

**BLM Leadership Academy Team Project**  
**Report: *Service First:***  
***Identifying and Resolving Fiscal Barriers to***  
***Effective Implementation***



**Class of 2006**

**Hawks Team**

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# *Service First: Identifying and Resolving Fiscal Barriers to Effective Implementation*

Final Report

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## **Executive Summary**

Service First is a joint venture officially started in 1998 between the Bureau of Land Management (BLM) and the USDA Forest Service (FS) to improve efficiencies and improve customer service. Although there are many Service First success stories, some current fiscal management practices raise barriers to meeting the goals of the program.

Leadership Academy is a year long management and leadership development program sponsored by the National Training Center and supported by the Bureau's Executive Leadership Team. As part of the training program, students must complete a team project. The Hawks team chose to examine fiscal barriers to efficient implementation of Service First and make recommendations to remove/resolve the identified barriers. This paper is the final report of the research and analysis of the issue.

Using a standardized telephone interview format, the 2006 BLM Leadership Academy Hawks team contacted key BLM and FS personnel at co-located, Service First offices across the country. Interviewees were asked to identify fiscal barriers to effective implementation of Service First program delivery and suggest solutions to eliminate barriers. All comments were initially documented whether or not they were related to perceived barriers and proposed solutions. Many comments spoke to the same issue, making it necessary to identify unique comments. Of the over 200 unique, fiscally related comments identified, most related to perceived fiscal barriers. Other comments were proposed solutions. Any comments unrelated to fiscal barriers or potential solutions were documented but not analyzed.

The comments related to fiscal barriers were analyzed and validated by subject matter experts to determine if the barriers were real or perceived. These validated comments were grouped into the following six thematic categories: 1) accounting, 2) agreements, 3) budget, 4) Intragovernmental Orders (IGO), 5) Intragovernmental Payment and Collections (IPAC), and 6) other financial issues (a broad category to capture a wide range of financial issues). All of the unique comments representing suggested solutions were also analyzed and validated, resulting in a number of potentially valid solutions focused on these same themes, with the exception of budget, which had no suggested solutions.

Analysis of these comments and the six thematic categories revealed two major issues. Both issues seem to be policy or implementation related rather than true regulatory or legislative barriers. Congress has authorized the agencies to address these issues but the agencies have either not implemented their expanded authority or effectively disseminated implementation guidance to the field. The two major issues and associated recommendations are as follows:

**Issue:** The substantial differences between FS and BLM budget, accounting, collections and accomplishment reporting systems make it difficult to plan, implement and account for Service First programs.

**Recommendation:** Fully utilize the authority of the Interior and Related Agencies Appropriations Bill for FY2006 (Public Law 109-54), Section 428 to “*establish pilot programs to conduct projects, planning, permitting, leasing, contracting and other*

*activities, either jointly or on behalf of one another.”* Under this authority, the BLM and FS could develop unified financial guidelines to facilitate the delivery of Service First, from joint budget preparation and accomplishment reporting to collections and accounting systems, streamlining and adopting the most efficient practices from each agency.

**Issue:** The process to establish interagency agreements and transfer funds between agencies continues to be complex and cumbersome.

The FY 2006 Appropriations Bill authorized annual transfer of funds and expanded the agencies’ authority, which should result in a streamlined process for interagency fund transfers. Much of the confusion appears to be based on a lack of understanding of the February MOU that implemented the new authority and established streamlined processes, and a lack of consistent training on newer policies and procedures and how to use them appropriately.

**Recommendation:** Widely distribute and adhere to the February 2006 interagency MOU between the BLM and FS which permits the agencies to prepare Intragovernmental Orders (IGOs) for cooperatively funded projects or similar groups of projects, and waives both Economy Act determinations and Intragovernmental administrative overhead charges. Pursuant to the FY 2006 Appropriations Bill, this process appears to have been streamlined substantially, allowing for annual interagency fund transfers.

**Recommendation:** Educate Service First employees on how to implement this streamlined interagency process. This needs to occur throughout the hierarchies of both agencies to insure effective and consistent use of this new authority. Ideally, information should be disseminated through both agencies quickly and with consistent interpretations.

## **Introduction**

Service First is a joint venture officially started in 1998 between the Bureau of Land Management (BLM) and the USDA Forest Service (FS) to improve efficiencies and customer service in both agencies. These objectives are most frequently achieved by locating the BLM and FS offices within the same building and sharing space, personnel and equipment. Although there are many Service First success stories, there is room for continued improvement. Some current fiscal management practices raise barriers to providing improved efficiency and customer service in designated Service First organizations.

Leadership Academy is a year long management and leadership development program sponsored by the National Training Center and supported by the Bureau's Executive Leadership Team. As part of the training program, students must complete a team project. The Hawks team chose to examine fiscal barriers to efficient implementation of Service First and make recommendations to remove/resolve the identified barriers. This paper is the final report of the research and analysis of the issue.

