

California Marine Life Protection Act Initiative Blue Ribbon Task Force

MEMORANDUM

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John J. Kirlin, *Executive Director*

To: MLPA Blue Ribbon Task Force
From: John Kirlin, Executive Director
Subject: Administrative lessons learned in the MLPA Initiative
Date: August 29, 2006

When designing the MLPA Initiative in 2004, assumptions were made about administrative processes, anticipated activities and staffing. The actual experience in the subsequent two years suggests important lessons for any future similar effort. These adaptations were largely successful but reflection on the experience of the initiative can improve future designs. A few of these issues are identified in the Harty/John report on lessons learned. This memo offers my perspective on selected issues.

Recommendations are made in four areas, with additional explanation following:

1. Anticipate uncertainty, complexity and change, suggesting the need for flexibility, transparency and accountability in administrative designs and procedures
2. Provide resources needed to support the key organizational units created (in the MLPA Initiative these were the BRTF, CCRSG, SAT and SIG) and to ensure robust public engagement
3. Clarify roles among external funders, any BRTF and any executive director.
4. Anticipate the need for individuals to augment and complement state personnel for selected key roles and engage them as consultants

1. Anticipate uncertainty, complexity and change, suggesting the need for flexibility, transparency and accountability in administrative designs and procedures

The MOU creating the initiative identified six deliverables; provided for creation of a Blue Ribbon Task Force (BRTF), a Master Plan Science Advisory Team (SAT), and Central Coast Regional Stakeholder Group (CCRSG); and established a schedule for required reports on progress. Specifying deliverables, creating the charters of the major groups responsible for achieving the work of the initiative, and setting progress

report procedures is wholly appropriate and to be expected in any future design similar to the MLPA Initiative. The MOU also detailed an organizational structure (Attachment 1). More detail regarding budget categories and amounts allocated to those categories was provided in the budget provided to the initiative by the Resources Legacy Fund Foundation (Attachment 2).

These details of organizational structure and budget allocations to categories were not good predictors of eventual staffing and expenditures through the MLPA Initiative. The actual organizational structure developed is shown in Attachment 3. Attachment 4 provides a break out of the actual expenditures for the MLPA Central Coast Project into functional categories. Clearly, ways were found to make needed changes in the MLPA Initiative organizational structure and budget format.

Any future effort such as the initiative could begin development of an organizational design and budget from the experiences of the MLPA Initiative and make improvements upon the elements provided at the beginning of this initiative. Most importantly, however, is the general point that ANY initial organizational design and detailed budget allocation to categories is likely to require modification during the course of the effort.

Rather than over-specifying these administrative features, flexibility can be included in the design of the effort. That flexibility should be accompanied by transparency and accountability for use of funds.

2. Provide resources needed to support the key organizational units created (in the initiative these were the BRTF, CCRSG, SAT and SIG) and to ensure robust public engagement

The initial budget allocation to categories and suggested staffing in the original organizational chart did not provide resources needed to support the key organizational units of the initiative or robust public engagement. This is seen most easily in the original budget, which allocated 56% of the projected central coast budget to biological/socioeconomic research and development (\$1,400,000, representing 28.5% of the total) and GIS/mapping/databases (\$1,350,000, representing 27.5% of the total).

By a generous definition of actual expenditures shown on Attachment 4, 31% was spent to bring science into the MLPA Central Coast project (SAT related, planning/data prep/analysis, new data collection and future decision support tools).

In contrast, 30% of expenditures can be considered direction of the project (executive/general administration, BRTF and project management) and 25% can be considered public engagement (stakeholder billed costs, facilitation/outreach, meeting facilities/materials, and public access). Moreover, the direct costs attributed to the volunteers of the BRTF, SAT and CCRSG, were very modest. Most costs were associated with staff work to support those groups.

In short, adequately supporting the work of the key organizational units of an effort such as the initiative requires extensive work by staff and consultants, including assembling and organizing needed materials, preparing for meetings, and facilitation. In addition, costs of meeting facilities and public access, and web-casting of meetings are substantial. These expenditures should be anticipated in any funding plan and explicitly shown in any budget categories.

