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March 2008

Item #18:	**Berk and Associates Report on RCO's Grant Processes**
Prepared By:	Rachael Langen, Deputy Director
Presented By:	Rachael Langen, Deputy Director
Approved by the Director:	

Proposed Action: Briefing

Summary

The Recreation and Conservation Office (RCO) hired Berk and Associates to examine the reasons for the occasional un-timeliness in completing grant projects as scheduled. When deadlines are missed, planned payouts do not occur and the agency must request that the Legislature re-appropriate the funds.

Staff Recommendation

The Director has established four internal work teams to analyze the 36 recommendations provided by Berk and Associates.

Background

As reported at the January 2008 meeting of the Recreation and Conservation Funding Board (Board), the RCO asked Berk and Associates (Berk) to assess the re-appropriation issue from two perspectives: internal policies and processes and grantees' processes and realities. RCO also asked Berk to provide a workload analysis to help identify appropriate project workload size.

Analysis

RCO received the final report from Berk & Associates February 15, 2008. Findings included:

- **RCO's rate of re-appropriations is relatively high**.
    - Adjusting for new programs, the RCO's re-appropriation rate has remained relatively constant at 53%. Berk recognized that many re-appropriations occur because projects take longer than four years to complete. Berk also found that 35% of the grants are to state agencies that also are struggling with project performance and re-appropriation levels.
- **Project delay is systemic across program, project, and sponsor type.**
    - The Washington Wildlife and Recreation Program (WWRP) has the largest total number of late projects and Salmon Recovery Funding Board projects experience the greatest length of delay.
    - Three state agencies (Washington State Parks and Recreation Commission, Department of Natural Resources, and Washington Department of Fish and Wildlife) account for 47% of project delays.
    - Forty-nine percent of all acquisition projects experience delays.
- **Project delay is caused by many internal and external factors**.
    - The report cites RCO workload as the most significant internal factor.
    - Many external factors are outside of RCO's control.
    - The report recommends that RCO could address external factors and reduce re-appropriation by (1) ensuring appropriate scope and project readiness, and (2) proactively managing grants.
- **Grant managers' workload influences project delivery and delay.**
    - Grant managers have duties that are not "grant management" activities. These duties include assisting sponsors with application materials, hosting applicant workshops, and preparing materials and reports for board meetings.
    - The increased number of projects assigned to each grant manager and the increased complexity of their workload has made this degree of multi-tasking more difficult over time.
- **Lack of standardization in internal processes and policies also contributes to delays.**
    - The RCO has been flexible in how grant managers handle projects and approach their workload. Berk recommends concrete and universal protocols in business practices (having an "RCO way of doing business").
- **There are no formal reporting and information systems in place.**
    - The report finds that the absence of standard reports for grant managers and for executive management affects their ability to manage projects and operations.
- **RCO response to project delay helps perpetuate the cycle.**
    - Project sponsors consider RCO to be one of the best grant-making agencies, in part because of the strong relationships that they develop with

individual grant managers. This, coupled with the lack of consequences for missing deadlines and milestones, contributes to re-appropriations.

- **Other grant agencies are experiencing similar project delay issues.**
  - RCO is not alone in untimely project completion.
  - The report reviewed other model grant-making organizations and identified three best practices: (1) emphasis on pre-planning and design through program policy; (2) electronic information systems that not only help with managing projects, but also standardize processes; and (3) an optimum grant manager portfolio that averages 65 projects.

The Berk report provided the agency with 36 specific recommendations to resolve these findings.

Next Steps

The director has established four internal work teams to analyze the 36 recommendations provided by Berk and Associates. These work teams are focused on:

- Organizational Structure
- Business Practices and PRISM
- Policy Recommendations (both operational policy and board approved policy)
- Grant Services Retreat Follow-Up

The director assigned each recommendation to at least one of the teams. Each work team will provide the director with an analysis of the Berk recommendation and implementation suggestions. When two (or more) work teams are reviewing the same recommendations, the team leads will coordinate the response.

The RCO will regularly update the Board of agency progress toward reducing re-appropriations.

Attachments

A. Executive Summary to Final Report: *Recreation and Conservation Office, Project Delivery and Grant Manager Workload Study, February 15, 2008*

Initial Implementation Plan
Berk and Associates Report
March, 2008

Kaleen has established Four Work Teams to analyze recommendations provided by Berk and Associates. These work teams are:

- **Organizational Structure**
- **Business Practices and PRISM**
- **Policy Recommendations**
- **Grant Services Retreat Follow-Up**

The Berk recommendations have been initially reviewed and "assigned" to at least one work team. Each work team will provide the Director an analysis of the Berk recommendation and then a work team recommendation on what should actually occur. When two (or more) work teams are reviewing the same recommendations, the team leads will coordinate responses. In some cases, one of the work teams may need to take the lead and then pass its recommendations on to the other team.

Some recommendations do not need to be addressed by the work teams. In particular, the recommendations to increase communication both internally and externally are already either underway or being planned. Recommendations 17and 18 to increase communications internally are already implemented. Kaleen is taking the lead on Recommendations 19 and 20 (communication with project sponsors and with OFM). The actions taken will be evaluated in six to nine months to make sure they are working effectively.

Recommendations Berk indicated as "high impact" are bolded.

Work Team	Team Members	Recommendations Covered
Organizational Structure	Rachael, Mark, Marc, Darrell, Kammie, Tara, Brian, Marguerite, Patty Dickason, Rebecca	1: Creation of Grants Support Division and Five New Staff Positions 3: Matching Geographic Boundaries **11: Assigning Grant Manager Workload and Program Specialization** 12: Creation of an Additional Senior Operations Grant Manager Position 13: Access to Technical Review and Information 14: Increase Lead Entity Involvement **16:Determining Project Threshold**
Business Practices and PRISM	Rachael, Mark, Robbie, Sarah, Patty Dickason, Jason, Tara, Susan, Scott	2: Develop agency-wide policies (and practices) 4: Operational Manual **5: Notification for Meeting Milestones** **6: Baseline Milestone and Schedule Estimates** **8: Project Status Reports for Grant Managers** **9: Executive Management Reports** **10: Project Status Reports for Sponsors** 13: Access to Technical Review and Information (if necessary) 14: Increase Lead Entity Involvement (if necessary) 21: PRISM Task Force **22: Automated Requests and Notices** **23: Standardized Reports** **24: Dashboard system** 25: Application Information 26: Total Cost Information 27: Applicant History Information
Policy Recommendations	Jim F, Leslie, Myra, Jim E, Greg, Susan, Jason	2: Develop agency-wide policies (and practices) 4: Operational Manual

