

Summary Report
of the
2008 New Business Model Partnership Meeting

February 11th - 13th, 2008
McMenamins Edgefield, 2126 SW Halsey Street
Troutdale, Oregon

Prepared by Sustainable Northwest under contract with the U.S. Forest Service Office of Acquisition Management and the National Partnership Office.

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I. INTRODUCTION

In February 2008, the Forest Service's office of Acquisition Management, the National Partnership Office, and the Washington Office convened the New Business Model Partnership Meeting to build a common understanding about the New Business Model (NBM) among the federal and non-federal partners involved in the Proof of Concept Areas (PCAs) and the NBM Steering Committee. In particular, the meeting was meant to:

- Assist each PCA in launching or augmenting their collaborative efforts;
- Provide an opportunity to discuss existing performance contracts;
- Identify technical assistance needs and delivery mechanisms that could help serve the challenges expressed by PCAs;
- Provide the NBM Steering Committee with an introduction to the unique context and objectives of each PCA; and
- Introduce the subject matter experts to PCA staff and clarify the type of assistance available to the three PCAs.

The Forest Service contracted with Sustainable Northwest to organize and facilitate the meeting, as well as to summarize discussions and next steps into a report.

The two-day meeting was structured to offer both listening and participatory sessions. Participants spent the first day learning about the scope, purpose, and status of the NBM. Participants were exposed to the resources that the Forest Service Partnership Office and others have to offer to assist them. The whole group had a brainstorming conversation about how lessons from this effort should be captured and disseminated. Much of the remainder of the meeting time was spent in small group sessions to permit the PCAs and the steering committee to work together on local issues. (The complete meeting agenda including detailed goals, objectives, and activities can be found in Appendix A).

This report serves as a synthesis of the meeting activities and outcomes. Its purpose is to inform people who were unable to attend the meeting about the discussions that occurred at the meeting, as well as to remind participants and their partners about the follow up activities that they were to undertake after the meeting.

During the meeting, participants generated a number of ideas about how to effectively continue the implementation and management of the NBM. These are collected in the *Recommendations* section of this report and include general management and coordination suggestions, suggested policy changes, ideas for how to collect and disseminate the lessons learned from implementing the NBM, various types of technical assistance and resources that would be helpful, as well as recommendations on the composition and role of the Steering Committee and ideas for each of the Proof of Concept Areas on how to progress in their implementation of the NBM.

II. MEETING PARTICIPATION

Meeting participants included a mix of Forest Service staff and non-federal partners involved in the Proof of Concept Areas (PCA), including PCA staff, Forest Service regional office representatives, PCA Steering Committee members, and subject matter experts. In addition, each PCA was asked to invite up to four local partners to participate in the discussion (the number of local partners was limited due to budget constraints). (A list of meeting participants can be found in Appendix B).

III. NEW BUSINESS MODEL BACKGROUND

The Forest Service has articulated the purpose of, and need for the New Business Model (NBM) in the following way:

The recent shift in public land management objectives to restoration, ecosystem services, and recreation as well as sustainable forestry cannot be achieved without a new business model. The current system of planning, budgeting, project initiation, design, and implementation as well as systems for monitoring and adaptive management are not suited to the new focus of work of the Forest Service...The Forest Service must begin to experiment with a new way of conducting business and a new, consistent, and integrated program of work that supports public lands communities and businesses. Incremental and systemic changes in how the agency approaches budgeting, program planning, collaboration, contracting and agreements, implementation, and monitoring are essential for the Forest to take care of the land. Such changes are also needed to ensure that skilled, knowledgeable workforce and contracting pools are in place to compete for work on public lands. . . The initiative will focus on how the Forest Service can restructure its business processes to meet the new management objectives.

The NBM emerged out of a series of conversations that crystallized around the time of a 2006 Senate hearing about the working conditions of forest workers. Through these conversations, it became clear that the challenges facing the Forest Service and rural, public land community were highly interconnected. One of the on-going challenges identified was the use of antiquated and restrictive budget and procurement procedures and tools. Following these discussions, Forest Service staff and partners began to develop concepts on the value of testing new models for conducting business on national forests.

In late 2006, the Forest Service launched the NBM. As part of that process, the agency selected three national forests to pilot the model. These “Proof of Concept Areas” (PCAs) include the Allegheny National Forest (PA), the Colville National Forest (WA), and the Shasta-Trinity National Forest (CA).

As a PCA, each forest will:

- Be given budget flexibility;

- Create a performance contract with their local partners that contains a series of outcome-oriented performance measures that are driven by local, collaboratively-developed management priorities that are consistent with the Forest Service strategic plan and any other applicable management plans; and
- Negotiate their performance contracts and budgets with the appropriate Regional Office.

Overview of New Business Model

During the New Business Model Partnership Meeting, Ron Hooper, the Director of the Forest Service's office of Acquisition Management gave an overview presentation about the NBM that reviewed why and how the NBM was developed, the main elements and objectives of the NBM, and the roles of the various Forest Service and partner participants in the process. (A copy of the full presentation can be found in Appendix C).

The discussion among meeting participants after the presentation included the following points:

- **Budget flexibility and managing targets are important themes of the NBM.** Conceptually, the idea is to move away from using targets as a measurement tool, and to move toward achieving long-term outcomes. In the short-term, however, the overall Forest Service-wide targets will remain the same and the responsibility of meeting them will be spread out over the whole system.
- The NBM pilot is a way to test if a unit can be more efficient and productive if it receives **long-term commitments**.
- Thinking of the NBM in terms of **budget flexibility** is a more accurate framework than thinking of it in terms of budget stability.
- The NBM provides **an opportunity to tap into the creativity of Forest Service staff and their partners to get work done efficiently**.
- In the first few years of the NBM, unit costs might go up, but the hope is that in the long term, **by capturing efficiencies, the overall unit costs will go down**.
- **The NBM has incentivized the ability of the PCAs to take a few risks and try some new and innovative things.** PCAs are serious about earning the investment that's being made in them and making the pilot work successfully.
- There was some concern that PCAs who are successful in being more efficient with their budgets will have their budgets reduced. This is not the intent, but instead the **goal is to provide the PCAs with budget consistency** so that long-term outcomes can be planned and implemented.

New Business Model: Budget Stability, Budget Flexibility

Joe Norrell, Forest Service Supervisory Budget Analyst, gave a presentation describing the budget flexibility aspects of the NBM, including what this term means in the context of the NBM and how it is incorporated. (A copy of the full presentation can be found in Appendix D).

The discussion among meeting participants after the presentation included the following points:

- **The resource needs and issues of a PCA should drive the budget** and not the other way around.
- The PCAs will have **more control over their budgets and it should be easier to move money from one budget line item (BLI) to another, if needed.** There is a \$1 million limit on how much money can be moved between BLIs.

- It's important for the PCAs to **negotiate with their Regional Offices** on how any unused funds will be returned to the PCA (i.e. what that money can be used for).
- PCAs should focus on **being able to get more done together than by working alone**. This is a more positive framework than the idea of 'getting more done with less'.
- PCA will also be **affected if Congress passes a continuing resolution** instead of a new budget.

IV. PROOF OF CONCEPT AREA PROGRESS

Currently, each Proof of Concept Area (PCA) is in a different stage of development and implementation. During the New Business Model Partnership Meeting each PCA provided meeting participants with an overview of the progress they had made to date. The following are summaries of the content of each of the presentations, as well as a synopsis of the discussion following each presentation.

Colville National Forest, Washington (Rick Brazell, Forest Supervisor)

Accomplishments:

- A budget for the PCA has been negotiated with the Regional Office.
- A performance contract has been developed with input from non-federal stakeholders and signed by the PCA and the Regional Office. (A copy of the performance contract can be found in Appendix E).
- The Forest Supervisor's performance review criteria have been modified to more accurately reflect the content of the performance contract.
- A series of meetings have been held with collaborative partners to discuss how the budget will be spent. These included a determination of what percentage of the budget each program will receive. The next step will be to determine more specifically what will be supported by the budget.
- A communications plan is currently under development.
- The PCA has the support of the local county commissioners and local congressional staff for their efforts.
- The Colville National Forest sees its role as a PCA, in part, as a testing ground for the NBM for all of the forests in Region 6. As such, they would like to find a way to include people from other forests in their efforts to facilitate learning and idea exchange.

Challenges:

- During a recent meeting with timber industry representatives, the PCA learned that as timber prices continue to decline, private landowners are waiting to sell their timber. Given this situation, local industry would like to see an emphasis on current activities, rather than having the PCAs invest in long-term activities, so that the forest can continue to supply the mills. The PCA is struggling with how they should address this issue and also plan for and invest in the long term.
- The Forest Service is still, overall, target driven. It is hard to address both targets and accomplish other non-traditional, long-term benefits.

- Because their budget has increased as part of the NBM, they will need to bring more staff in. This will be difficult because of the transfer-of-station costs, which divert funds from on-the-ground work.

