REVENUE RECOVERY STRATEGIES
FOR THE
ALASKA PUBLIC USE CABIN PROGRAM

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We accept this thesis as conforming
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ABSTRACT

This thesis evaluates a range of policy analysis techniques for application to an issue of policy choice. Divergent premises of two policy alternatives are defined and evaluated using policy impact analysis techniques.

The two policy alternatives concern revenue recovery for the Alaska Division of Parks and Outdoor Recreation public use cabin (PUC) program. The lack of a mechanism to recover revenues from program user fees is the primary constraint for the operation and development of the PUC program. The Division has proposed that the Alaska Legislature authorize the implementation of a program receipts policy. Because past legislative initiatives for program receipts have failed, Division staff have proposed implementation of a concessionaire strategy. This thesis determines which policy would ensure the continued operation and development of the PUC program.

Classification analysis is used to categorize the operational strengths and weaknesses of each policy, and agency influence over these characteristics. Assumptional analysis is used to define the divergent premises of policy makers. These premises are developed as scenarios of program operations within the framework of a structured policy debate. The impacts of the
scenarios are forecast using policy impact analysis techniques, and recommendations are made for an optimum policy strategy.

A significant weakness of the program receipts policy is that it is uncertain whether it will be authorized by the Legislature. The failure of Legislative authorization is forecast to have significant mid-term impacts on the PUC program. The primary impact would be the deterioration of facilities; combined with further budget cutbacks, the Division may be forced to abandon the PUC program. Implementation of a concessions strategy would provide a viable alternative for program operations and development. Therefore, concessionaire operation is recommended as a contingency strategy to the program receipts policy.

The methods applied to this case study are useful for either the development of, or the critical evaluation of policy directives. The techniques of assumptional analysis or the structured policy debate can be used to identify the assumptions and premises of policy makers. The structured policy debate also provides a means to check the logic of a policy argument. Policy impact analysis provides a means of forecasting or measuring the outcome of implementation. Taken together, the techniques provide for a normative evaluation of issues of policy choice.
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CHAPTER 1
INTRODUCTION

1.1 PURPOSE OF THESIS

1.1.1 Problem Defined

The purpose of this thesis is to evaluate the effectiveness of two alternative policies designed to overcome development constraints for the State of Alaska public use cabin (PUC) program. This analysis follows the authors involvement with the development of the PUC program as an employee of the Alaska Division of Parks and Outdoor Recreation (AK DPOR) from 1984 to 1986.

Public recreation cabin programs have been operated in Alaska by the United States Forest Service (USFS) since the 1930s. Today, various resource management agencies of federal government operate over 200 cabins in the state. Surveys have shown that the development of new public recreation cabins is the number one choice of state residents when polled about preferences for new recreational opportunities (Alaska Division of Parks, 1981, p.39).

Members of the Alaska Legislature have responded to the demand for public recreational cabins by introducing
legislation in the 1984 and 1986 legislative sessions that would have provided for the initial capital and operating costs of pilot systems of cabins. These initiatives were ultimately vetoed by the governor for reasons that will be discussed more fully in Chapter Two.

As the primary agency responsible for recreation on state lands, the Alaska Division of Parks and Outdoor Recreation responded to public demand with the development of four pilot systems totalling 13 cabins. These cabins were rehabilitated or constructed without any legislative appropriation. Instead, division managers used diverted funds, staff time, volunteer efforts, and donated materials for the development of the cabins.

The primary constraint to the development of the Alaska public use cabin program is the ability to recover program revenues from user fees. Although the DPOR charges a nightly rental fee for the use of the cabins, these revenues have never been reallocated to the agency. As a result, agency managers are reluctant to put their full support behind a program that will inevitably cost them in terms of funds and man-hours, yet for which there is no guaranteed operating appropriation.

The source of this constraint is primarily statutorial. Alaska Statute (AS) 41.21.030 mandates that all revenues received from the operation of park facilities be deposited in the general fund of the state. Therefore, the Division must compete with other state agencies for the legislative
allocation of program revenues. A second constraint, House Bill 696, would as of July 1, 1987 make the collection of user fees by the DPOR illegal without statutorial authorization.

The recovery of user fees to fund recreation program operations is a common practice with state and federal agencies throughout the United States. In Alaska, the Granger-Thye Act provides for the recovery of user fees for the maintenance and operation of US Forest Service recreation cabins.

In response to the constraints for revenue recovery, the DPOR has proposed that the 1987 Legislature consider an omnibus fee bill that would include revenue recovery for the PUC program via an administrative mechanism known as the program receipts account. This mechanism is designed to establish the legislative precedence of an automatic appropriation back to the agency responsible for revenue collection, given that those funds are used to operate the program from which the funds were originally collected. In effect, program revenues are designed to subsidize the program, instead of public allocations.

Recognizing the past failures of legislative initiatives for the PUC program, in August 1986 a proposal was made by an agency staff member to develop a concession operation for one system of cabins. This proposal was made by a park superintendent responsible for a park unit with four operating PUCs and twelve potential additions to this system.
Concession operation of the PUCs has long been considered an alternative to agency operation and development of the program with the mechanism of program receipts. Under this alternative, a private operator would collect all user fees, and be responsible for the allocation of those fees for the maintenance and development of the cabins.

This concessions proposal, taken in light of the agency policy supporting program receipts for revenue recovery, highlights the primary issue addressed in this analysis. That issue, summarized as a question, forms the problem statement for this thesis:

Which revenue recovery policy, program receipts or concession operation, is the most effective alternative for ensuring the continued operation and future development of the PUC program?

This question makes a number of assumptions, such as revenue recovery being a requisite to continued program operation and development. This and other issues raised by the problem statement are articulated for analysis by way of the subsidiary question.

1.1.2 Subsidiary Questions

Five subsidiary questions have been derived from the problem statement. A discussion of the development of these question is seen in Chapter Three. The first three questions are concerned with a description of the issue and problem(s) at hand:
(1) What are the characteristic strengths and weaknesses of each policy alternative, and the causes of these characteristics?

(2) If implemented separately, at what point is each policy most vulnerable to failure?

(3) What would be the impacts on program operations if a revenue recovery policy was not successfully implemented?

The final two subsidiary question address the efficacy of the proposed alternative, and provide a forum for the evaluation of the two policies:

(4) What would be the impacts on the PUC program from the implementation of a concessions policy?

(5) What would be the impacts on the agency from the implementation of a concessions policy?

Based on the problem statement and subsidiary questions, five objectives have been identified for this study:

(1) To make a normative evaluation of policy alternatives;

(2) to evaluate a range of policy analysis techniques for application to this case and similar cases;

(3) to describe the operational characteristics of each policy, and identify the points of vulnerability of each alternative;

(4) to incorporate the divergent premises of policy makers in the development of the policy analysis structure;

(5) to develop scenarios of program operations under the alternative policies;

(6) to assess the impacts of the policy alternatives on program operations and development.

These objectives have both a methodological and substantive function. They will be used as methodological criteria for the evaluation and application of appropriate
policy analysis techniques to this study. Once the appropriate
methods are chosen, and the above objectives fulfilled, substantive
conclusions will be drawn in answer to the problem statement
and subsidiary questions.

1.1.3 Scope of Analysis

The scope of this thesis focuses on the process and
outcome of policy implementation. Of special interest are the
impacts of program constraints on the outcome of each policy
alternative. As seen in section 3.2, the definition of the
scope of this study is taken from a Policy Process Model
developed by Shank (1983, p.12).

In this model, program development constraints will be
considered as part of the policy environment, or, external to
the process of implementation. This analysis will attempt to
determine which policy alternative is best suited to respond to
these constraints, while ensuring continued program operation
and development.

1.1.4 Significance

The Alaska Division of Parks and Outdoor Recreation has
never formally undertaken an analysis of the impacts of the two
policy alternatives for revenue recovery. This analysis will
provide information that the agency does not otherwise have the
time or money to develop.
For the author, this analysis provides the opportunity to address a longstanding issue from outside of the agency. It will allow for the application of methods and expression of opinions unconstrained by agency protocol. This analysis also offers the opportunity to test different policy techniques, with the aim of applying the framework developed herein to similar cases in the future.

1.2 METHODS OF ANALYSIS

1.2.1 Sources of Information

The information for this analysis was gathered by the author between August of 1984 and August of 1986. During that time, the author was employed by the AK DPOR to undertake management planning and policy development for the PUC program. Other related assignments included the drafting of legislation that would establish a program receipts account for the program, and coordination of the program with other divisions within the Alaska Department of Natural Resources.

The literature review and development of this case study took place between September 1986 and January 1987.

1.2.2 Structuring the Problem

The first broad category of analysis techniques applied to the case study are problem structuring techniques. These techniques help to ensure that the issues and factors critical to definition of the policy problem are identified and structured for analysis. Section 3.3 provides a detailed review
of these techniques, including the procedure for applying them to this case study. Chapter Five is devoted to the application of these techniques, and the definition of their results.

The problem structure for this case study is developed using two techniques of classification analysis. Classification analysis is the "definition and classification of a problematic situation" (O'Shaughnessy, 1972, p.23). This technique, when combined with the related technique of hierarchy analysis, would provide answers to the first two subsidiary questions. That is, it would facilitate the identification of the strengths and weaknesses of each policy alternative, associated causal factors, and points of vulnerability. It would also allow for the identification of causal factors as internal or external to the process of policy implementation.

The results of the classification analysis will be further examined (in Chapter Five) using the method of assumptional analysis. This method aims at the identification of the assumptions of policy makers involved in the selected case. It is designed to introduce the divergent positions of policy makers into this case study, along with uncovering new perspectives on the "pros and cons" of each policy alternative. This information will also be useful in checking the results of the classification analysis, and for further articulation of the policy problem.

These techniques, while providing for the definition of important background information, will not provide a framework
for the evaluation of each policy alternative. This framework is developed using the techniques of "a structured policy debate."

1.2.3 Structured Policy Debate

In this case study, because neither of the revenue recovery policies have been operationalized, it is necessary to forecast the outcome of their implementation in order to assess their potential impacts. The method of forecasting used to this end is known as scenario building.

Scenario building provides the vehicle to assess the impacts of "what if" questions. For instance, the third, fourth, and fifth subsidiary questions are predicated on "what if" situations. The third subsidiary question asks (what) if a revenue recovery mechanism were not implemented, what would the impacts be? The fourth and fifth subsidiary questions ask (what) if concession operation was implemented, what would be the impacts on program operations and agency operations?

In the course of the literature review for this analysis, I attempted to identify a technique or techniques for framing these scenarios. It was hoped that such a technique would provide a means to identify implicit reasoning, develop critiques for the premises supporting the scenarios, and complement the normative approach of this study.

Dunn's model for a structured policy debate was finally chosen as the framework to develop the "what if" questions for
this analysis. This model contains seven elements that are arranged sequentially to lead the analyst or reader from a neutral piece of "policy relevant information", through a number of policy sub-arguments and rebuttals to a final conclusion (1981, p.43)

Using this model, three policy sub-issues are defined. The first concerns the uncertainty, or vulnerability of the program receipts policy to legislative veto. The second issue concerns the impacts on the program if a revenue recovery policy is not implemented, and the third issue concerns the impacts of concession operations. Based on these issues, a recommendation will be made to suggest an optimum policy for revenue recovery.

Each of these three issues can be considered as a premise for or against a revenue recovery policy. Ultimately, the tests of these premises will afford an answer to the problem statement and the final three subsidiary questions.

In order to test these premises, Cook and Scioli's model of policy impact analysis will be applied to scenarios based on these premises. Two different scenarios will detail program operations between July of 1987 and July of 1989, first for a PUC program with no means of revenue recovery, and second, under concessionaire operation for revenue recovery. Included are descriptions of the operation of a reservation system, maintenance activities, and agency prioritization of the program relative to other programs. Essentially, with the
application of an impact analysis, these scenarios become the point of evaluation and comparison for the two alternative policies.

1.2.4 Policy Impact Analysis

Cook and Scioli suggest that while policy analysis is concerned with "what causes a policy", policy impact analysis is concerned with "what a policy causes" (1975, p.95-96). In this case study, policy impact analysis is used to develop forecasts of impacts of the respective policies (as described above) on program objectives.

Two types of program objectives will be addressed in the forecast of impacts. Procedural objectives are internal to the agency and are administrative in nature. Outcome objectives are external to the program, and are a "specific socio-physical target" (Cook and Scioli, 1975 p.95). The objectives used for this study are taken from AK DPOR policy statements and from PUC program operating policy.

Performance measurement criteria are used to indicate how effectively and efficiently a given aspect of a program scenario may or may not be in achieving selected objectives.

Five performance measurement criteria are used:

(1) The number of cabin users;

(2) number of cabins open to the public on a rental basis;

(3) number of complaints about cabin condition;
number of staff maintenance hours per cabin;
amount of funds available for program operations and development.

By forecasting, for instance, the number of cabin users or the number of staff maintenance hours per cabin, it will be possible to define the impacts of a given policy on program objectives. Next, it will be necessary to substantiate or discredit the policy arguments made in the structured policy debate. Having substantiated or discredited the three policy arguments, it will then be possible to make a conclusion about the optimum revenue recovery process.

1.3 ORGANIZATION AND RESULTS OF ANALYSIS

The organization of this thesis generally follows the sequence described in the previous pages. Chapter Two provides an overview of the PUC program, revenue recovery constraints, policy alternatives, and the definition of the problem statement.

Chapter Three is the first of two chapters focusing on the development of analysis techniques for the case study. The scope of analysis is defined, and the procedure for problem structuring methods (i.e., classification analysis, assumptional analysis) is reviewed.

Chapter Four describes the development of an analysis framework for the sub-issues contributing to the overall policy problem, and reviews literature considered for application in
the study. Also detailed is the procedure of structuring a policy debate and developing a policy impact analysis.

Chapter Five returns to the substantive policy issues with the application of classification and assumptional analysis techniques. The implementation process, revenue recovery procedures, and program operations are described for each policy in order to uncover their respective strengths and weaknesses (in answer to subsidiary question number one). Also, associated causal factors and points of vulnerability are identified for each policy (subsidiary question number two).

An assumptional analysis is applied to the policy makers proposing the two policy alternatives: the agency director (supports program receipts) and the park superintendent (proposed concession operations). From this, the basic premises of each policy actor are identified, and used to articulate the unanswered issues of contention for each policy.

These issues are framed in a structured policy debate in Chapter Six. Three issues and rebuttals are identified: the uncertainty of implementation of the program receipts policy, the impacts on program objectives from operations without revenue recovery, and the impacts on program objectives from concession operations. Based on these issues, a tentative claim is made for an optimum revenue recovery policy.

The latter two issues are translated into scenarios of policy implementation, for a forecast of impacts on program operations. These forecasts are developed to address the final
three subsidiary questions in this thesis. These forecasts will substantiate or discredit the previously made recommendation for an optimum policy. That is, it would return to the conclusion of the previously defined policy argument and provide for its evaluation. In doing so, it will provide the means to answering the problem statement.

Chapter Seven is a summary of the results of this case study. Methodological and analytical conclusions are offered to the problem statement and subsidiary questions, along with further issues or insights raised by this analysis.

1.4 DEFINITION OF TERMS

The reader will encounter the following terms on a regular basis throughout this study. The definition and/or abbreviation for the terms are given below.

Alaska Division of Parks and Outdoor – a Division of the Alaska Department of Natural Resources; responsible for the operation of the Alaska public use cabin program; referred to as "the Division" or "the agency."

User fee - in this case, a charge levied by a unit of state government to the public for the provision of a special service by that agency.

Program receipts account - an administrative mechanism used by state government in Alaska to account for, and allocate program user fee revenues back to the agency responsible for the operation of that program.

Concession operation - contract maintenance and operation of a public facility by a private individual or corporation; the operator would be responsible for the recovery of user fees, and the allocation of a percentage of those fees to facility maintenance and development.
Performance measurement criteria - indicators of the effectiveness or efficiency of a given aspect of a program in achieving program objectives.

Policy implementation - the operationalization of a body of administrative goals, objectives, and procedural guidelines, including any program activities or preparations necessary to achieve a desired outcome.

Policy implementation variables - variables internal to the process of implementation, "can be or have been amenable to policy control" by policy makers (Coleman, 1975, p.24).

Policy outcome - the results of policy implementation, especially from the interaction between policy implementation variables and policy environment variables.

Policy environment - human and non-human situational variables that are external to the influence of policy makers (Coleman, 1975, p.24).

Program objectives - include procedural objectives and program outcome objectives; the former emphasizes administrative aspects of policy implementation, the latter emphasizes a target or goal external to the program.

