

# SENATE BILL REPORT

## ESHB 1785

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As Reported By Senate Committee On:  
Environment, Energy & Water, March 22, 2001  
Ways & Means, April 2, 2001

**Title:** An act relating to implementing the recommendations of the joint legislative audit and review committee report regarding capital budget programs investing in the environment.

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

**Sponsors:** By House Committee on Natural Resources (originally sponsored by Representatives Murray, Alexander, Doumit, Rockefeller, Esser, Sump, Kenney and McIntire).

**Brief History:**

**Committee Activity:** Environment, Energy & Water: 3/20/01, 3/22/01 [DPA-WM].  
Ways & Means: 4/2/01 [DPA].

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### SENATE COMMITTEE ON ENVIRONMENT, ENERGY & WATER

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Fraser, Chair; Regala, Vice Chair; Eide, Hale, Honeyford, Jacobsen, McDonald and Morton.

**Staff:** Richard Rodger (786-7461)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

**Staff:** Richard Ramsey (786-7412)

**Background:** The Joint Legislative Audit and Review Committee (JLARC) recently reviewed 12 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 Ways & Means Amended Bill:** The Office of Financial Management (OFM) must assist the Department of Ecology, Department of Natural Resources, State Conservation Commission, Interagency Committee for Outdoor Recreation, Department of Fish and Wildlife, Salmon Recovery Funding Board, and the Public Works Board within the Department of Community, Trade, and Economic Development, in developing outcome focused performance measures for administering grant and loan programs related to natural resources or the environment. These performance measures must be used in determining grant eligibility, for program management, and performance assessment. These agencies are required to consult with grant or loan recipients and other interested parties and report to OFM on implementation of this section. The recommendations for monitoring must be consistent with the strategy developed by the monitoring oversight committee established by SSB 5637.

OFM must report to the natural resource and fiscal committees of the Legislature on the implementation of this section, along with any recommended changes to current law, by July 31, 2002. These natural resource agencies are required to assist OFM in preparing the report.

OFM and the Salmon Recovery Office must help these natural resource-related agencies develop recommendations for a monitoring program to evaluate outcome-focused performance measures.

Several natural resource-related grant or loan programs must mandate grant or loan applicants to incorporate a description of the environmental benefits of projects into their grant or loan applications, and these must be considered by the agency in the prioritization and selection process. The agencies must coordinate their performance measure systems with other agencies to the greatest extent possible.

**Ways & Means Amended Bill Compared to Environment, Energy & Water Amended Bill:** A provision is added that the recommendations for monitoring be consistent with the strategy developed by the monitoring oversight committee established by SSB 5637. The capital programs subject to the investment model are expanded to include Department of Fish and Wildlife programs for the protection and recovery of fish.

**Amended Bill Compared to Substitute Bill:** Technical and clarifying amendments are made.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For (Environment, Energy & Water):** This bill will help ensure that capital funds will be dedicated to programs that have set goals and the programs' success will be reviewed through an outcome-based evaluation. The bill also provides another tool to determine the effectiveness of existing environmental programs. It will set specific requirements and involve a more detailed analysis that will supplement the general goals of the state's Budget and Accounting Act.

**Testimony Against (Environment, Energy & Water):** None.

**Testified (Environment, Energy & Water):** Karl Herzog, Joint Legislative Audit and Review Committee; Mike Rhyerd, WA Wildlife and Recreation Coalition (pro); Len Barson, Nature Conservancy (pro); Jim Cahill, Senior Budget Analyst, Office of Financial Management (pro); Jerry Smedes, NW Environmental Business Council (pro).

**Testimony For (Ways & Means):** None.

**Testimony Against (Ways & Means):** None.

**Testified (Ways & Means):** No one.