The discussion among meeting participants after the presentation included the following points:

- In trying to reconcile resource management needs with social and economic pressures, the PCA is attempting to figure out how it can structure itself to remain nimble and take advantage of opportunities as they arise. For example, the PCA is trying to figure out how to take advantage of a recent increase in the demand for wood chips and pulp.
- The management focus should be on determining what changes should be made on the landscape – the current conditions vs. the desired conditions – and figuring out how to get there in the long term.
- Each PCA can and should review its performance contract annually and make any changes necessary.
- The PCA performance contracts and regional business plans should compliment each other.

Shasta-Trinity National Forest, California (Sharon Heywood, Forest Supervisor)

Accomplishments:

- The PCA has developed a budget, program of work and accomplishments for the current fiscal year.
- A FY 2009 budget is currently being developed.
- The forest leadership team has drafted a performance contract, but it has not been finalized or signed. Non-federal partners were not included in the development of the first draft.

Challenges:

- The PCA is working on integrating NBM-related activities into their regular program of work.
- The PCA would like a process for changing policy to be developed. As policy barriers are identified in the implementation of the NBM, it would be helpful to have a mechanism in place to address and change them.
- There is still internal discussion about what collaborating with outside partners means. Collaborative partners have not yet been brought into the NBM process.
- The PCA would like more active support from the Regional Office.

The discussion among meeting participants following the presentation included the following points:

- Policy reforms made as a result of the NBM should be applied nationally, not just regionally.
- It will be important to capture how actions taken using the NBM are different from the ‘old business model’.

Allegheny National Forest, Pennsylvania (Tony Scardina, District Ranger)

Accomplishments:

- In general, there is support for moving ahead with participating as a PCA, but they are still working on getting internal agreement at the forest and regional levels.
- The Allegheny recently completed its forest plan. Now that this process is complete, forest leadership anticipates having more time to devote to the NBM.
- The forest has recently begun to try to build relationships with the local community in general.

Challenges:

- There are a number of factors that limit flexibility for the Allegheny National Forest: the amount of oil and gas drilling occurring on the forest (the FS only owns 7% of the subsurface rights of the forest), and the amount of high value timber (i.e. black cherry). However, with the increase in budget flexibility provided by the NBM they might be able to take advantage of opportunities that have been turned in the past down because of a lack of money.
- There is not an existing history of collaboration with the local community.
- The PCA is currently working on building internal knowledge about the NBM.

The discussion among meeting participants following the presentation included the following points:

- The budget flexibility provided by the NBM will provide an opportunity to focus on outcomes instead of focusing on control of money and budget line items.

V. RECOMMENDATIONS

Meeting participants generated the following ideas on how to effectively implement the New Business Model (NBM). They are collected here as a set of recommendations to be considered as the NBM continues to evolve. These are not consensus recommendations in the sense that each meeting participant expressed explicit support for each one, but instead a comprehensive set of the ideas generated during the meeting.

The recommendations are divided into six categories: general NBM management, suggested policy changes, collecting and disseminating lessons learned during NBM implementation, forms of technical assistance and research that would be helpful, Steering Committee recommendations, and Proof of Concept Area recommendations.

Each of these categories address issues like staffing needs, methods of effective communication, and the roles and responsibilities of the different actors and entities involved in NBM implementation. Some recommendations are specific and while others are more general.

General New Business Model Management Recommendations

The following recommendations are on how to make the management of the (NBM) generally more effective as it evolves.

Staff needs

- **The NBM needs staff support at the Washington Office level.** A Forest Service employee should be designated, or an additional person should be hired, to serve as the lead coordinator for implementing the NBM. The coordinator should be the main contact for people involved in the process and should also coordinate the collection and dissemination of lessons learned from the experience.

Collaboration

- **A “collaboration hotline” should be established**, i.e. a designated person or organization to call for suggestions, resources and advice on collaborating with diverse interests.
- **A working definition of collaboration should be developed** and shared amongst the PCAs.

Communication

- Communication about **meaningful performance measures** should be increased between PCAs and non-federal partners.
- **Develop a mechanism for allowing non-PCA forests and communities to get involved** in the discussion about the NBM.
- **Make sure the goals of the NBM are clearly prioritized and articulated.**

PCAs working together

- The possibility of the **PCAs working together across financial and personnel boundaries** should be considered.
- **An annual meeting should be held** for participants in the NBM including representatives from the PCAs, FS Regional Offices and the FS Washington Office as well as members of the Steering Committee and non-federal partners.
- **Representatives from the PCAs and their non-federal partners should have interim meetings every six months** to continue to share information about what they’ve learned and experienced to date. A facilitator should participate to help collect and disseminate the information shared.

Contracts

- **Develop a mechanism to obligate contract funds over multiple years.**
 - Determine how carry-over money is managed through enterprise units, contracts, and agreements.
 - Consider the role the National Forest Foundation, counties or conservation districts might have in holding carry-over funds “in trust” for the PCAs.

Technical Resources

- **Using off-the-shelf financial software** (i.e. QuickBooks) might help the Forest Service communicate about the budget process better with the public. Right now it’s hard to understand how money is tracked and how money moves.

Suggested Policy Changes

Meeting participants offered a number of suggestions throughout the course of the meeting on how Forest Service policy could be changed to help implement the NBM more efficiently.

- **Policy changes enacted as part of the New Business Model should be applied nationally to the Forest Service.** There should be transparency about why a policy was enacted or changed.
- **Forests should have the authority to enter into stewardship agreements that last longer than five years.** Having a 10-year commitment allows for more stability.
- **Streamline the cost recovery process for requests for special events on the forest.** Allow forests to charge a flat fee based on a percentage of the entry fee for special events instead of using graduated fees.
- **Allow use of longer-term special use permits** in exchange for capital investment.
- **Allow Forest Supervisors to hire for positions of GS12 and below.**
- **Allow forests to have a block of job codes at the beginning of the year.** Forests would then report when the job codes have been activated, instead of forests having to request job codes multiple times.
- **Cost reviews of fires costing \$10 million or more should just happen once, instead of multiple times.**

Recommendations for Collecting and Disseminating Lessons

In the course of implementing the NBM, the PCAs and others involved in the experience are, and will continue to, learn lessons and gain insight about the process that will help inform and strengthen it as it continues to be refined. Meeting participants made a number of suggestions about how to ensure that this information is captured and shared with others.

Making use of existing resources

- **Identify applicable lessons learned from a similar effort** undertaken by the Forest Service in the 1980s referred to as the “Pilot Study”. (A summary of the Pilot Study effort can be found in Appendix F).
- Consider using the “**Lessons Learned Center**” in Tucson, AZ.
- Consider **applying recently developed R&D tools** like the Joint Fire Science knowledge transfer and CWPP development information to the NBM experience.
- **Articulate what the “old business model” was as a baseline** against which to measure the progress of the NBM.

Staff

- **Regional Foresters should be in charge of monitoring the progress** of the PCA and should provide information on how different elements of the performance contract are being accomplished.
- Explore **the role FS research and development staff or university researchers** could play in collecting and disseminating lesson learned.

Communication

- Hold **regular conference calls and/or meetings among and between PCAs** to help everyone keep current on what each PCA is experiencing.

- **The Forest Service website should include up-to-date information** on the PCAs' activities and progress.
- **A range of people should be asked for information** on the lessons learned from the NBM experience (Forest Service staff and non-federal partners).
- Make sure that the **people who have the power to make changes** have the information they need to do so.

Collection and Dissemination

- **Develop a method for tracking changes** that result from implementing the NBM. Some questions that could be asked include:
 - Will managing funds with less budget detail lead to greater results?
 - Can the PCA be more productive if they manage for long-term goals instead of targets?
 - Did local investment in a natural resource based economy in rural communities result from the NBM?
 - What jobs were created as a result of the NBM? (contracts)
- **A consistent set of questions should be developed and regularly distributed** to collect information on what the PCAs are learning and experiencing.
- When collecting information, make sure **to include the context surrounding the activities** to facilitate a better understanding of unique situations and system-wide conclusions and applications.
- **A mechanism for transferring lessons should be in place soon** so that the lessons learned during the process can be shared as they happen and the process can be an ongoing conversation.
- Develop a way to **test whether units can be more productive** when they receive long-term commitments.
- Develop a **mechanism for testing lessons learned** during the experience.

Recommendations for Technical Assistance and Resources

As the NBM is implemented the PCAs may discover a need for technical assistance or additional resources that will help them through the process. The following technical assistance and resource needs were identified during the course of the meeting:

- Forest leadership at the District level would like more **guidance and support from leadership** at other levels on how to address some of the challenges of implementing the NBM.
- The PCAs would **like suggestions on how to include disparate groups in the NBM** and help make them aware of and comfortable with what's going on. For example, it would be good to be able to call the National Partnership Office for advice and to be connected with people experiencing similar challenges.
- **Trainings** on topics the PCAs are addressing, as part of implementing the NBM would be helpful. Three specific topics mentioned were stewardship agreements, collaboration and strategic planning.
- Assistance with **project modeling** would be very helpful.