Program activities - the administrative and organizational characteristics of a program delivery system.
CHAPTER 2

CASE STUDY OVERVIEW

2.1 INTRODUCTION

This chapter reviews the history of PUC program development, management constraints critical to the definition of the thesis problem statement, and previous legislative initiatives for the revenue recovery policies in question. Parts of the text in section 2.2 are adapted with modification from the Public Use Cabin Program Management Plan - Public Review Draft, written by this author in 1985.

2.2 RECREATION CABIN PROGRAMS IN ALASKA

Today in Alaska there are roughly 230 public recreational cabins, limited regionally to Southeast Alaska, the Kenai Peninsula, Prince William Sound, and the Kodiak archipelago. All but one of the systems of cabins are operated by agencies of the United States federal government; the one exception is the Alaska State Park System. The primary operators are the US Forest Service with 189 cabins in the Tongass and Chugach National Forests, the US Fish and Wildlife Service with 14 cabins at the Kodiak National Wildlife Refuge and Kenai National Wildlife Refuge, the AK DPOR with 11 cabins, the US Bureau of Land Management with 3 cabins, and the US National Park Service with 3 cabins.
Recreational cabins are almost exclusively located off the Alaska State Highway System, with access to cabins afforded by foot, boat, or plane. Forest Service surveys show that summer occupancy (including late spring and early fall) runs at nearly 100 percent for those cabins accessed by foot. In 1983, the Chugach National Forest cabin system had 18,680 visitor days of occupancy (a visitor day is one 12 hour period of occupancy). Average annual occupancy per cabin in the Chugach National Forest was forty percent, with a number of cabins exceeding eighty percent occupancy.

2.2.1 Program Demand and Agency Response

Surveys of public opinion indicate a continuing demand for the expansion of public recreation cabin systems. A study of recreationists' preference for recreation opportunities on Federal lands in Alaska determined that sixty-four percent of those polled favored the development of public recreation cabins.

A demand assessment by the USFS determined that over the next decade approximately 40 additional cabins would be needed in the Chugach National Forest to satisfy projected increases in population and recreation demand. Yet, because of budget cutbacks the USFS reduced its construction goal of 40 cabins to 20 cabins in the next ten years.
There is also a large demand for public recreation cabins on state managed lands. In a statewide survey undertaken for the Alaska Outdoor Recreation Plan (AK DPOR, 1981, p.39), the number one preference for state provision of new types of recreation opportunities was public recreation cabins.

The AK DPOR, as the state agency mandated to provide for public recreation needs on state lands, has responded to this demand with the construction or rehabilitation of 13 public use cabins, and has continued attempts to overcome major program development constraints. This case study is concerned with these constraints, and the effectiveness of the policies designed to overcome them.

2.2.2 State Facility Development

Between 1984 and 1986 the AK DPOR developed four pilot systems for public use cabins (PUC) around the state. These systems, considered to be the prototype of a much larger program, are comprised of two to four cabins each. The systems are considered as experimental prototypes because the operation of such a program is a wholly new endeavor for the DPOR.

The first system of cabins brought on line in 1984 and 1985 was converted from lease cabins in the Nancy Lake State Recreation Area (NLSRA). In those years, approximately $5000 was diverted from Central Office and Area Office accounts to fund the rehabilitation of the cabins (AK DPOR, 1986c). As we
shall see, this was to fulfill a request from the Governor to initiate program development without a fiscal appropriation.

Legislation establishing the 22,000 acre Shuyak Island State Park in 1984 included funding for the development and operation of a system of PUCs. In 1985 and 1986, four new PUCs were built on this island, with these facilities representing the second and newest system of cabins operated by the agency.

The third system is made up of three cabins located in the Chena River State Recreation Area near Fairbanks. The fourth and smallest system are two cabins operated under cooperative management agreement from the USFS in Southeast Alaska.

2.2.3 State Program Development

Conceptual support for a PUC program by the Division is documented as far back as the late 1970s; legislative support did not come until 1984. In the 1984 session, a small appropriation was attached to the DPOR budget to undertake planning for, and the development of a pilot system of PUCs. This funding was later "red-lined" (vetoed) out of the Division budget by the Governor. The opinion of the Governor was that the agency had adequate funds to develop the program "in-house" without a special legislative appropriation.

The development of the program could not have been achieved without the continued support of the agency director. The PUC program was envisioned to be a major component of a new
breed of recreation programs for the agency. These programs would be designed to recover use fees for operations, lessening agency dependency on state subsidies for program maintenance.

In the summer of 1984, the decision was made to undertake research for the planning, development and operation of the program. The planning process was an opportunity to identify management constraints, costs, and strategies, before any costly mistakes were made. The program plan was also designed to address the concerns of field personnel reluctant to take on new management responsibilities.

This author was assigned the responsibility of researching and writing the "cabin plan", which was later formalized as program policy and procedure. Other related assignments included the drafting of legislation to establish revenue recovery for the program, and inter-division program coordination within the Department of Natural Resources (the DPOR is one of seven divisions within the Department). Further, the author was involved in cabin site selection at Shuyak Island State Park, and coordination of logistic support for cabin construction in that unit.

Research for the cabin plan included extensive meetings with division personnel, federal agency representatives, and members of both the public and private sectors. The PUC plan has four major components. The first component is a set of program goals that compliment the overall policy goals of the
agency. In a later chapter of this analysis, these goals are used as a baseline for the evaluation of alternative revenue recovery policies.

The second and third components of the plan are policies and procedures for site planning, facility maintenance, and program operations. The fourth component is cost estimates of capital and operating costs for the phased development of the program.

2.3 REVENUE RECOVERY CONSTRAINTS

Although often divided over management and operations issues, field staff and front office personnel were quick to come to agreement on the primary obstacle for PUC program development: the inability to recover program revenues.

Field managers were hesitant to accept responsibility for the operation of a program, and attendant costs, without the guarantee of an annual appropriation. Sympathetic to this position, the agency director was also of the opinion that the days of large state operating budgets were drawing to a close. Therefore, it was felt that new operations such as the PUC program should have the ability to capture revenues from use fees for maintenance and development purposes. This concept will be referred to in this analysis as revenue recovery.

Presently there is a model of revenue recovery for public recreation cabins operated in Alaska. The Granger-Thye Act authorizes the recovery of cabin use fees specifically for the
maintenance and development of facilities by the US Forest Service. All revenues from cabin use fees are accounted separately from other Forest Service revenue sources. That amount is then automatically allocated to the Forest Service, bypassing the process of legislative appropriation, and all the uncertainties involved in this process. Similar revenue recovery practices are administered by the US National Park Service and state park systems throughout the continental United States.

Unfortunately, in this case the DPOR is constitutionally constrained from recovering revenues for program operations. Alaska Statute (AS) 41.21.030 states:

All monies received from the operation of park and recreational facilities, including money from concessions, rentals, or donations, shall be deposited in the general fund of the state.

Therefore, while the agency can and does charge a use fee for the PUC program, it must compete with all other agencies for the recovery of those funds, via legislative appropriation.

A second constraint to revenue recovery will become effective July 1, 1987. House Bill 696, "An Act Relating to the Financial Administration of Government" (known informally as the "Procurement Bill"), would "sunset" all programs for which a fee is charged:

Section 1 (a): A state agency may not charge for the provision of state services unless the charge is authorized by statute.
For the Division, this would prohibit the collection of fees for cabin use permits, sport fishing guide permits, and commercial outfitter permits. For the cabin program, there are two policy options that might be adopted to overcome these revenue recovery constraints. The analysis of these two alternatives is the subject of this case study.

2.4 REVENUE RECOVERY ALTERNATIVES

The first revenue recovery alternative, quite similar to the Forest Service procedure, is referred to as a program receipts account, or in short, program receipts. The second alternative method of revenue recovery would be through concession operation of the cabins. Program revenues would be recovered by the concessionaire, and an percentage of the gross revenue would be regularly deposited in a special maintenance fund by the operator. This arrangement would circumvent the mandated deposit of revenues in the General Fund, and theoretically guarantee that adequate funds were available for program operations and development.

2.4.1 Legislative Initiatives

In response to the constraints posed by HB 696, the Division has proposed that the governor introduce an omnibus "fee bill" to the legislature in the 1987 session. If passed, this bill would statutorially authorize the division to collect and recover fees for a number of economic programs, including the cabin program. The language from the proposed fee bill
illustrates how revenue would be recovered using a system of program receipts. Section 1(c) of the bill reads:

Fees collected under this subsection shall be deposited in the general fund. The commissioner of administration shall separately account for fees collected and deposited by the commissioner under this subsection. The annual estimated balance in the account may [italics mine] be appropriated by the legislature to the Department of Natural Resources to carry out the purposes of this section. (AK DPOR, 1986e)

The formal intent of this proposal is to provide legislative oversight for the allocation of program receipts, and to automatically include a request for PUC program receipts in the annual budget proposal. The informal intent is to encourage almost automatic appropriation of program receipts by establishing a legislative precedent of an annual appropriation. Such a precedent would greatly increase the probability that the program would be regularly funded.

Two bills designed to recover PUC program revenue through program receipts were introduced by members of the Alaska House of Representatives and Senate in the 1986 session of the legislature. The bills enjoyed universal support until the President of the Senate added an amendment that would give title and ownership of a one acre parcel of state land to any person who had built an unauthorized structure on that land. The modified bill was ultimately vetoed by the governor after a strong outcry from environmental advocacy groups and the original sponsors of the legislation.
2.4.2 Concessions Proposal

Recognizing the history of failed legislative proposals, in August of 1986 the Area Superintendent responsible for the Nancy Lake State Recreation Area proposed to develop concession operation of the cabins in that unit (this process is described in detail in section 5.4). This development was proposed to take place in the winter of 1987, concurrent with agency attempts to receive legislative authorization for program receipts. In effect, concession operation would become a contingency strategy in the case that the program receipts policy was not authorized by the legislature.

In the intervening period since this author concluded data collection for this analysis, it has become uncertain whether or not the superintendent intends to carry out his original proposal. Yet this proposal, unique in its departure from the chosen agency policy of program receipts, illustrates an issue as old as the PUC program itself. This issue, although discussed informally and argued among agency staff, has never received formal analysis by the agency.

The essence of the revenue recovery issue, summarized as a question, forms the problem statement for this thesis:

Which revenue recovery policy, program receipts or concession operation, is the most effective alternative for ensuring the continued operation and future development of the PUC program?
In the next chapter, this question and accompanying subsidiary questions will be discussed in detail, along with the techniques that might be applied for the analysis of this issue.
CHAPTER 3

REVIEW AND DEVELOPMENT OF
PROBLEM STRUCTURING TECHNIQUES

3.1 INTRODUCTION

The primary purpose of this chapter is to review and develop methods of identifying and structuring the policy issues characteristic to this case study. This will provide the foundation for a later evaluation of alternative revenue recovery policies. Because methods of evaluation are distinctly different from methods of problem structuring, they will be addressed in Chapter Four.

Chapter Three begins with an examination of the significance of the problem statement, and an articulation of subsidiary questions and objectives for the analysis. Next, the scope of the analysis is defined. This includes the definition of terminology and concepts that will be used throughout this thesis.

The third major component of this chapter is the review, selection, and development of problem structuring methods. These methods are used to suggest the characteristics and possible causes of policy problems, from the perspective of both this analyst and agency representatives involved in
policy development. This approach will help ensure a comprehensive definition of the issues unique to this case.

3.1.1 Problem Statement Significance

In the previous chapter, we saw that a combination of statutorial constraints on the PUC program, and the proposed policy responses to these constraints, led to the identification of a long-standing question as to the effectiveness of each approach. Framed as the problem statement for this thesis, the question asks:

Which revenue recovery policy, program receipts or concession operation, is the most effective alternative for ensuring the continued operation and development of the PUC program?

To the knowledge of this author, the AK DPOR has never formally undertaken the analysis of this policy question. This thesis provides the opportunity to address an issue with important implications for the future of the PUC program. Moreover, this analysis will provide answers to policy questions that the agency will not otherwise have the time or manpower to address.

Given this author's lengthy involvement with the development of the PUC program, this analysis also provides a new perspective on an old policy issue. The new perspective, made from outside of the agency, encourages a more critical look at agency operations, and the application of a wider range of techniques, than if the analysis were carried out within the
agency. Further, in providing for the application of a wide range of techniques, this analysis will allow for the development of a framework that can be applied to similar cases in the future.

Policy analysis by the Division is formalized under the framework of the Division Order, or the department-wide Decision Memoranda. The elements of these policy making instruments include a statement of issue, background, policy options, and recommendations. The problem statement drafted for this thesis closely resembles the style taken in the statement of issues for decision memos. The following are examples of statements of issue taken from agency decision memos:

What is the most effective organizational structure for the Division of Parks and Outdoor Recreation?

Which Division or Divisions should be responsible for operating public use cabins administered by the Department of Natural Resources?

The approach of these statements, and the statement of issue for this thesis, is normative; that is, the approach "attempts to answer the question of what should be done" (Dunn, 1981, p.37). Translated to this case study, what should be done to ensure continued program operation and development? Although I have suggested that revenue recovery is a requisite to program operation and development, this has not yet been conclusively demonstrated. This issue, among others, is considered a subsidiary issue of the larger policy issue. The
means of identifying and addressing such sub-issues is by way of the subsidiary question.

3.1.2 Subsidiary Questions

In order to determine the most effective policy for revenue recovery, a number of accompanying subsidiary questions must also be answered. In the context of an agency decision memo, these questions would be considered as discrete issues. Similarly, this analysis will develop such discrete questions as subsidiaries to the overall problem statement.

In the development of this case study, the subsidiary questions have played a number of roles. The answers to these questions might suggest the overall answer to the problem statement, or be used as a check on the consistency and logic of the answer to the problem statement. Further, they can be used to facilitate the review and selection of appropriate methods of analysis, and as a basis for the definition of objectives for an analysis.

The first two subsidiary questions aim at providing a description of the two policies. They read:

What are the characteristic strengths and weaknesses of each policy alternative, and the causes of these characteristics?

If each policy were implemented separately, at what point is each most vulnerable to failure?
For this analysis, the strength of a policy means that there is a high degree of certainty that the policy can be successfully implemented. The weakness of a policy means that there are significant levels of vulnerability associated with the successful outcome of implementation. The areas or phases of uncertainty will be referred to as points of vulnerability.

The following subsidiary question concerns the impacts of policy failure:

What would be impacts on program operation if a revenue recovery policy was not successfully implemented?

This question is designed to substantiate or discredit the supposition that revenue recovery is a requisite for program development. It also suggests the development of a scenario of program operations in the case of policy failure, and then a forecast of the resulting impacts.

As seen in Chapter Two, a member of the agency staff has proposed that the policy for revenue recovery be modified by developing concession operations as a contingency policy. The fourth and fifth subsidiary questions are designed to address the impacts of the proposed contingency policy:

What would be the impacts on the PUC program of the implementation of a concessions policy?

What would be the impacts on the agency of the implementation of a concessions policy?
Again, these questions indicate the need to develop scenarios of program and agency operations under the modified policy, along with methods of forecasting and assessing the impacts of such operations.

In summary, the five subsidiary questions can be broken into two categories. The first three questions are concerned with a description of the problem; they will provide the vehicle to articulate and structure the problem for analysis. The last two questions are concerned with a description of the solution; they provide the vehicle to evaluate the efficacy of the proposed solution.

3.1.3 Objectives

Six objectives have been defined for the development of analysis techniques for this thesis. These objectives are arranged sequentially to reflect the order in which they are addressed in the following chapters. They are:

(1) to make a normative evaluation of policy alternatives;
(2) to evaluate a range of policy analysis techniques for application to this case and similar cases;
(3) to identify the operational characteristics of each policy, including the points of vulnerability of each alternative;
(4) to incorporate the divergent premises of policy makers in the development of the policy analysis structure;
(5) to develop scenarios of program operations under the alternative policies;
(6) to assess the impacts of the policy alternatives on program operations and development;

The fourth objective, until now undefined, will be important in that the reasoning of different policy makers can provide valuable insights into the efficacy or constraints of a policy alternative.

3.2 SCOPE OF ANALYSIS

The scope of this analysis focuses on the relationship between development constraints found within the policy environment, and the outcome of policy implementation. The definition of the scope of this analysis is based on a Policy Process Model developed by Shanks (1983, p.12):

![Policy Process Model](Figure 3.1)

As illustrated in Figure 3.1, the model has five major components: policy formation, policy output, policy implementation, policy outcome, and the policy environment. The interaction between the policy environment and policy formation results in policy output; that output is then implemented, with
the interaction between the policy environment and implementation resulting in the policy outcome.