3. Clarify roles among external funders, any BRTF and any executive director

The MOU provided for creation of the BRTF to provide overall direction to the initiative and the chair of the BRTF selected an executive director to be responsible for the work program and related staffing of the initiative. As the external funder, RLFF provided invaluable services as fiscal agent, overseeing formal contract relationships, payment to contractors and vendors and keeping fiscal records. To meet its responsibilities to the foundations that provided grants to the initiative, RLFF had its board of directors approve MLPA Initiative contracts greater than \$50,000.

In practice, the executive director requested and received authorization for expenditures in specified areas from the BRTF and then worked with RLFF to put contracts in place consistent with the BRTF authorization. In all cases where they reviewed contracts, the RLFF board approved proposed contracts. However, the dual approval process requires additional effort and can cloud perceptions of who is responsible for decision making.

In future efforts such as the initiative, early attention should be given to clarifying roles among external funders, any BRTF and any executive director. To the extent possible, decision making roles should be separated from fiscal oversight required to satisfy funders.

4. Anticipate the need for individuals to augment and complement state personnel for selected key roles and engage them as consultants

As was the case with the MLPA Initiative, additional personnel with key skills are likely to be needed for any future Initiative-like effort. In these instances a commitment should be made to recruiting highly skilled individuals who can make significant contributions. The original MLPA Initiative budget identified three key roles with proposed compensation levels approximating state employees' net pay. The initiative entered into either flat-fee or hourly consultant relationships for its key roles and contracts. Additionally as can be seen in the number of contracts shown on Attachment 3, more than 30 consultants were involved in the MLPA Initiative, apparently more than anticipated by those involved in developing the MOU and initial budget.

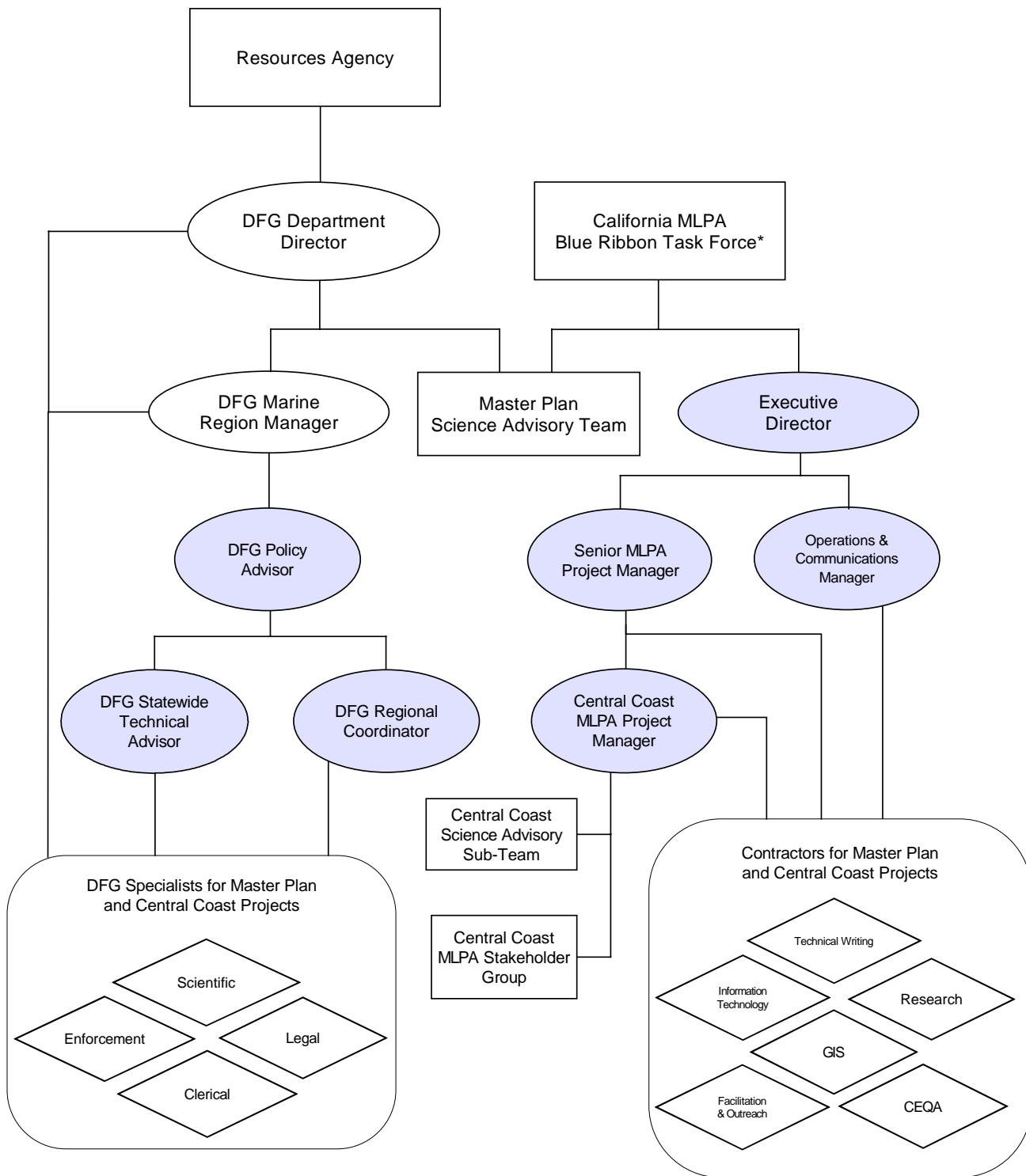
Future efforts should be designed to expect entering into consulting relationships with individuals and firms and that those contracts are congruent with typical compensation agreements and terms of engagement.