Steering Committee Recommendations

Meeting participants had suggestions on how the composition and role of the Steering Committee could be defined and structured to make it an effective resource to the PCAs. In addition, meeting participants identified a number of written communications tools, communication strategies and general protocols for the Steering Committee to create.

Composition

- **The Steering Committee should be made up of four major groups of people** : Forest Service Washington Office Directors, Forest Supervisors from the PCA forests, a representative (preferably the Deputy Regional Forester) from each Region that has a PCA, and non-federal partners who are involved in related activities at regional or national scales.
- **The Steering Committee should have two co-chairs** : one federal and one non-federal.
- **The role of the Steering Committee in the NBM process should be clearly articulated.** Specific points of contact should be identified (specific roles are described below in the steering committee section)
- **The Steering Committee should create subcommittees as needed;** these subcommittees will disband when their activities are complete. At the meeting, the Steering Committee created three subcommittees:
 - **Communications and outreach**, which will focus on developing a strategy for how the participants in the PCAs and Steering Committee should communicate among and between themselves, and how outreach and communication should occur with those outside of the process.
 - **Lessons and documentation**, which will focus on developing a strategy for capturing lessons learned from the New Business Model process.
 - **Barrier busting**, which will develop a process for identifying and finding solutions to the barriers participants in the New Business Model experience.

The following people volunteered for each committee:

- Communications and outreach: Jan Engert (FS National Partnership Office), Maia Enzer (Sustainable Northwest), Jaelith Hall Rivera (The Wilderness Society)
- Lessons and documentation: Heidi Biglercole (FS), Karen DeBari (National Forest Foundation), Cassandra Moseley (University of Oregon), Joe Norrell (FS)
- Barrier busting process: Karen DeBari (NFF), Jan Engert (FS), Doug MacCleery (FS), Rick Prausa (FS)
- **The composition of the steering committee and subject matter experts should be re-assessed in six months** (August 2008) and any changes needed at that time should be made.

Role

The role of the Steering Committee should be to:

- **Ensure there is executive support** for the NBM
- **Manage communication about the NBM:**
 - Communicate with the stakeholder groups they represent or interact with about the New Business Model and what activities are occurring.

- Communicate to executive staff and other policy makers about the NBM
- **Ensure that the lessons learned from implementation of the New Business Model are collected and disseminated**
- **Develop and manage the ‘barrier busting’ process**
 - The Steering Committee should be instrumental in helping identify, with the Regional Offices and PCAs, the existing policy barriers to implementing the NBM and helping to find solutions for overcoming them.
 - To advance recommendations to appropriate staff about any waivers or policy changes needed to help effectively implement the NBM.

Documents to create

- Rewrite the section on the **roles and responsibilities** of the steering committee and the **implementation structure document**.
- Revise the **talking points describing the NBM**. (The Shasta Trinity suggested emphasizing that the entire Forest Service, not just the PCAs should share the burden of testing the NBM.)
- Develop a **short description of the NBM** and the structure of the Steering Committee.
- Create a **directory of Subject Matter Experts** including names, contact information and areas of expertise.
- Develop a **NBM website**.
- Develop a Steering Committee **description of roles**.
- Develop, in coordination with the PCAs, a set of **guiding principles** for implementing the NBM.

Internal NBM communication

- Hold two **in-person Steering Committee meetings** a year (one in Washington, D.C. and the other in conjunction with a PCA).
- Conduct four **conference calls** a year with members of the Steering Committee and representatives from the Regional Offices and the PCAs to update everyone on what is going on.
- Hold **regular conference calls and/or meetings with PCA staff** to check in, identify and share solutions and reflect on how different strategies and tactics are working. Regular communication is also key in addressing, in a timely manner, any issues that might arise.
- Develop a **clear structure** of how staff from the PCAs, Regional Offices, and Washington should communicate with each other and with the Steering Committee (including names of ‘point people’).
- Develop, in coordination with the PCAs, a **clear structure of who handles what kinds of communication** at what level (i.e. what the PCAs, Regional Offices, Washington Office, and Steering Committee are each responsible for).
- **Communications tools** like using “share point” documents (similar to wikis) should be used by NBM participants to share information.

Policy Barrier Identification and Solutions

- **Develop protocol for advancing barriers that need to be overcome** from the PCA to the Washington Office, including creating a simple worksheet for communicating what the barriers are and what possible solutions might be.
- Develop a **process** and any associated documents that PCAs can use to **advance requests for policy changes or waivers**.

Proof of Concept Area Recommendations

Federal and non-federal meeting participants involved with the Colville National Forest and the Shasta Trinity National Forest developed a number of recommendations about how they could improve the implementation of the NBM in their PCA. The Allegheny National Forest was just in the beginning stage of implementing the NBM and had only one representative at the meeting who took the opportunity to learn from the other PCAs.

Colville National Forest

Communications and outreach

- Look for opportunities to engage in **peer-to-peer learning** with other PCAs.
- **Increase opportunities to meet** with other PCAs and representatives from the regional and Washington offices
- **Explore the idea of doing joint training sessions** with PCA staff and non-federal partners on collaboration, stewardship contracting and partnerships
- **Increase broader understanding of the NBM** and the PCAs' efforts
- **Celebrate successes**

Implementation

- **Establish a clear decision-making process** for efforts related to the NBM
- **When reviewing the performance contract the following things should be considered:**
 - Identifying new performance measures
 - Remain focused on outcomes and not just traditional outputs
 - Ensure that performance measures link to identified outcomes
 - Include traditional targets under outcomes to help illustrate the link between the two
 - The overall flexibility of the contract should be maintained.
 - The performance contract should continue to be available to the public online.
- **Fill the staff need of a PCA coordinator** on the forest (ideas: Presidential Management Fellow, hire new staff)
- **Develop a business plan** for implementing the NBM
- **Hold quarterly check-in meetings** on new budget processes
- **Maximize the use of existing NEPA documents** to facilitate the implementation of projects
- **Use the Region 6 IDIQ** for facilitation and collaborative services
- **Determine how best to acquire better workforce data** (Alliance of Forest Workers and Harvesters can help with this)

Lessons and documentation

- **Collect and share lessons learned** from implementing the NBM with other PCAs and the public.
- **Use “Transition Memo”** available from the National Partnership Office to communicate issues when there is a change in leadership or involvement

Barrier Busting

- **Explore the use of a 10-year stewardship contract** within the NBM
- **Consider developing MOUs** with other parties interested in the NBM implementation in order to clarify responsibilities

In addition to developing recommendations, meeting participants from the Colville National Forest also identified specific activities they would like to undertake over the next six months. These are captured and categorized by date and topic below.

Between March and May 2008, the Forest Leadership Team plans to:

Implementation

- **Develop a strategy for securing a facilitator**
- **Establish ground rules for collaboration with the help of partners**
- **Develop project location and outreach strategies** and present this information to the public with the help of partners

Communications and Outreach

- **Hold partner meetings on large-scale watershed projects** with the County Commissioners, Tribes, representatives of grazing interests, and the NE Washington Forest Coalition.
- **Initiate a formal ‘roll-out’ of the NBM concept** and associated activities planned
- **Communicate, with the help of partners, the ‘rules of engagement’** for participating in the NBM implementation
- **Explore interest in and potential possibility for doing joint training sessions** with partners (ideas: collaboration, stewardship contracting)

Between June and September 2008, the Forest Leadership Team plans to:

Implementation

- Develop and finalize a **business plan** for the NBM
- Formulate the next **budget request**

Communications and Outreach

- **Seek comments on the current performance contract**
- With the help of the regional office and partners, **develop a communication strategy related to the business plan**

Shasta-Trinity National Forest Recommendations

Implementation

- Develop a **plan for how to approach implementing the NBM** (examples offered included picking certain watersheds, being strategic about how partners are involved and how information is shared with the public so that the process is transparent and understandable.)
- **Develop a landscape level strategy for restoration and distribute information** tailored for different audiences on the strategy and the decision-making process.
- Think creatively about **using existing tools to help with planning**. For example, the tools available through the Healthy Forests Restoration Act, developing a fuels strategy that is compatible with the Community Wildfire Protection Plan for Trinity County, and involving stakeholders in the process.
- **Develop up-to-date map of project implementation activities.**

Communications and Outreach

- **Communication** with partners is important. Develop a strategy of how and when to involve non-federal partners and seek help from partners as implementation continues. Ideas include: identify potential partners to work with, hold facilitated partnership meetings, have open dialogue and participation.
- **Pursue help facilitating collaborative involvement** in implementation of NBM.
- **Develop a communications strategy and accompanying materials** for talking about the NBM implementation as well as resource or project-specific information (example offered was a “Quick book for bugs”).
- Designate a team of federal and non-federal partners to develop a strategy to work more effectively with the regional office (ideas suggested: talk with forests in region 6 about their experiences).