Work Team	Team Members	Recommendations Covered
		14. Increase Lead Entity Involvement (if necessary) 15: Multiple Funding Dates **29: Agency Response to Project Delay** **30: Factoring in Applicant History** **31: Readiness to Proceed** **32: Authorizing Amendments** **33: Terminating Projects** **34: Planning and Design Grants** **35: Encourage Project Phasing** **36: Align Phasing with Biennial Funding Cycles**
Grant Services Retreat Follow-Up	Rachael, Brian, Marguerite, Mark (with others as identified by topic)	4: Operational Manual 7: Grant Manager Orientation and Training **28: Output Measures**

EXECUTIVE SUMMARY

PROJECT OVERIEW

Purpose and Focus of the Study

In order to optimize the delivery of its grant programs, as well as achieve greater efficiencies in overall organizational performance, the Recreation and Conservation Office (RCO) has identified project "untimeliness" as an area for improvement. Such a finding has emerged from RCO's own desire to develop and progress as an agency, as well as the Washington State Legislature and the Office of Financial Management's (OFM) interest in reducing RCO's rate of reappropriations. To address this issue, this study seeks to understand and examine the root causes of reappropriations and the strong correlation to project delay within the Recreation and Conservation Funding Board (RCFB) and Salmon Recovery Funding Board's (SRFB) grant programs. In particular, project delay was analyzed at a systems level by examining internal (within the RCO) and external (outside the RCO) factors that lead to schedule slippage.

Assessment of SRFB and RCFB grant manager workload was added to the scope of the study, with the understanding that this issue would be evaluated not only within the context of project delivery and delay, but from an organizational efficiency and staff morale standpoint.

It is important to note that this study is occurring at a pivotal moment in the RCO's history. With a new executive management team, a renaming of the Agency, the recent hiring of additional support personnel, and an Agency-wide desire to advance as an organization, the RCO is poised to enter a new era of strategic management and development. The findings and recommendations presented in this report are intended to help advance these goals and objectives by strategically moving the Agency forward as a whole.

Timeline and Study Methodology

The study began in mid June 2007 and ended mid February 2008. During this time, a completed situation assessment was conducted which included:

- 25 project sponsors interviews
- 10 best practice interviews with other grant agencies located across the United States
- Two grant manager focus groups (for RCFB and SRFB grant managers)
- Individual interviews with select RCO grant, policy, and fiscal staff
- Interviews with OFM personnel and legislative staff
- PRISM analysis and data sorting; and program assessment and evaluation

SUMMARY OF FINDINGS

This section presents a summary overview of the major findings that have emerged from this study. The RCO is a highly successful organization, considered by many stakeholders as one of the best grant funding agencies to work with in the State. The Agency's most important asset is its employees, who are dedicated and committed to ensuring that its projects achieve their recreation and conservation objectives. That said, the RCO is encountering significant challenges in delivering many of its project on schedule, an issue that is reflected in the Agency's relatively high re-appropriations rate.

While the RCO's budgetary and programmatic increases are largely due to the Agency's achievements in administering grants, the RCO's internal infrastructure support has not kept pace with such growth. The RCO needs to re-evaluate its current organizational model not only to improve project delivery performance, but also to achieve overall organizational efficiency and boost staff morale.

This report recognizes that project success is not only tied to being on-time and on-budget, but also to outcome measures such as the number of salmon returning to a stream or the number of hikers using a forest trail. In fact, many of the sponsors and grant managers noted that some of the most "successful" outcome-driven RCO projects have had major schedule and cost slippage issues. That said, gaining a better understanding of the root causes of delay can provide opportunities for improvement and can turn good projects into great ones.

RCO staff, at both the Executive and non-Executive level, are self-aware of many of the challenges and opportunities facing the Agency and appear receptive and eager to embrace organizational change.

High-level findings to help the Agency design its future management systems follow:

RCO's Rate of Reapproprations is Relatively High

RCO's rate of reappropriations has been relatively high over the past two biennial funding cycles (particularly in 2005-2007), as compared to the six other state agencies identified in this report: the Department of Community Trade and Economic Development; the Department of Ecology; the Department of Natural Resources; the Washington State Parks and Recreation Commission; the Washington State Department of Fish and Wildlife; and the Washington State Conservation Commission. However, given that the six agencies have such different and unique capital programs, such comparisons may not be fully indicative of an agency's relative effectiveness with respect to project delivery. Additionally, given the type of complex natural resources projects the RCO is engaged in, it is unrealistic to expect that reappropriations will ever be entirely eliminated.

The reappropriations issue is systemic and highly complex – not only does the RCO manage long-term projects, its most frequent sponsors, such as the Department of Natural Resources, the Washington State Parks and Recreation Commission, and the Washington State Department of Fish and Wildlife, are currently facing their own challenges concerning reappropriations and delivering timely projects within their capital programs. Making significant progress on reducing reappropriations will require a focused and coordinated effort among senior management at these agencies. The RCO needs to take steps to reduce reappropriations where it can, and for those projects that are expected to take more than one biennium to complete, the RCO should be clear in its budget requests and communications with the Office of Financial Managements and the Legislature regarding reappropriations expectations.

Project Delay Is Systemic Across Program, Project, and Sponsor Type

Project delay for RCO funded projects exists at a systemic level, occurring across a range of programs, project categories and sponsor types. For example, although the Washington Wildlife Recreation Program has the largest total number of late projects, the SRFB program has the most projects experiencing the greatest length of delay. By sponsor type, three State agencies (Washington State Parks and Recreation Commission, Department of Natural Resources, and Washington Department of Fish & Wildlife) account for almost half of total project delay (47%), although tribes, government agencies and nonprofit entities all contribute a significant share to this problem. Acquisition projects were by far the category of project type that faced the most schedule slippage issues (49%), with development projects following second at 24%.

Project Delay is Caused by Many Internal and External Factors

Project delay stems from a large number of internal (within the Agency) and external (outside the Agency) factors. A significant portion of the internal factors contributing to project delay are related to RCO staff workload and response to project delay, while external factors are due to a wider range of issues (from lack of sponsor resources to permitting issues to environmental site conditions). Some of the external factors that contribute to project delay are beyond the RCO's ability to control once a project has been funded. What is within the Agency's power to manage is ensuring that the projects being selected for funding are appropriately scoped and ready to proceed. Additionally, a grant manager's ability to pro-actively monitor a project's progress is instrumental in identifying and preventing potential challenges once a project is underway.