3.2.1 Defining Implementation

In this case study, the agency has already completed the policy formulation stage for each policy alternative (the result of this is labelled as policy output). Further, the agency has adopted for implementation one of the two revenue recovery policies, although the policy will require further authorization before it can be operationalized. Therefore, I suggest that the implementation process has begun with the adoption of the policy.

Pressman and Wildavsky (1973) would argue otherwise; they suggest that implementation should not refer to problems of authorizing a policy, but problems that occur once a policy has been operationalized. From this perspective the argument would follow that my analysis should focus on policy formulation, as the policy has not yet been authorized.

Van Meter and Van Horn's definition substantiates my original supposition. They write:

Policy implementation encompasses those actions by public or private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy decisions. This includes both one time efforts to transform decisions into operational terms, as well as continuing efforts to achieve the large and small decisions mandated by policy decisions. (1975, p.447)
Therefore, this study concerns the "one time efforts [of the Division] to transform decisions [to adopt a program receipts policy] into operational terms." (Van Meter and Van Horn, 1975, p.447).

Policy implementation for this case is taken to mean both the program activities necessary to achieve a desired policy outcome, along with any necessary preparations. The elements of policy implementation are variables that are subject to policy control. Coleman has defined these elements as policy variables. Policy variables "can be or have been amenable to policy control" (Coleman p.24), and I suggest that they are internal to policy implementation.

3.2.2 Policy Environment

The policy environment is comprised of situational variables both human and non-human. Situational variables "play a part in the causal structure which leads to the outcome variables, and thus must be controlled in the analysis or design, but are not subject to policy control" (Coleman, 1975, p.24) For instance, members of the legislature, while playing a determining role in the outcome of policy implementation, are not directly involved in daily operations for a policy. Instead, they are external to implementation, and can be considered as part of the policy environment.

Similarly, HB 696, which would prevent collection of fees without statutorial authorization, can be considered a
situational variable of the policy environment. Of special
concern to this analysis are the problems that arise out of the
relationship between situational variables within the policy
environment, and the outcome of policy implementation. These
problems will be identified using methods of problem
structuring.

3.3 STRUCTURING THE PROBLEM

Structuring a policy problem, according to Dunn (1981),
"is the process of generating and testing alternative
conceptualizations of a problematic situation." Proper
structuring of the problem will help ensure that a Type III
Error is not made. A Type III Error is the probability of
solving the wrong problem, or in other words, getting the right
answer for the wrong question. "Careful planning and execution
of problem solving steps are irrelevant if the wrong problem
definition has been developed" (Mitroff and Kilman 1979b p.27).

Proper structuring of a problem can also help to identify
a range of problem solving methods that might be applied to the
problem, and potential solutions for the problem. In the words
of Wildavsky, "formulation [of the problem] is tantamount to
prefiguring the solution" (from Dery, 1981).

In my review of literature for problem structuring
methods, I identified two techniques that might appropriately
be applied to address the first and second subsidiary
questions. The review that led to this choice is summarized in
the following section.
3.3.1 Survey of Methods

The first subsidiary question asks for a description of the strengths and weaknesses of each policy, and the causal factors associated with these characteristics. This question implies the need to classify policy characteristics, and then identify possible causes. Classification analysis and hierarchy analysis are the two methods I intend to use to structure the policy problem.

Classification analysis has been defined as "a technique for clarifying concepts used to define and classify problematic situations" (Dunn, 1981 p.119), or "the definition and classification of problematic situations" (O'Shaughnessy, 1972, p.23). There are two approaches to classifying the characteristics of public policy: those that aggregate or group characteristics, and those that divide characteristics. Grouping methods include policy typologies (Dubnick, 1983, p.59) and logical classification (O'Shaughnessy, 1973, p.24). Methods that divide characteristics are labelled logical division.

Although the grouping methods lend themselves to needs of description and comparison, they do not provide the framework for detailing the characteristics of the policies in question. For this reason the methods of "typifying policies" and logical classification will not be applied to this case study.
Logical division is the reverse of logical classification; it is a process of selecting a class of characteristics and breaking it down into component parts (Dunn, 1981, p.119). This method would provide a means of detailing the characteristic variables of each policy. What it does not provide is a means of linking these variables to associated causal factors. Hierarchy analysis, "a technique for identifying possible causes of a problem situation" (Dunn, 1981, p.120), will provide such a means.

Hierarchy analysis is used to identify a range of possible causes for a problem situation, and identify the amount of influence policy makers have over these causes. In a process outlined by O'Shaughnessy (1972, p.75), the possible causes of policy characteristics are systematized using a hierarchy tree. The causes are then classified according to the amount of influence a policy maker has over the causal factors.

In essence, hierarchy analysis is a modified form of classification analysis aimed at identifying causal factors. It provides the analyst with information as to whether a causal factor is located in the policy environment or the process of policy formation or implementation. From this point, it is up to the analyst to conclusively identify the effects of causal factors through techniques such as policy impact analysis.

To develop the problem structure of this case study, I will apply a hybrid version of classification analysis that includes the categories identified for hierarchy analysis. This
modified analysis will assist the identification of the strengths and weaknesses of each policy, possible causes of these characteristics, and locate the source of the cause vis a vis internal or external to policy implementation.

One possible critique of classification analysis is that it would foreclose alternative causal explanations of a problem in the process of categorizing causal factors. Such a critique might be possible if one confuses the objective of the classification process. The objective is not to classify the effect of a causal factor on a policy characteristic. Instead the objective is to classify the source of the causal factor in relation to the policy characteristic.

3.3.2 Classification Analysis Procedure

The first step in a classification analysis is to comprehensively identify the components and characteristics of each policy alternative. Because the characteristics occur within discrete phases of the program, the analysis will focus on policy implementation, revenue recovery procedures, and program operations.

The next step is to classify each phase according to the amount of influence policy makers have over it. From this it can be determined if the potential source of a policy problem is internal or external to the process of policy implementation. Causal factors will be classified either as situational variables, or policy variables, following Coleman's
definition of variables (situational variables are external to implementation and thus outside of the control of the policy maker while policy variables are internal to implementation and therefore subject to policy maker control).

In Chapter Two it was noted that both the previous initiatives similar to the proposed revenue recovery policy consecutively failed. The source of these failures were external to the process of implementation; that is, they were situational variables. Also in Chapter Two, we saw that field personnel had proposed a contingency policy to the "agency choice" for revenue recovery. This suggests a lack of confidence or certainty that the agency choice will be successfully implemented, perhaps because of variables external to the policy. This also leads to the question of how certain it is that a given policy will be implemented. Classification analysis would facilitate exploration of this uncertainty issue, and the identification of associated causal factors.

This issue could also be explored by assessing the perspectives of individual policy makers involved in this issue. Assumptional analysis is a technique that can be used to articulate the definition of a policy problem by examining the perspectives of the policy maker's involved in policy formation for the PUC program.
3.3.3 Assumptional Analysis Procedure

Different policy makers hold different perspectives and premises in regards to policy problems and solutions; Hok has defined these premises as the result of the "value/policy relationship" of a policy actor. Assumptional analysis "is a technique that aims at the...synthesis of conflicting assumptions about policy problems" (Dunn, 1981, p.121).

Dunn calls the methods of assumptional analysis the "most comprehensive problem structuring process." Mitroff, Emshoff, and Kilman, the originators of this process, have labelled assumptional analysis as a dialectical process (1979a, p.584). That is, assumptional analysis attempts to "systematically and explicitly consider divergent views [and assumptions] about the nature of problems and solutions" (Dunn, 1981, p.121). Therefore, this technique would fulfill the objective of this analysis to incorporate the premises of policy makers in the development of the problem structure.

Assumptional analysis techniques can be applied " by groups of policy stakeholders who participate in structuring policy problems", or as in this case, "by the individual analyst who simulates the assumptions of stakeholders in order to conduct a reasoned debate with himself" (Dunn, 1981, p.121).

Because this case study is aimed at the identification of assumptions, and not their synthesis, only two of the six sequenced steps of assumptional analysis will be used: stakeholder identification and assumption surfacing. The first
step in the process would be to identify policy stakeholders. Stakeholders are "any [individual or] party that both affects and is affected by an organization and its policies" (Mitroff 1979a, p.586). Our analysis will focus on agency stakeholders; that is, the policy makers within the agency implementing the program our case study is concerned with. A number of other stakeholders play a role in the outcome of the policy (e.g., elected representatives, the public) but do not play a part in policy formation or adoption. Therefore, it is not useful to include these policy players in the case study.

The second step, identification of the stakeholders assumptions, or "assumption surfacing", "works backwards from a recommended solution...to the selective sets of data that support the recommendation and the underlying assumptions that...allow one to deduce the recommendations as a consequence of the data" (Dunn, 1981, p.122).

The "selective sets of data" used in the assumptional analysis will be taken from the results of the classification analysis. Underlying assumptions will be simulated for agency stakeholders based on their actual preferences of one policy alternative over another. The reader must recognize that while the simulation of assumptions is subjective, logical assignments can be made based on explicit premises of the stakeholders.
The assumptions and positions of policy stakeholders will suggest the basic essence of the policy issue or problem we are structuring. These assumptions may support or refute the conjecture that a lack of agency control over critical policy phases is the basic issue, and it may suggest other elements of the policy problem that were previously not evident.

3.4 SUMMARY

Section 3.1 describes the significance of this analysis, the subsidiary questions that accompany the problem statement, and the objectives for the analysis. Of major significance to this thesis is the development of a framework of policy analysis that can be applied to the selected case study, or to similar cases in the future. This thesis takes a normative approach to the evaluation of alternative policies for revenue recovery, attempting to determine the optimum policy for the recovery of revenues for the PUC program.

The subsidiary questions developed for this analysis suggest the need to define the characteristic strengths and weaknesses of each policy. The questions also suggest the need to develop scenarios of program implementation under each policy alternative, and then an assessment of the impacts of these operations.

The problem statement and subsidiary questions are translated into five objectives for this thesis. Those objectives, along with the subsidiary questions, form the
benchmark against which all methods of policy analysis are reviewed for selection.

The scope of this analysis is defined to include the relationship of policy implementation to the surrounding policy environment. Situational variables, which are located within the policy environment, are external to the influence of policy. In contrast, policy variables are internal to implementation; along with situational variables, they determine the outcome of a policy. Of special concern to this analysis are the relationship and impacts of situational variables on the outcome of the agency policy for revenue recovery (i.e., program receipts).

Modified versions of classification analysis and assumptional analysis would be used to answer the first two subsidiary questions of this analysis. These questions concern the characteristics of the alternative policies, possible causal factors, and points of vulnerability. From the application of the above mentioned problem structuring methods a thorough understanding of the policy issues for this case would be gained.

While the information developed with these techniques will provide a foundation for the evaluation of policy alternatives, it cannot identify appropriate criteria or methods to that end. Such methods and criteria will be reviewed in Chapter Four.
CHAPTER 4

REVIEW AND DEVELOPMENT OF
POLICY IMPACT ANALYSIS TECHNIQUES

4.1 INTRODUCTION

This chapter reviews the development of the procedures chosen to analyze the issues characteristic to this case study. These procedures were chosen because of their ability to frame the findings of the previously described problem structuring methods (i.e., classification analysis, assumptional analysis), and provide answers to the final three subsidiary questions.

The first section of this chapter provides a discussion of the objectives for the analysis, the function of policy impact analysis, and the specifications of a framework for scenario building and impact analysis.

The second and third sections discuss the methods chosen for use in this case study: Dunn's model of a structured policy debate, and Cook and Scioli's model of policy impact analysis. These sections detail the application of these methods to this case study, and provide examples of how the information from the case will be formatted.
4.2 DEVELOPMENT OF ANALYSIS FRAMEWORK

In Chapter Three it was proposed that two methods of problem structuring be applied to the first two subsidiary questions. The results of these methods, I suggested, would be the identification of policy characteristics, associated causal factors, and points of vulnerability.

As of yet unaddressed are the subsidiary questions concerning the forecasts of different policy scenarios. These scenarios concern program operations without a method of revenue recovery, and operations under the contingency policy. The methodological requirements of these subsidiary questions are underlined in the following statement of analysis objectives:

To develop scenarios of program operations under the alternative policies;
To assess the impacts of the policy alternatives on program operations and development.

Scenario building is one of a number of techniques known as subjective forecasting. Other techniques include the Delphi Method, brainstorming, and cross-impact matrices (Hogswood 1984, p.135). Scenarios are "hypothetical sequences of events constructed for the purpose of focusing attention on causal processes and decision points" (Hogswood 1984, p.138). Scenarios can be used to answer two questions:

(1) How might a situation come about, step by step?
(2) What alternatives exist, for each [policy] actor, for preventing, averting, or facilitating the [policy] process? (Hogswood from Encel, et al. 1975, p.86).

Hogswood identifies two limitations with scenario building: that an assumption might be made for a causal relationship that does not exist, and that there is no way of ensuring that all major possibilities are identified (1984, p.139).

In this case study, scenario building will allow for the description of program operations under each policy alternative. From the scenarios of program operations, forecasts of the effectiveness and efficiency of each policy alternative will then be made using policy impact analysis techniques.

While policy analysis is concerned with "what causes a policy", policy impact analysis is concerned with "what a policy causes" (Cook and Scioli, 1975, p.95-96). In other words, this process is concerned with measuring the impacts of a given policy on overall program objectives. Since this process is relatively straightforward, a model of policy impact analysis was quickly chosen from the literature review.

In this and the preceding chapter, we have reviewed methods of classifying policy characteristics and problems, defining policy scenarios, and the forecasting of policy impacts. What is lacking is a framework that provide a means for addressing all the critical issues and critical assumptions of this case. This framework should provide a means
for articulating previously implicit reasoning, while allowing for checks on the consistency and logic of this reasoning. The framework should allow for the development of critiques or rebuttals to questionable premises or assumptions, perhaps introducing the divergent perspectives of policy actors. Finally, the framework should compliment the normative approach taken in this case study.

During the development of the case study, the author attempted to adapt four policy analysis techniques to the above specifications. These techniques included causal modelling, theory mapping, feasibility assessment, and objectives mapping. These techniques were ultimately rejected because they did not fulfill the above requirements, or provide a logical and comprehensive means of addressing the remaining subsidiary questions. The technique finally chosen to fulfill the framework objectives is the structured policy debate.

4.3 STRUCTURED POLICY DEBATE

Dunn suggests that by using techniques of structuring a policy debate, an analyst can "employ problem solving methods that are open to challenges, are self critical, and are directed toward the resolution of a problem, rather than the justification of favored policy alternatives" (1981, p.43).

Dunn's model of a policy debate is structured with seven elements. These elements are arranged sequentially to lead the policy analyst from a piece of "policy relevant information"
through a number of sub-issues comprised of policy warrants (premises) and rebuttals to policy claims. The policy claim forms the conclusion of the argument, and can then be tested with appropriate methods of policy analysis.

I offer three reasons for the application of this technique to the case study. First, a structured policy debate would facilitate incorporation of the basic policy issue(s), providing a framework for the evaluation of substantive arguments for and against each policy alternative. In this framework, assumptions or premises could be defined about the effect of a certain variable on the outcome of a policy (i.e., the concessions policy, for instance), and then tested using the methods of policy impact analysis.

Second, the application of these techniques allow for the continued development of the divergent positions of the policy players. Building on the assumptional analysis, it provides for the evaluation of policy maker premises and rebuttals in regard to a specific policy approach.

Third, structuring a policy debate for the evaluation of problem solving strategies is consistent with the normative approach of this thesis. It allows for the discussion and analysis of policy alternatives from a problem solving perspective, rather than from the one-sided perspective of policy justification.
4.3.1 Debate Elements

This section initially details the substantive elements of a structured policy debate, and then closes with a description of the graphic presentation. Unless otherwise cited, the quotes seen in this section are taken from Dunn (1981, p.41). A graphic presentation of the structured policy debate is found in section 6.1. It may help the reader to refer to this figure while the elements of the policy debate are discussed below.

The starting point of the policy debate is the definition of "policy relevant information": a circumstantial piece of information that has helped precipitate a policy debate issue. Policy relevant information is "produced by multiple methods...[and] includes policy problems, alternatives, actions, outcomes, and policy performance." For this case study the policy relevant information will concern the amount of agency control over phases of policy implementation. This information will be taken from the classification analysis in Chapter Five.

The next element is the policy claim. A policy claim is the "conclusion of a policy argument; the logical consequence of policy relevant information." In this case, the policy claim will take the form of an answer to the problem statement of this thesis. This answer can be only as conclusive as the supporting warrants are logical, valid and reliable.
The warrant in a policy debate is the "assumption in a policy argument which permits the analyst to move from policy relevant information to a policy claim." In this case, the warrant allows for the introduction of scenarios and premises that support the claim for a contingency policy. For instance, the second warrant will read:

[Since] The lack of a revenue recovery mechanism will significantly impact the PUC program. [Note: The word since is part of the suggested format. Read together with the backing, rebuttals, and qualifiers, it would form a sentence that concludes with the policy claim.]