Attachments

1. MOU Exhibit B, Organizational Chart
2. Original budget, total and for central coast, with categories
3. Actual MLPA Initiative organizational structure
4. Analysis of MLPA Initiative expenditures for Central Coast Project

EXHIBIT B

**California Marine Life Protection Act Initiative:
Organizational Structure**



Notes:

* Appointed by the Secretary for Resources

○ Steering Committee Members

Attachment 2: Original Budget, Total and Central Coast, with Categories

MLPA Initiative (Years 1-3)

<i>BUDGET ITEM</i> ¹	Total	Central Coast
	<i>3-year budget</i> <i>(8/27/04-12/30/06)</i> ²	
Contracted Personnel		
Executive Director	245,000	125,000
Sen. Pgm Mgr	325,000	215,000
Ops & Com Mgr	200,000	135,000
Reg Pjt Mgr	228,000	223,000
DFG staff ³	749,333	483,333
Research & Development		
Bio/socio research & development	2,000,000	1,400,000
GIS/mapping/databases	1,870,000	1,350,000
Env. review, documentation & analysis	475,000	425,000
Stakeholder outreach & communication	299,500	214,000
Meetings, Workshops & Travel		
Facility, travel, logistics, lodging, per diem, conference lines	275,000	160,000
Administrative & Support		
Computers/equipment	23,000	18,000
Supplies/facilities	135,000	80,000
Telephone, fax, email, mail	135,000	80,000
Sub-total	6,959,833	4,908,333
Contingency ⁴	487,188	
Total	7,447,021	

