

**STATEMENT**

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CONCERNING**

**RESTORING THE FEDERAL PUBLIC LANDS WORKFORCE**

Mr. Chairman and members of the Committee, thank you for the opportunity to testify before you today on restoring the federal public lands workforce.

**INTRODUCTION**

I am Hank Kashdan, Associate Chief of the Forest Service and during this transition to the Obama Administration, Acting Deputy Under Secretary for Natural Resources and Environment at USDA. I have a long career with the Forest Service serving as Budget Director, and until December as Deputy Chief for Business Operations before assuming my current position. It was during my tenure as Budget Director that the Forest Service decided to centralize the business operations for budget and finance (B&F), human resource management (HRM) and information technology (IT). Later, I became the Forest Service Deputy Chief for Business Operations. I had to implement and make operational the centralized operations for B&F, HRM and IT.

The Forest Service and its employees are dedicated to the Forest Service mission “to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations.” The current workforce of the Forest Service is approximately 33,000 employees. Each year our staff grows to almost 50,000 employees with the hiring of about 15,000 temporary and seasonal employees to assist in managing the various conservation and multiple use management programs for forestry, wildlife, recreation, range, fire suppression, forestry research and other resource areas is greatly dependent upon our centralized information, business, finance, and personnel organizations. To achieve our mission, business operations and the processes and designs for workflow are critical to agency success and employee morale.

Forest Service employees have faced important changes in the past 10 years associated with service centralization, implementation of new technology, major changes in the dynamics of wildfire suppression, and a heightened focus on climate change.

Forest Service employees are “fired up and ready to go” in implementing the American Recovery and Reinvestment Act. We are excited about our contribution in creating and sustaining jobs through a focus on infrastructure, reducing the threat of catastrophic wildfire, and developing alternative energy based on woody biomass that will support the President’s goal of energy independence.

Forest Service employees are passionate about the agency's mission and the opportunity to contribute to the economic recovery in the short and long term. When changes occur, there can be major adjustments needed in behavior and operational procedures. Within a passionate workforce such as ours, changes can be, and usually are, debated vigorously. We fully encourage this debate since it points out what is working well and where we can do better. We have learned from these discussions that sometimes change can have a negative affect, even when change is implemented well. However, the situation would be far worse when change is poorly implemented. The Forest Service has experienced the best and worst of change.

## **CENTRALIZED BUSINESS PROCESSES**

From its inception, more than 100 years ago, the Forest Service had been a decentralized agency. During the majority of this time, however, policy and guidance relating to human resources, financial management, budget, and information were largely concentrated at headquarter levels of the agency. In the last 25 to 30 years, most field units came to have had a full complement of business, personnel and more recently information technology services and programs, largely because of advances in computing capacity. The Forest Service organization includes more than 600 ranger districts, 155 national forests, and 20 grasslands. It has nine regions, 92 research work units and five research stations, the Forest Products Laboratory, the International Institute for Tropical Forestry, and the Northeastern Area office for State and Private Forestry. Each level has responsibility for a variety of functions.

Beginning in 2004, the Forest Service began an effort to centralize certain business-related operations. Centralized business operations can achieve an economy of scale and eliminate duplicative efforts across many field units, and we have seen significant benefits from these efforts. In recent years, the shift to centralized business operations has occurred, thus breaking with our long-standing organizational history. This has a strong effect on morale. This shift is particularly notable for employees and managers accustomed to receiving advice and service from an employee with whom, in most cases, they had a personal relationship. Now, under the centralized model of business operations that service person is not on the field or headquarters unit any more. At the same time, some work associated with business operations remains at field units where individual employees must assume the responsibility for administrative functions. This work, coupled with the shift, has contributed to a circumstance in which some employees feel like they have more workload and can add pressure and stress on them. In some cases, the consequence is reduced employee morale.

## **CENTRALIZED INFORMATION TECHNOLOGY**

From the 1960's through 2003, the labor force providing information technology (IT) infrastructure services and information management (IM) policy and standards was highly decentralized throughout the Forest Service. About 1,250 employees devoted at least part of their time to these roles. Industry experts advised agency leadership to replace localized customer support with a model that included "self help" approaches and centrally managed operations. In 2003, a Competitive Sourcing (A-76) study identified a centralized, most efficient organization (MEO) for the Chief Information Officer's (CIO) organization. The study identified improved efficiencies through a 45 percent reduction of the agency's IT support staff.