Lessons and Documentation

- **Share information** on implementation or strategy tools and the lessons learned in developing and implementing them **with the Steering Committee** so all PCAs can benefit from the information.
- Develop an **internal system for capturing and sharing lessons** learned while implementing the NBM.
- **Communicate with Resource Advisory Committee (RAC) members** to learn about what they think worked and what could have been improved about their experience collaborating as part of the RAC to help inform the NBM process.
- **Hold a meeting with other PCAs** around August 2008 to discuss progress and lessons learned so far.

Barrier Busting

- **Develop a list of existing disincentives to partnering and possible solutions** and forward to the Steering Committee for help with “barrier busting”.
- Create a **template for experiments** that includes expectations for review and a clear articulation of the problem and expected results.

- Submit **requests to the Steering Committee** on a quarterly basis.
- Develop a **strategy for integrating and managing additional work** that comes with implementing the NBM.
- Develop a **strategy to meet additional staff support needs** created by implementing the NBM.
- Explore the possibility of a **staff person for the South Fork management unit** who would serve as a stewardship authority advocate and a “barrier buster”.
- Hold a **‘barrier busting’ brainstorm** session with other forests in northern California.

APPENDIX A



The 2008 New Business Model Partnership Meeting

Monday, February 11th - Wednesday, February 13th, 2008
McMenamins Edgefield, 2126 SW Halsey Street, Troutdale, Oregon



FINAL AGENDA As of February 6, 2008

Monday, February 11, 2008

Location: Ballroom, Main Lodge, 2nd Floor

2:00pm Welcome and Introductions

Ron Hooper, Director, Acquisition Management; Jan Engert, Director, National Partnership Office

2:30pm Meeting purpose, objectives, agenda review, and ground rules

Andrea Bedell Loucks, National Partnership Office; Maia Enzer, Sustainable Northwest

3:00pm Overview: What is the New Business Model Initiative?

Ron Hooper, Director of Acquisition Management

Session outcomes: To provide understanding of:

1. Origin, history, and future of NBM initiative
2. Integration and linkages between:
 - a. Collaborative restoration and prioritization
 - b. Community benefit
 - c. Building a local workforce and protecting workers
 - d. Strategic budgeting
 - e. Contracting and creating consistent programs of work
 - f. Performance measures and outcomes
 - g. Communications
3. FS, partner, and the public role(s) and responsibilities:
 - a. Leadership and coordination
 - b. Steering Committee
 - c. Subject Matter Experts
 - d. Proof of Concept Areas
 - e. Forest Service leadership
 - f. Non-federal partners and collaborative groups
 - g. Other stakeholder groups
4. Decision-making processes:
 - a. Forest Service (District, Region, and Washington Office)
 - b. Office of Management and Budget
 - c. Collaborative groups and partners
5. Tracking outcomes and accountability:
 - a. Tracking and dissemination of lessons learned
 - b. Assessment of NBM Initiative
 - c. Performance Contracts

4:15pm New Business Model Budget and Integration: How do we do it?

Joe Norell, Supervisory Budget Analyst, Forest Service

Session outcomes:

1. To increased understanding of the budget process linked to the New Business Model
 - a. Clarification of what can and can't be done
 - b. Linking budgets to collaborative process and prioritization
 - c. Short-term and long-term budget realities
 - d. Leveraging of partnership dollars in the New Business Model approach

5:15pm Review outcomes and plans for following day

Maia Enzer, Sustainable Northwest

5:30pm Adjourn for the day

6:30pm Catered dinner and Keynote address. No-host bar will be available.

Location: Ballroom, in main lodge.

Linda Goodman, Regional Forester

After dinner enjoy one of the many amenities at Edgefield.

Tuesday, February 12, 2008

Location: Blackberry Hall, up the hill, past the Powerhouse Station

7:00am Breakfast is on your own in Black Rabbit Restaurant in the main lodge.

8:30am Goals and desired outcomes for the day

Maia Enzer, Sustainable Northwest

8:45am Proof of Concept Area Stories

Moderator: Maia Enzer, Sustainable Northwest

Presenters: Rick Brazell, Colville National Forest Supervisor; Sharon Haywood, Shasta-Trinity National Forest Supervisor; Tony Scardina, Allegheny National Forest District Ranger

Session outcomes: Recognizing that each of the PCA units are at different stages of development, have varying local conditions, and other unique attributes, this session will help everyone understand where each unit has been and where they are going.

1. Overview of current efforts can include but need not be limited to:
 - a. Collaboration with non-federal partners and collaborative groups
 - b. Budget development
 - c. Restoration priorities
 - d. Performance contract
 - e. Communications
 - f. Lessons learned so far
 - g. What technical assistance did you get or what could have been helpful?
 - h. Current and anticipated future challenges

9:45am Full group session: Collaboration exercise

Jan Engert and Andrea Bedell Loucks, National Partnership Office

10:15am Break

10:30

Full group session: Overview of technical assistance and resources

Barbara Wyckoff, Dynamica Consulting; Andrea Bedell Loucks, National Partnership Office

Session outcomes: Understanding of what technical assistance and resources are available to Forest Service staff and New Business Model Collaborative groups in the short- and long-term.

1. How to determine your needs for the short- and long-term
2. Federal and non-federal resources
3. Sharing between PCAs and other peer learning opportunities

11:00am

Full group session: New Business Model: Capturing lessons and dissemination

Moderator: *Maia Enzer, Sustainable Northwest*

Presenter: *Cassandra Moseley, Ecosystem Workforce Program - University of Oregon;*

Session outcomes: Discuss and identify options for gathering lessons learned from the PCAs:

1. To support rapid adoption of “things that work” within the agency
2. Inform Congress, OMB, and other decision makers about the outcomes of the NBM initiative
3. Increase learning between PCA units and other forests interested new business approaches to collaborative restoration
4. Linkages to the Performance Contract

NOON

Catered lunch in Blackberry Hall

1:00pm

Walk down the hill to Main Lodge for small group sessions

1:15pm

Small Group Session #1 Development of Collaborative Process

Session outcomes: A plan for the development, implementation, or adjustment of PCA collaborative process as it relates to formulation and development of budgets, program of work (projects), contracting mechanisms, and related activities .

1. Each PCA will develop their collaborative process depending on their current stage in the collaborative process. This may include:
 - a. Goals and desired outcomes for collaborative process
 - b. Identification of participants
 - c. Communications
 - d. Decision space and expectations
 - e. Venues and approaches to collaboration
2. The Steering Committee will meet to develop their process for: 1) Working together, 2) Working with other stakeholder groups, and 3) Collecting and disseminating lessons learned.

| Group | Location | Facilitator |
|--------------------|-----------------|----------------------|
| Shasta Trinity | Barley Room | Barbara Wyckoff |
| Colville | Blackberry Hall | Andrea Bedell Loucks |
| Steering Committee | Mt. Hood Room | Maia Enzer |

2:15pm

Break – Snacks will be delivered to the small group session #2 rooms

2:30pm Small Group Session #2: Review and discuss performance contract

Session outcomes: Depending on where a PCA is in the development of their Performance Contract, discussions will result in a common understanding between federal and non-federal partners of:

1. Purpose of the performance contract and how it will shape project development, selection, and implementation
2. Content of current draft/completed performance contracts
3. Process for further development, adjustment, and/or implementation
4. Opportunities for collaboration in the collection of information needed to report on the contract

Steering Committee members, Subject Matter Experts, and guests will be assigned to join a specific PCA break sessions

| Group | Location | Facilitator |
|----------------|-----------------|-----------------|
| Shasta Trinity | Barley Room | Barbara Wyckoff |
| Colville | Blackberry Hall | Maia Enzer |

3:30pm Small Group Session #3: Identifying PCA Short- and Long-term Needs

Session outcomes: Draft matrix of technical assistance and resource needs.

1. Identification of short- and long-term technical assistance & resource needs
2. Articulation of major concerns
3. Identification of best delivery mechanisms for TA (on-going mentoring, in-person visits, case studies of best practices, handbook, etc.)
4. Identification of when and where assistance and resources will be needed

Steering Committee members, Subject Matter Experts, and guests will be assigned to join a specific PCA break sessions

| Group | Location | Facilitator |
|----------------|-----------------|----------------------|
| Shasta Trinity | Barley Room | Barbara Wyckoff |
| Colville | Blackberry Hall | Andrea Bedell Loucks |

4:30pm End small break out session and head back to Blackberry Hall for final session.

4:45pm Full group round robin discussion

Moderator: *Maia Enzer, Sustainable Northwest*

What worked well?

What didn't?

What is outstanding to tackle for tomorrow?

5:30pm Adjourn for the day.

Dinner on your own. Enjoy one of the two restaurants on site at Edgefield.