At first glance such a statement may seem biased; it must be remembered that this should be taken as both a scenario and a premise, that an equally biased yet contrasting rebuttal will be made to this statement, and most important, taking a position is a prerequisite to testing with methods of policy impact analysis.

Supporting every warrant and rebuttal is a backing. The backing "consists of additional assumptions or arguments that may be used to support warrants which are not accepted on free value. The backing for warrants allows the analyst to go one step further backward and state underlying assumptions." An example of a backing statement for the previously defined warrant reads:

[Because] Critical program objectives will not be achieved.
The program objectives used for this analysis are taken from policy objectives for the PUC program. They are:

(1) To increase and enhance recreational opportunities;
(2) to provide for public safety;
(3) to provide support to the state's tourism industry;
(4) to maintain an appropriate standard of service using cost-effective management methods;
(5) to return cabin rental revenue to the program for the maintenance of the cabins;

A conceptual discussion of program objectives is seen in section 4.4.1. The rationale for the choice of the above objectives is discussed in section 6.2.1.

The next policy debate element is the rebuttal. "A rebuttal is a second conclusion, assumption, or argument that states the conditions under which an original claim is unacceptable, or under which it may be accepted only with qualifications. Taken together, policy claims and rebuttals form the substance of policy issues...and serve as a systematic means for criticizing one's own claims, assumptions, and arguments." For instance, a rebuttal to the warrant stated previously might read:

Lacking a revenue recovery mechanism, the PUC program will not be significantly impacted."

The backing for this would read:

[Because] Significant program objectives would be achieved."
The next policy debate element is the qualifier. "A qualifier expresses the degree to which the analyst is certain about a policy claim. In policy analysis, qualifiers are often expressed in the language of probability. When the analyst is completely certain about a claim, that is, when conclusions are wholly deterministic in nature and contain no error – no qualifier is necessary."

After the definition of policy debate elements, a chart similar to a PERT chart or a decision tree will be drawn up (see Figure 6.1, section 6.1, for the debate developed for this analysis). Policy relevant information is placed in the upper left hand corner, and the policy claim in the upper right hand corner. On the lower half of the chart, policy warrants, rebuttals and backings are grouped by issue. A series of arrows is used to guide the reader through the sequence of warrants and rebuttals to the conclusion of the debate. This will have then met the need of this analysis to develop a framework for the definition of policy scenarios.

4.4 POLICY IMPACT ANALYSIS ELEMENTS

The model of policy impact analysis proposed for this case study would measure the impacts of a given policy scenario on overall program objectives. The model of policy impact analysis chosen for this case study was developed by Cook and Scioli (1975, p.96 - 105). The major components of this model are program activities, program objectives, and performance measurement criteria. Policy impact analysis tests the efficacy
of program activities in achieving program objectives with the application performance measurement criteria. Because the program activities defined for this case are based on scenarios, the definition of impacts is necessarily subjective.

4.4.1 Program Objectives

Program objectives can be divided down into two categories: **procedural objectives** and **outcome objectives**. Procedural objectives emphasize the administrative aspects of a policy such as administrative performance and cost-efficiency. The procedural objectives that are developed will be based on information reviewed in the classification analysis.

Outcome objectives are external to program operations and activities. They focus on "...the impacts of the program [operations] on a specific socio-physical target within the environment of the program" (Cook and Sciolli, 1975, p.95). In the policy warrants developed for the debate, the outcome objectives will be translated from the recreation goals described in the PUC program plan. This would include goals such as increasing recreational opportunities, extending the season of recreational use, and protecting natural and cultural resources.

Procedural objectives and outcome objectives are directly related. The attainment of procedural objectives should be consistent with the attainment of outcome objectives;
conversely the failure to achieve procedural objectives will result in the failure of achieving program outcome objectives.

4.4.2 Program Activities

Program activities are those administrative and organizational characteristics of a program delivery system. Program activities are the "output of policy", or activity of government, as described by Dye (1972, p.291). In this case, scenarios of program operations without a mechanism of revenue recovery, and with revenue recovery through concessions, will be developed. These scenarios will be based on the operational characteristics of the program identified in the case study overview in Chapter Two, and the classification analysis in Chapter Three.

4.4.3 Performance Measurement Criteria

The function of performance measurement criteria is to indicate whether or not program activities are achieving outcome objectives. Examples of performance measurement criteria might include the numbers of users of the cabins, the number of complaints about the condition of a cabin, or the number of staff hours spent in the maintenance of a cabin. For such criteria to be useful, they must meet tests of validity, reliability, objectivity, and standardization. If necessary, these tests will be introduced as the criterion is operationalized along with the policy impact analysis.
4.5 SUMMARY

In Chapter Three, we reviewed methods of characterizing the strengths, weaknesses and vulnerabilities of each policy alternative, for later application to the first two subsidiary questions. Chapter Four has provided a review of the techniques that will be used to address the final three subsidiary questions of this thesis.

The technique of structured policy debate was chosen as the framework for the development of scenarios for the forecasting of policy impacts. This technique contains seven elements that are arranged to lead the reader from a neutral piece of "policy relevant information", through a number of policy sub-arguments and rebuttals, to a conclusion in the form of a recommendation for an optimum policy.

Each of the policy sub-arguments can be considered as a premise for or against a revenue recovery policy. In order to test these premises, Cook and Scioli's model of policy impact analysis will be applied to scenarios based on the premises.

The elements comprising the model of policy impact analysis are program objectives, program activities, and performance measurement criteria. Performance measurement criteria are used to forecast how well a given aspect of a program activity might achieve program objectives. From these forecasts, it will be possible to define the impacts of a given policy on program objectives.
From the results of the impact analysis, it will be possible to substantiate or discredit each of the policy scenarios introduced in the structured policy debate. Finally, it will be possible to address the subsidiary questions concerning the impacts of the different scenarios, and come to a conclusion about the problem statement.
5.1 INTRODUCTION

Chapter Five represents the return of this case study from the methodological discussion in the previous two chapters to the policy issue at hand. The purpose of this chapter is to describe policy issues by addressing the first two subsidiary questions of this case. These questions concern the characteristics of each policy alternative, associated causal factors, and points of vulnerability for each policy.

Classification analysis is used in the first two major sections (5.3 and 5.4) to provide an in-depth review of the workings of both policy alternatives. Characteristic strengths and weaknesses of both policies will be identified, and the amount of agency involvement in the causal factors associated with these characteristics will be identified. From this it is hoped to suggest a possible relationship between agency involvement and policy vulnerability.

The results of the classification analysis will form the foundation for an analysis of the assumptions and premises of agency policy makers regarding revenue recovery. The assumptional analysis will be used as a check on the results of
the previous methods, and to articulate the discussion of policy issues.

The results of these analyses will not be an answer to what the most effective revenue recovery policy is. Instead they will suggest what constraints must be overcome to effect revenue recovery. In effect, this chapter will define the issues necessary to make a normative evaluation of policy alternatives in the following chapter.

5.2 APPLYING CLASSIFICATION ANALYSIS TO CASE STUDY

In Chapter Three we reviewed literature on techniques of classification analysis for problem structuring. In the first half of this chapter we will apply these techniques to the case study.

The first objective of classification analysis as it applies to this case is to identify the elements of implementation and program operation which are significant to the achievement of overall program objectives. The elements included in this analysis are implementation, revenue recovery procedures, and policy operationalization.

The second objective is to classify these elements according to the amount of influence the agency has over situational variables and policy variables affecting the outcome the outcome of a policy. This classification will include a measurement of the amount of influence or control the agency has in determining the outcome of the policy.
This leads to the third objective, which is the determination of the phases of implementation at which there is the greatest uncertainty of outcome. In Chapter Three it was proposed that uncertainty of implementation may be one of the basic policy issues involved in this case. The classification analysis will check this supposition, and provide for the identification of the causal factors associated with uncertainty.

The following two sections (5.2 and 5.3) review the phases of policy implementation for each alternative; section 5.4 identifies the significance of implementation phases, uncertain outcomes, and makes a comparison of the policy alternatives.

5.3 PROGRAM RECEIPTS

5.3.1 Revenue Recovery Procedures

The language from the proposed fee bill illustrates how revenue would be recovered using a system of program receipts. Section 1(c) of the fee bill reads:

Fees collected under this subsection shall be deposited in the general fund. The commissioner of administration shall separately account for fees collected and deposited by the commissioner under this subsection. The annual estimated balance in the account may be appropriated by the Legislature to the Department of Natural Resources to carry out the purposes of this section (AK DPOR, 1986e).

The technical aspects of instituting program receipts would be the development of an accounting procedure between the
Department of Administration and the Division of Parks.
Following the quote from Section 1(c) of the fee bill, program revenues would be separately accounted for, deposited in the general fund, and that amount would be requested and appropriated to the agency for program operations in the next fiscal year. Once the funds are appropriated to the agency they are disbursed for program operations

5.3.2 Implementation Process

On August 20, 1986, the Director of the Division of Parks forwarded a memo to his superior (the Commissioner of the Department of Natural Resources) proposing that the Governor introduce an omnibus bill to the Legislature to charge user fees and establish program receipts for selected programs. This piece of legislation will be referred to here as the "fee bill."

The proposed legislation included a provision that would allow the Division to receive and spend revenues for the PUC program. Without such statutory authority, all program revenues would go into the General Fund of the State, and expenditures would be limited to annual appropriations from the General Fund. Proposing this statutory change is the first step in the process of implementing a policy for revenue recovery — the "initiation of implementation."

Although the program receipts policy has been adopted by the agency, it cannot be operationalized until it passes through four stages in the legislative process, including: (1)
inclusion in the Governor's legislative requests; (2) introduction in the legislature; (3) passage by the legislature; (4) and approval (rather than veto) by the Governor.

For this case, the four step process will be considered as the legislative **authorization** phase of policy implementation. Once these four steps are accomplished, the policy can be operationalized, and revenue recovery can begin.

The first step of implementation is the approval of the legislative proposal by the Commissioner of the Department of Natural Resources (DNR), a member of the Governor's cabinet who serves as the intermediary between civil service agencies and the Governor's administration. As Executive Officer of the DNR, the Commissioner is responsible for the establishment of overall agency policy, including the policy of the Division of Parks. Therefore, the proposed fee bill requires the Commissioner's support before it would be reviewed by the Administration.

At this writing the Commissioner had approved the request for legislation. After this approval, the proposal went to the Governor's Office for administrative review. It should be noted that the existing administration was replaced December 1, 1986 by the newly elected Governor and his chosen administration. As a result, the decision to introduce the DPOR fee bill to the legislature is pending review and approval of the new administration.
Upon administrative approval, the fee bill would be introduced to the Legislature through the Rules Committee of either the House of Representatives or the Senate. Once introduced, the life of the fee bill could extend through two consecutive sessions of the Legislature. This means that if the bill is not passed, but not tabled in the 1987 Legislative Session, it can be considered in the 1988 Legislative Session.

If the fee bill is passed by the Legislature, the fourth and final step of authorization is the approval (or veto) of the legislation by the Governor. If approved, the bill is codified into law as an Alaska Statute, and program receipt procedures for the recovery of revenues from the PUC program can be instituted.

5.3.3 Program Operations

Program operations can be characterized as the outcome of a program receipts policy that has been adopted by the Division, and authorized by Administration and the Legislature. The description of this policy outcome is important to this analysis because of the policy effects on the "continued operation and development of the PUC program" (quote from problem statement). In Chapter 6 we will assess the impacts of the policy outcome for program receipts; therefore it is important to describe program maintenance objectives and activities to serve as a basis for this assessment.
The program operation goal for the PUC program is:

Maintain a safe and appropriate standard of service using cost-effective management methods." (AK DPOR, 1986d, p.2).

To this end the agency has defined two maintenance objectives for the program:

(1) to give each cabin the overall appearance of being clean and kept sanitary, free from litter, neat in appearance, and well kept;

(2) to identify and remedy any potential safety hazards" (AK DPOR, 1986c, p.6).

Maintenance activities designed to achieve these objectives includes day-to-day maintenance (i.e., regular cleaning of cabins), and special maintenance (i.e., non-regular repair of cabin fixtures).

As seen in the PUC plan (AK DNR 1985, p.57) the program manager has four potential sources of personnel to undertake maintenance activities:

(1) Alaska Conservation Corps - youths between the ages of 18 and 25 -- are seasonally employed for maintenance of park facilities;

(2) "backcountry" contractors - air and water taxi operators, guides, or other businesses that normally operate in proximity to the cabins, these businesses could be contracted to maintain the cabins;

(3) agency personnel - Park Technicians and Park Ranger assigned to maintenance duties;

(4) volunteer labor - would also require staff coordination and supervision.
Cabins would be maintained to the standards defined in the PUC program policy with personnel being responsible for the 26 activities defined in the Standard Maintenance Checklist for the cabins (AK DPOR, 1985, p.90).

Monies would be allocated from the program receipts account for the funding of personnel and the purchase of cleaning supplies and repair fixtures. Receipts accrued above and beyond maintenance costs might be applied to the construction of new cabins.

5.3.4 Identifying Uncertainty

The proposal for the fee bill by the DPOR is significant to this case study because it signals the choice of a program receipts over a policy of concession operation of the program. The adoption of the fee bill is based on variables controlled by the agency; this choice sets the stage for the policy issue on which this thesis focuses.

There are many sources of uncertainty within the four major stages between proposing a bill and having it finally enacted and in effect. Among the significant factors, which alone or in combination could prevent the passage of the bill, are:

(1) the new governor may not support the proposal and therefore refuses to introduce it to the legislature;
(2) the normally unpredictable behavior of the Alaska Legislature;
(3) the governor may veto the bill after it has passed from the legislature.
Agency influence significantly decreases in each of these steps. In the first step, the director of the agency can meet directly with the Commissioner. At this point the agency has the greatest influence with its lobbying efforts. Once the proposal is passed to the Governor's administration for review, the director may lobby for the bill only if asked to provide information. Similarly, after the bill is introduced to the legislature, the agency may not lobby for the passage of the legislation. Instead, the agency can only provide briefing information when requested to do so.

Because the agency can exert so little influence over the variables associated with the legislative authorization phase of implementation, these variables will be classified as "situational variables." The combination of a lack of agency influence and uncertainty of policy authorization suggests that this phase be a major point of vulnerability for program receipts. This supposition will be addressed in later sections of this chapter.

Both stages of program operation (i.e., revenue recovery and program maintenance) are significant to the continuance of the PUC program. With the establishment of legislative precedence, it is assumed that there is a high degree of certainty that program receipts will be recovered every year. For program maintenance operations, given the professional credentials and experience of the personnel responsible for this phase, it is assumed there is a high degree of certainty
that this phase will be successfully implemented. Therefore, the outcome of policy implementation for revenue recovery and program maintenance phases is characterized by a good degree of certainty.

In summary, the outcome of the legislative authorization phase is the most uncertain of all program receipt implementation phases. The outcome of this phase of implementation is determined largely, if not exclusively, by variable factors over which the agency has little influence. This suggests a relationship between the amount of agency influence over policy implementation variables, and the certainty of policy outcome. In the classification analysis of concession operations, this relationship will be examined further.

5.4 CONCESSIONS POLICY

In this section, classification analysis is applied to a description of PUC program activities under concessionaire management. This analysis will identify the elements of concessionaire management for which the achievement of program objectives is uncertain. It will also identify causal variables internal or external to the agency in the process of implementing a concessions management strategy.

Under Alaska Administrative Code 11 AAC 14.200, the DPOR can enter into concession contracts with commercial or non-profit organizations, or individuals, to develop, operate, and
maintain public use cabins (AK DPOR, 1986d, p.7). For the PUC program, concession operation is an alternative method of recovering revenues for program operation and development. To affect concessionaire operation, the Division would have to implement a wholly different policy and procedure than that involved with program receipts.

Germene to this case study is the proposal by Division field staff to contract with an existing non-profit, or develop a non-profit cooperating association, to take over program operations, including revenue recovery. Use fees would be collected and allocated for the maintenance of the cabins by the concessionaire, effectively circumventing the statutorial requirement for the deposit of all revenues in the general fund.

The following sections describe the implementation process, revenue recovery procedures, and program operations for a non-profit corporation, as envisioned by the agency. Although the agency has developed two cooperating associations for the operation of other State Parks (i.e., Big Delta State Historical Park, Independence Mine State Historical Park), it has yet to implement concession management for a system of public use cabins. Therefore, this description is based on agency documents, extensive meetings with agency staff, and meetings with representatives of similar non-profit associations.
5.4.1 Implementation Process

To a large extent, the policy and procedure for concession operation of agency facilities is already defined, or to use Shanks terminology, formulated. This policy and procedure is designed to be applied in a "boilerplate" fashion as the situation demands.