Grant Manager Workload is Tied to Project Delivery Concerns

Historically, grant managers have been viewed as an available resource pool to draw from to fill various Agency needs and gaps without backfilling the void. At present, grant manager duties not only include the management of active projects, but also comprise assisting applicants and preparing application materials, developing and updating programmatic policies, preparing materials and reports for Board meetings and workshops, and addressing compliance concerns. Over the years these tasks have been coupled with an increasing project workload, which has overextended grant managers' capacity to effectively perform the majority of their job duties – particularly responsibilities related to proactively monitoring and managing projects. For RCFB grant managers, these issues are exacerbated by the need to be an expert in nine grant programs, consisting of over 25 unique grant categories. These factors in turn have impeded the grant managers' ability to proactively manage grants.

It is interesting to note that the title of "grant manager" does not accurately capture all the work that these employees perform. One large example is that grant managers spend over half of their time in the pre-application and application process, with this percentage as high as 80% in certain months.

Lack of Standardization in Internal Processes and Policies

Currently, grant managers each have different methods for prioritizing tasks, interpreting cultural resource issues, processing billings, authorizing amendments, inputting data into PRISM, and responding to project delay. A lack of standard Agency-wide protocols or processes within these areas has lead to inefficiencies and inconsistencies. While a certain degree of autonomy and flexibility is important at the individual grant manager level, having more concrete and universal protocols on how

to do business (an "RCO way" of doing things) in these specified areas would offer greater clarity and direction to staff. Part of this involves developing clear policies on proper contract length, when extensions are awarded, and consequences of delay (see section 5.0 and 6.0 for more information).

There are No Formal Reporting and Information Systems in Place

The absence of standard reports for both grant managers and Executive Management that identify project delivery problem areas at a project, program, and grant division level has further restrained RCO staff from effectively understanding how the Agency is truly performing with respect to project delivery. At present, many grant managers are operating in a vacuum and are not fully aware of what projects are in need of the most attention, thereby limiting their ability to deal with or pre-empt challenges that occur during the life of a project.

RCO Response to Project Delay Helps Perpetuate the Cycle

In interviews conducted for this study, the overwhelming majority of sponsors identified the RCO as one of the best grant agencies to work with in the State. Part of this response appears tied to the strong relationships that sponsors have developed with individual grant managers, as well as the perception that the RCO staff treats schedule slippage as a normal and natural consequence of managing projects. This perception is reinforced by the RCO's lenient approach to addressing untimely projects. Amendments, such as time extensions and scope changes, are relatively easy for sponsors to receive. Additionally, Executive Management and the Boards have historically been averse to terminating projects for non-performance. This lenient approach – in which there are no apparent costs or consequences for missing deadlines and milestones – helps perpetuate the cycle of project delay.

Other Grant Agencies Are Experiencing Similar Project Delay Issues

Almost all of the ten state grant-making agencies that were interviewed across the county are currently grappling with the issue of project delay and workload issues. One of the primary findings that emerged from the best practice research is that many grant-making agencies rely (more heavily than the RCO) on electronic information systems to reduce workload through the standardization of forms, status reports, automated processes, and the ability to present and report information quickly and consistently. Another finding is that a major factor contributing to workload challenges is the number of programs for which a grant manager is responsible. While many of the interviewees noted that project load is tied to multiple variables, an average given for an acceptable project workload is around 65 projects. Lastly, the grant-making agencies that were interviewed that appear to have the least difficulty with project delay are also those that provide the most assistance with pre-planning, such as offering planning and design grants and awarding additional application points for projects that are more ready to proceed than others.

STRATEGIES AND RECOMMENDATIONS

Framework for Recommendations

The following recommendations are action strategies that address specific issues facing the RCO and are organized into three categories: project delivery, grant manager workload, and organizational efficiency and cohesiveness. While these issues are interrelated – for example, improving grant manager workload can positively impact project delivery and organizational efficiency – each contains its own unique set of opportunities and challenges. That said, the implementation of these recommendations is not intended to occur in isolation of one another but should be viewed as a package of targeted strategies that will move the Agency forward as a whole in achieving its goals.

The following symbols next to the three categories are tied to each recommendation to indicate which issue(s) the recommendation is attempting to address. Additionally, recommendations that are determined to have the biggest impact on the Agency (in terms of change) are highlighted in red.

Improve Project Delivery. As a government agency, the RCO faces the challenge of needing to reduce the amount of project delay across all grant programs while concurrently maintaining fairness and equity in funding habitat and recreation projects across sponsor and project type. Additionally, as project success is not only measured by timeliness, but also by factors such as social and environmental impacts, project delay should generally be viewed by the RCO as a condition that can be greatly improved upon rather than a problem that should be eliminated entirely. As such, the follow criteria were used in determining final project delivery recommendations: strategies that provide incentives for sponsors to reduce project delay that will not target specific sponsor entities or a project type; and strategies that will provide the appropriate tools and support to not only prevent project delay, but will also provide the necessary changes for improvement once project delay occurs.

Reduce Grant Manager Workload. One of the RCO's greatest strengths is the personal relationships that grant managers have developed and cultivated with project sponsors over the years. The ability for a grant manager to provide guidance and assistance on a project from the nascent pre-application stage to final closeout promotes clear channels of communication, consistency in workflow, and a deep understanding of a project's intricacies. However, due to increasing workload, the ability for grant managers to spend substantial time working closely with applicants and sponsors has diminished. As such, an important criterion in this analysis was selecting strategies that reduce current workload pressures by enabling grant managers to dedicate quality time and energy to restoring and strengthening these external stakeholder relationships. While several viable options that address workload issues were explored, not all were included in the study's final recommendations (see **Grant Manager Workload Strategies for Further Consideration** for more information).

Increase Organizational Efficiency and Cohesiveness. As the RCO has grown in programmatic and budgetary size, there has been an increase in the complexity of Agency policies and internal processes. Over time, variations in how RCO staff perform specific duties and functions; interpret Board and legislative intent; and respond to applicants, project sponsors, and other stakeholders have created silos and sometimes confusion within and across grant programs and the Agency as a whole. Accordingly, recommendations within this category are strategies that are intended to increase organizational unity by promoting communication between staff and clearer guidelines and standards for the Agency as a whole to follow.

Greater Standardization and Specialization

As the RCO continues to realize significant programmatic and budgetary growth, the Agency will need to move towards more structure, including greater standardization and specialization in its internal roles and processes. Such a transition is a natural step in achieving greater organizational efficiency, coordination, and functionality for any growing and mature agency.