Wednesday, February 13, 2008

We have arranged for a special late check-out time of 1:00pm for our meeting guests. Please come to the catered breakfast before the meeting begins.

Location: Blackberry Hall, up the hill, past the Powerhouse Station

7:30am **Catered hot breakfast served.**

8:30am **Review agenda and departure logistics**
Maia Enzer, Sustainable Northwest

8:45am **Full group report-out: Identification of cross-cutting issues**
Moderator: Maia Enzer, Sustainable Northwest
Session outcomes: Each small group will do focused, short report-outs describing:

- Activities that would involve cross site collaboration
- Ideas for cross-site technical assistance, learning, etc.
- Issues that relate to how the whole initiative works together

9:15am **Small Group Session #4: Prioritization and mapping next steps**

Session outcomes: PCAs, Steering Committee/SME develop next step priorities. The priorities and next steps should:

- Focus on specific actions and/or needs that will need occur in the next six to nine months.
- Describe who is the lead on the activity/need (federal and non-federal partners)
- Resources (financial, technical, partners) needed to accomplish these priority items

| Group | Location | Facilitator |
|--------------------|-----------------|----------------------|
| Shasta Trinity | Mt. Hood Room | Barbara Wyckoff |
| Colville | Barley Room | Andrea Bedell Loucks |
| Steering Committee | Blackberry Hall | Maia Enzer |

10:45am **Break**

11:00am **Full group report out**
Session outcomes:

1. Each group will present their priorities and next steps map.
2. Discussion about cross PCA learning and initiative development.
3. Identification of common needs and opportunities across PCAs

11:30pm **Evaluation of meeting**

Noon **Adjourn. Have a safe trip home.**



The 2008 New Business Model Partnership Meeting

Monday, February 11th - Wednesday, February 13th, 2008
 McMenamins Edgefield, 2126 SW Halsey Street, Troutdale, Oregon



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As of February 5, 2008

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New Business Model for Collaborative Restoration

February 11, 2008

Ron Hooper, Director of Acquisition Management, USDA Forest Service

Why a New Business Model

- Annual report on stewardship contracting
- Field reviews of stewardship contracts
- Discussions with partners
- Common thread throughout:
The current business model is not conducive to collaboration, an efficient way of conducting multi-faceted restoration work

Current Business Model

- Budget formulation is an attempt to fund all activities
- Performance measured by annual targets expressed as outputs
- Projects are planned on an annual basis
- Contracts are one year in nature
- Collaboration is minimal
- Little structure for monitoring

New Business Model

- Budget formulation reflects integration of several meaningful activities
- Performance measured by progress along a continuum toward long-term outcomes
- A treatment includes integrated, long-term projects
- Multi-year contracts
- Collaboration “from cradle to grave”
- Structured monitoring

Objectives

- Direct relationship to FS Strategic Plan
- Direct linkage to Performance Accountability System, i.e. map back to standard outputs, e.g. fuels, etc
- More effectively and efficiently be able to accomplish needed restoration work on national forests and grasslands
- Better able to access and utilize capacity within local communities

Accountability

- Direct linkage to Performance Accountability System (PAS) and standard outputs
- Performance Matrix to monitor ecological effect, administrative improvements
- Community benefits
- Capture best practices and lessons learned

Integration & Linkages Between:

- Collaborative Restoration and Prioritization
- Community Benefit
- Building a Local Workforce
- Strategic Budgeting
- Contracting and Consistent Programs of Work
- Performance Measures and Outcomes
- Communications

Appendix C – Summary Report of the February 2008 NBM Partnership Meeting

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FS, Partner, & Public Roles and Responsibilities

- Leadership and Coordination
- Steering Committee
- Subject Matter Experts
- Proof of Concept Areas
- Forest Service Leadership
- Partners and Collaborative Groups

Decision Making Processes

- Forest Service (District, Supervisor Office, RO, WO)
- Office of Management and Budget
- Congress
- Collaborative Groups

Tracking Outcomes and Accountability

- Tracking and Dissemination of Lessons Learned
- Assessment of the New Business Model
- Performance Contracts

New Business Model

Budget Stability
 Budget Flexibility
 Joe Norrell, Supervisory Budget Analyst, USDA Forest Service

Budget Stability

- ◆ What is Budget Stability?
 - Reliable and stable budget, a known budget
- ◆ How does the NBM ensure Budget Stability?
 - Identification of Baseline Budget
 - A level of assurance unused funds will be returned

Budget Flexibility

- ◆ What is Budget Flexibility
 - Room to maneuver
- ◆ How is Budget Flexibility Achieved?
 - Move to higher level of control
 - Balance program spending regionally or nationally
 - Reprogram if needs arise

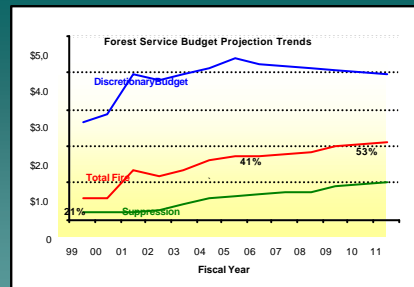
Higher Level of Control

Discretionary Funds Management - Level of Accountability

| | New Business Model | Traditional |
|------------|--------------------|-------------|
| | NFNP | |
| | NFPM | |
| | NFRW | |
| | NEWF | |
| | NFRG | |
| | NFTM | |
| | NFVW | |
| | NFMG | |
| | NFLM | |
| | NFILE | |
| | NFN3 | |
| VCVC | VCVC | |
| CMFC - CIP | CMFC - CIP | |
| CMRD - CIP | CMRD - CIP | |
| CMTL - CIP | CMTL - CIP | |
| | CMFC - Maintenance | |
| CMCM | CMRD - Maintenance | |
| | CMTL - Maintenance | |
| | CMII | |

Outlook

- ◆ Continuing Resolution
- ◆ Greater Flexibility
 - New Reprogramming guidelines
- ◆ Pressure to do More with Less



Assumptions include 1.5% reduction/year in agency funding for FY07-11; Constant Fire Preparedness budget for FY 09-11; Suppression at 10 Year Average for FY 09-11.

Questions?



COLVILLE NATIONAL FOREST PROOF OF CONCEPT PERFORMANCE CONTRACT

The program goals, objectives, and performance measures identified on the following pages correspond to the goals, objectives and performance measures of the USDA Forest Service Strategic Plan FY2007-2012, published July 2007. The outcomes displayed in the Strategic Plan have been projected out to FY2017 for purposes of this contract.

A major element of the Proof of Concept project is the improvement of local economic and social conditions. Some elements of the **USDA Forest Service Strategic Plan FY2007-2012** apply directly to the Proof of Concept project and the management activities conducted on the Colville National Forest. Other elements, as indicated in the contract, do not apply to the specific situation on the Colville National Forest. Within this contract, one additional objective (2.5) and nine new performance measures were developed through the public collaboration process to specifically address the Proof of Concept objectives.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-w, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

INTRODUCTION:

The Forest Service is currently struggling as increasing program requirements continue to exceed budget allocations and workforce capacities. The Proof of Concept project is a test of a new business model based on the hypothesis that, through collaboration with the public and a predictable budget, the agency can increase managed outcomes while decreasing overall costs. It is designed to accomplish work with improved efficiency by increasing management flexibility and leveraging dollars by securing partnerships. This should allow resource management needs to drive the program of work rather than budget line item allocations, bringing more funding to the ground.

The Colville National Forest is one of three National Forests selected to test this new business model. This test is designed to run for a minimum of ten years, beginning on May 29, 2007, with the signing of the Proof of Concept Charter by the Chief of the Forest Service. Our objectives are to allow for greater public involvement through long term collaboration, stewardship contracts, and partnerships. The promise of a stable budget should increase all of these by creating steady, predictable work opportunities for community members and contractors. Another objective is to increase program efficiency while decreasing overall costs. This Performance Contract outlines the major outcomes expected from this test.

This Performance Contract, defining operational goals, has been developed with our stakeholders through a collaborative process so it represents local interests. Input was collected through a series of five public meetings conducted in August and September 2007, involving participation from elected county commissioners, tribal representatives, and the general public.



This Performance Contract is consistent with the National Strategic Plan, our Forest Plan, and the applicable laws. As we implement this contract, shared knowledge and interests gathered from our collaboration efforts are expected to enhance our decisions and improve outcomes. Long term accomplishments will include more partnerships, improved community economics, and resource sustainability. Current partnerships, collaboration agreements, and Memorandums of Understanding will continue to be honored. This Performance Contract will be monitored and evaluated by the Regional Forester and the Washington Office as well as periodically by the public. We will review the progress we have made towards our long term goals on an annual basis and make modifications as necessary.