The first step (which has not been taken) is to adopt a policy to facilitate contracting for the non-profit operation of the cabins. In this case the field staff has proposed implementation of this policy concurrent to the implementation of a program receipts policy.

The decision to go ahead with the development of a cooperating association would be based on three findings (Concession Contracting Process Overview, AK DPOR, 1986a):

(1) concession operation of the facilities are consistent with park unit operations;

(2) for-profit operators are not interested in providing operation and development services for the program;

(3) existing non-profit corporations are not interested.

If in fact an existing non-profit or for-profit operator was interested and had the organizational capacity to operate as a concessionaire, then the Division would begin drafting contract language, and forego the development of a special cooperating association.
The next set of steps for the agency, after adopting a policy to develop a cooperating association can be labelled collectively as the "process of incorporation." The three steps comprising this process are: (1) the selection of a Board of Directors; (2) the drafting of by-laws and articles of incorporation; (3) submission of applications for incorporation and tax-exempt status.

In the development and selection of a Board of Directors, the agency plays the role of facilitator and catalyst to bring together potential members. The intention is to develop a self-perpetuating and independently operated organization whose board members are dedicated to this objective. Agency employees would not sit on the Board. Throughout the process of incorporation they would serve only in an advisory role.

The newly formed Board of Directors would then draft the by-laws and articles of incorporation for the organization. The purposes of the organization, as defined in the by-laws, would be aimed specifically at providing operation and development services for the PUC program.

Upon completion of these documents, the Board would submit to incorporate under the requirements of the State of Alaska. The processing period for documents of incorporation is about three months. Also, the Board would apply for tax exempt status with the federal Internal Revenue Service. The processing period for this can sometimes extend beyond a year, although this status is not necessary to begin operations.
As the newly formed organization is incorporating, or if an existing non-profit agreed to enter into contract negotiations, the agency would be drafting specific language for the concession contract. One of the more important clauses would state that all receipts would be reallocated into facility maintenance and development. Other language would include revenue accounting procedures, maintenance specifications, agency inspections, assumption of liability, etc.

Division representatives would also meet with the Attorney General's Office and the Division of Risk Management to ensure the legality of contract specifics, and apply to the Department of Administration for a bid waiver to the standard state contracting procedure. In most cases, state contracts are let on a competitive basis; in a non-competitive situation such as this case, an agency may apply for a bid waiver. Because such applications are out of the ordinary, processing usually takes between one and four months.

Having completed the process of incorporation, contract drafting and approval of the bid waiver, the non-profit and the agency would enter into contract negotiations. Because of the cooperative relationship shared by the agency and the non-profit, negotiations would provide the opportunity to "fine tune" the contract. Upon the signing of the contract, specified revenue recovery procedures and operations would be transferred to the non-profit corporation.
5.4.2 Revenue Recovery Process

Unlike program receipts, in a concession operation the onus of revenue recovery shifts from the Division of Parks to the selected contractor. No monies would be deposited in the general fund; in the case of non-profit operation, by contract all monies recovered from use fees would be reinvested in facility maintenance or development. Agency involvement in the recovery of revenues varies from scenario to scenario, but generally is not significant. In one scenario, the Division might collect user fees as part of an agreement to operate the cabin reservation. Use fees would be deposited in the account of the non-profit, with the organization later allocating funds as it saw fit. In another scenario, the non-profit might be totally responsible for the collection and allocation of user fees.

The non-profit would be required to keep accurate accounts of all revenue allocations and subsequent spending. The books of the non-profit would be open to the Division for review at appropriate intervals.

5.4.3 Program Operations

The non-profit organization would be required to maintain the cabins to the standards defined in the contract; those standards are based on the maintenance objectives described in section 4.3.4. Sources of personnel for regular maintenance might range from volunteers to members of the organization to
contractors hired for special repair work. Savings in personnel expenditures from volunteer labor might be reallocated to the rehabilitation or development of other cabins.

Agency functions at this stage of operations include field inspections of facilities to ensure maintenance standards are met, aid or supervision in rehabilitation and development projects, and an ongoing advisory presence at the managerial level of the non-profit organization.

5.4.4 Identifying Uncertainty

This section classifies the amount of influence policy makers have over variables associated with each phase of implementation, and identifies the phases in which there is the greatest uncertainty of policy outcome.

The process of incorporating a non-profit corporation is made up of a number of variables over which the agency has a high degree of control. Although agency involvement decreases somewhat through the process, the initial framework developed by the agency would in effect control for variables such as choice of Board members, drafting of by-laws, selection of managerial staff, etc. In this manner the agency guides the outcome of the process, bringing a high degree of certainty that incorporation will be achieved, given adequate allocation of resources.

The next step--agency drafting of the concession contract--is very significant to the policy outcome, and is characterized
by a high degree of agency involvement in the process. While the certainty of outcome is high, there is a fair amount of uncertainty as to how long it would take to complete this step. Statutorial language, liability requirements, and bidding procedures must be reviewed by agencies other than the Division, all of which might contribute to delays in the completion of this phase.

The next step—the revenue recovery process—is set up by the agency in coordination with the non-profit. Involvement of the agency could range from high to low, although the agency would have built a high degree of accountability into the procedure.

A source of uncertainty involved in this step is the amount of time it would take the non-profit to assume operations in an independent and competent manner. This would be a function of the management practices of the non-profit. It seems a reasonable conjecture that an established non-profit with a good management "track record" would more readily assume revenue recovery operations than a newly formed organization.

For both the revenue recovery process and program operations, a number of situational variables combine to produce a medium degree of uncertainty as to when policy outcome objectives will be achieved. In the program operations step, the agency again has a high degree of accountability through the concession contract, but again there is a factor of
uncertainty as to how efficiently maintenance objectives will be met.

In conclusion, each step of implementing a concession policy can be characterized as being affected by variables that are within the influence of agency policy makers. This produces a high degree of certainty that the prescribed policy outcome will ultimately be achieved. Yet, the affect of situational variables, such as inter-agency "red tape", and the managerial capacity of the non-profit, is to create uncertainty as to how efficiently, and when the policy outcome will ultimately be achieved.

5.5 INTERPRETATION OF RESULTS

Answers to first two subsidiary questions can be formulated from the preceding classification analysis of program receipts policy and concession policy. These questions ask about the strengths and weaknesses are of each policy, the cause of these, and at what point the policies are most vulnerable to failure. Also, this section will suggest how these characteristics contribute to the basic policy problem, and what that problem might be.

For this analysis, the strength of a policy is given to mean the certainty with which it can be successfully implemented. The weakness of a policy is given to mean that there are significant levels of uncertainty associated with the successful outcome of implementation. Areas or phases of uncertainty are also referred to as points of vulnerability.
Recalling the description of implementation phases for the program receipts policy, the analysis showed that:

(1) agency involvement and influence is high throughout phases of policy operationalization, and low to negligible for the preceding phases of policy authorization;

(2) the outcome of the legislative authorization phase is the most uncertain stage of implementation;

(3) there is a high degree of certainty that the operational phases of the policy will succeed.

This suggests that the strength of the program receipts policy is the high degree of certainty of achieving outcome objectives for the operational phases. On the other hand, the basis weakness of this policy is the high degree of uncertainty involved with its authorization. Further, in answer to the subsidiary question concerning the points of vulnerability, it seems that the primary point of vulnerability is the uncertainty of policy outcome for the legislative authorization phase.

The analysis of concession policy implementation phases showed that:

(1) there is a medium amount of agency influence throughout all stages of implementation;

(2) there is a high degree of certainty that policy outcome objectives can ultimately be achieved, stemming from the agency's ability to control for critical variables through the concession contract;

(3) there is a degree of uncertainty as to when policy outcome objectives might be achieved, stemming from the lack of agency influence over specific situational variables.
This suggests the strength of the concession policy is the high degree of certainty that the program can be implemented and operationalized. The chief weakness of the policy is that its' implementation is vulnerable to delay from situational variables over which the agency has little or no control. This suggests the primary point of vulnerability is the operational stage of policy implementation.

For both policies, it seems that the level of agency influence over contributing policy variables correlates to the certainty to which a phase can be achieved. I suggest that when there is a high degree of agency influence, there is a high degree of certainty of outcome. When the agency has a low degree of influence, there is a low degree of certainty of outcome, or, the outcome is said to be uncertain.

Field personnel have proposed the concessions policy because they are uncertain whether the program receipts policy will ever be authorized. I propose that they are trying to compensate for uncertainty by introducing a policy over which they have a high degree of control, and therefore can better influence the policy outcome. This suggests that a lack of agency control over certain policy phases is elemental to the definition of this policy issue, and the development of a solution to this issue.

If the lack of agency control is a primary element of the policy issue, it follows that any solutions to the issue should
include methods of increasing agency control. Criteria could be developed to evaluate policy modifications based on the ability to increase agency control. Yet this analysis so far has left untouched other elements of the policy issue. One way to test the "uncertainty issue" and to identify other contributing factors is to examine the premises and assumptions of the policy makers involved in this case. Their rationale for a specific policy recommendation might further support my premise concerning uncertainty, or identify other critical elements of the policy issue. Chapter Three included a discussion of assumptional analysis. These techniques will be applied in the next section of this case study in order to define the positions and premises of the policy makers.

5.6 ASSUMPTIONAL ANALYSIS

5.6.1 Overview of Procedure

The substantive function of this assumptional analysis is to check the logic of my conjecture that agency control, or lack of it, is the primary policy issue in this case study. The rationale of policy makers for their choice of a revenue recovery policy might support or discredit this conjecture, or expose other critical elements as of yet unidentified. The first step in this analysis is the identification of policy stakeholders. A stakeholders is someone that both affects and is affected by an organization and its policies (Mitroff 1979, p.586). This analysis will focus on two stakeholders: the director of the agency, and the superintendent proposing the
alternate policy. These two stakeholders have been chosen because their positions afford two different perspectives on the same problem.

The different perspectives of the stakeholders are based on different premises and assumptions about the policy problem and its interrelationship to other management issues. It should be recognized that while the definition of stakeholder assumptions is subjective, every effort is made to develop these in a consistent and reasonable manner from the supporting data.

5.6.2 Agency Director

The Director of the Alaska Division of Parks and Outdoor Recreation is responsible for the management and operation of all units and facilities of the Alaska State Park System. By nature, such a position entails a "macro-approach" to decision making; this approach is necessary for the consideration of highly complex and interrelated policy issues.

Other than policy making, the major responsibilities of the director include budgetary and legislative matters. The director acts as the Governor's representative (for the agency) to the legislature during the budgetary process, and is involved in the legislative process for matters concerning State Park units and programs.

Of importance to this analysis is the approach the director has taken to the implementation of the PUC program. In
a memo to the DNR Commissioner requesting Administration adoption of the fee bill, he writes that the Division's approach is to:

...mesh cabin and park fees together with our other fee programs such as guide and commercial outfitter fees...one bill is easier to manage than several. (AK DPOR 1986e, p.1).

Although this case study has so far approached the PUC program as an isolated issue, actually it is one of a number of agency programs with economic components that share similar constraints and objectives. Those other programs include campground operation and maintenance, and guide and commercial outfitter programs.

The major constraint for all programs with an economic component is House Bill 696. From the director's memo of August 20, 1986:

...our big fear is that these EXISTING fees [i.e., public use cabins, guide and outfitter fees] will be sunsetted come July 1987 by the newly enacted Procurement Bill (HB 696).

This constraint is inherently legislative; given the ways and means of the director, it is natural he would press for a legislative solution to a legislative problem. More importantly, this highlights another dimension to the definition of a preferred policy, that being the consideration of the constraining deadline of the "Procurement Bill." Any design and evaluation of policy modifications must account for how well the policy meets the July 1, 1987 deadline of HB 696.
One of the unstated development objectives shared by the PUC program and all other programs is a result of the director's management strategy. Generally stated, his strategy is that the agency should operate revenue recovery programs "in-house" before privatization through concession operation. The rationale for this strategy is that the agency will be able to work all the "bugs" out of the system, and gain organizational experience in the operation of these programs.

One interpretation of this management philosophy is that it signals an attempt to compensate for uncertainty in the operation of new programs by keeping them in-house. As suggested previously, the more policy variables an agency can control, the more likely the desired outcome objectives can be achieved. If, for instance, the alternative option was chosen to operate the programs through concession management, agency involvement and control over critical implementation and operational variables would decrease. Therefore, I would argue that the director has placed a high value on the certainty of the outcome of economic policies by keeping them in-house.

Two things are suggested by this assumptional analysis. The first is that the evaluation of policy alternatives must take into consideration larger contextual issues, such as HB 696. Second, it suggests that the Division director places a high value on controlling the outcome of policy implementation, this being based on the description of his strategy for PUC program development. It also raises the question that if both
the director and the area superintendent place a high value on controlling for certainty of policy, why do they recommend different approaches?

5.6.3 Area Superintendent

Area superintendents within the agency are responsible for the day-to-day maintenance and operation of State Park units within a geographical area. The area superintendent is also responsible for personnel matters, budgetary matters, and reports to one of the three regional managers of the agency.

The role of the superintendent is to implement the policies "handed down" from the central office (although area superintendents play an active advisory role in policy development). Therefore, his chief duty, policy operationalization, is quite different from that of the directors responsibility for policy development.

While the superintendent does work within the boundaries of legislative and policy directives, his ways and means are primarily carried out in the operational stages of a policy. This would suggest that if confronted with a policy problem, he would look for a solution in the management of program operations. This is in the definition of the problem and the solutions proposed by the area superintendent.

The recovery of revenue for the maintenance and operation of Nancy Lake State Recreation Area cabins had been a priority concern for the area superintendent even before HB 696 was
authorized. In a number of meetings in the spring and summer of 1986, the superintendent expressed the opinion that both program receipts and concession operation were a viable means of revenue recovery, given that adequate resources were available to operationalize one of the policies.

The superintendent, in his "either-or-both" policy approach to getting the job of revenue recovery done by whatever means possible is attempting to retain the number of options he has available for his use. The preferred policy solution of the superintendent, combined policies, does not contradict the director's approach to the problem, or his strategy for keeping revenue recovery in-house. First, the superintendent can use the program receipts policy if it authorized, or have the concession strategy available as a contingency policy. Secondly, his system of PUCs has been in operation since 1984, so one might suggest that his staff have gained a fair amount of expertise in the operation of the program and therefore would be ready to "put the program out" to private sector operation.

In trying to keep every policy door for revenue recovery open, the area superintendent is increasing the probability that some form of revenue recovery will be available for his use. It shows he places a high value on the certainty of policy outcome. For this evaluation it will be important to translate this value into a criterion for determination of a policy solution.
In answer to the question posed in the last section, the proposal of the superintendent differs from the directors' only so far as it adds to the latters position. The superintendent's approach is to retain each alternative in order to increase certainty of outcome, this being a function of his responsibilities for policy operations.

5.7 SUMMARY AND CONCLUSIONS

In Chapter Two we saw that the consensus of Division personnel was that revenue recovery was a requisite for continued development and operation of the PUC program. We also saw that two policies had been proposed to meet this need. In this chapter the basic issues associated with the implementation of these policies have been identified for evaluation by methods of policy impact analysis.

The results of the classification analysis and assumptional analysis have concluded that both policies for revenue recovery were proposed to increase the certainty that policy outcome objectives would be achieved. In the assumptional analysis, it was suggested that both policy stakeholders place a high value on the certainty of policy outcome. In the classification analysis, the inherent characteristics and vulnerabilities of each policy were identified. From this I concluded that the two stakeholders proposed different policies because of their inherently different perspectives on policy characteristics and vulnerabilities.
The first two subsidiary questions for this case concerned the identification of the strengths and weaknesses of each policy, associated causal factors, and points of vulnerability. In the classification analysis of the program receipts policy, I concluded that the strength of this policy lies in the high degree of certainty for achieving policy outcome objectives in operational phases. I also concluded that the basic weakness and primary point of vulnerability is the high degree of uncertainty involved with its authorization.

In the classification analysis of the concessions policy, the major strength was suggested to be the high degree of certainty that the program can be implemented and operationalized. The chief weakness of this policy is that its implementation is vulnerable to delay from situational variables over which the agency has little or no influence.

The results of the classification analysis suggest there is a correlation between the level of agency influence over policy variables in a specific phase of implementation, and the certainty of achieving policy outcome objectives for that phase. For this case, it would seem that when there is a high degree of agency influence or involvement, there is a high degree of certainty of outcome. When the agency has a low degree of influence, there is a low degree of certainty of outcome.
For the agency director, the problem of revenue recovery is primarily legislative, and therefore is to be solved by legislative authorization of a program receipts policy. With the authorization of the policy, its operationalization could be undertaken wholly within the agency, theoretically guaranteeing a successful outcome.

