

Natural Resources Committee

HB 1785

Brief Description: *Implementing the recommendations of the joint legislative audit and review committee report regarding capital budget programs investing in the environment.*

Sponsors: *Representatives Murray, Alexander, Doumit, Rockefeller, Esser, Sump, Kenney and McIntire.*

Brief Summary of Bill

- *The Office of Financial Management (OFM) is required to consult with natural resource related state agencies and develop a plan to implement the recommendations contained in Joint Legislative Audit and Review Committee (JLARC) report 01-1 on investing in the environment.*
- *OFM is required to report to the natural resource and fiscal committees of the Legislature on the implementation of this section, along with any recommendations, by September 1, 2002.*

Hearing Date: *2/12/01*

Staff: *Bill Lynch (786-7092).*

Background:

The Joint Legislative Audit and Review Committee (JLARC) recently reviewed twelve capital budget programs administered by six agencies that provide grants and loans to local governments and other entities for environmental quality purposes. The audit noted that the amount of funding provided for these programs has been growing as well as the requests for program funding.

The JLARC final report 01-1 focused on the distinction between distributing versus investing money under these programs. Under an investment approach, information is gathered to determine whether the investments have been effective, and this information is

integrated into the decision-making process. Without measurable returns, however, it is difficult to determine whether the investments have been effective. The JLARC report made several recommendations that would incorporate the investment approach into these environmental quality programs. These recommendations include increasing the systematic collection and sharing of information, integrating practices regarding the investment model into program structures and operations, streamlining and better integrating program services to local governments, and ensuring that the funding agencies work together to achieve these goals.

The Independent Science Panel, which was created to provide scientific oversight of the state's salmon recovery efforts, issued a report in December 2000 concerning monitoring. The report noted that although there are a number of monitoring efforts currently utilized by different programs, these monitoring efforts are largely uncoordinated and unlinked among programs, use different indicators, have different objectives, and lack support for sharing data. The report concluded that efforts to recover salmon will not be credible without comprehensive monitoring focused on recovery objectives.

Summary of Bill:

The Office of Financial Management (OFM) is required to consult with the Department of Ecology, Department of Natural Resources, Department of Fish and Wildlife, State Conservation Commission, State Parks and Recreation Commission, Interagency Committee for Outdoor Recreation, Salmon Recovery Funding Board, and the Public Works Board within the Department of Community Trade and Economic Development, and develop a plan to implement the recommendations contained in Joint Legislative Audit and Review Committee (JLARC) report 01-1 on investing in the environment. OFM is required to report to the natural resource and fiscal committees of the Legislature on the implementation of this section, along with any recommendations, by September 1, 2002. These natural resource agencies are required to assist OFM in developing the plan and recommendations.

The plan must particularly address the report's recommendations regarding development of baseline data, project prioritization and selection criteria, monitoring systems, shared and accessible data systems, and improved coordination among the natural resource agencies and others.

The portion of the plan addressing project prioritization and selection processes and criteria for grants and loans may include: clear documentation of the process that ensures the process is open, objective, and clear as to how decisions are made; criteria that evaluates the expected benefits to be produced by the projects; criteria that evaluates the likelihood of the proposed environmental benefits being achieved based upon the overall design of the project and the ability of the applicant to perform the project; an assessment of the benefits of the proposed project relative to the money being provided; a preference for projects that can document a readiness to proceed; a proposed implementation plan and schedule that is specified in contract; and the use of a minimum investment threshold which prohibits funding for projects that haven't demonstrated a likelihood of producing desired returns on the investment.

The plan must develop project reporting and monitoring requirements and adaptive management processes for grants and loans that provide: a preference for projects that include baseline monitoring; a requirement for implementation monitoring that provides confirmation that the projects was correctly implemented; a requirement for effectiveness monitoring to allow an accurate assessment of whether the objectives of the project are being achieved; a strategy for validation monitoring and adaptive management to allow information obtained from the project to be analyzed and integrated into decision making; and a coordinated approach for sharing workload and information among appropriate federal, state, local, and tribal agencies, nonprofit and volunteer groups, and other project sponsors.

The effectiveness monitoring component must include clearly articulated objectives to be addressed; appropriate indicators and variables; standardized protocols to allow for comparison among locations, times, and programs; and programs to ensure quality assurance and quality control of the data.

The plan may provide for implementation of the plan in phases to maximize the use of available funding for improving the environment while incorporating the JLARC recommendations.

Appropriation: None.

Fiscal Note: Requested on February 11, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.