Our Forest Service mission remains the same: caring for the land and serving people. Proof of Concept will help our efforts to ensure healthy forests for the future.

| GOAL 1. RESTORE SUSTAIN, AND ENHANCE THE NATION’S FORESTS AND GRASSLANDS | | | |
|---|---|--|---|
| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 1.1: Reduce the risk to communities and natural resources from wildfire. | a-1: Acres moved toward desired conditions. | In 2007 there are 115,880 acres in Condition Class II or III, either Fire Regime I or III, that need to be treated to move into the appropriate condition class (LANDFIRE Fire Regime Condition Class data) ¹ | At least 41% (47,500 acres) of the 2007 Condition Class II or III, either Fire Regime I or III, acres on the Forest have been moved toward desired condition. |
| | a-2: Acres maintained in desired conditions. | In 2007 there are 73,300 acres in Condition Class I, either Fire Regime I or III, that need to be maintained in that condition (LANDFIRE Fire Regime Condition Class data) ² | At least 67% (49,100 acres) of the 2007 Condition Class I, either Fire Regime I or III, on the Forest have been maintained in desired conditions. |
| | b-1: Acres brought into stewardship contracts. | 1,600 acres (2007 acreage) | An average of 1,600 new acres is brought into stewardship contracts annually. |
| | b-2: Acres treated through commercial timber harvest. | 5,200 acres (based on producing 26 MMBF per year at an average of 5,000 board feet per acre) | An average of 8,800 acres is treated annually. |
| 1.2: Suppress wildfires efficiently and effectively. | a: Percentage of fires contained in initial attack. | 93% (based on average from 2002 thru 2006) | 98% of fires meet this condition. |
| 1.3: Build community capacity to suppress and reduce losses from wildfires. | a: Percentage of acres treated in the wildland-urban interface that has been identified in community wildfire protection plans or equivalent plans. | 100% (all counties have Community Wildfire Protection Plans in place and CNF adopted the CWPP WUI boundaries) | 100% of the treated WUI acreage on the Forest has been identified in community wildfire protection plans. |

¹ Acreage figure was derived by taking all CNF lands in Fire Regime Condition Class II or III and in either Fire Regime I or III and subtracting acreage in wilderness or IRAs, within 100 feet of perennial water, lynx critical habitat, caribou habitat, scenic corridors, Research Natural Areas, and half of the winter range acreage.

² Acreage figure was derived by taking all CNF lands in Fire Regime Condition Class I and in either Fire Regime I or III and subtracting acreage in wilderness or IRAs, within 100 feet of perennial water, lynx critical habitat, caribou habitat, scenic corridors, Research Natural Areas, and half of the winter range acreage.

| GOAL 1. RESTORE SUSTAIN, AND ENHANCE THE NATION'S FORESTS AND GRASSLANDS...continued | | | |
|---|---|---|---|
| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| | b-1: Number of tools provided to local contractors to help them be more competitive in securing fire suppression contracts. | None - No tools have been developed. | The CNF hosts an annual workshop to assist local resources with bidding procedures for firefighting equipment (best value processes). |
| | b-2: Increase the value of Emergency Equipment Resource Agreement contracts awarded to Northeast Washington contractors. | 29 contractors from northeast Washington had EERAs and were awarded \$682,000 in task orders in 2007(not all task orders were from Colville NF) | 50% increase in number of contractors with EERAs and the value of task orders. |
| | c: Number of plans (developed in collaboration with counties) to provide tools and opportunities for the development of local fire suppression resources. | None - No plans have been developed. | By 2012: Three plans have been developed and implemented. Each county has resources for initial attack and fuel reduction projects. |
| 1.4: Reduce adverse impacts from invasive and native species, pests, and diseases. | a: Acres inventoried and prioritized (in conjunction with County Weed Boards) for treatment. | An Annual Agreement with Pend Oreille County is the only one with the Forest. No prioritized list exists. | By 2012: Operating Plans (and/or Annual Agreements) are in place with each County Weed Board for the inventory of noxious weeds on the Forest and prioritization of treatment needs based on criteria in the CNF Environmental Assessment for Integrated Noxious Weed Treatment (1998) and County Noxious Weed Treatment Plans. |
| | b: Acres treated in conjunction with County Weed Boards. | None - No priority acreage has been identified. | At least 50% of the priority acreage on the Forest (as identified above) has been treated. |

| GOAL 1. RESTORE SUSTAIN, AND ENHANCE THE NATION’S FORESTS AND GRASSLANDS...continued | | | |
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| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 1.5: Restore and maintain healthy watersheds and diverse habitats. | a: Percentage of watershed in class 1 condition. | 24% of the 6 th field watersheds on the Forest are in Class 1 condition is 2007 baseline condition. | At least 34% of the 6 th field watersheds on the Forest are in Class 1 condition. |
| | b: Acres and miles of terrestrial and aquatic habitat restored consistent with forest plan direction. | Terrestrial acres: 4,166 acres (average acres treated between 2002 and 2006). | An average of 7,500 acres annually, an increase of 80% over baseline levels |
| | | Stream miles: 6 miles (average acres treated between 2002 and 2006). | An average of 11 miles annually, an increase of 80% over baseline levels. |
| | | Lake acres: 6 acres (average acres treated between 2002 and 2006). | An average of 11 acres annually, an increase of 80% over baseline levels. |
| | c: Percentage of acres needing reforestation or timber stand improvement that were treated. | 45,000 acres of pre-commercial thinning backlog existed in 2007. The reforestation backlog is 2,200 acres. | At least 23% of the baseline acreage (10,350 acres of pre-commercial thinning and 506 acres of reforestation) has been treated. |

GOAL 2. PROVIDE AND SUSTAIN BENEFITS TO THE AMERICAN PEOPLE

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|---|--|---|---|
| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 2.1: Provide a reliable supply of forest products over time that is (1) consistent with achieving desired conditions on NFS lands and (2) helps maintain or create processing capacity and infrastructure in local communities. | a: Amount of wood fiber provided each year to help meet demand for forest products in an environmentally sustainable manner. | 26 million board feet (as determined in 2003 workforce planning). | Average annual timber sale offer is 44 MMBF, a 60% increase of over baseline levels. |
| | b: Number of green tons and/or volume of woody biomass from hazardous fuel reduction and restoration treatments that are made available through permits, contracts, grants, agreements, or the equivalent. | 28,000 tons (Reported volume from 2007) | An average of 28,000 tons of woody biomass is made available annually. |
| 2.2: Provide a reliable supply of rangeland products over time that is (1) consistent with achieving desired conditions on NFS lands and (2) helps support ranching in local communities. | a: Acres of national forest under grazing permit that are sustainably managed for all rangeland products. | 716,500 acres are shown as under permit in the GIS database. | All range allotment NEPA and allotment management plans have been completed on the CNF, and all suitable grazing land under permit is being managed on a sustainable basis. |

| GOAL 2. PROVIDE AND SUSTAIN BENEFITS TO THE AMERICAN PEOPLE...continued | | | |
|--|---|---|--|
| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| | b: Number of range improvement projects completed. | None – No priority list of projects has been developed | A prioritized list of range improvement needs by allotment has been developed and at least 50% of identified priority projects have been completed. |
| 2.3: Help meet energy resource needs. | a: Percentage of land Special Use Permit applications for energy-related facilities that are completed within specified timeframes. | None – No energy-related facility applications have been received by the Forest. | No outcomes are projected. |
| | b: Percentage of energy-mineral applications that are processed within prescribed timeframes. | None – No energy-related facility applications have been received by the Forest. | No outcomes are projected. |
| 2.4: Promote market-based conservation and stewardship of ecosystem services. | a: Number of states that have agreements with the Forest Service to help private landowners market ecosystem services. | None - These agreements are developed and approved at organizational levels higher than the Colville National Forest. | No outcomes are projected. |
| 2.5: Improve local economic and social conditions | a-1: The number of jobs in northeast Washington that are generated by Forest related management activities. | None - The baseline for this Performance Measure will be developed with information available through Tri-county Economic Development office. | In cooperation with the Tri-county Economic Development Office, a process to determine, track, and annually report the number of Forest-related jobs in the tri-county area and the region ³ has been developed and implemented. We will also work with the Pacific Northwest and other research stations to track progress. We consider Forest level training, and working with SBA, TEDD, etc, to develop these opportunities. We utilize RCA authorities where applicable. |

