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**HOUSE BILL 1785**

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**State of Washington****57th Legislature****2001 Regular Session**

**By** Representatives Murray, Alexander, Doumit, Rockefeller, Esser, Sump, Kenney and McIntire

Read first time 02/05/2001. Referred to Committee on Capital Budget.

1       AN ACT Relating to implementing the recommendations of the joint  
2 legislative audit and review committee report regarding capital budget  
3 programs investing in the environment; adding a new section to chapter  
4 43.41 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       NEW SECTION.   **Sec. 1.** The legislature finds that the amount of  
7 overall requests for funding for natural resource-related programs in  
8 the capital budget has been steadily growing. The legislature also  
9 finds that there is an increasing interest by the public in examining  
10 the performance of the projects and programs to determine the return on  
11 their investments. The legislature further finds that there is a need  
12 to improve the data that is collected by state agencies and grant and  
13 loan recipients in order to better measure the outcomes of projects and  
14 programs, and that a coordinated and integrated response by state  
15 agencies will allow for better targeting of resources. The legislature  
16 intends to implement the recommendations contained in the joint  
17 legislative audit and review committee's report number 01-1 on  
18 investing in the environment in order to improve the efficiency,

1 effectiveness, and accountability of these natural resource-related  
2 programs funded in the state capital budget.

3       **NEW SECTION.** **Sec. 2.** A new section is added to chapter 43.41 RCW  
4 to read as follows:

5           (1) The office of financial management shall consult with natural  
6 resource agencies and develop a plan to implement the recommendations  
7 of the joint legislative audit and review committee report number 01-1  
8 on investing in the environment, particularly regarding development of  
9 baseline data, project prioritization and selection criteria,  
10 monitoring systems, shared and accessible data systems, and improved  
11 coordination among natural resource agencies and others.

12          (2) The plan shall include recommendations to the legislature  
13 regarding necessary changes in current law, funding requirements, and  
14 methods to establish priorities and standards to use in focusing  
15 resources and providing greater accountability.

16          (3) The plan under this section shall develop project  
17 prioritization and selection processes and criteria for grants and  
18 loans subject to the provisions of this section, and these may include:

19           (a) A clearly documented project prioritization and selection  
20 process that ensures that the process is open, objective, and clear as  
21 to how decisions are made;

22           (b) Criteria that evaluates the benefits to environmental quality  
23 that are expected to be produced by the projects. For projects that  
24 address problems which are systemic in nature, the criteria shall  
25 address both the expected short-term and long-term benefits of the  
26 project;

27           (c) Criteria that evaluates the likelihood of the proposed  
28 environmental benefits being achieved based upon the applicant's  
29 ability to perform the project and the overall design of the project;

30           (d) An assessment of the benefits of the project relative to the  
31 amount of money provided in the grant or loan;

32           (e) A preference for projects that can document a readiness to  
33 proceed;

34           (f) A proposed implementation plan and schedule that is specified  
35 in contract; and

36           (g) Utilization of a minimum investment threshold, which denies  
37 project funding for projects that have not demonstrated that they are  
38 likely to produce desired returns from the investment. When

1 determining whether the minimum investment threshold has been met, the  
2 agency may positively consider the quality of the information or data  
3 that may be obtained for adaptive management purposes if the project is  
4 unsuccessful.

5 (4) The plan under this section shall develop project reporting and  
6 monitoring requirements and adaptive management processes for grants  
7 and loans that provide:

8 (a) Preferences for projects that include baseline monitoring;

9 (b) A requirement for implementation monitoring, or confirmation  
10 that the project that was funded was implemented according to its  
11 design and contract;

12 (c) A requirement for effectiveness monitoring, or an accurate  
13 assessment of whether the objectives of the project are being achieved.  
14 Effectiveness monitoring includes the use of: Clearly articulated  
15 objectives to be addressed; appropriate indicators and variables;  
16 standardized protocols to allow for comparison among locations, times,  
17 or programs; and programs to ensure quality assurance and quality  
18 control of the data;

19 (d) A strategy for validation monitoring and adaptive management,  
20 or how the information obtained from the project will be analyzed and  
21 integrated into decision making; and

22 (e) Coordinated approaches for sharing workload and information  
23 among appropriate federal, state, local, and tribal agencies, nonprofit  
24 and volunteer groups, and other project sponsors.

25 (5) The plan under this section shall also require that each  
26 natural resource-related agency must eventually publish workload and  
27 outcome measures for the grant or loan program that can be used both  
28 for program management and assessment of program performance by  
29 citizens and the legislature, and provide that each natural resource-  
30 related agency shall consult with an external advisory group regarding  
31 program practices and performance.

32 (6) The plan under this section may provide for its implementation  
33 in phases to maximize use of available funding for improving the  
34 environment while incorporating the committee's recommendations to  
35 improve monitoring, accountability, and the effectiveness of the grants  
36 and loans.

37 (7) For purposes of this section, "natural resource-related  
38 agencies" includes the department of ecology, the department of natural  
39 resources, the department of fish and wildlife, the state conservation

1 commission, the state parks and recreation commission, the interagency  
2 committee for outdoor recreation, the salmon recovery funding board,  
3 and the public works board within the department of community, trade,  
4 and economic development.

5 (8) The office of financial management shall report to the natural  
6 resource and fiscal committees of the legislature on the implementation  
7 of this section and any recommendations by September 1, 2002. Natural  
8 resource agencies shall assist the office of financial management in  
9 developing the plan and recommendations under this section.

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