Co-located and/or integrated BLM and FS units have been providing enhanced resource stewardship and customer service to the public since implementation of the Service First joint venture in 1998. Utilization of this cooperative model allows the co-located/integrated agencies to manage programs jointly at the local level. Although there are many Service First success stories, some current fiscal management practices create barriers to providing truly seamless resource stewardship and customer service in Service First organizations.

One example of a fiscal practice barrier commonly occurring at co-located facilities is the requirement for separate payment when both BLM and FS products are purchased by the public. Usually customers purchasing both BLM and FS products must make separate payment to each agency for the respective products. While co-location may enable customers to acquire multi-agency products from a single location, it does not always allow them to do it with a single payment. The public does not want to nor should they have to discern between BLM, FS, the Department of the Interior or the Department of Agriculture. Service First organizations should simply provide seamless, efficient, high quality public service and resource stewardship.

Another widely recognized barrier to improved operational efficiencies between collaborating agencies is the complex and lengthy process to develop interagency agreements and transfer funds or otherwise make reimbursement payments under these agreements.

Examples like those mentioned above led the team to restrict the scope of the project to fiscal barriers.

## **Project Purpose and Goal**

With the decision to examine fiscal barriers to efficient Service First implementation, the Hawks team identified and defined the following issue, purpose and goal for the project.

Issue: BLM and FS fiscal policies and regulations appear to be limiting efficient implementation of Service First, i.e., providing seamless customer service and resource stewardship across agency boundaries.

Purpose: Identify and provide recommendations to overcome fiscal barriers that negatively impact the delivery of efficient, seamless interagency public service and resource management. Identification of barriers will focus on and differentiate between:

- fiscal policy barriers
- fiscal regulatory/legislative barriers

Goal: Effect change in fiscal practices that will improve interagency customer service and public land management.

### **Methodology**

The team interviewed 53 employees at 42 Service First or co-located offices that were identified in the national Service First database (see Appendix A). Interviews were assigned to all team members, who first contacted a manager at each office. The purpose of the initial interview was to determine the most appropriate people within that office to interview. The goal was to interview at least one BLM employee and one FS employee in each Service First office, although this was not always possible due to the distribution of duties within each office.

Each team member used a standardized interview questionnaire (see Appendix B). Interviewees were asked to identify fiscal barriers to effective implementation of Service First program delivery and suggest solutions to eliminate barriers. The team documented 403 comments. Many of the collected comments were duplicative and were grouped together to represent one common thought or idea. Of the total 403 comments, 248 unique comments were identified that related to Service First fiscal issues. Of the 248 unique comments, 182 represented perceived fiscal barriers, and the remaining 66 unique comments were suggested solutions to perceived barriers. Other comments were unrelated to fiscal barriers or potential solutions. Comments not related to fiscal issues were documented but not analyzed for this project.

### **Results**

The tables on the following pages show tabulations of all comments collected by category, and further broken down as perceived barriers and suggested solutions. Table 1 shows the total of all comments. Table two is a breakdown of unique comments relating to perceived fiscal barriers.

**Table 1. All Fiscal Comments: Perceived Barriers and Suggested Solutions by Category.**

<b>Category</b>	<b>Perceived Barriers</b>	<b>Suggested Solutions</b>
Agreements and Fund Transfers	52	26
General	26	31
Accounting	30	16
Other Financial	32	10
Human Resources	28	1
Communication Systems	16	3
Natural Resources	8	9
Building	14	0
FS Centralization	13	0
Cross Delegation	6	6
Budget	10	0
IGO	8	1
Wood Permits	4	2
Grazing	5	0
Vehicles	4	1
Band Aid Solutions	0	4
IPAC	2	2
Road Maintenance	3	0
Credit cards	1	0
FPA	1	0
Safety	0	1
<b>TOTAL</b>	<b>263</b>	<b>113</b>

**Table 2. Unique Fiscal Issue Comments: Perceived Barriers and Suggested Solutions by Category.**

<b>Category</b>	<b>Perceived Barriers</b>	<b>Suggested Solutions</b>
General	31	14
Agreements and Fund Transfers	29	14
Other Financial	23	8
Accounting	16	5
Natural Resources	12	7
Human Resources	11	1
Building	10	0
Communication Systems	9	3
Cross Delegation	8	4
Grazing	5	0
Wood Permits	5	2
IGO	4	1
IPAC	4	2
Band Aid Solutions	3	3
Road Maintenance	3	0
Vehicles	3	1
Budget	2	0
Credit cards	1	0
FPA	1	0
FS Centralization	1	0
Safety	1	1
<b>TOTAL</b>	<b>182</b>	<b>66</b>

(See Appendix C for complete survey data set.)



## **Analysis & Recommendations**

The 182 comments regarding perceived barriers from table 2 were analyzed and validated by a Service First Manager and Administrative Officer on the team in consultation with subject matter experts to determine if they were truly barriers or merely perceptions. Only 25 of these comments addressed actual fiscal barriers. These 25 distinct comments occurred in these six thematic categories: 1) accounting, 2) agreements, 3) budget, 4) IGO, 5) IPAC, and 6) other financial issues. The 66 unique comments representing proposed solutions were also analyzed and validated, resulting in 30 valid potential solutions. These results are tabulated in table 3.