Specialization of Job Functions and Responsibilities

At this organizational juncture, there is a substantial need to shift some responsibilities currently placed upon grant managers to other staff. Such a reallocation of duties would provide more time and greater flexibility for grant mangers to dedicate their energies to what they do best – nurturing and growing proposals into successful projects.

1. **Creation of a Grants Support Division and Five New Staff Positions.** In light of this workload assessment, the RCO should consider creating five new staff positions located in a new unit within the Grant Division called Grant Support (this name is subject to change). Four of the proposed positions would be delegated responsibilities to tasks previously assigned to grant managers and would perform duties for both the RCFB and SRFB. The fifth position would be classified as a Grant Division Manager and would oversee the entire Grant Division. The Grant Division Manager would directly supervise the four proposed staff members within the Grant Support unit and the two SFRB and RCFB Section Managers. Under this scenario, the Grant Division Manager would be the only position reporting to the Deputy Director, and would serve as point person between Executive Management, SRFB and RCFB staff, and the two Boards.

   a. **Programmatic Policy Specialist and Board Liaison.** This position would develop programmatic policies for the SRFB and RCFB, function as liaison between the two Boards, and prepare relevant materials related to Board activities. Specific tasks include revising the policy manuals, preparing relevant materials for Board meeting presentations, and updating the two Boards on each other's activities. This position would also work closely with leading grant managers from both the SRFB and RCFB to ensure that the impacts (on the Agency, grant managers, sponsors, etc.) of a proposed or modified policy are fully explored and understood. Additional job duties would include reviewing existing SRFB and RCFB policy to explore potential areas for developing Agency-wide policies and guidelines.

   b. **Compliance Specialist.** The qualifications for this position (which the RCO is now in the process of hiring) would require an understanding of legal compliance issues. This position would be primarily responsible for reducing the backlog of unaddressed compliance issues currently assigned to grant managers (particularly for projects undergoing conversion). Such a person would also need strong Geographic Information System (GIS) skills to identify project boundaries for examining where compliance challenges may arise in the future. As part of RCO policy and statute, the position would also be responsible for monitoring projects every five years to ensure the continued protection of outdoor recreation and habitat investments.

c. **Cultural Resources Specialist.** Requirements for this position include a working knowledge of Executive Order (EO) 05-05, including an understanding of the review process, documentation necessary for compliance, and what types of projects are subject to review. Having someone on staff to provide a consistent interpretation of this Order, as well as serve as the point person for cultural resource questions, would help remove the confusion and ambiguity currently surrounding this issue. The RCO has recently hired a consultant to determine the appropriate amount of responsibility that should be placed on the Agency in addressing Executive Order 05-05 issues. Whether this position is part-time, full-time, or hired on a purely contractual basis will likely depend upon the consultant's final recommendations.

d. **Contracts and Billings Specialist.** Such a position would be responsible for ensuring consistency in contract and billing interpretation across the entire Agency, including preparing grant and non-grant contract agreements, working directly with the Fiscal Department to process billings, and monitoring projects to ensure that they are meeting contractual requirements. Specific tasks would include: handling programmatic and administrative agreements for SRFB, RCFB, and Executive Management; preparing grant contracts by working closely with grant managers and sponsors, which would include determining appropriate milestones and project timelines; determining eligible and allowable costs, authorizing billing submittals, and answering sponsor billing questions; and periodically checking project files to perform quality control and ensure that contractual requirements are met.

e. **Grant Division Manager.** This position would oversee the entire Grants Division and directly serve as manager for the four proposed staff in the Grants Support Unit and for the SRFB and RCFB Section Managers. Specific tasks include: serving as the Division's direct point of contact for Executive Management; overseeing general operations and activities of the Grants Division; and functioning in an advisory capacity to the SRFB and RCFB Boards. Such a position previously existed a few years back, but when the position was vacated, it was not filled.

Standardization of Internal Policies and Processes

In conjunction with increased job specialization, the RCO should implement greater standardization of its internal policies and processes. At present, grant managers have each developed their own methods for project tracking, addressing delayed projects, and performing general job duties. This situation has led to an inability to properly prioritize tasks and determine what projects are in need of the most attention. While a certain amount of autonomy and flexibility is important to manage grants, providing greater structure and guidance will improve workflow. Additionally, grant managers will be able to make better decisions due to clearer information, guidance, and support at the Agency level.

2. **Development of Agency-Wide Policies.** An assessment and evaluation of RCFB and SRFB policies is needed to determine areas for potential standardization, as well as identifying what policies should remain distinct (due to issues of legality or needs based on programmatic differences). One such example is evaluating the approval threshold for scope changes. This policy was recently modified (for an indefinite period) to require that amendments for both SRFB and RCFB projects receive the Director's consent. Previously, this policy differed for SRFB and RCFB projects, and it may be beneficial to maintain a similar approval threshold for both sections. Identifying such potential areas for standardization and collaborating with staff on this issue could be a task designated for the proposed Programmatic and Operational Policy Specialist.

3. **Matching Geographic Boundaries.** SRFB and RCFB Section Managers should work together to map out similar geographical boundaries when assigning grant manager workload, to ensure that proposed habitat and recreation projects within the same locale complement rather than conflict with one another. With similarly defined territories, assigned SRFB and RCFB grant managers within a specified geographic region should schedule regular meetings to compare application lists and projects. This will also help to maximize potential funding synergies or identify compliance challenges. While creating identical boundary limits may not be possible due to different programmatic requirements concerning geography, the opportunity still exists to develop an approximate border match.

4. **Operational Manual.** Currently, operational policies for grant managers are embedded throughout various procedural grant manuals, making it difficult and cumbersome for grant managers to find and review information. Creating a separate operational manual that is specifically used for internal purposes and can be used by both SRFB and RCFB grant managers would greatly reduce confusion (particularly for new grant managers) and ensure greater consistency in grant management activities. At present, senior grant mangers from both sections are working together to develop such a manual, but have had difficulty dedicating sufficient time to create the document, due to workload constraints. Clear direction and support from Section Managers in creating a timeline for the manual's completion as well as providing sufficient resources to meet this timeline would be beneficial in expediting the process.