For the agency superintendent, the problem of revenue recovery is exacerbated if the program receipts policy is not authorized. In this scenario, the superintendent would be faced with the continued maintenance of a program for which no operating appropriation is available. Therefore, he has attempted to retain all policy options for revenue recovery by proposing a contingency strategy in the form of a concessions policy.

Until now, this analysis has not conclusively demonstrated the impacts of "policy failure" on program operations. For the superintendent's proposed contingency strategy substantiated, the failure of program receipts would have to significantly impact the PUC program. Further, it must be shown that there is a good cause for adopting a contingency policy, that there is a good chance the program receipts strategy will fail. Finally, it must be demonstrated that the contingency policy will effectively achieve critical policy outcome objectives. These issues will be tested in the following chapter in order to support or discredit the proposed contingency policy.
CHAPTER 6

POLICY IMPACT ANALYSIS OF
REVENUE RECOVERY ALTERNATIVES

6.1 INTRODUCTION

The purpose of this chapter is to forecast the impacts of program operations under the contrasting scenarios of concessionaire management and operations without a mechanism of revenue recovery. From these forecasts it will be possible to answer the subsidiary questions concerning the impacts of the two scenarios, and come to a conclusion about an optimum policy strategy.

Section 6.2 defines three issues essential to the analysis of the policy problem: the uncertainty involved in the implementation of program receipts, the impacts of a failed program receipts initiative, and the impacts of the concessions policy implemented as a contingency strategy. These issues are defined within the framework of a structured policy debate, which concludes with a recommendation for a preferred policy strategy. The premises and issues supporting this recommendation become the focus of a policy impact analysis in the following sections.
Section 6.3 describes the model of policy impact analysis that will be applied to the latter of the two policy premises. Sections 6.4 and 6.5 forecast the impacts of program operations without revenue recovery, and under concessionaire operation, using the model of policy impact analysis.

Section 6.6 applies the results of the policy impact analysis to the issues first defined in the structured policy debate in order to substantiate or discredit the recommendation for an optimum policy strategy. This section also addresses the final subsidiary questions and problem statement for this analysis.

6.2 IDENTIFICATION OF POLICY ISSUES

In this chapter, the three warrants and rebuttals that comprise the policy debate are the primary point of impact analysis; each is framed to provide for the introduction of criteria on which the alternate policies can be evaluated.

The policy debate developed for this analysis is made up of policy relevant information, three policy sub-issues, and a concluding policy claim. The policy debate is illustrated in its entirety on the following page in Figure 6.1.
The decision to implement the program receipts policy for revenue recovery is external to the agency.

It is uncertain whether the program receipts policy will be implemented.

Past legislative initiatives have failed and can fail again.

The director is privy to informal communications from the legislature.

The director is confident of the passage of legislation for program receipts.

The lock of revenue recovery will have a significant negative impact on the PUC program.

The program will not be significantly impacted.

Critical program objectives will not be achieved.

Critical program objectives can be achieved without revenue recovery.

An existing concessions policy could be adopted and critical program objectives would be achieved.

The agency cannot successfully implement the alternative policy.

It does not have the administrative expertise or organizational capacity.

The agency should implement a contingency policy to ensure revenue recovery for the PUC in the case that the program receipts policy is not authorized.

FIGURE 6.1. STRUCTURE OF POLICY DEBATE
The debate is initiated over the feasibility of the existing policy, and in later stages moves into a discussion of policy alternatives. The opening of the debate—a statement of policy relevant information labelled (I), reads:

The decision to implement the program receipts policy for revenue recovery is external to the agency.

This piece of information refers to the necessary legislative authorization that the program receipts policy must receive to be operationalized. This piece of information is not designed to support or discredit the revenue recovery policy; instead, assumptions and premises based on this information are used in the formation of policy sub-issues.

Each policy sub-issue is made up of four elements: a policy warrant (W), policy rebuttal (R), and a backing (B) for each warrant and rebuttal. The policy warrant is an assumption or premise that supports the concluding policy claim. The policy rebuttal is a contrasting assumption or premise from the original warrant; the policy warrant and rebuttal form the substance of the issue. The backing of policy warrants and rebuttals are used to substantiate the premises and assumptions made in the course of the debate.

The conclusion of the policy debate is the policy claim. This is a normative statement suggesting an optimum policy, based on the warrants of the debate issues. The efficacy of the policy claim, and supporting issues, will not be tested in this
section. Rather, they will be tested with techniques of policy impact analysis in the second half of this chapter.

6.2.1 Uncertainty Issue

The failures of past legislative initiatives for the authorization of program receipts for the PUC program were described in Chapter Two. In Chapter Five it was pointed out that the primary point of vulnerability for the program receipts policy was the process of legislative authorization, as there is a high degree of uncertainty in this process. This information forms the basis for the first policy issue (see Figure 6.1). The combined warrant and backing for this issue reads:

It is uncertain whether the program receipts policy will be implemented [because] past legislative initiatives have failed and can fail again.

Such a premise might reflect the position of field personnel concerned about the feasability of the chosen policy strategy. In effect, this premise forms the initial critique of the program receipts policy.

The rebuttal to this argument is based on a position that might be taken by the director of the agency. In contrast to the argument that it is uncertain that the policy will be implemented, the rebuttal states:

The director of the agency is confident of passing the legislation authorizing the program receipts policy [because] he is privy to informal communications from the legislature.
In the course of interacting with the legislature, agency directors often develop a network of friendly legislators and staff. This network may give the director inside information about the prospects of the passage of a piece of legislation. Therefore the argument is made that there is a higher degree of certainty that the policy will be passed than the opposing side is willing to admit.

At the end of the data gathering period for this case study (August 1986) there was no conclusive evidence regarding the authorization of the program receipts policy by the legislature. Because the probability of authorization cannot be conclusively determined, it is difficult to substantiate or discredit either argument. Yet, given the inherent uncertainties involved in the four step process of legislative authorization (see section 4.3.1), it seems reasonable to assume that the implementation of the policy is uncertain.

6.2.2 Policy Failure Issue

The second policy argument makes a supposition aimed at the impact of the failure of policy implementation. The warrant and backing for this argument reads:

The lack of a revenue recovery mechanism will have a significant negative impact on the PUC program [because] critical program objectives will not be achieved.

This statement is based on the assumption that the program receipts policy will not be authorized, resulting in
"the lack of a revenue recovery mechanism." In effect it assumes a worst case scenario; that because there is no mechanism for revenue recovery, necessary program operations will not be undertaken because of a lack of funding.

The rebuttal to this argument is:

The program will not be significantly impacted [because] critical program objectives can be achieved without a mechanism for revenue recovery.

Given the information collected for this case study, it is possible to substantiate or discredit these policy premises. Both these assertions will be tested with policy impact analysis methods in the second half of this chapter. Also from this analysis, the subsidiary question concerning the impacts of policy failure on program operations can be answered.

6.2.3 Contingency Policy Issue

The third and final debate issue addressed the modified policy proposed by the area superintendent. The premises of this argument are in the form of advocacy statements, and like the previous issue, are lent to testing by policy impact analysis. The warrant and backing read:

The agency should implement a contingency policy that would ensure revenue recovery for the program in the case of policy failure [because] an existing concessions policy could be adopted and critical program objectives would be achieved with this policy.

The rebuttal to this argument is:
The agency cannot successfully implement the alternative policy [because] it does not have the administrative expertise or organizational capacity.

This rebuttal takes into consideration the organizational constraints identified in section 5.6.3. In section 5.6.3, it was determined that agency resources (i.e., manpower and funding) were necessary for the implementation of the concessions policy. The analysis of the impacts of a modified policy will also consider the legislative constraint imposed by the Procurement Bill, HB 696 (see section 5.6.2).

From the results of the analysis of this third policy issue, the answers to the final subsidiary questions for this thesis can be developed. These subsidiary questions concern the impacts of a modified policy on program operations and agency operations.

6.2.4 Policy Claim

Based on the three arguments that: (1) it is uncertain whether the existing revenue recovery policy will be implemented; (2) that the failure of policy implementation would significantly impact the program; and, (3) that the agency could implement a contingency policy to ensure the recovery of revenue for the PUC program, for the purpose of debate I make the following policy recommendation or claim. The agency should implement a policy that combines both strategies for revenue recovery (i.e., program receipts and concession operation). Under this policy, the director would advise his staff that concurrent to the ongoing process of gaining
legislative approval of the program receipts policy they may choose to pursue concession operation of the respective PUC systems.

This policy claim is the first attempt at answering the problem statement of this thesis (i.e., what is the most effective revenue recovery policy). The results of the policy impact analysis will then be used to "test" the merit of this claim along with the accompanying premises, and make a conclusion about the optimum policy strategy for revenue recovery.

6.3 POLICY IMPACT ANALYSIS ELEMENTS

In the preceding section, two premises were identified in support of the claim that a combined revenue recovery policy is the preferred policy alternative. For the purpose of testing the logic of these premises, Cook and Scioli's model of policy impact analysis will be applied to scenarios based on these premises. The elements of this policy impact analysis model (i.e., program objectives, program activities, performance measurement criteria) will be developed in this section 6.2.1 through section 6.2.3. Sections 6.3 and 6.4 articulate the scenarios by describing program activities under the respective policy alternatives. Performance measurement criteria are then applied to the scenarios in order to forecast the impacts of each policy.
The first issue to be addressed is whether or not critical program objectives will be achieved, given a situation in which no revenue recovery policy is operational. The second issue also focuses on the achievement of program objectives, only this time given the scenario that a combined policy for revenue recovery is implemented. In the analysis of these two issues, identical objectives and measurement criteria will be used. The difference between the two analyses is in the description of program activities; one assumes the lack of a method of revenue recovery, the other assumes a combination of revenue recovery policies.

The forecasts made for the policy impact analysis are not intended to assess the probability of the given events occurring. Instead they are applied as a test of the logic of the claim that a combined revenue recovery strategy is the preferred alternative. The forecasts will also be applied to the subsidiary questions concerning the impacts of policy failure for program receipts, and the impacts of concession operations on the program and the agency.

6.3.1 Program Objectives

Cook and Scioli identify two types of program objectives: outcome objectives and procedural objectives. Outcome objectives are external to program operations; they are "the impacts of the program on a specific socio-physical target" (Cook and Scioli, 1975, p.97). Outcome objectives correspond to wide-sweeping policy mission statements. The three objectives
identified here are adapted from policy objectives for the PUC program and the agency:

(1) to increase and enhance access to recreational opportunities (program policy goal);

(2) to provide for public safety (statutorial mandate for agency);

(3) to provide support to the state's tourism industry (agency policy goal).

Policy impacts on these categories would not be felt within the agency, but rather by the public recreationist or the private tourist operator. Section 6.2.3 describes the criteria used to forecast and measure the impacts of each policy scenario on these objectives.

The second type of program objective, procedural objectives, are internal to the program; they concern the administrative aspects of the program. The attainment of procedural objectives is necessary if outcome objectives and more general objectives such as continued program operation are to be achieved. The procedural objectives identified for this analysis are borrowed from operations goals and revenue recovery goals for the PUC program. They are:

(1) to maintain a safe and appropriate standard of service using cost-effective management methods;

(2) to return cabin rental revenue to the program for the maintenance of the cabins.

The first scenario assumes that the program will be operated without a revenue recovery mechanism; therefore, this procedural objective does not pertain.
6.3.2 Program Activities

Program activities are the administrative and organizational characteristics of program delivery. How effectively and efficiently these activities are carried out by an agency will determine whether or not program objectives will be achieved.

In Chapter Five, section 5.3 and 5.4 detailed aspects of revenue recovery and facility maintenance. In this section these operations will be considered as program activities, along with categories of administrative performance and program prioritization.

Administrative performance refers to the expertise available to the agency to operationalize the revenue recovery policy. This aspect would incorporate the rebuttal to the second policy premise; this rebuttal suggests that the lack of agency expertise would constrain successful implementation of a modified policy.

Program prioritization refers to the level of fiscal and personnel resources assigned to the program. This aspect also incorporates a rebuttal to the second policy premise – that a lack of organizational capacity would constrain successful policy implementation.

Traditionally the program has been assigned a low priority in relation to other agency programs. Depending on the policy scenario, this priority may rise or fall. The next
section discusses criteria for the measurement of priority levels, along with performance measurement criteria for other program activities.

6.3.3 Performance Measurement Criteria

Performance measurement criteria are used to indicate how effectively and efficiently a given aspect of a program may or may not be achieving selected objectives. Five criteria will be used in the analysis of the two policy scenarios; this section explains the rationale for the choice of these criteria. The five criteria are:

1. number of cabin users;
2. number of cabins open to the public on a rental basis;
3. number of complaints about cabin condition;
4. number of staff maintenance hours per cabin;
5. amount of funds available for program operations and development.

In the public recreation field, one of the simplest indicators of program effectiveness is the number of persons served by a given program. In this case, a forecast of increases or decreases of the numbers of cabin users is assumed to reflect whether or not recreation access has been increased. Similarly, the number of cabins open to the public is taken as an indicator of how well recreational access objectives are being achieved.

The argument could be made (and is made annually by the agency director at legislative budget hearings) that number of
users and number of facilities is indicative of the level of support the agency is providing for the tourism industry. The U.S. Forest Service has determined that expenditures associated with the use of the average public recreational cabin in Alaska total $29,000 per year. This translates into $29,000 per year, per cabin of support for private sector tourism related businesses. Therefore, numbers of cabin users and cabins open to the public will be taken to indicate how well a given policy scenario might attain tourism objectives.

Measurement criteria for the number of complaints is aimed at public safety objectives and maintenance objectives. The number of complaints an agency receives about a facility is taken to indicate whether adequate maintenance services are being provided. I would also suggest that the number of complaints reflects the relative safety of a facility. As the level of repair in a public facility decreases (resulting in an increased number of complaints), it seems reasonable to assume that the safety of such a facility would also decrease.

The number of complaints received about cabin condition is directly related to the number of staff hours spent in the maintenance of each cabin. It is assumed that when an appropriate amount of maintenance time is allocated per cabin (as defined in the PUC program plan), maintenance and safety objectives will be achieved, and user complaints will be minimized. Therefore, increases or decreases in staff
maintenance time given is an important indicator for the analysis of alternative scenarios.

The amount of funds available for program operations and development is a partial measure of the priority the Division gives to the PUC program, relative to other programs. Other indicators are often less formal in nature, such as informal directives from the agency executive, which in some cases can fluctuate greatly within a short period of time. From a perspective within an agency, such indicators can be reliable and valid. Because informal directives often defy this case will rely on annual appropriations as an indicator of program priority.

The five measurement criteria will be applied to scenarios for program activities under each policy alternative in the following two sections. It should be again recognized that the purpose of these indicators is not to make a scientifically accurate prediction of the impacts of each policy. Instead, they are chosen for their ability to support a choice among policy options.

6.4 POLICY SCENARIO: POLICY FAILURE

This scenario is derived from the warrant that the lack of a revenue recovery mechanism will have significant negative impact on the PUC program. In this scenario, it is assumed that legislation for program receipts fails adoption by the state legislature. The scenario also assumes that the previously passed House Bill 696 (Procurement Bill) has taken effect (this
legislation prevents agency collection of fees without prior statutorial authorization).

The scenario makes forecasts for program activities at Nancy Lake State Recreation Area (NLSRA), and extrapolates the impacts of these activities to the statewide system of cabins. This unit was chosen because there is a history of recreational use and management experience with the PUC program since 1984, because the potential exists to triple the number of PUCs operated through facility rehabilitation, and because concession operations have been proposed for this unit.

The major difference between PUC systems throughout the state is accessibility. The NLSRA PUCs, along with those in the Chena River SRA, can be reached by hiking from a roadway. The cabins located on the Kodiak archipelago and in Southeast Alaska can be reached only by plane or boat; therefore access costs are much higher, both in terms of money and personnel time. This variable will be recognized throughout this section in order to identify any effects it might have on policy impact forecasts.

The time horizon for these scenarios will be from July 1, 1987 to July 1, 1989 (fiscal years 1988 and 1989 for the agency). This is based on the assumption that given the short history of program development, policy impacts would be felt quickly throughout the program.
6.4.1 Policy / Program Performance

One of the first dilemmas faced by the Division in the scenario of "no revenue recovery" concerns whether or not the reservation system should continue to be operated even though a use fee is not being charged for the cabins. Presently, cabin users must reserve a cabin ahead of time, along with paying a fee for the use of the facility. The benefit of continuing to operate the system is that it would most likely discourage vandalism; cabin users could be held accountable through the permit system. Attendant with this option are the personnel costs of operating the reservation system.