³Region for this Performance Contract means an area bound by the Canadian Border, Montana State line, I-90 highway, and the Cascade Crest

| GOAL 2. PROVIDE AND SUSTAIN BENEFITS TO THE AMERICAN PEOPLE...continued | | | |
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| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| | a-2: Increase the value of contracts awarded to regional contractors that are generated by Forest related management activities. | 45 contracts awarded in 2007 to regional contractors worth \$2,410,000 for stewardship and other contracts, excluding fire prevention and attack. | Increase the value of contracts awarded to businesses within the region. The outcome for 2017 contract value will be developed through further collaboration. |
| | a-3: Increase the value of contracts awarded to northeast Washington contractors that are generated by Forest related management activities. | 25 contracts awarded in 2007 to northeast Washington contractors worth \$1,941,000. Includes stewardship and other contracts, excluding fire prevention and attack. | Increase the value of contracts awarded to businesses within northeast Washington. The outcome for 2017 contract value will be developed through further collaboration. |
| | b: Income generated from recreational visits and use of the Colville National Forest. | None - A baseline with information available through Tri-county Economic Development office will be developed. | In cooperation with the Tri-county Economic Development Office, a process to determine, track, and periodically report the income derived from recreational use of the CNF has been developed and implemented. The outcome for 2017 will be developed through further collaboration. |
| | c: Value of grants received and partnerships developed. | 25 grants/partnerships on the Colville National Forest and \$1,960,000 received in 2007 from those agreements. | 50 grants/partnerships on the Colville National Forest and \$4,000,000 received in 2017 from those agreements - 100% increase in value from baseline data. |

| GOAL 3. CONSERVE OPEN SPACE | | | |
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| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 3.1: Protect forests and grasslands from conversion to other uses. | a: Acres of environmentally important forests and grasslands protected from conversion. | None | The CNF Land Acquisition Plan has been updated. The Forest competes for Land and Watershed Conservation Funds to acquire environmentally important tracts of land as they become available and/or partnerships with conservation organizations and tribes to mitigate impacts and development on those lands. |
| 3.2: Help private landowners and communities maintain and manage their land as sustainable forests and grasslands. | a: Acres of nonindustrial private forest land that are being managed sustainably under forest stewardship management plans. | None | Partnerships with Department of Natural Resources, Natural Resources Conservation Service, County Conservation Districts and Washington State University Extension Service have been established and maintained to promote sustainable use and forest stewardship management plans on private nonindustrial lands within the area. A grant program that utilizes Wyden Amendment authority on projects that promote sustainability and stewardship on private lands, as well as benefit Colville National Forest management has been developed and implemented. |

| GOAL 4. SUSTAIN AND ENHANCE OUTDOOR RECREATION OPPORTUNITIES | | | |
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| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 4.1: Improve the quality and availability of outdoor recreation experiences | a: Percentage of deferred maintenance recreation items accomplished as identified in the 2006 5-Year Proposed Program of Work. | 90% of the work items on the 2006 5-Year Proposed Program of Work deferred maintenance list have been accomplished. | 90% of the work items on the 2006 5-Year Proposed Program of Work deferred maintenance list have been accomplished. |
| | b: Percentage of total recreation capacity at developed sites that meet accessibility standards. | Current recreation capacity at sites that meet accessibility standards is approximately 14% of the total developed recreation capacity for the Forest. | An updated Accessible Recreation Survey has been completed. Recreation capacity at sites that meet accessibility standards is at least 30% of the total developed recreation capacity for the Forest. |
| | c: Percentage of trails that meet national quality standards. | 80% of the trails meet national quality standards. | 90% of the trails meet national quality standards. In addition, a Trail Management Plan has been developed and implemented that addresses diversity of uses. |
| | d: Percentage of customers who are satisfied with recreational facilities, services, and settings. | The 2004 National Visitor Use Monitoring Results shows a satisfactory rating from one third of Forest recreational users. | An increase in visitor satisfaction between 2009 and 2014 survey. A plan to improve customer service has been developed that addresses increasing interpretive products, maps, etc. |
| | e: Numbers of volunteers assisting with CNF recreation programs. | 169 volunteers contributed 6,371 hours of work in 2007. | 340 volunteers contributed 13,000 hours of work in 2017, a 100% increase of over baseline levels. |

| GOAL 4. SUSTAIN AND ENHANCE OUTDOOR RECREATION OPPORTUNITIES...continued | | | |
|---|--|---|---|
| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| | f: Percentage of trails identified by route markers. | Trailheads and trail junctions are marked on approximately 80% of trails. | 85% of system trails are identified by route markers. |
| 4.2: Secure legal entry to national forest lands and waters. | a: Percentage of high-priority access rights-of-way acquired. | None - Colville National Forest doesn't have any roads on the regional priority list. | At least 95% of future high-priority rights-of-way on the Forest have been acquired. |
| 4.3: Improve the management of motor vehicle use (including off-highway vehicle use). | a: Percentage of NFS lands covered by new motor vehicle use maps reflecting a designated-use system of roads, trails, and areas. | 100% of the Forest is covered. | 100% of the Forest is covered. |
| | b: Percentage of road system intended for passenger-car use that is suitable for passenger-car use. | 100% of the 365 miles of maintenance level 3-5 roads are suitable for passenger car use in 2007. | At least 85% of Level 3-5 roads are suitable for passenger-car use. |
| | c: Percentage of current road system serving as a motorized trail system intended for off highway vehicle use. | 27% of maintenance level 2-5 roads serve as a trail system for OHVs (650 miles out of 2,430 miles) in 2007. | The percentage of the road system available for this use has increased over 2007 base levels. |
| | d: Education and enforcement for forest visitors is improved. | No plans have been developed. | An Education and Enforcement Plan has been developed and is being implemented. |

| GOAL 5. MAINTAIN BASIC MANAGEMENT CAPABILITIES OF THE FOREST SERVICE | | | |
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| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 5.1a: Improve accountability through effective strategic and land-management planning. | a: Improve accountability through collaboration and use of best science. | 1988 Colville National Forest Land and Resource Management Plan and the Colville National Forest Environmental Management System are used. | A Forest Strategic Plan is completed and being updated as needed. The Forest Plan Revision is completed. |
| 5.1b: Improve accountability through efficient use of data and technology in resource management. | a: Improve accountability through collaboration and use of best science. | Collaborative processes with the Northeast Washington Forestry Coalition are in place and being used. | Collaboration process is in place for the Calispell, Colville, and Spokane Tribes, and with the Northeast Washington Forestry Coalition. Databases, such as INFRA, GIS, FACTS, TIMS, and NRIS have been improved and maintained. The most current science is being considered and evaluated for use on the Colville National Forest. |
| 5.2 Improve the administration of national forest lands and facilities in support of the agency's mission. | a. Percentage of administrative facilities that are being maintained to standard. | \$2,800,000 deferred maintenance needs was identified in 2007 for administrative facilities. | 50% of 2007 deferred maintenance items have been addressed. |
| | b. Percentage of known encroachments and title claims resolved. | There are 130 encroachments and title claims on CNF administered lands. | Five encroachments and/or title claims have been resolved. |

GOAL 6. ENGAGE URBAN AMERICA WITH FOREST SERVICE PROGRAMS

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|---|---|---|---|
| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 6.1: Promote environmental education through partnerships with groups that benefit and educate urban populations. | a: Number of partnerships developed. | One partnership/grant was utilized with \$745,000 received in the 2007 environmental education program. | Ten environmental education partnerships/grants are in place. |
| | b: Number of environmental education programs offered. | 25 programs or presentations were offered in 2007. | Approximately 25 programs or presentations designed to educate and increase environmental awareness are offered annually. |
| 6.2: Improve the management of urban and community forests to provide a wide range of public benefits. | a: Number of communities with developing or established urban and community forestry programs resulting from Forest Service assistance. | None - There are no adjacent communities with programs at this time. | The Colville National Forest considers participation if programs are developed. |

| GOAL 7. PROVIDE SCIENCE-BASED APPLICATIONS AND TOOLS FOR SUSTAINABLE NATURAL RESOURCES MANAGEMENT | | | |
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| OBJECTIVES | PERFORMANCE MEASURES | 2007 STARTING POINT OR BASELINE CONDITION | OUTCOMES BY 2017 |
| 7.1: Increase the use of applications and tools developed by Forest Service Research and Development stations and Technology and Development centers. | a: Customer satisfaction with R&D products and services. | None – The Forest is not currently evaluating any products. | As a customer of these services, the Colville National Forest will provide satisfaction information for upward tabulation as opportunities arise. |
| | b: Number of patent applications filed, based on station and center discoveries, developments, and applications. | None - This Performance Measure does not apply to the Colville National Forest. | None |

 Rick Brazell
 Forest Supervisor
 Colville National Forest

 Date

 Linda Goodman
 Regional Forester
 Pacific Northwest Region

 Date

APPENDIX F

Flying in the Face of Bureaucracy: The Forest Service Pilot Study, 1985-1989

Aaron Shapiro
Historian, US Forest Service

In 1985, declining budgets and increasing overhead stoked concerns about the Forest Service being mired in red tape and hindered its ability to carry out its mission. Bureaucratic baggage had grown substantially since the day eighty years earlier when the 142-page *Use Book* could fit in a shirt pocket. A survey of Forest Service employees emphasized that the existing system was stifling their ability to complete their work and they wanted a work climate that fostered more creativity and innovation. While the Forest Service was dealing with these issues, Tom Peters and Robert Waterman's *In Search of Excellence* had become an international bestseller that focused on empowering decision-makers at multiple levels of a company and reducing overhead. The book and related television specials brought increasing attention to a management revolution taking place in the private sector. It was in this climate that Associate Chief Dale Robertson, with support from Chief Max Peterson, led the Forest Service into a Pilot Study, giving four field units (Ochoco NF, Gallatin NF, Mark Twain NF, and the Pacific Southwest Research Station) freedom and autonomy to take on the bureaucracy. The Pilot Study would ultimately be featured in one of Peters' PBS specials on excellence in the public sector, emphasizing Forest Service innovation efforts. Robertson's goals for the Pilot Study aimed to foster entrepreneurship, innovation, and creativity and eliminate an enormous bureaucratic workload. The point was to use these units to generate new and more efficient ideas for carrying out the mission critical work of the Forest Service. Key elements of the Pilot Study included: 1) Providing units maximum flexibility to change any system, process, or regulation, within legal and policy bounds; 2) Allocating the budget as a lump sum at the appropriation level rather than multiple line items; and 3) Eliminating controls on staffing and personnel ceilings. Rather than dealing with the bureaucracy from the top down, the Pilot Study offered a bottom-up approach. Robertson gave the Pilot units authority to reach their planning targets in the most efficient way they could devise, discarding needless regulations as long as units remained within the bounds of the law, policy, budget integrity, and congressional direction.