5. **Notification for Meeting Milestones.** Automated email or notice should be sent to sponsors before a milestone is reached and submitted again once the sponsor is delayed in reaching that milestone. Section Managers or Senior Grant Managers should be assigned the responsibility of developing the content for the notices. The IT Division should examine PRISM's capability to automatically send out these notices to sponsors as well as alert grant managers that this task has been performed. (**High Impact**)

6. **Baseline Milestone and Schedule Estimates.** Information stored in PRISM should produce milestone and project length estimates for specific types of projects. For example, when developing a contract for a habitat restoration project, there should be a specified range of appropriate milestones and project closure dates that grant managers can review against proposed project schedules. Such a baseline will be useful in developing greater timeline accuracy and project management accountability on the sponsor side, as well as providing grant managers with better information on whether a project warrants a time extension. (**High Impact**)

7. **Grant Manager Orientation and Training.** At present, recently hired grant managers are not receiving formal orientation and training, which is vital for ensuring that these new employees are smoothly integrated into performing grant manager tasks and duties. Senior Grant Managers should develop a training manual and schedule that clearly identifies the type of training needed (and who will be responsible for providing that training) to effectively perform specified grant manager job duties.

Customized Management Information Reports

Currently, neither grant managers nor Executive Management have the information they need to most effectively manage RCO grants. Agency staff would greatly benefit from receiving regular reports that provide customized, detailed, and up-to-date project information. Consistent reporting will provide clear direction on what actions need to be taken to rectify problem areas, how to prioritize tasks, and keep staff generally informed about how they are performing at an individual, grant section, and organizational level. It is important that the Executive Management communicate to all RCO staff that information is not intended to criticize or penalize an individual or division, but rather serves to help staff and the Agency make better, more informed decisions.

8. **Project Status Reports for Grant Managers.** The Fiscal Department should prepare monthly project status reports for individual grant managers that list all of their managed projects and clearly highlights those that are late in meeting milestones, not completed on pre-determined closeout dates, or have other pressing issues that may lead to project delay. Additionally, grant managers should also be given quarterly reports of how the Agency as a whole is performing related to project delivery. Such reports will be based on the performance measures identified in this study. (**High Impact**)

9. **Executive Management Reports.** Executive Management should be given quarterly reports (as well as reports produced on an "as needed basis") by the Fiscal Department that identifies how the Agency as a whole is performing related to project delivery. Such reports will be based on some of the performance measures identified in this study and would provide a high-level assessment of this issue as well as supply information on specific projects that are experiencing project delay issues. (**High Impact**)

10. **Project Status Reports for Sponsors.** The RCO should send quarterly status reports to sponsors, particularly ones that are experiencing project delay. Such reports would be similar to those created for grant managers and RCO Executive Management; they would detail all projects not meeting their contractual requirements, undergoing significant amendments, or encountering other challenges. Reports should not only be sent to a sponsor's project manager, but also the sponsor's executive director or department director. (**High Impact**)

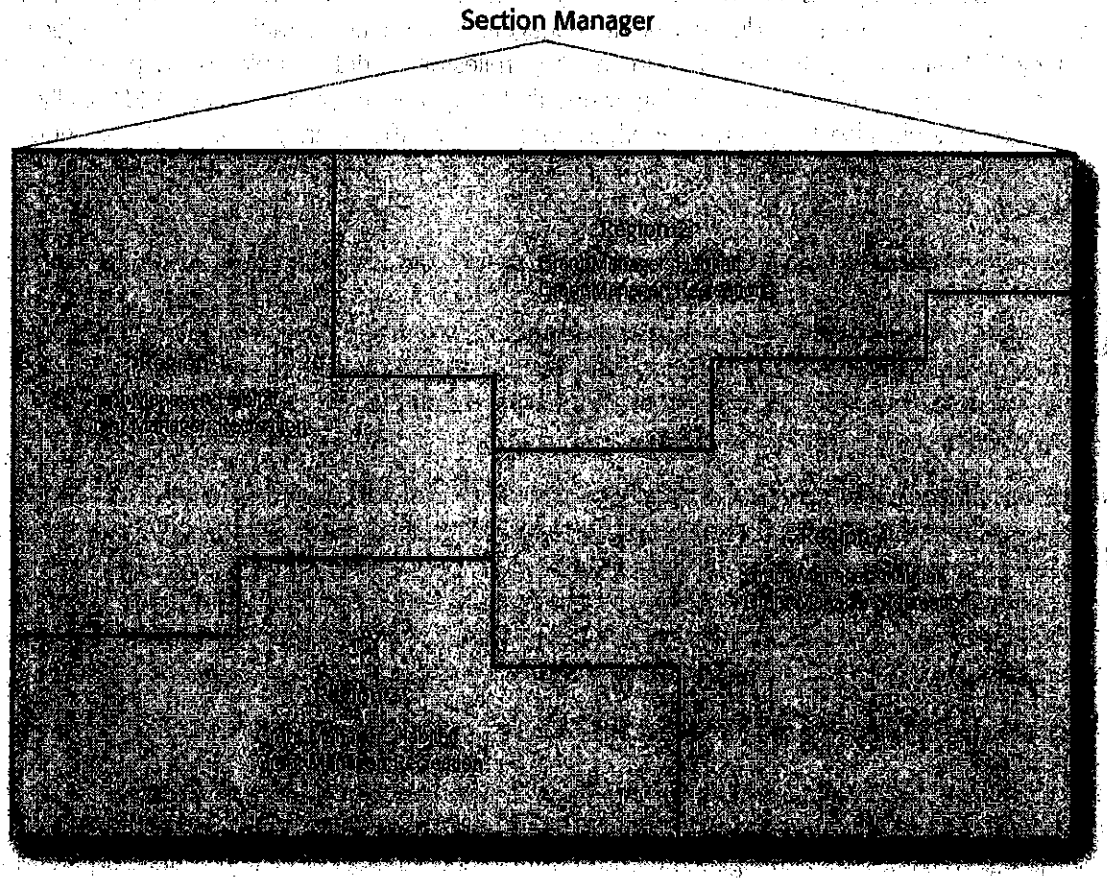
Recommendations Specific to RCFB

One of the largest challenges facing RCFB grant managers is the requirement to become expert in such a broad and diverse number of program areas. Currently, there are nine different programs with 25 sub-programs that grant managers must work within, each with its own unique sets of procedures, policies, timelines, and stakeholders. The required knowledge and work generated by each program has placed enormous pressures on grant managers, with even the most seasoned staff finding difficulties in effectively managing their projects.