The other option is to discontinue operation of the reservation/permit system and instead open the cabins on a "first-come, first-serve" basis. While this may save personnel costs, it may result in an increase in user conflicts and vandalism. Because it is cheaper to prevent vandalism than to repair it, we will assume that the operation of the reservation system would be continued.

Maintenance activities undertaken for the cabins in the "no revenue recovery" scenario would be the minimum to achieve public safety standards. Maintenance would be undertaken on an irregular basis, not on the monthly basis suggested in the PUC program plan. Park managers would be forced to rely primarily on volunteer labor and secondarily on youth crews. Only in the most pressing circumstances would agency personnel be assigned
to maintenance duties, this because of a general de-
prioritization of program operation and development relative to
other programs.

The de-prioritization strategy for program development is
reflected in the following excerpt from a report by the Chief
Ranger of NLSRA:

...If such a [fee] bill is not forthcoming, the PUC
program should not be expanded at NLSRA. There are certainly
higher priorities in the Susitna Ranger District. (AK DPOR
1986c)

In the past years, cabin program managers have managed to
divert extra money from other recreation programs because it
seemed promising that the PUC program would one day generate
its own revenues. Placed in the context of shrinking budgets,
the foreclosure of revenue generating options for the PUC
program would force agency managers to re-prioritize the
program from its original low priority position to a "no-
priority" position.

To summarize program activities under this scenario, the
reservation system would continue to be operated, maintenance
services would be provided on a minimal basis, and the program
would be given a lower priority for the allocation of funding.

6.4.2 Policy Impacts on Program Objectives

This section forecasts the impacts of the previously
described activities on program objectives. The indicators
include the number of cabin users, number of cabins open,
number of complaints about the condition of the cabin, staff maintenance hours, and annual budget for the program.

Given the scenario of no revenue recovery, the numbers of cabin users at NLSRA in FY 88 and 89 would most likely remain the same, if all PUCs presently open were to remain open in that period. Yet, given the inadequate condition of cabin foundations described in the NLSRA PUC Program Report (AK DPOR 1986), it is most likely that at least one cabin would be significantly damaged by the winter freeze-thaw cycle. Further, because of budget constraints, it is assumed that a significantly damaged cabin would not be repaired or re-opened. Therefore, this scenario forecasts a drop in the number of NLSRA PUC users with the closing of at least one cabin for safety reasons.

The number of cabins open statewide would also decline; in June of 1986 the director of the Division wrote the Commissioner of the DNR that:

...lacking the means to recover program receipts, the Division will be forced by fiscal constraints to operate a much smaller number of cabins than envisioned with legislative support. (AK DPOR, 1986b)

Of the thirteen cabins presently being operated, only four cabins are new. Therefore, deterioration may also force the closure of one or two other cabins, with a total of three being closed statewide with the inclusion of the NLSRA system. Consistent with this, cabin use statewide would decline approximately by one third in FY 88 and FY 89, as almost one
third of the cabins were closed in this period for safety reasons.

Concurrent with the decrease in the number of cabins open to the public would be the number of users of the cabins. This scenario forecasts a correlation between the decrease in the number of cabins open to the public, and levels of public use. Assuming that one-third of all the cabins are closed, the assumption will be made that use levels would also decrease by one-third.

This decrease in the number of users and number of cabins operated signifies that while program objectives for enhancing recreational access and tourism support are being met, they are being achieved to a lesser degree. Also, it indicates a trend of program contraction, as compared to the expansionary trend seen in the first three years of program operation.

Complaints about the condition of cabins would increase slightly as the amount of staff maintenance hours decrease. With the decrease in staff maintenance hours, substandard conditions are likely to remain unattended for a longer period of time, resulting in an increased number of complaints. The impact of the "no revenue recovery" scenario on procedural objectives is that maintenance and safety objectives would be only partially met in the short term.

The result of the minimum achievement of maintenance objectives is that continued facility attrition would in the
long term "whittle down" the size of the cabin system. This implication is critical to the assessment of program development under this scenario. Continued attrition could force the retirement of cabins to the point that the agency would de-prioritize the program to a "non-program" status.

The sentiment for the de-prioritization of the program is already evident in the Division. From the memo by the Chief Ranger of NLSRA:

Prior to FY 87...over $5000 has gone into the refurbishing of PUCs 1 through 4. But given the recent budget cuts, even the critical foundation repairs needed on the four cabins on Nancy Lake is in doubt...There are certainly higher priorities in the Susitna Ranger District for the use of funds. Priorities such as replacing rotten [picnic] tables and benches will benefit a much larger segment of the public than adding another cabin or two to the PUC system. (AK DPOR, 1986c)

Two conclusions can be made about the future of the PUC program without a mechanism for revenue recovery. These conclusions can be applied to the third subsidiary question (impacts of program receipts initiative failure), and be used to evaluate the second premise of the structured policy debate.

First, the impacts will not be immediately significant to the program. The program has been operated for two years without revenue recovery, and could be operated for another two years without program receipts. Outcome objectives and procedural objectives for the program would be minimally achieved in FY 88 and 89. However, after that time it is questionable if program objectives can be achieved at all.
Secondly, continued deterioration of the facilities would force agency managers to weigh the advantages of discontinuing the program. An alternate strategy would be to privatize the program, as was originally proposed by field staff. Yet, advanced deterioration might discourage potential concessionaire operators. This suggests that the earlier a concession strategy can be implemented, the more likely that program development will not be significantly stunted or foreclosed by attrition.

To conclude by answering the third subsidiary question, PUC program operations and development would not be significantly effected in the short term in the case that the program receipts policy is not authorized. Yet, in the mid-term future, the impacts of facility deterioration might foreclose other revenue recovery strategies to the point of necessitating abandonment of the program.

6.5 POLICY SCENARIO: CONTINGENCY POLICY

This scenario is based on the warrant and backing that the revenue recovery policy include concession operations on a contingency basis because it would ensure the achievement of critical program objectives. The rebuttal to this warrant is that the alternative policy cannot succeed because of a lack of administrative expertise or organizational capacity.

This scenario assumes that as the non-authorization of the program receipts policy becomes imminent, the director of
the agency makes the decision to adopt concession operation of the program as a contingency policy. For agency superintendents, this would mean that they would have the approval, if not encouragement to begin formation of the non-profit cooperating associations described in section 5.4.1.

This scenario will focus on program activities and impacts for the PUC system at NLSRA, and provide an overview of program activities and impacts statewide.

The process of incorporation would take place in the second half of FY 87 (January - June 1987), with the cooperating associations assuming program operations early in FY 88. As in section 6.3, the time horizon for this scenario is FY 88 and FY 89 (July 1987 - July 1989).

6.5.1 Policy / Program Performance

Before exploring program activities under this scenario, the issue of administrative expertise and organizational capacity must be addressed. I am assuming that although the director would give the "go-ahead" to agency superintendents to begin development of non-profit concessionaires, it would not be a mandatory directive. Instead, each superintendent would be left to consider the implications for their management unit, and determine whether or not to proceed with the contingency policy.
Two factors might make a superintendent hesitant: administrative expertise, and the capacity of his/her unit to implement the concessions policy.

That the agency has the administrative expertise is demonstrated in the increasing number of concession operations and cooperating associations that have been facilitated in 1985 and 1986. In that period, four contracts have either been "put out to bid" or "closed on" for concession operation of the facilities in Alaska State Historic Parks. Also, the agency has contracted with one cooperating association for the sale of interpretive materials, and provided technical support for two "Friends of State Parks" organizations.

Regional and area offices are the primary contact for concession operators, while the central Division office provides technical support. Concessions programs have been spread evenly throughout regional and area offices and the staff of each management area is fairly experienced in these arrangements. For this scenario, it is reasonable to assume that there is adequate expertise to administer concession operation of the PUC program. Moreover, this assumption discredits the rebuttal that there is not adequate administrative expertise to operate the program.

The second rebuttal concerns the capacity of regional and area offices to facilitate concession operations, in light of regular assignments and ever present fiscal constraints. These
factors suggest that in order for concession operations to be
developed, agency managers would have to temporarily de-
prioritize other programs or projects. While this scenario
assumes that such trade-offs will be made, the previous
sentence validates the rebuttal that concession operations
might not be implemented because of a lack of organizational
capacity. Therefore, any arguments for a contingency policy
must be qualified by recognizing the constraints of
organizational capacity.

Once an agency manager gives a high priority to the
development of concession operations, they would set about the
process as described in section 5.4.1. It is assumed that after
the process of incorporation, program operations would be taken
over by the non-profit in the first half of FY 88.

Maintenance activities would be distinctly different
under concession operations. The agency would play a minimal
role in maintenance operations, only providing cabin
inspections and supervision of rehabilitation projects as
necessary. Maintenance activities would be provided on a
regular basis by the concessionaire, with an emphasis on the
use of volunteer crews.

By using volunteer crews, the non-profit would be able to
save maintenance labor costs and allocate those savings to the
rehabilitation of other cabins. For instance, in the report
from the chief ranger of NLSRA, seven unused cabins are
recommended for rehabilitation and inclusion into the PUC system (AK DPOR 1986).

The development of non-profit concession operations would signify a shift by the agency to make the program a high priority without allocating a lot of agency resources to maintain the program. This shift from the present low priority of the program is one of the impacts described in the next section.

6.5.2 Policy Impacts on Program Objectives

This section measures the impacts of the previously described activities on program objectives. The indicators of impacts include the number of cabin users, number of cabins open for public use, number of complaints about cabin conditions, staff maintenance hours, and funds available for program operation and development.

Indicators of policy effectiveness for achieving program objectives for enhancing recreational access and supporting the tourism industry include the number of cabins open to the public, and the annual number of cabin users.

Given the scenario of concession operations, the number of cabins operated at NLSRA could potentially double by FY 89. The cabins already open would provide adequate revenue for their stabilization, and for the rehabilitation of other cabins in the unit. The agency estimates that in FY 87, these cabins will accrue an income of $4800 (based on occupancy rates from FY
86). The cost of stabilizing the foundations on PUCs 1 through 4 is estimated at $1245 for materials and $1944 for labor; totalling $3189 (AK DPOR, 1986c). Assuming the non-profit could halve labor costs with volunteer work, the remaining money could be allocated to rehabilitation of other cabins.

Two constraints to cabin rehabilitation are the "lag time" in building a bank account sufficient to cover project expenses and the seasonal halt to construction projects. Therefore, it is assumed that the rehabilitation of cabins would not be completed until early in FY 90, toward the end of the construction season.

With the doubling of the number of cabins in the NLSRA system, the total number of cabin users would also double. This assumes that occupancy rates would remain the same (approximately 30% occupancy per year) during this time period.

Relative to the number of cabins open and the number of cabin users in other state park units, the NLSRA scenario would be the exception rather than the rule. The opportunities for program expansion at NLSRA are exceptional because the agency can provide the concession operator with a large number of unimproved facilities, relative to other park units. These facilities can be improved at a fraction of the cost of building a new facility, therefore providing for the quick growth of the NLSRA system.

The number of cabins operated statewide, and the number of cabin users would increase slightly under the concession
scenario. Most concession operations would be primarily concerned with stabilizing and developing continuity in operations, while slowly saving revenues for future expansion.

Indicators of policy effectiveness for achieving maintenance and safety objectives include the number of incidents of vandalism, complaints on cabin condition, and staff maintenance hours.

It it uncertain if the number of user complaints would remain the same or fluctuate. In this scenario it is assumed that these figures would remain the same as in present day operations. The amount of hours expended in the maintenance of facilities would show a large decrease, after the initial output for the incorporation of the cooperating associations.

The final indicator of policy effectiveness is the amount of funds available for program operation and development. Funding for the program has traditionally been based on the diversion of funds from other agency accounts. In the concessions scenario, the program for the first time would have a regular infusion of funds. At NLSRA, theoretically in the first year of concession operation, more money would be allocated to maintenance and rehabilitation than throughout the history of the program. Similarly, other cabin systems throughout the state would have the benefit of regular infusions of revenue recovered from program operations.
Three conclusions can be drawn from this scenario. Two concern the future of the program under concession operation, and the third concerns the impacts of concession operation on the agency. These conclusions will also be applied to the final subsidiary questions for the thesis, and the final premise of the structured policy debate.

The first conclusion is that program objectives for recreation access, tourism industry support, public safety, and facility maintenance would easily be achieved in the scenario of concession operations. The short term impacts of concession operations, seen in the numbers of cabins open to the public, and use levels, although not significant, would be positive.

Secondly, the mid- and long-term future for the program under this scenario is bright. As operations are stabilized, concession managers could turn their attention to the expansion of cabin systems.

Finally, the outcome of this scenario supports the warrant (from the policy debate in the first half of this chapter) that the agency should implement a modified policy, given the following qualifier. The implementation of a concession policy as a contingency strategy would have negative short-term impacts on agency operations. Staff time would have to be diverted from other projects, resulting in delays to the development of these projects. The negative impacts caused by these delays would be relatively small compared to the positive impacts of developing private sector operation of the program.
In the long run, the agency will have a minimum amount of staff time involved in the management of the program, while producing high returns in terms of public service.

6.6 SUMMARY AND CONCLUSIONS

In the first half of this chapter, a policy claim was introduced that suggested an optimum policy for revenue recovery. This policy claim was based on three policy warrants, which are also be considered as premises. Each of these warrants were balanced with a countervailing argument, the effect of which, if substantiated, would discredit the policy claim.

In the second half of the chapter, techniques of policy impact analysis were applied to the second and third warrants of the policy debate. In this section, we will apply those results to each policy debate in order to evaluate the credibility of the policy claim.

Before reviewing the results of the policy impact analysis, the first debate issue will be addressed. This issue deals with the uncertainty of implementation of program receipts, and was not included in the policy impact analysis. The uncertainty issue addresses the probability that legislation necessary to operationalize the policy will not be passed.

Section 5.3.1 showed that the process of policy authorization is to a large extent outside of agency influence
and therefore vulnerable to veto. In that section I concluded that the four step process of legislative authorization is the "weakest" or most vulnerable point of implementation because of the inherent uncertainty involved.

Based on this reasoning, in this chapter I concluded that although the probability of authorization cannot be conclusively determined, it is reasonable to assume that the implementation of the program receipts policy is uncertain. Therefore, the first warrant is accepted without qualification as supporting the policy claim.

The second warrant proposes that lacking a means of revenue recovery, the program would incur significant negative impacts because critical program objectives would not be achieved. The warrant in this issue is based on the assumption that the program receipts policy would fail to be adopted.

Interestingly, in the policy impact analysis it was determined that there would not be significant impacts on the program without a means of revenue recovery, in the short term. Yet, in the mid-term future, facility deterioration might force agency managers to weigh the advantages of discontinuing the program.

This forecast supports the warrant that the lack of a revenue recovery mechanism will significantly impact the PUC program. This forecast also suggests that agency managers consider adopting a contingency policy in the case of the failure of the program receipts policy. This warrant is
therefore accepted, with the qualification that significant impacts would be felt in the mid-term future of the program.

While the second debate warrant suggests that the existing policy is inadequate, and a contingency policy should be implemented, until now the issue of "when" the contingency policy should be implemented has been unaddressed. Given that the impact forecast for policy failure suggests no significant short term impacts, it would seem that the agency has the option of adopting a "wait and see" approach to a contingency policy. The issue of when a contingency policy issue should be implemented will be discussed further in following paragraphs.

The third warrant advocates the implementation of a modified policy: that a concession policy be adopted on a contingency basis. The results of the impact analysis support the warrant and the backing statement that a concessions operation could achieve critical program objectives, although with qualification. The qualification is that the agency must be prepared to provide adequate resources to implement a contingency policy. Given the present budget constraints, a commitment to concessions policy implementation would be at the cost of short-term delays to the development of other agency projects.

In light of the above qualification, and the issue of "when" to implement a contingency policy, is to clarify the policy claim that "the agency should implement a policy that
combines both mechanisms of revenue recovery." I recommend that the agency undertake this action immediately, instead of taking a "wait and see" approach. Postponing contingency planning for program development invites reactive policy development, and reactive policy development invites the foreclosure of previously viable options for revenue recovery. Where there may have been at one time the option to implement two revenue recovery mechanisms, in a time of fiscal crisis, or deteriorating facilities, the only option available may be to shelve the program.

Proactive policy development does not necessarily entail the immediate implementation of concessions strategies. Realistically, such an approach may be constrained by the fiscal situation. It does entail a conscious effort of program managers to think through the failure of the program receipts policy, and develop a straight-forward response to this scenario. This effort could produce a wide array of contingency options that could be quickly operationalized in the case of policy failure. Proactive policy development above all entails a commitment by the agency, but not necessarily to the continuation of a program at all costs. With proactive policy development, agency managers would commit to broadening the number of policy options available to a given program.