Two years later, in 2005, the responsibility for the agency's applications, databases, and geospatial information assets was added to the MEO. The implementation of this change had a significant effect on Forest Service employees who now had to exercise "self help" principles in meeting basic technology needs. This process has had some success and some failure. Because of the 2008 Omnibus Appropriations Act, --which states "sec 415(a)(2) None of the funds made available by this or any other Act may be used in fiscal year 2008 for competitive sourcing studies and any related activities involving Forest Service personnel." The Forest Service terminated its competitive sourcing activities and initiated an assessment of alternatives for improving technology services through reorganization. This reorganization seeks to improve the coordination and integration of information management for the Forest Service, and improve the delivery of IT services.

## **CENTRALIZED BUDGET AND FINANCE OPERATIONS**

As you can imagine, with the Forest Service performing its accounting and budgeting work at ranger districts, forests, regions, research work units, research stations and the Washington headquarters (WO) locations, there were consistency and accountability issues in the manner and methods in which the agency conducted its financial operations.

In the late 1990s, the Forest Service was poorly performing in proper execution of financial accounting and controls. The agency repeatedly received disclaimers in audits of its financial statements. The issues were so significant that an overall lack of confidence in Forest Service's ability to manage its finances culminated in placing the Forest Service on the GAO Watch list. This led to lost credibility in all aspects of agency performance.

In part to correct the accountability problems, the Budget and Finance (B&F) program, which tracks expenditures, payments, grants and agreements, collections and revenues, travel and budget accomplishments was centralized in Albuquerque, New Mexico in 2005. The Albuquerque Service Center (ASC) B&F centralized operating model reduced the total number of personnel involved in these functions from 1,920 to 444 employees specializing in budget and finance operations.

The resulting combination of reducing the size of the field workforce, establishing new procedures, implementing new systems, and even dealing with the impact of Hurricane Katrina which occurred just as the new B&F center was established, had a serious impact on agency employees throughout the organization.

At the outset, the operation encountered major issues with payments to contractors and support to agency employee travel. Fortunately, a planned phase-in of operations, as well as a rigorous monitoring and evaluation program, allowed for corrections and changes to address unintended consequences. While we continue our efforts at improvement, particularly in the area of payments, it is clear this centralization is a major success and is both improving the agencies financial management and leading to significant savings. We fully expect that our continuous improvement efforts will lead to even better service from the B&F organization.

## **FIRE PROGRAM TRANSFERS**

The Forest Service and its employees understand that we have a nation-wide responsibility for the suppression and management of wildland fire. Wildland fire is an integral part of our mission. In some recent years, the costs associated with wildfire suppression have exceeded the inflation-adjusted ten-year average of suppression costs appropriated by the Congress. When the ten-year average is not sufficient to cover all fire suppression needs, the Forest Service is authorized to transfer unobligated funds from other non-fire accounts to pay suppression costs. While this transfer authority is essential to ensure there will never be a lapse in emergency firefighting activities due to a lack of funding, these transfers delay implementation of other critical natural resource protection programs.

The FY 2010 Budget reflects the President's commitment to wildfire management and community protection by establishing a new \$282 million contingent reserve fund dedicated to addressing catastrophic wildfires in addition to fully funding the ten-year average of suppression costs adjusted for inflation at \$1.13 billion. By establishing a dedicated fund for catastrophic wildfires, fully funding the inflation-adjusted a ten-year average of suppression costs, and providing program reforms, the Budget minimizes the need for agencies to transfer funds from non-fire programs to pay for firefighting when their appropriated suppression funds are exhausted. Establishment of this contingency fund will be a tremendous boost to employee morale.

## **CENTRALIZED HUMAN RESOURCES MANAGEMENT OPERATIONS**

Prior to centralizing, the agency's indirect costs to support human capital management programs were much higher for the Forest Service than for other comparable organizations in the public and private sectors. In October 2004, the Forest Service began centralizing human resources management functions in Albuquerque, New Mexico. To be blunt, this implementation did not go well.

The Human Resource (HR) organization provides customer service to approximately 50,000 Forest Service permanent, seasonal and temporary employees. The success of the service center will be achieved through consistent agency-wide applications of personnel policies, procedures, and processes; a significant reduction of the backlog of work that transferred to ASC-personnel; and a structured support system for 64 Human Resource Liaisons that are located at field offices throughout the agency. For human resource management, there is an approved organization of 612 employees. This is a reduction of approximately 400 positions, compared with the decentralized human resource organization that existed prior to centralization.

The human resource management operation employs Industry and Government Best Practices designs from the Bureau of Land Management, National Park Service, Defense Finance and Accounting Service, Defense Logistics Agency, Motorola, Weyerhaeuser, and the United Parcel Service. In keeping with these models, we want to improve customer service; increase operational efficiencies; reduce or avoid costs and improve management.

