

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1785

Chapter 227, Laws of 2001

57th Legislature
2001 Regular Legislative Session

CAPITAL BUDGET PROGRAMS INVESTING IN THE ENVIRONMENT

EFFECTIVE DATE: 7/22/01

Passed by the House April 17, 2001
Yeas 84 Nays 0

FRANK CHOPP
Speaker of the House of Representatives

CLYDE BALLARD
Speaker of the House of Representatives

Passed by the Senate April 12, 2001
Yeas 47 Nays 0

BRAD OWEN
President of the Senate

Approved May 9, 2001

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1785** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

FILED

May 9, 2001 - 8:49 a.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1785

AS AMENDED BY THE SENATE

Passed Legislature - 2001 Regular Session

State of Washington

57th Legislature

2001 Regular Session

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

Read first time . Referred to Committee on .

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; amending RCW 79.24.580; adding
4 a new section to chapter 43.41 RCW; adding a new section to chapter
5 89.08 RCW; adding a new section to chapter 90.64 RCW; adding a new
6 section to chapter 70.105D RCW; adding a new section to chapter 70.146
7 RCW; adding a new section to chapter 79A.15 RCW; adding a new section
8 to chapter 77.85 RCW; adding a new section to chapter 43.155 RCW;
9 adding a new section to chapter 77.04 RCW; and creating a new section.

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

11 NEW SECTION. **Sec. 1.** The legislature finds that the amount of
12 overall requests for funding for natural resource-related programs in
13 the capital budget has been steadily growing. The legislature also
14 finds that there is an increasing interest by the public in examining
15 the performance of the projects and programs to determine the return on
16 their investments and that a coordinated and integrated response by
17 state agencies will allow for better targeting of resources. The
18 legislature further finds that there is a need to improve the data and
19 the integration of data that is collected by state agencies and grant

1 and loan recipients in order to better measure the outcomes of projects
2 and programs. The legislature intends to begin implementing the
3 recommendations contained in the joint legislative audit and review
4 committee's report number 01-1 on investing in the environment in order
5 to improve the efficiency, effectiveness, and accountability of these
6 natural resource-related programs funded in the state capital budget.

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

9 (1) The office of financial management shall assist natural
10 resource-related agencies in developing outcome focused performance
11 measures for administering natural resource-related and environmentally
12 based grant and loan programs. These performance measures are to be
13 used in determining grant eligibility, for program management and
14 performance assessment.

15 (2) The office of financial management and the governor's salmon
16 recovery office shall assist natural resource-related agencies in
17 developing recommendations for a monitoring program to measure outcome
18 focused performance measures required by this section. The
19 recommendations must be consistent with the framework and coordinated
20 monitoring strategy developed by the monitoring oversight committee
21 established in RCW 77.85.--- (section 3, Substitute Senate Bill No.
22 5637, Laws of 2001).

23 (3) Natural resource agencies shall consult with grant or loan
24 recipients including local governments, tribes, nongovernmental
25 organizations, and other interested parties, and report to the office
26 of financial management on the implementation of this section. The
27 office of financial management shall report to the appropriate
28 legislative committees of the legislature on the agencies'
29 implementation of this section, including any necessary changes in
30 current law, and funding requirements by July 31, 2002. Natural
31 resource agencies shall assist the office of financial management in
32 preparing the report, including complying with time frames for
33 submitting information established by the office of financial
34 management.

35 (4) For purposes of this section, "natural resource-related
36 agencies" include the department of ecology, the department of natural
37 resources, the department of fish and wildlife, the state conservation
38 commission, the interagency committee for outdoor recreation, the

1 salmon recovery funding board, and the public works board within the
2 department of community, trade, and economic development.

3 (5) For purposes of this section, "natural resource-related
4 environmentally based grant and loan programs" includes the
5 conservation reserve enhancement program; dairy nutrient management
6 grants under chapter 90.64 RCW; state conservation commission water
7 quality grants under chapter 89.08 RCW; coordinated prevention grants,
8 public participation grants, and remedial action grants under RCW
9 70.105D.070; water pollution control facilities financing under chapter
10 70.146 RCW; aquatic lands enhancement grants under RCW 79.24.580;
11 habitat grants under the Washington wildlife and recreation program
12 under RCW 79A.15.040; salmon recovery grants under chapter 77.85 RCW;
13 and the public work trust fund program under chapter 43.155 RCW. The
14 term also includes programs administered by the department of fish and
15 wildlife related to protection or recovery of fish stocks which are
16 funded with moneys from the capital budget.

17 NEW SECTION. **Sec. 3.** A new section is added to chapter 89.08 RCW
18 to read as follows:

19 In administering grant programs to improve water quality and
20 protect habitat, the commission shall require grant recipients to
21 incorporate the environmental benefits of the project into their grant
22 applications, and the commission shall utilize the statement of
23 environmental benefit in its grant prioritization and selection
24 process. The commission shall also develop appropriate outcome focused
25 performance measures to be used both for management and performance
26 assessment of the grant program. The commission shall work with the
27 districts to develop uniform performance measures across participating
28 districts. To the extent possible, the commission should coordinate
29 its performance measure system with other natural resource-related
30 agencies as defined in section 2 of this act. The commission shall
31 consult with affected interest groups in implementing this section.

32 NEW SECTION. **Sec. 4.** A new section is added to chapter 90.64 RCW
33 to read as follows:

34 In providing grants to dairy producers, districts shall require
35 grant applicants to incorporate the environmental benefits of the
36 project into their applications, and the districts shall utilize the
37 statement of environmental benefit in their prioritization and

1 selection process. The districts shall also develop appropriate
2 outcome focused performance measures to be used both for management and
3 performance assessment of the program. The commission shall work with
4 the districts to develop uniform performance measures across
5 participating districts. To the extent possible, the commission should
6 coordinate its performance measure system with other natural resource-
7 related agencies as defined in section 2 of this act. The commission
8 shall consult with affected interest groups in implementing this
9 section.