In summary, I recommend a proactive approach to policy development, meaning the adoption of a concession policy for implementation on a contingency basis. A combined policy would be the most effective means of ensuring the continued operation
and development of the PUC program. With a contingency option for revenue recovery, the vulnerability of the program to a failed program receipts initiative would be reduced, and the recovery of revenue for operations and development would be ensured. Such certainty is necessary if the program is to continue to survive and have the opportunity to flourish.
CHAPTER 7

SUMMARY AND CONCLUSIONS

7.1 INTRODUCTION

This study has focused on the evaluation of two policies designed to overcome program development constraints for the Alaska public use cabin program. This chapter discusses the results of the analysis, and draws conclusions from these findings.

This chapter has three major sections. Section 7.2 focuses on the methodological results of the analysis. It includes a discussion of the techniques reviewed, and suggestions for the application of analysis techniques in similar cases.

Section 7.3 summarizes the results of the techniques used to answer the first two subsidiary questions of this study. These questions concern a description of the operational characteristics of each policy. From these descriptions, which include the identification of uncertainty associated with each policy, and the assumptions of policy makers, the structure of the policy problem is defined.
The analysis of the three policy issues basic to the determination of an optimum revenue recovery policy are discussed in Section 7.4. The results of a policy impact analysis for the scenarios of a policy failure, and the scenario of a contingency policy, are reviewed. Based on these results, recommendations are made for an optimum strategy of recovering program revenues.

Finally, the questions that are raised by the results of this study are discussed, with suggestions for further research being made.

7.2 METHODOLOGICAL CONCLUSIONS

The development of analysis techniques for this study are based on the problem statement and subsidiary questions concerning the case at hand. The problem statement concerns the two policies designed to recover program revenues and thus overcome development constraints:

Which revenue recovery policy, program receipts or concession operation, is the most effective alternative for ensuring the continued operation and future development of the PUC program?

The issue of which revenue recovery policy to implement for the PUC program has been a longstanding one within the DPOR. Yet today the combination of shrinking budgets and a growing number of statutorial constraints make any policy decision increasingly critical to the survival of the program.

The director of the Division has decided to undertake the implementation of a program receipts strategy, at the exclusion
of the concessionaire alternative. Will this policy adequately address the development constraints? What would happen if the strategy failed? Would the program be put at risk?

Almost concurrently, Division field staff proposed to implement a concessions strategy for one system of cabins. What would be the impacts of such a move on program development and agency operations? Would this strategy adequately address program development constraints?

Because these questions have never been formally addressed by the Division, the author has undertaken a normative evaluation of the two policy alternatives. Five subsidiary questions were defined to support and complement the original problem statement:

(1) What are the characteristic strengths and weaknesses of each policy alternative, and the causes of these characteristics?

(2) If implemented separately, at what point is each policy most vulnerable to failure?

(3) What would be the impacts on program operations if a revenue recovery policy was not successfully implemented?

(4) What would be the impacts on the PUC program from the implementation of a concessions policy?

(5) What would be the impacts on the agency from the implementation of a concessions policy?

The first step in the development of the approach to the was the definition of objectives for the analysis.
7.2.1 Approach

Six objectives formed the foundation for the development of an analysis framework for this case study. First and of overall importance was to make a normative evaluation of the policy alternatives, or, that is, to determine what the best course of action is.

The second objective, to evaluate a range of policy analysis techniques for application in this case and future cases, is for the benefit of the author and interested readers. This objective expands the function of this analysis beyond a problem solving exercise to a framework with potential for future use.

The remaining four objectives, while aimed at the subsidiary questions, provide the criteria by which the methods of policy analysis were reviewed and chosen. They are:

(3) to describe the operational characteristics of each policy, including the points of vulnerability to policy failure;

(4) to incorporate the divergent premises of policy makers in the development of the policy analysis structure;

(5) to develop scenarios of program operations under the alternative policies;

(6) to assess the impacts of the policy alternatives on program operations and development.

Based on these objectives, appropriate analysis techniques were identified and applied to this case study.
7.2.2 Problem Structuring Techniques Reviewed

The first group of techniques reviewed were aimed at answering the first two subsidiary questions. Following the words of the second and third objectives, the aim was to describe the operational characteristics and points of vulnerability of each policy, and incorporate the premises of the significant policy makers in this description. The techniques chosen to this end referred to as problem structuring methods. These techniques parallel the aim of this analysis (i.e., to describe the characteristics of each policy) in that they are concerned with the proper definition of a problem before the analysis takes place.

Under the general heading of classification analysis, four techniques were reviewed. Again it should be recognized that although these techniques are labelled as an "analysis", they are done so in the sense of a descriptive analysis, rather than an evaluative analysis.

The four methods reviewed can be classified in groups that aggregate (i.e., logical classification, policy typologies) and those that divide (i.e., logical division, hierarchy analysis). Ultimately, the aggregative techniques were rejected, and logical division and hierarchy analysis combined. With the combination, it was possible to both describe policy characteristics and points of vulnerability, and describe the amount of influence policy makers have on these factors.
Although the application of these methods are straightforward, in this case the tendencies of the descriptions was to take on the complexities of the case study. Still, the use of the combined version of classification analysis and hierarchy analysis allows the analyst to make an objective description of causal factors before initiating the evaluation phase of an analysis. Therefore, for the purpose of describing policy characteristics, the methods of classification analysis have been adequate.

Similarly, assumptional analysis proved to be adequate for checking the findings of the classification analysis by way of examining the premises of the policy players. Moreover, it raised questions that could not be answered within the limits of this analysis (i.e., the relationship of policy maker recommendations to organizational position).

It seems that the use of this method should largely be determined by the needs of the analyst. In cases similar to this one, assumptional analysis may be an extra luxury not totally necessary. Yet in a complex administrative setting, such an analysis may be necessary to identify and later classify the premises of the individual policy players.

7.2.3 Policy Analysis Techniques Reviewed

Since the premises of the policy makers in this case reflect the pros and cons of each policy alternative, their positions were articulated into scenarios of policy operations.
This was achieved using the intermediate step of the structured policy debate.

The technique of a structured policy debate was chosen over three other techniques for its ability to incorporate the divergent premises of policy makers, facilitate scenario building, and provide for a normative evaluation of policy alternatives. While each of the three rejected techniques required modification or a complementary technique, a structured policy debate could be used "right off the shelf."

The three policy issues critical to the overall problem were framed as brief statements of scenarios either supporting or refuting the conclusion to the debate. These scenarios were then expanded for evaluation by way of policy impact analysis.

Cook and Scioli's model of policy impact analysis was also taken "right off the shelf," and easily adapted to the needs of this analysis. Program objectives were borrowed from DPOR policy, and performance measurement criteria from visitor count techniques and management accounting techniques.

The results of the impact analysis were then used to substantiate or discredit each argument. Following this, the subsidiary questions concerning the impacts of the different scenarios were addressed.
7.2.4 Further Application

Although a seemingly complex set of procedures for the resolution of policy issues, I suggest that the methods seen herein could be streamlined for application in administrative and academic settings. The applications suggested are twofold: first, for the purpose of policy problem solving, and second, for the evaluation of policy directives.

The caveat should be recognized that the techniques seen in this case study are not universally applicable to the wide range of policy problems confronting administrators and academics. These techniques are best applied to the issues of policy choice that are unique circumstances, and have qualitative outcomes difficult to measure in qualitative terms.

In the professional experience of this author, policy decision documents have the potential to leave major assumptions or premises undefined. Although the format of these decision making documents is often codified into administrative policy, whether or not the format comprehensively portrays the logic and assumptions behind the reasoning depends on the writer.

The methods applied to this case study are useful, I suggest, in the critical evaluation of policy making documents. Either an assumptional analysis or structured policy debate could be applied for the identification of unwritten assumptions or premises. Structured policy debate techniques seem to provide a valuable tool to check the logic of a policy
argument. Once the sub-issues of the major policy problem are defined, they can be further analyzed. For example, in this case study the method of testing the sub-issues was through the policy impact analysis.

As mentioned, these methods could be streamlined and used behind the scenes by the policy analyst. One of the reasons for the size of this analysis is that the framework had to be first developed, then carried out. In professional situations, the majority of the framework would be unseen, being brought to light only as necessary for explanation.

7.3 POLICY CHARACTERISTICS

The results summarized in this section are in answer to the first two subsidiary questions for this thesis (the final subsidiary questions are answered in section 7.4). Those questions are:

(1) What are the strengths and weaknesses of each policy, and the causes of these characteristics?

(2) If each policy were implemented separately, at what point is each most vulnerable to failure?

For this analysis, the strength of a policy is given to mean the certainty with which it can be successfully implemented. The weakness of a policy is given to mean that there are significant levels of uncertainty associated with the successful outcome of implementation. Areas or phases of uncertainty are also referred to as points of vulnerability.
The methods of classification analysis and assumptional analysis were used to arrive at these results. From these results, the primary issues that characterize the policy problem are defined.

7.3.1 Program Receipts Policy

Recalling the analysis of implementation phases for program receipts, it was shown that:

(1) agency involvement and influence is low to negligible during phases of policy authorization, and high through phases of policy operationalization;

(2) there is a high degree of certainty that the operational phases of the policy will be successfully implemented;

(3) the outcome of the legislative authorization phase is the most uncertain stage of implementation.

In answer to the first subsidiary question, the above characteristics suggest that the strength of the program receipts policy is in the high degree of certainty that outcome objectives will be achieved in operational phases. A primary causal factor associated with this is the high level of agency involvement in this phase of implementation.

The major weakness of the policy is the high degree of uncertainty involved with its authorization. Again, an important causal factor is the low level of agency involvement in this phase of implementation.
In answer to the second subsidiary question, the primary point of vulnerability for program receipts is the uncertainty of outcome in the legislative authorization phase.

7.3.2 Concessions Policy

The classification analysis of the concessions policy showed that:

(1) there is a medium amount of agency influence throughout all stages of implementation;

(2) there is a high degree of certainty that policy outcome objectives can ultimately be achieved, stemming from the agency's ability to control for critical variables through the concession contract;

(3) there is a degree of uncertainty as to when policy outcome objectives might be achieved, stemming from the lack of agency influence over specific situational variables.

This suggest the strength of the concessions policy is the high degree of certainty that the policy can be successfully implemented. The chief weakness of the policy is that its' implementation is vulnerable to delay from situational variables over which the agency has little or no control. This suggests the primary point of vulnerability is the operational stage of policy implementation.

For both policies, it seems that the level of agency influence over contributing policy variables correlates to the certainty that a phase can be achieved. When there is a high degree of agency influence, there is a high degree of certainty of outcome. When there is a lesser or low degree of agency
influence, there is a lesser or low degree of certainty of policy outcome.

I suggest that the correlation between agency influence and success of outcome cannot be taken as a universal characterization in the field of public administration. In this case it seems that the combination of highly qualified and dedicated staff have the ability to successfully implement those projects over which they have a high degree of control. In the wider field of policy analysis, this might prove to be the exception, rather than the rule.

This correlation does raise a number of questions. Is agency involvement the primary causal factor? Or is it the type of policy objectives the agency is attempting to achieve? Perhaps the policy objectives for this program are relatively easier to achieve than those for a social services agency for instance? What if the staff for the DPOR was not highly qualified or dedicated? Would the certainty of outcome decrease?

These questions suggest the need to define the relationship between program objectives, levels of agency involvement, situational variables, and staff qualifications for a number of different public service agencies. Such an analysis might give administrators information on how they might respond to constraints in any one of the above categories.
7.3.3 Stakeholders Assumptions

The classification analysis of the policy alternatives has shown that the lack of agency control is an important issue to the resolution of the optimum policy choice. Following this, it would seem that the behavior, premises and assumptions of agency stakeholders critical to this policy decision would corroborate this issue. To this end, an assumptional analysis of the perspectives of the Division director and area superintendent was undertaken.

For the agency director, the problem of revenue recovery for the PUC program (among other economic programs) is primarily statutorial. Therefore, his solution to the problem is legislative, hence his support for the program receipts policy (which requires legislative authorization). This is consistent with his philosophy to initiate Division economic programs in-house in order to ensure agency control over the outcome. My interpretation of this management philosophy is that keeping the operation of a new program in-house reflects an attempt to compensate for uncertainty, and encourage accountability within the agency.

For the area superintendent, the problem of revenue recovery for the PUC program is in day-to-day operations. Revenue recovery is critical to the ongoing operation of the program, therefore it is critical to retain as many options as possible to achieve this goal. The superintendent shows that he
values certainty of outcome by being prepared to implement whichever policy will get the job done for him.

Both stakeholders place value in a high degree of certainty of outcome. This suggests that an optimum policy would increase the certainty that revenue will be recovered for the PUC program in the near future.

7.4 ANALYTICAL CONCLUSIONS

The conclusion of the structured policy debate recommends that the DPOR implement a policy combining the program receipts strategy and concessionaire strategy as the overall revenue recovery policy. This recommendation and the premises supporting were tested using policy impact analysis techniques. The results of these analyses were then applied to the subsidiary questions and problem statement for this case study. The conclusions for each of the premises, and the policy statement, are discussed below.

7.4.1 Uncertainty of Authorization

The first policy issue addresses the probability that the program receipts policy will be authorized by the legislature. The classification analysis in section 5.3.1 showed that the process of policy authorization is to a large extent outside of agency influence and therefore vulnerable to veto.

While the probability of authorization cannot be conclusively determined, based on the inherent uncertainty of the legislative authorization process, I have concluded that
the implementation of the program receipts policy is uncertain. Therefore, this conclusion is accepted as a premise supporting the policy debate recommendation that a combined policy be implemented.

7.4.2 Policy Failure Impacts

Two conclusions were made about the future of the PUC program without a mechanism of revenue recovery. These conclusions are applied to the third subsidiary question for this case study, which asks:

What would be the impacts on program operations if a revenue recovery policy was not successfully implemented?

First, the impacts of this scenario would not be immediately significant to the operation and development of the program. The PUC program has been slowly developed for the past three years without a mechanism of revenue recovery. Therefore, the program could be allowed to operate for at least two more years with a minimum amount of maintenance time and money allocated to the program.

The second conclusion is that after two years of minimum maintenance, facility deterioration would require either major expenditures, leasing for concessionaire operation, or the abandonment of the program. Advanced deterioration might discourage concessionaire operation of the facility. In combination with budgetary constraints, these circumstances might force program managers to abandon the program.
Finally, the debate premise that "the lack of a revenue recovery mechanism will have significant negative impacts" is accepted with the qualification that these impacts, although not felt immediately, would require an agency response within two years.

7.4.3 Contingency Policy Impacts

The final policy debate issue addresses the impacts of implementation of the concessions policy. The conclusion to the analysis of this premise is used to answer the final two subsidiary questions for this case study. They are:

What would be the impacts on the PUC program from the implementation of a concessions policy?

What would be the impacts on the agency from the implementation of a concessions policy?

In answer to the first question, it was determined that concessionaire management would easily achieve program operation objectives. Further, the impacts on program development objectives would be positive. In the mid- and long-term future, the program would have the opportunity to expand, as program receipts could be put into facility development.

In answer to the second question, the short-term impacts of implementation of this policy on the Division would be to require small diversions of staff time from other projects. In the long-term, each system of cabins operated by a
concessionaire would relieve the agency of an otherwise substantial management responsibility.

In conclusion, the policy debate premise for the implementation of a contingency policy is accepted with the qualification that the Division must be willing to absorb the short-term staff time impacts of setting concessionaire operations.

7.4.4 Recommended Policy Strategy

In this case study I have determined that: the present agency policy for revenue recovery is vulnerable to veto in the legislative process, significant negative impacts on program development would result from continued operations without a means of revenue recovery, and that a concessions strategy for revenue recovery would provide a viable alternative to program receipts.

In answer to the problem statement for this case study, I have recommended that to help ensure continued program operations and development, the Division implement a policy that combines both strategies of revenue recovery. This recommendation does not advocate the immediate start up of the concessions development process. This recommendation does advocate that a contingency strategy be developed for implementation in the case that the program receipts initiative is vetoed.
Moreover, I advocate an agency commitment to the program with the development of forward thinking program development measures. Division managers should realize that if the program receipts initiative fails, they will be confronted with the same statutory constraints for program development. In response to these constraints, program managers will have the choice of allowing the program to languish and gradually deteriorate, or incur short term agency costs for the long term benefit of the program. I recommend that this choice be considered as soon as possible, in order to benefit from the options still available to the program.
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