Implementation challenges included dealing with the departure from the “high touch” nature of having an HR person “down the hall” in most offices, the tremendous learning curves associated with new processes, and overly ambitious personnel reduction goals. To compensate, the Forest Service has had to expend monetary and personnel resources to create and develop “work-around” solutions to perform daily business operations in a centralized environment. Intended as temporary, because of delays in deploying viable enterprise solutions, we continue to use these “work-arounds” longer than planned, resulting in inefficiencies and higher than planned costs. We look forward to working with USDA to implement significantly better operations.

## **HUMAN RESOURCES REDESIGN**

We recognize that there are continuing concerns with the current systems for the delivery of human resources management services and products. To address these concerns and to improve the human resources organization, Forest Service leadership approved a new path forward in July 2008. An “optimization team” is reviewing current processes, procedures, and tools to clarify, streamline, communicate and educate system users and program customers. The focus is on improvement of product and service delivery. A “redesign team” is taking a longer-term view at revising Human Resource’s vision and programs based on agency needs, program efficiencies, and customer input. Notwithstanding the Herculean efforts to improve product delivery and service for human resource operations, services and program delivery are still lagging. It is clear that employee morale has been affected by the implementation of centralized HR services. Through a comprehensive redesign, we expect services to improve; but it will take time.

## **FIRE MANAGEMENT SPECIALIST QUALIFICATIONS**

Following the deadly South Canyon Fire in 1994, an interagency team was formed to investigate the factors contributing to the fatalities. The subsequent 1995 Federal Wildland Fire Policy and Program Review, signed by the Secretaries of Agriculture and the Interior, directed Federal wildland fire agencies to establish fire management qualifications standards to improve safety and increase professionalism in fire management programs. After extensive effort, the Interagency Fire Program Qualifications Standards (IFPM) and Guide were completed. The occupational series chosen was 401, General Biologist. The implementation of this standard has had an effect on the morale on a small portion of our wildland firefighting personnel.

The Forest Service conducted qualifications review of employees in the GS-401 series affected by the positive education requirements as defined by the Office of Personnel Management, which prohibit the use of National Wildfire Coordinating Group (NWCG) courses not supported by official transcripts from accredited institutions of higher learning. In 2008, human resource management reviews of affected employees’ educational classes were completed. Affected employees were notified of the findings of the review and their status was clarified. However, in October of 2008, the USDA Office of Inspector General (OIG) advised the Forest Service of a "Management Alert" regarding its use of the GS-401 series for Fire Management Specialists. The Management Alert cited major concerns for using the 401 series by the Forest Service to meet its fire management staffing needs. As a result, the Chief directed all units to "stand down" further implementation of the GS-401 series at grades GS-9 through GS-12 in fire management occupations.

Some employees did complete the NWCG training course work and later some courses were determined ineligible by OPM because of changing standards and requirements for positive education requirements. There are over 10,000 wildland firefighters in the Forest Service and most employees are unaffected by this issue. However, at this time 300 employees out of 341<sup>1</sup> have been successful in reaching the positive education standard.

## **EMPLOYEE HEALTH AND SAFETY PROGRAM**

The Chief is committed to ensuring that employees' health and safety is integrated into all aspects of the Forest Service mission. The Forest Service is ensuring an enhanced quality of life for employees and cooperating partners by providing safety and occupational health services and leadership for the prevention of work related injuries and illnesses to personnel and damage to public and private property.

Agency leaders and health and safety professionals are transforming the Forest Service health and safety culture, using as their models high reliability organizations (HRO). HRO's are organizations that are engaged in high-risk activities but have a lower than normal accident rate. Some characteristics of HRO's that the Forest Service is adopting include: taking small errors seriously in order to identify and mitigate system hazards; encouraging employees to report errors to improve organizational learning and promoting the free flow of differing viewpoints by encouraging diversity of thought in the workplace. In other words, employees are encouraged to contribute and participate without fear of retaliation.

Employees appreciate a rigorous health and safety program because they know that managers and co-workers value their personal health and safety.

## **OPM HUMAN CAPITAL SURVEY AND BIENNIAL BEST PLACES TO WORK REPORT**

The 2007 Best Places to Work Survey conducted by the Partnership for Public Service and American University's Institute for the Study of Public Policy Implementation, which was based on the 2006 OPM Federal Human Capital Survey, ranked the Forest Service 143<sup>rd</sup> of 222 agency work places for a ranking score of 59.9. Overall, this leaves the Forest Service with a lot of room for improvement. While we ranked 209 of 222 for work life/balance (ranking 54.6) and 181 of 222 (ranking 51.3) for strategic management – low in the rankings – there are some definite bright spots.