11. **Assigning Grant Manager Workload and Program Specialization.** The RCFB is already exploring the possibility of assigning two grant managers to an assigned region that would specialize in different program areas. While this would lead to greater territory for a grant manager to cover (as the current boundaries would likely need to be doubled if the number of grant managers remain the same), there would be a reduction in the number of program areas that a grant manager would be required to understand. One possible split for program specialization

would be between habitat and restoration projects. Under this structure, the assigned habitat grant managers would manage all Aquatic Lands Enhancement Account and Land and Water Conservation Fund projects and the majority of Washington Wildlife Recreation Program projects. The assigned recreation grant managers would then be responsible for managing all Boating Facilities Program, Firearms and Archery Range Recreation Program, Non-highway and Off-Road Vehicle Activities Program, Youth Athletic Facilities, Boating Infrastructure Grant Program, National Recreational Trails Program projects and a small portion of Washington Wildlife Recreation Program projects. **Exhibit 1** shows this proposed arrangement. **(High Impact)**

Exhibit 1
Proposed Grant Manager Workload Conceptual Diagram



Habitat = ALEA, LWCF and WWRP Recreation = BFP, FARR, NOVA, YAF, BIG, NRTP and WWRP

Note: This is a conceptual map and not intended to represent actual or proposed grant manager territories.

Source: Berk & Associates, 2008

12. **Creation of an Additional Senior Operations Grant Manager Position.** The following recommendation proposes changing the current Senior Policy Grant Manager position into a Senior Operations Grant Manager position (thereby making a total of two Senior Operations Grant Managers for the RCFB). Such a shift makes sense in light of the study's recommendation to shift programmatic policy responsibilities to other personnel. Additionally, as the Senior Operations Grant Manager does currently manage a project workload, the two positions would be divided (as proposed in Recommendation #11), with one responsible for habitat-related projects and the other responsible for recreation-related projects. The two Senior Operations Grant Managers would help in filtering relevant information up to the RCFB Section Manager, as well as assist the Section Manager with overseeing RCFB staff.

13. **Access to Technical Review and Information.** While the SRFB has a technical review panel, RCFB applicants and project sponsors do not have access to comparable resources. In particular, RCFB grant managers noted that applicants and sponsors often ask engineering or cost estimate questions that RCO staff does not have the technical ability to answer. Having an on-call person (perhaps hired on a contractual basis) to help answer such questions could help grant managers better provide technical information to applicants and sponsors, which in turn could improve project scoping, planning, and management on the sponsor end.

Recommendations Specific to SRFB

While SRFB grant managers are not experiencing the same issue as RCFB concerning program volume, there are specific opportunities for improvement that are unique to this grant section.

14. **Increase Lead Entity Involvement.** SRFB should consider whether lead entities – local organizations responsible for developing, prioritizing, and submitting projects to the SRFB – should assume a greater role in sponsor oversight throughout the grant process. At present, lead entities are highly invested during the application process, but some quickly lose presence once projects are funded. There are several reasons for promoting greater involvement of lead organizations: they are generally located near project sites and have an ability to more effectively monitor day-to-day operations; they have a deep understanding of a project's history and its issues: and they have generally forged close relationships with the project sponsors. When sending out notifications or reports, lead entities should be alerted along with sponsors of projects experiencing issues and challenges, as well as kept well informed throughout the process on the progress of any of their affiliated projects.

15. **Multiple Funding Dates.** With the recent establishment of a year-round technical review panel, the SRFB is now in the process of assessing the impacts of providing multiple opportunities for Board approved funding throughout the year instead of just one. Such a structural shift may help grant manager workload concerns by spreading the number of projects acquired more evenly over the course of a year. Additionally, multiple funding dates would allow sponsors greater flexibility on when projects are started, which in turn can have a positive impact on project delivery.

Project Workload

There is no magic number or formula that can be applied to determining grant manager workload due to such variation in project complexity, sponsor type, and level of grant manager experience. Best practices research showed a very wide range of projects per grant manager, reflecting some of the difference in the granting agencies and programs and indicating the difficulty in defining a specific range.

Currently, Section Managers appear to be carefully considering the number of projects assigned to a grant manager on a case-to-case basis. The grant managers interviewed noted that managing 65-75 projects is a "doable" number, with experienced grant managers likely to feel more comfortable at the higher range and newer, less experienced grant managers preferring the lower range.

Given that many of the recommendations in this report are aimed at reducing grant manager workload in some fashion, it is likely that the 65-75 range is low under circumstances that include a reduction in other tasks (like billings and contract management, and, in a few instances, programmatic policy development). The Agency's recent experience in combination with reduced workload in other areas suggests that an average range of 70-85 total active and board funded projects per full-time grant manager is reasonable. The actual number of projects should vary some to reflect the challenges inherent in different programs, project types, and sponsors.

The RCO's funding level continues to grow substantially (25% from 2005-07 to 2007-09), and it is reasonable to expect that additional grant management staff is needed to assume the workload generated by new projects. For the organization to maintain its excellent service levels and manage a constantly growing level of projects and programs, adequate staffing is critical. The two new grant manager positions that were recently filled are a good start that addressed the retrospective staffing need, but in order to continue managing the agency's growth, additional grant management staff is recommended. To maintain a range of 70-85 active and board funded projects per grant manager a minimum of three additional grant managers would be required.

It is important to note that the hiring of additional staff will likely generate more work in the short run, especially given the absence of a formalized training program (Recommendation #7 above).

16. **Determining a Project Threshold.** Section Managers should determine an average project threshold when assigning new projects and considering if additional grant managers need to be hired. For example, if the threshold is set at 85 projects per grant manager, then once the average project workload for grant managers rises above this level, Section Managers would consult first with grant managers and then with Executive Management about hiring additional staff. Eighty projects is a reasonable starting place, but this threshold should be revisited periodically as the RCO institutionalizes other practices that impact grant manager workload. (**High Impact**)

Improvements to the Internal and External Flow of Communication

Within this report, communication was examined both internally (the flow of information within the Agency) and externally (the flow of information from the Agency to the outside world). Internally, while there are strong pockets of communication flow among staff, strong communication silos exist throughout the Agency. Such lack of interaction and dialog appears most pronounced between the Grants Division and Executive Management, which in turn has created significant challenges in clearly outlining expectations, making informed organizational decisions, and defining and understanding staff roles and responsibilities. Externally, sponsors, particularly those experiencing problems, have not been given enough direct feedback by RCO grant managers and Executive Management on their projects' status and what steps can be taken to improve challenged projects.

17. **Communication between the Grant Division and Executive Management.** The Director and Deputy Director should continue attending RCFB and SRFB staff meetings quarterly to listen to specific issues and concerns, as well as learn more about the day-to-day responsibilities of grant managers. In particular, SRFB and RCFB Section Managers and Executive Management should work together to clearly identify and agree upon roles, responsibilities, and priorities for Section Managers and Senior Grant Manager to help align expectations and workflow.

