

# FINAL BILL REPORT

## ESHB 1785

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Synopsis as Enacted

**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).

**House Committee on Natural Resources**  
**House Committee on Capital Budget**  
**Senate Committee on Environment, Energy & Water**  
**Senate Committee on Ways & Means**

### **Background:**

The Joint Legislative Audit and Review Committee (JLARC) 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:**

The Office of Financial Management (OFM) is required to assist the Department of Ecology, Department of Natural Resources, Department of Fish and Wildlife, State Conservation Commission, Interagency Committee for Outdoor Recreation, 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 the OFM on implementation of this section. The OFM is required to 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 the OFM in preparing the report.

The OFM and the Salmon Recovery Office are directed to help these natural resource-related agencies develop recommendations for a monitoring program to measure outcome focused performance measures. The recommendations must be consistent with the framework and coordinated monitoring strategy developed by the monitoring oversight committee established in SSB 5637. SSB 5637 was enacted in the 2001 session to coordinate state agency monitoring activities with appropriate state, federal, local, and tribal government monitoring efforts.

Several natural resource-related grant or loan programs must require 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.

Performance measure requirements also apply to programs administered by the Department of Fish and Wildlife related to protecting or recovering fish stocks that are funded by the capital budget.

**Votes on Final Passage:**

House 96 0  
Senate 47 0 (Senate amended)  
House 84 0 (House concurred)

**Effective:** July 22, 2001