Over the past several years, the Forest Service has consistently scored high (the response rate over 80% positive) for several key morale indicators on the Federal Human Capital Survey. The indicators include: people in your organization (who) cooperate to get the job done; I like the work I do; and the work I do is important. For these survey questions, over 80% of the Forest Service employees polled responded either "Strongly Agree" or "Agree".

African Americans rank the Forest Service as the ninth best federal agency for overall employee satisfaction and engagement, out of 222. The Forest Service also ranked high for the availability of training and development (ranking 46) and 48<sup>th</sup> in support for diversity. Males, females, over 40 and under 40 demographic strata all ranked the Forest Service between 97 (males) and 138 (under 40) indicating similar attitudes and work experiences.

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<sup>1</sup> January 30, 2009 letter to Jill M. Crumpaker Acting Director, USDA Office of Human Capital Management

## **EMPLOYEE DEVELOPMENT AND EMPLOYEE RETENTION**

The Forest Service is actively addressing leadership and management succession. The Human Resource's plan for succession addresses this need, which has major functions for training policy, strategy, design and delivery. The Human Resource Staff identifies and develops the best solutions for meeting the training needs of all Forest Service employees including succession planning. There are five separate leadership programs addressing aspiring leaders to executives. These seminar programs address career paths for new employees as well as veteran employees; each program examines and develops the leadership competencies required of successful leaders.

Employee development and retention for the Forest Service is achieved sometimes through temporary promotion details, where employees can serve as acting line officers, managers or technical specialists. Coveted by employees and widely accepted by managers, detail assignments are a very successful pattern for Forest Service leadership development. Details, along with developmental training and an agency culture of delegated decision-making, ensure long competitive lists for district ranger, forest supervisor, and research work unit project leader positions. This enhances esprit de corps within the workforce.

The awards and recognition program can assist in improving the morale of the workforce. Recognition for hard work, exceptional service or innovation is part of valuing individuals' contributions to the agency and the US taxpayer. The appropriate and judicious use of the awards and recognition programs available in US government personnel regulations can motivate employees to fulfill their duties and further agency mission. When employees are valued for their contribution, morale in the workforce is usually improving or high. However, the 2007 Best Places to Work Survey ranked the Forest Service 167<sup>th</sup> out of 222 agencies studied for awarding and recognizing employees; obviously, there is room for improvement.

As in most organizations, it takes thoughtful supervisors to give awards and recognition for jobs well done. Some of our supervisors are better at employee recognition than are other supervisors. The agency supports several formal awards programs that garner pride in the work employees do, and help them gain recognition for that work. The Secretary's annual awards are tied to the Chief's annual awards, which are tied to annual awards at regions and research stations. Competition for these awards is often keen, and the annual awards ceremonies provide occasions that often inspire awe at innovative work and truly heroic deeds.

## **CONCLUSION**

The Forest Service has a large work force of approximately 50,000 permanent, temporary, and seasonal employees. Employees are dedicated, tenacious, and hard working. They love the mission of the agency. Many come to the agency as students, seasonal, or part-timers, and are desirous to sign on for permanent work. Many are second and third generation employees, with mothers, fathers, grandparents, sisters, and brothers as role models. Many employees spend an entire career of 30 or more years in the agency, "caring for the land and serving people." Indeed, Forest Service employees are recognized both internationally and nationally as Nobel Laureates, wildland fire fighters, disaster and emergency relief specialists and thoughtful stewards of some of America's great ecosystems found in the National Forests and Grasslands. The Chief and I appreciate their dedication and the excellence to their craft and we are committed to devising business operations systems that are worthy of the stature of the employees.

We recognize, too, that contentious issues and the associated legal complexities that can delay or halt implementation of plans and projects for long periods, sometimes indefinitely may affect employee morale. Over the years, this has been a source of frustration for some employees, who may find their projects held up in the Courts and at times not come to fruition. We recognize and understand how this can reduce morale among motivated forest management professionals. As agency leaders, the Chief and I are empathetic about the disappointment of a hard-worked project being delayed or cancelled. We know, as do our employees, that the National Forests and Grasslands belong to all citizens and we are the steward of that trust.

Leadership is well aware, there continue to be problems with delivery of services provided by HR and CIO operations that have a negative affect on the morale of employees, managers, partners and collaborators when they call upon the centers for service. We recognize the general and specific frustrations experienced by employees and the public and we are committed to improving, and correcting service problems. Our center employees are courteous and dedicated to service and operational improvement. They want to be a credible solution in the work place. The Chief and I are committed to improving the service and function of these operations to provide the level of performance needed to improve morale for our employees and improve credibility for our partners and collaborators.

Mr. Chairman and Members of the Committee this concludes my prepared statement. I am happy to answer any questions that you or Members of the Committee may have.