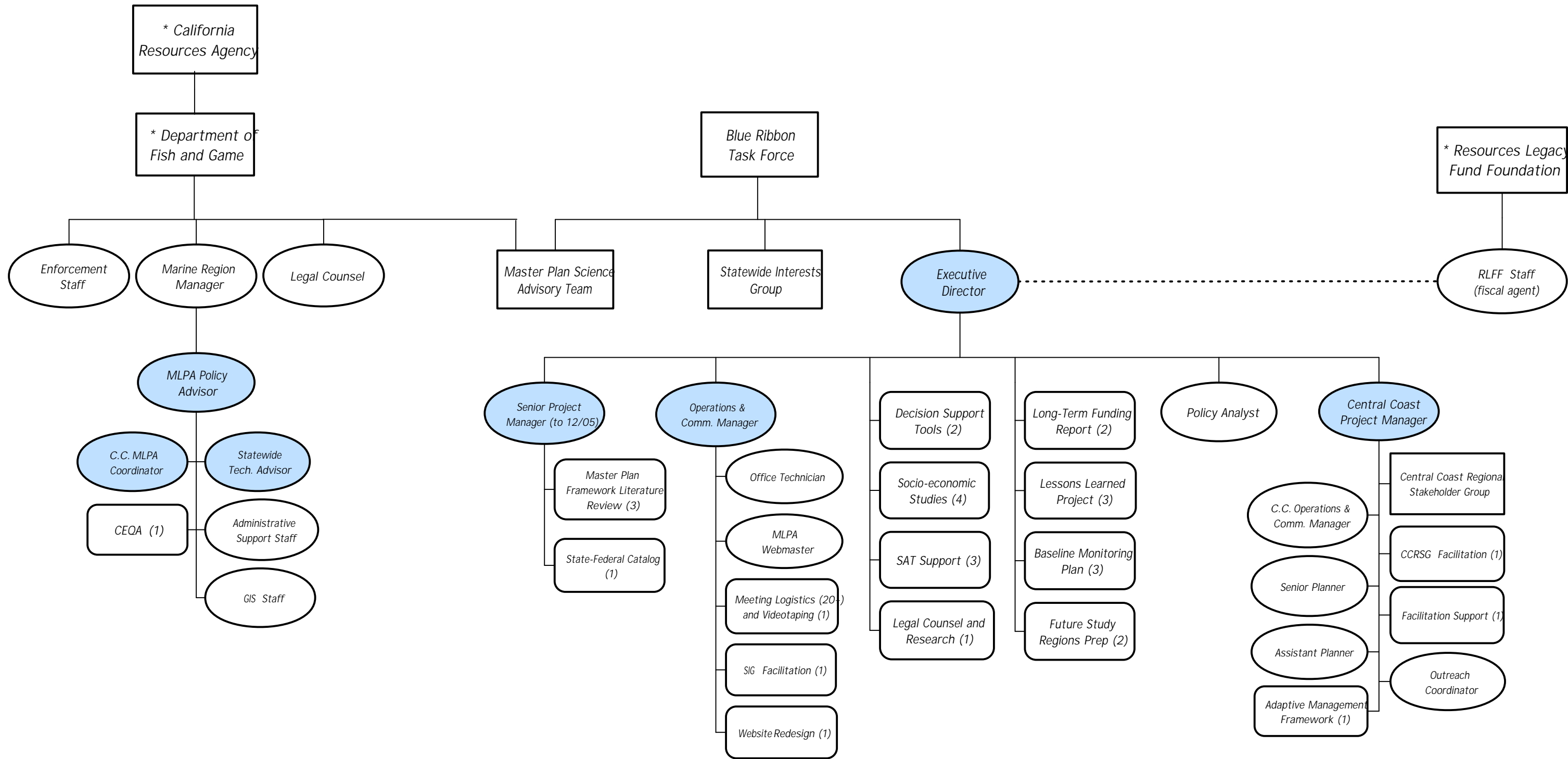
1. Changes over 20% or \$500,000 (the lesser of those amounts applicable) to individual line-items per output must be requested in advance in writing to RLFF.

2. Some Central Coast activities may carry over through June 2007. Funding contingent upon a renewed agreement between the partners (Resources Agency, Department of Fish and Game, and Resources Legacy Fund Foundation).

3. Contingent upon demonstration of best faith efforts by DFG to obtain public funds for these positions.

4. Some contingency funds may be available during the course of this effort. These funds may only be available depending upon the urgency of the need, the use of existing available funds, and the potential for other state funds, among other factors.

California Marine Life Protection Act Initiative Organizational Structure Revised August 2006



KEY: Groups Personnel Contracts (# of contracts) ** MLPA MOU signatories* Members of Steering Committee

Note: This chart does NOT reflect 65 individual contracts for travel expense reimbursement (for group members)

Attachment 4: MLPA Initiative Direct Expenditures on Central Coast Project

(1000s of dollars; through July 2006)