18. **Communication between Grant Managers.** Currently SRFB and RCFB grant managers do not formally meet together as a group. If the RCO is moving towards a more "agency-wide" approach, having at least quarterly meetings with the entire grant manager group could further promote and identify similarities between the two groups, rather than differences. Such meetings can serve as a platform to discuss issues such as additional areas for standardization and specialization, raise and identify concerns and issues that are at the grant manager level, as well as provide updates on relevant activities.

19. **Communication between RCO Executive Management and Sponsors.** In order to send a signal that the RCO is serious about improving project delivery, face-to-face meetings should occur between the RCO Executive Management and sponsors that have a history of project delay to determine how to address specific issues, challenges, and concerns. Management on the sponsor side should be involved in these meetings and should be consistently kept abreast of a project's status through reports sent by the RCO. (**High Impact**)

20. **Communication between RCO and Office of Financial Management.** Around the issue of reappropriations, the RCO needs to better explain its budget requests to the Office of Financial Management. For each project and program type, the RCO should understand historical spending patterns and timelines and be able to present a Spending Plan to accompany its capital budget requests. This Spending Plan will communicate expected levels of reappropriations in future biennia based upon the current budget request. Unexpected reappropriations should similarly be identified with an explanation and communication about what steps the RCO has been taking to reduce reappropriations in general. (**High Impact**)

Use of PRISM

While PRISM functions very well as a data repository tool, both sponsors and RCO staff interviewed noted that the system – as a result of recent upgrades and modifications – has become increasingly difficult to navigate and extract meaningful information. In particular, PRISM, in its present form, is not an effective management tool for both grant managers and Executive Management. In addition, PRISM is not maximizing its current and potential capabilities in assisting grant managers more pro-actively manage projects, as many of the tasks currently conducted by grant managers, such as notifying or updating sponsors of due dates or requirements, could become automated.

The following recommendations for PRISM improvements will require substantial time, staff, and financial resources. Such a dedication of resources needs to be aligned with the identification and preparation for the future of information management at the State level. The Office of Financial Management is currently in the process of evaluating the impact of developing one grant system for State agencies, where there would be one central repository for entering contract information. If the RCO is able to enact these recommendations, it will need to do so with the understanding that identifying and meeting external system interoperability requirements will be considered at every stage of the improvement process.

Based on RCO staff and sponsor interviews, as well as our own personal analysis, the following recommendations were made for PRISM improvements:

21. **PRISM Task Force.** A PRISM Task Force, comprised of representatives from Executive Management, the Grants Division, the Fiscal Department, and project sponsors, should be formed. The Task Force would be charged with evaluating the impacts of the proposed improvements as well as identify additional modifications and changes to ensure that the system is more user-friendly and a better management reporting tool. Such a Task Force should hold regularly scheduled meetings and update RCO staff on its progress.

22. **Automated Requests and Notices.** PRISM should adopt the capability to automatically send standardized notices (such as an email) to sponsors and grant managers: before and after milestone due dates; if sponsors have not submitted an annual billing; and when a project's scheduled close date is approaching. By automating this process, both sponsors and grant managers will be alerted and reminded in a timely manner of important dates and requirements, with minimal (if any) staff effort. **(High Impact)**

23. **Standardized Reports.** As previously addressed, PRISM should produce comprehensive, customized, and reader-friendly reports for grant managers, Executive Management, and Fiscal Staff that provide a holistic assessment of how the organization is managing grants at an individual, section, and organizational level. **(High Impact)**

24. **DashBoard System.** The proposed PRISM Task Force should explore the option of developing an online, interactive, DashBoard system similar to the Transportation Improvement Board (TIB). Such a system would actively monitor the Agency's overall health and performance by assessing key measures that would be drawn from and collected by PRISM. This information would not only be available to staff, but is also open to the public. TIB routinely provides demonstrations on the DashBoard system to other State agencies interested in acquiring such a system. **(High Impact)**

25. Application Information. Currently, grant applications for all programs can be completed online via PRISM. While this feature has streamlined the application process substantially, information is not always retained historically or accessible across programs. PRISM should have the capability to save base information (i.e. name, address, financial information) previously input into the system for sponsors applying to a new program or the same program at a later date.

26. Total Cost Information. Currently, project cost information stored within PRISM only reflects the total amount the sponsor was able to bill on a project, not the true project cost. Such data can be misleading as this information is often used by applicants in developing project cost estimates for proposals. PRISM should provide information for both types of financial data, with a clear demarcation of their differences.

27. Applicant History Information. PRISM should track over time amendment information on a project-by-project basis (such as the number of time extensions, scope changes, etc.) that will help grant managers make more informed decisions. For example, knowing that a sponsor has on average three time extensions per agreement would help grant managers at the onset of a project be more pro-active in ensuring that schedule slippage does not occur.

Performance Measures

To set the stage for effective strategic planning, the RCO needs to develop a set of performance measures that can be used to assess progress in improving project delivery concerns and how well efforts to address this issue are working. Outcome measures – such as counting the number of salmon returning to a stream or the number of hikers using a given trail – are indicators to assess the actual impact of an agency's actions. Output measures – such as tracking the number of projects put under agreement in 90 days – are important to measure as they are tools to assess the progress on achieving successful outcome measures, as well as identifying specific areas to concentrate on for improvement. The recommendations in this report focus specifically on output benchmarks, as outcome measures will be further examined and addressed in the development of the RCO's Government Management Accountability and Performance (GMAP) objectives.

28. Output Measures. In order to provide a holistic assessment of how well the Agency is performing regarding project delivery, the RCO should develop multiple output benchmarks that examine various points during a project's life (i.e. from "birth until death"). Specifically, RCO should focus on examining activities that the Agency should already be doing based on policy and administrative code. **(High Impact)**

This may include the percent of projects that:

- Were put under agreement within 180 days after Board funding date
- Provided certification of match 30 days prior to Board funding approval
- Met their first milestone date without a time extension
- Submitted a billing in the past year
- Closed out within 90 days of project completion

Incentives for Sponsors to Deliver Projects On-Time

A major issue for the RCO is the perception by many of its sponsors that project delay is not a significant problem for the Agency. Such a perception has been cultivated over the years by RCO's image as a lenient and flexible grant agency and reinforced by the way that staff respond to project delay. While there is a fear among RCO staff and project sponsors that adopting a tougher approach will dramatically change the culture of the organization and its relationship with the public, there appears a strong need for the Agency to develop incentives for sponsors to avoid schedule slippage.

While understanding that this is a nuanced issue, this report recommends the development and enforcement of a mixture of policies that are designed to avoid project delay through positive and punitive incentives. RCO staff, particularly grant managers, will be tasked with the responsibility of effectively communicating these policies (once approved by the Boards).