Pilot Units

Robertson visited the Ochoco NF in April 1985 to kick off the program. Within two weeks, the forest had 700 proposals and established mini-teams to evaluate them. The Ochoco focused on delegating authority downward and relieving districts of excessive budget work. Along these lines, Robertson implemented "end-results budgeting" on the Pilot units, allocating by appropriation rather than by line item and encouraging managers to focus on priority work rather than tracking numerous detailed dollar accounts. This "open bucket" approach was one of the most important innovations of the Pilot, with GAO determining that it was sound practice and presenting a favorable report to the House.

At the Pacific Southwest Station, the Pilot Project offered a means to improve morale. The station had already loosened up bureaucratic burdens, so its experience with the Pilot Study differed from that of the national forests. Station personnel developed new ways of approaching problems and getting work done, establishing a competitive grants program and stimulating creativity.

The Ochoco NF was selected for the Pilot Study three weeks before Dave Rittersbacher took the reins as forest supervisor. On the Ochoco, the Pilot placed more power in the hands of rangers and their staffs than existed before, ultimately leading to district personnel identifying themselves more as part of the forest rather than the ranger district. The open bucket system also allowed the forest to spend far less time on budget issues, creating opportunities to focus on priority work, as well as establishing a Gain Sharing program and employee-based awards program that improved morale and cohesiveness. According to Rittersbacher, the Pilot Study allowed the Ochoco to emphasize initiatives that could change attitudes and behavior, providing the stimulus, atmosphere, and opportunity for personnel to try new things.

The Mark Twain NF approached the Pilot by imagining they were a newly created national forest in Iowa (That possibility had almost been reality in the 1930s when four Iowa purchase units totaling 829,000 acres were approved before funds were shifted elsewhere). Employees were encouraged to pursue ideas that may have been considered too risky in the past but that operated on sound business principles. The forest issued a revised pilot study handbook in November 1986, which included descriptions of pilot proposals and instructions for implementing them, making the “bottom-up” approach a way of life on the forest during these years.

The Pilot Study on the selected national forests resulted in a streamlined work process, financial savings, better public service, increased productivity, improved morale and job satisfaction, and creative thinking. As Ochoco Forest Supervisor Dave Rittersbacher remarked, “We opened the door and allowed them [employees] to question tradition.”

Overview and Results

In 1989, Congress rejected service-wide end-results budgeting, bringing an end to a key element of the Pilot Study. Financial tracking problems that occurred in Region 9 after it was designated a pilot led to an Anti-Deficiency Act violation that left Chief Robertson, other agency leadership, and the Department not wanting to further pursue the “open-bucket” approach. In addition, the “open bucket” idea encountered resistance on Capitol Hill. But the Pilot Study was about far more than budgeting. It encouraged innovation and creativity through a less stringent control structure. At the national level, Robertson chaired a National Steering Committee comprised of the Deputy Chiefs, Regional Foresters from Regions 1, 6, and 9, and the Director of the Pacific Southwest Station to review and approve over 1,000 proposals received from the Pilot Units. The Committee initially sent the proposals to the appropriate Deputy Chief for their recommendations and most were returned as bad ideas that should not be approved. It was then that Robertson took a strong stand as Associate Chief and overrode the Deputy Chiefs, deciding that all pilot proposals would initially be approved unless they were illegal or

violated a basic policy. As a result, most proposals were accepted. Robertson knew that many field personnel believed existing procedures hindered their ability to carry out their work and the fact so many were willing to put forth the effort to implement the Pilot Study helped lead him to this decision. Ultimately, this proved essential in building support for and promoting the spirit of the Pilot Study on the ground because employees believed their proposals would be approved.

At the first National Pilot meeting in St. Louis in August 1985, concerns about accountability led many to a position of skepticism about potential success, but the test began in October 1985. By December 1986, many of these initial concerns were abated. The National Pilot Steering Committee and line officers from the four Pilot units met in Milwaukee, reporting on how the Pilot provided employees greater freedom to operate and led to improved productivity, land management, public service, as well as substantial cost savings. Based on its initial success, the Pilot Study was expanded to Region 9 and the Northeastern Station in 1987 and to the WO in 1988, with the goal of spinning off results to the rest of the agency. In addition, many units set up their own tests, using existing authorities to experiment with new ways of getting things done. General agreement existed that the Pilot Study's bottom-up approach encouraged creativity and innovation, improved productivity, and helped in "freeing the human spirit." The Pilot Study helped reduce the bureaucratic workload by simplifying procedures, delegating authority, and shifting resources to more productive use.

The Pilot Study created an innovative model for managing in government and received support from GAO, OPM, OMB, GSA, and the Department, with Robertson regularly briefing key staff on the effort. One example of how this cooperation played out on the ground involved an Ochoco proposal to purchase a new pickup from a local dealership. The Steering Committee approved the proposal and sent it to GSA for a waiver. To Robertson's surprise, GSA approved it, provided the pickup did not cost more than GSA's price. The Ochoco could not match the price, leading to this particular proposal being refused. But this type of commitment and cooperation that the Forest Service received from other agencies proved crucial in moving ahead with other proposals and the overall Pilot Study.

The Pilot Study's focus was not on changing techniques and systems, but rather on people and how they accomplished their work. During the Pilot's four year run, the National Steering Committee approved over one thousand new ideas for pilot units to test, leading to substantial change in behaviors and attitudes, work culture, and the organizational environment. The underlying philosophy that emerged is perhaps best captured in the following comments from those involved: "Creativity and innovation are vital to our survival," "Trust people and their judgments," and "Results, not process, are what's important." Leadership looked to adopt such an approach over long haul. As Deputy Chief for Administration William Rice stated in 1989, "Our Pilot is not something that we will complete and put on the shelf; it is our management philosophy now and part of our organization."

Chief Robertson viewed the Pilot Study as “empowering employees and loosening up the system.” While the Pilot was not expanded service-wide with Congress rejecting service-wide end-results budgeting, the philosophy that emerged from the Pilot Study helped change Forest Service management philosophy. A series of papers, “New Thinking for Managing in Government,” documenting the Pilot Study were shared with other agencies in an effort to apply the Pilot Study’s principles widely. The effort provided a precursor to discussions in the 1990s about reinventing government and transforming the civil service. The Pilot Study demonstrated that with top management support it was relatively simple to dramatically cut back on internal regulation, leading to better work at lower cost without jeopardizing fiscal and ethical integrity.

As Associate Chief and then as Chief, Dale Robertson drove the Pilot Study in an effort to transform the Forest Service. Reflecting on those years, he viewed the goal as freeing up people to be creative and get the job done in the most efficient and best way possible within legal bounds. While the Pilot Study was overshadowed by debate over the spotted owl and the introduction of ecosystems management during the late 1980s, it should not be lost to the dustbin of history. End-results budgeting did not emerge service-wide, but the Pilot Study led to a new Forest Service management charter and helped change organizational culture. In a period of dramatic change for the Forest Service, the Pilot Study contributed to an understanding that the vast majority of performance barriers identified by Forest Service employees involved agency policies and practices. Robertson reflected several years later on this discovery, “It wasn’t Congress. It wasn’t OPM. It wasn’t anybody else but as at the Department of Agriculture and the Forest Service.” The Pilot Study demonstrated that a bottom-up approach to reducing bureaucracy could be effective by changing thinking, behavior, and work culture on the ground, institutionalizing these changes within the workforce, and encouraging managers to create a more entrepreneurial work environment. It was an experiment that flew in the face of bureaucracy and sought to pilot a new course in the process.

SOURCES:

Note: FHS indicates that the item is from the Forest Service Headquarters History Collection at Forest History Society, Durham, NC. Additional materials related to the Pilot Study are available in the FHS collection and could be included in a more detailed examination of the Pilot Study.

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