**Table 3. Validated Unique Comments: Perceived Barriers and Suggested Solutions by Category**

Category	Perceived Barriers	Suggested Solutions
General		
Agreements and Fund Transfers	10	22
Other Financial	2	1
Accounting	8	
Natural Resources		
Human Resources		
Building		
Communication Systems		
Cross Delegation		
Grazing		
Wood Permits		
IGO	2	3
IPAC	2	4
Band Aid Solutions		
Road Maintenance		
Vehicles		
Budget	1	
Credit cards		
FPA		
FS Centralization		
Safety		
<b>TOTAL</b>	<b>25</b>	<b>30</b>

Analysis of these comments and the six thematic categories revealed two major issues, both of which seem to be policy or implementation issues rather than regulatory or legislative barriers. Congress has empowered the agencies to address these issues but the agencies have either not implemented their expanded authorities or effectively disseminated implementation instructions to the field. The two issues, and associated recommendations, are as follows:

***Issue:*** The substantial differences between FS and BLM budget, accounting, collections and accomplishment reporting systems make it difficult to plan, implement and account for Service First programs.

***Recommendation:*** Under the authority of the Interior and Related Agencies Appropriations Bill for FY2006 (Public Law 109-54, section 428), “*establish pilot programs to conduct projects, planning, permitting, leasing, contracting and other activities, either jointly or on behalf of one another.*” Under this authority, the BLM and FS could pilot unified financial guidelines for the delivery of Service First, from joint budget preparation and accomplishment reporting to collections and accounting systems; streamlining and adopting the most efficient practices from each agency.

***Issue:*** The process to establish interagency agreements and transfer funds between agencies continues to be complex and cumbersome.

The FY 2006 Appropriations Bill authorized annual transfer of funds and expanded the authority of the agencies, which should result in a streamlined process for interagency fund transfers. The February 2006 interagency MOU between the BLM and FS implements this authority by allowing the agencies to prepare IGOs for cooperatively funded projects or similar groups of projects and by waiving Economy Act determinations and intragovernmental administrative overhead charges. Much of the confusion appears to be due to a lack of understanding of the new processes that are in place, as well as a lack of consistent training on newer policies and authority and how to use them appropriately.

**Recommendation:** Distribute and adhere to the February 2006 interagency MOU between the BLM and FS which allows the agencies to prepare Intragovernmental Orders (IGOs) for cooperatively funded projects or similar groups of projects, and waives both Economy Act determinations and Intragovernmental administrative overhead charges.

**Recommendation:** Educate Service First employees on how to implement this streamlined interagency process. This needs to occur throughout both agencies' hierarchies to ensure effective and consistent use of this new authority. Information should be disseminated through both agencies quickly and with consistent interpretations.

Steps to further eliminate this barrier should include:

- Development and dissemination of a master template for an IGO, referring to the February 2006 MOU.
- Provide focused training for agreements, fiscal and contracting staff on expanded authority and streamlined procedures.
- Identify and designate BLM and FS employees in each state knowledgeable about and actively engaged in Service First programs as Champions/Centers of Excellence. These individuals would serve as points of contact and reference resources for local Service First issues. It is suggested that one manager level employee and one administrative employee (two contacts for each state) be designated as these subject matter experts

### **Other Findings**

Some offices have developed successful strategies to work around fiscal barriers. Presented here are some examples captured from the potential solution comments.

- *Only one check required for map sales; all map sales are tracked internally and dollars deposited accordingly to each agency.*
- *We put all data into BLM financial system, and then pay the FS back.*
- *Cross-delegation of line officers greatly streamlines financial approval processes.*

- *In fire operations and dispatch, the agencies have been integrated so long, you really can't tell the difference between them.*
- *Fire protection agreement is working well between the agencies.*
- *FS & BLM provide joint agency wood and tree permits; customer can go to any Federal land.*
- *Established non-profit organization in co-located facility to serve customers and sell agency products seamlessly; works well.*

### **Conclusion**

The Service First initiative has enabled the FS and BLM to successfully collaborate across agency jurisdictions, enhancing and economizing customer service and resource stewardship, however, significant fiscal barriers continue to impede Service First efficiency. The good news is that these barriers do not appear to require immediate legislative action to overcome. The agencies have done an admirable job of acquiring sufficient congressional authority to address these fiscal barriers. It is now incumbent on the FS and BLM to fully develop and implement policy measures to streamline budgeting, accounting and fund transfers to increase Service First effectiveness. The February 2006, joint FS/BLM MOU is a positive step toward streamlining fund transfers between the agencies; however further interpretation and training in use of these streamlined fund transfer procedures needs to occur throughout both agencies. Unified budgeting and accounting for Service First units will require more work. Since congressional authority for Service First is currently only authorized through 2008, piloting joint budget guidelines would be more appropriately addressed through permanent Service First legislation.