm, track, and field data are a demand from outside sources. Mr. Johnson also asked where time/efforts were being spent that did not add to a process. Ms. Sappington and Mr. Wichelns indicated that documentation was needed but that processes are no small issue. Mr. Wilchens commented that it is difficult to track down all needed signatures for agreements. Mr. Wells commented that affected entities (producers) should be asked by districts to supply all needed paperwork.

Mr. Davis-Martin indicated that more work may be needed to ensure that DCR's nutrient management database and BMP tracking database are linked. Mr. Johnson indicated that combining various efficiency measures will result in savings.

Ms. Clarke indicated that reporting formats for DCR can be an issue as existing district data have to be manipulated to fit DCR templates. Ms. Clark suggested that Quickbooks reports could be run and submitted in lieu of Attachment E, which is a DCR Technical/Administrative Financial Report that is part of the cost-share grant agreement. Mr. Davis-Martin asked if Quickbooks reports could replace this attachment. Ms. Sappington asked what incentives existed for districts to use Quickbooks.

Mr. Johnson asked if Attachment E adds value and Mr. Dowling indicated that the need for this attachment will likely be examined through DCR internal audit procedures. Ms. Clarke commented that every district should have Quickbooks but some districts do manually enter data. Ms. Tyree indicated that only a few districts use manual entry and that those districts receiving IT grants from the Association do receive Quickbooks modules. Mr. VanLenten asked if there should be consequences for districts that will not use Quickbooks. Mr. Dowling indicated that grant agreements could address a requirement that districts use Quickbooks by the end of the contract term.

Mr. Wichelns commented that the shift away from paper has produced a process that uses both paper and electronic records. Ms. Clarke indicated that auditors typically request hard copies of information. Mr. Johnson indicated that there should be a discussion with auditors about this process.

Mr. Davis-Martin discussed whether a survey should be conducted by a consultant or by DCR through a utility such as Survey Monkey. There was also a discussion regarding the pool of questions for the survey. Ms. Tyree indicated that the Association would want to be involved. Mr. Johnson asked if small group development would be needed and Mr. Wichlens indicated that a joint employee development group (JED) could address this as the JED meets monthly.

Mr. Davis-Martin asked about the timing of the survey. Mr. Wells indicated that the Association was conducting training in August and the issue could be discussed with districts at that time.

It was decided that ideas for the content of the survey would be discussed at the July 19 full Summer Study meeting and that all subcommittee members would develop two survey questions in preparation for this meeting. Following the July 19 meeting, the Association would discuss the survey at its August 20 training session and meeting. Following that meeting, the survey questions would be finalized and the survey administered.

At the next subcommittee meeting on July 19, there will be a discussion of efficient practice implementation and district boundaries.

Notes from Efficiency Subcommittee Meeting

May 30, 2013

Areas of focus developed by the SAG for the Efficiency Subcommittee as grouped by the Subcommittee:

- 1) Regional Coordination
 - a) Workforce Sharing
 - b) Partnership
 - c) Marketing
 - d) Inter-District Communications - Sharing Best Practices
- 2) State/Federal Coordination
 - a) Gap Analysis of Programs
 - b) Engineering Capacity
- 3) Cost Reduction
 - a) Vehicle Funding
 - b) Procurement Practices
 - i) Insurance
 - ii) Personnel Benefits
 - c) Technical Assistance
 - d) Sharing Best Practices
- 4) Efficient Practice Implementation
 - a) Practice Prioritization
 - b) Targeting Large Farm Operations
 - i) VACS Cap
- 5) District Boundaries

Summary of subcommittee recommendations and the associated focus areas from above:

- Develop and deploy a skills database for District employees (1.a and 1.b)
- District Staff should work to build internal capacity by gaining additional job approval authority. (2.b)

- If internal capacity is lacking at a District, they should look to Regional Coordination to address work backlogs. (1.a, 1.b and 2.b)
- Initiate DCR hire of Professional Engineer (2.b)
 - DCR engineer should be mentored by NRCS to gain field expertise (2.b)
 - DCR Engineer would help address remaining work backlogs (2.b)
 - DCR Engineer would help in building District internal capacity, assisting with training to increase District employee job approval authority. (1.b and 2.b)
- SWCDs are eligible to use state contracts for vehicle purchasing, but should comparison shop. Some vehicles are less expensive when purchased off the lot. (3.a)
- Investigate the potential to use the newly developed VASWCD Wiki as a mechanism to share best practices among districts. (1.d and 3.d)