10 NEW SECTION. **Sec. 5.** A new section is added to chapter 70.105D
11 RCW to read as follows:

12 In providing grants to local governments, the department shall
13 require grant recipients to incorporate the environmental benefits of
14 the project into their grant applications, and the department shall
15 utilize the statement of environmental benefit in its prioritization
16 and selection process. The department shall also develop appropriate
17 outcome focused performance measures to be used both for management and
18 performance assessment of the grant program. To the extent possible,
19 the department should coordinate its performance measure system with
20 other natural resource-related agencies as defined in section 2 of this
21 act. The department shall consult with affected interest groups in
22 implementing this section.

23 NEW SECTION. **Sec. 6.** A new section is added to chapter 70.146 RCW
24 to read as follows:

25 In providing grants and loans to local governments, the department
26 shall require recipients to incorporate the environmental benefits of
27 the project into their applications, and the department shall utilize
28 the statement of environmental benefits in its grant and loan
29 prioritization and selection process. The department shall also
30 develop appropriate outcome focused performance measures to be used
31 both for management and performance assessment of the grant and loan
32 program. To the extent possible, the department should coordinate its
33 performance measure system with other natural resource-related agencies
34 as defined in section 2 of this act. The department shall consult with
35 affected interest groups in implementing this section.

1 **Sec. 7.** RCW 79.24.580 and 1999 c 309 s 919 are each amended to
2 read as follows:

3 After deduction for management costs as provided in RCW 79.64.040
4 and payments to towns under RCW 79.92.110(2), all moneys received by
5 the state from the sale or lease of state-owned aquatic lands and from
6 the sale of valuable material from state-owned aquatic lands shall be
7 deposited in the aquatic lands enhancement account which is hereby
8 created in the state treasury. After appropriation, these funds shall
9 be used solely for aquatic lands enhancement projects; for the
10 purchase, improvement, or protection of aquatic lands for public
11 purposes; for providing and improving access to such lands; and for
12 volunteer cooperative fish and game projects.

13 In providing grants for aquatic lands enhancement projects, the
14 department shall require grant recipients to incorporate the
15 environmental benefits of the project into their grant applications,
16 and the department shall utilize the statement of environmental
17 benefits in its prioritization and selection process. The department
18 shall also develop appropriate outcome focused performance measures to
19 be used both for management and performance assessment of the grants.
20 To the extent possible, the department should coordinate its
21 performance measure system with other natural resource-related agencies
22 as defined in section 2 of this act. The department shall consult with
23 affected interest groups in implementing this section.

24 During the fiscal biennium ending June 30, 2001, the funds may be
25 appropriated for boating safety, shellfish management, enforcement, and
26 enhancement and for developing and implementing plans for population
27 monitoring and restoration of native wild salmon stock.

28 NEW SECTION. **Sec. 8.** A new section is added to chapter 79A.15 RCW
29 to read as follows:

30 In providing grants through the habitat conservation account, the
31 committee shall require grant applicants to incorporate the
32 environmental benefits of the project into their grant applications,
33 and the committee shall utilize the statement of environmental benefits
34 in the grant application and review process. The committee shall also
35 develop appropriate outcome focused performance measures to be used
36 both for management and performance assessment of the grant program.
37 To the extent possible, the committee should coordinate its performance
38 measure system with other natural resource-related agencies as defined

1 in section 2 of this act. The committee shall consult with affected
2 interest groups in implementing this section.

3 NEW SECTION. **Sec. 9.** A new section is added to chapter 77.85 RCW
4 to read as follows:

5 In providing funding for habitat projects, the salmon recovery
6 funding board shall require recipients to incorporate the environmental
7 benefits of the project into their grant applications, and the board
8 shall utilize the statement of environmental benefits in its
9 prioritization and selection process. The board shall also develop
10 appropriate outcome focused performance measures to be used both for
11 management and performance assessment of the grant program. To the
12 extent possible, the board should coordinate its performance measure
13 system with other natural resource-related agencies as defined in
14 section 2 of this act. The board shall consult with affected interest
15 groups in implementing this section.

16 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.155
17 RCW to read as follows:

18 In providing loans for public works projects, the board shall
19 require recipients to incorporate the environmental benefits of the
20 project into their applications, and the board shall utilize the
21 statement of environmental benefits in its prioritization and selection
22 process. The board shall also develop appropriate outcome focused
23 performance measures to be used both for management and performance
24 assessment of the loan program. To the extent possible, the department
25 should coordinate its performance measure system with other natural
26 resource-related agencies as defined in section 2 of this act. The
27 board shall consult with affected interest groups in implementing this
28 section.

29 NEW SECTION. **Sec. 11.** A new section is added to chapter 77.04 RCW
30 to read as follows:

31 In administering programs funded with moneys from the capital
32 budget related to protection or recovery of fish stocks, the department
33 shall incorporate the environmental benefits of a project into its
34 prioritization and selection process. The department shall also
35 develop appropriate outcome focused performance measures to be used
36 both for management and performance assessment of the program. To the

1 extent possible, the department should coordinate its performance
2 measure system with other natural resource-related agencies as defined
3 in section 2 of this act. The department shall consult with affected
4 interest groups in implementing this section.

Passed the House April 17, 2001.

Passed the Senate April 12, 2001.

Approved by the Governor May 9, 2001.

Filed in Office of Secretary of State May 9, 2001.