29. **Agency Response to Project Delay.** The RCO should consider creating a tiered system, where delayed projects fall into three categories. The first tier could consist of projects that are classified as "mildly delayed" and the RCO could request that sponsors identify the reasons for delay and successfully outline what pro-active steps are being taken to address these problems – Board approval for a time extension would not be needed at this point. The second tier would be for projects that are classified as "significantly delayed." Board approval would be needed to obtain a time extension and sponsors would have to provide an even more detailed explanation of why the delay occurred and how the sponsor is planning to meet the new timeline. At this stage, Executive Management should be working closely with the grant manager and sponsor to monitor progress. The third and last tier would be projects that are being considered for termination, a decision that should be supported Agency-wide. (**High Impact**)

30. **Factoring in Applicant History.** One idea is awarding additional bonus points during the application process to applicants who have previously been awarded grants and have a history of delivering projects on-time. Conversely, applicants who have previously been awarded grants and have a history of project delay could have points deducted off their total score. A tradeoff for such scoring might be the penalization of first time applicants who do not have a history with the RCO and thus may be at an unfair disadvantage when competing against applicants who have a good project history. (**High Impact**)

31. **Readiness to Proceed.** As poor scoping and planning is strongly correlated to project delay, rewarding additional application points to projects that are ready to proceed would provide incentives for applicants to invest greater resources in the project design stage. Some examples of areas for awarding bonus points are having permit-ready projects, 30% engineer drawings, landowner authorization for the sale of a property (for acquisition projects), and completed wastewater/stormwater planning documents. (**High Impact**)

32. **Authorizing Amendments.** There should be greater scrutiny from RCO staff in authorizing proposed project amendments. The Director has recently assumed initial responsibility for reviewing all projects that are requesting scope changes. At this juncture, this level of scrutiny is appropriate, although in the future (when the RCO has made greater strides towards reducing project delay), delegation of this task to other senior staff would be more sustainable and efficient.

33. Terminating Projects. For the most egregiously delayed projects, the RCO should consider cutting off funding and ending the project. Such a decision should be reserved only for the projects that have been identified by grant managers, Executive Management, and the Board as non-viable and are experiencing major challenges (see Recommendation #29 concerning RCO response to project delay). Such a decision should be strongly supported Agency-wide. (**High Impact**)

Project Planning and Design

34. Planning and Design Grants. The RCO should increase the number of planning and design grants offered and make them available across all programs. Funding more of these types of projects will likely produce greater accuracy in cost and time estimates, fewer occurrences of delay from issues such as permitting and land owner approval, fewer amendments, and less work for staff. Sponsors currently have the option to apply for planning grants in two RCFB programs (Boating and Non-highway and Off-Road Vehicle Activities Program) and in SRFB acquisition and non-capital grants. However, sponsors do not always make use of such grants as it is easier to go through the application process only once, securing a larger chunk of funding to do everything. Providing additional bonus points for applications that are adequately scoped and ready to proceed (i.e. having a permit-ready plan) would encourage applicants to make more use of these types of grants. (**High Impact**)

Phased Projects

Providing incentives for sponsors to have multi-phased projects will likely increase the amount of time dedicated to scoping and planning for a project, which in turn can positively impact project timeliness. Additionally, by managing projects in stages, sponsors have greater flexibility in determining the project schedule and timeline, as they are not beholden to completing an entire project within one or even two funding cycles. One potential drawback to project phasing is that the RCO is not guaranteed that a multi-staged project will be completed, as sponsors may not apply or even be considered eligible for the second round of phasing. Additionally, project phasing may lengthen the project timeline as the sponsor applies and waits for additional development funding.

35. Encourage Project Phasing. Where it makes sense to do so – given project timeline and complexity – the RCO should encourage sponsors to propose their projects in phased segments. Logical phases might include pre-design/design, acquisition, construction, etc and would be generally similar to the existing State process for large capital projects. (**High Impact**)

36. Align Phasing with Biennial Funding Cycles. Under the current system, a sponsor's decision of whether or not to propose a project in phases has more to do with the grant limit under a given program or the sponsor's ability to provide matching funds. Where possible, the RCO should consider limiting phased projects to two years in order to match the phase to the biennial funding timeline and help reduce reappropriations. (**High Impact**)

Grant Manager Workload Strategies for Further Consideration

Although the following workload alternatives were not included in the study's final recommendations, such strategies should be examined for further consideration and discussion by RCO staff.

Dividing all Grant Programs by Recreation and Habitat. One interesting idea considered – proposed by grant management staff – was reorganizing the entire Grant Division and allocating programs under a Recreation and Habitat division instead of the current RCFB and SRFB structure. Such a separation would shift programs previously under the RCFB to the newly created Habitat side; thereby creating a more even split in the number of programs a grant manager is expected to manage and fully understand. One potential disadvantage of this structure would be that some grant managers would answer to two boards, which may in the long-run create additional workload concerns.

Hiring Additional Grant Managers without Reducing Duties. Another option that was explored is maintaining the wide range of duties performed by grant managers. However, in order to reduce workload pressures, a substantial increase in grant manager staff would be needed to effectively manage the breadth of work currently performed. However, the hiring of additional grant managers would do little to stem the prioritization of certain tasks over another. Further, grant managers would still be required to perform duties that they might not have the technical capacity or knowledge to properly perform (such as dealing with compliance and cultural resource issues).

Splitting Application and Active Grant Management Duties. The third option that was closely considered was dividing the work performed during the application cycle and work performed during the active project management cycle into two separate positions. From a pure efficiency standpoint, such a split could improve overall workflow by decreasing work capacity bottlenecks that occur during certain times of the year (particularly when the application cycle is in full swing) and ensure that sufficient energy is devoted to active project management. However, such a division of labor might disrupt one of the primary strengths of the Agency – the personal relationships that grant managers have cultivated with project sponsors. Additionally, important information concerning a project's details learned in the application stage could be lost in the transfer to active project management with another staff position.

Two RCFB Section Manager Positions. On the RCFB side, supervising 11 staff is a difficult task for one Section Manager to perform alone. This study closely examined the impacts of creating an additional Section Manager position (for a total of two), with each Section Manager overseeing a specified number of RCFB grant programs and staff. An advantage to such a split would be the reduced workload burden on the current Section Manager, as specific duties could be shared and one person would no longer be required to oversee nine grant programs or be directly responsible for managing such a large number of staff. However, a potential drawback is that hiring an additional Section Manager might further accentuate differences among RCFB programs rather than the similarities (which might ultimately have an adverse impact in promoting cohesiveness within and outside the Grant Division).