

State of Washington
Joint Legislative Audit and
Review Committee

Environmental Restoration Jobs Act

Report 98-7

October 6, 1998

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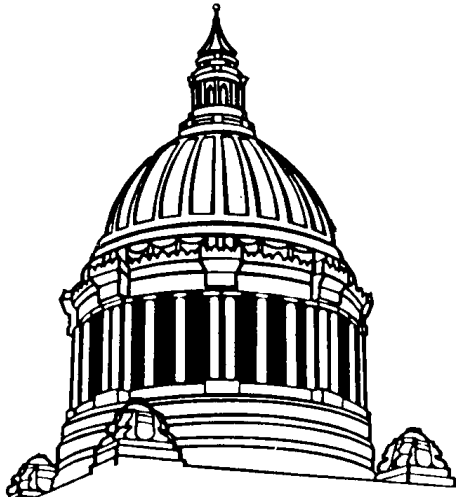
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**Facts About
The Joint Legislative Audit and Review Committee**

Established by Chapter 44.28 RCW, the Joint Legislative Audit and Review Committee (formerly the Legislative Budget Committee) provides oversight of state funded programs and activities. As a joint, bipartisan legislative committee, membership consists of eight senators and eight representatives equally divided between the two major political parties.

Under the direction of the Legislative Auditor, committee staff conduct performance audits, program evaluations, sunset reviews, and other types of policy and fiscal studies. Study reports typically focus on the efficiency and effectiveness of agency operations, impact of state programs, and compliance with legislative intent. As appropriate, recommendations to correct identified problem areas are included. The Legislative Auditor also has responsibility for facilitating implementation of effective performance measurement throughout state government.

The JLARC generally meets on a monthly basis during the interim between legislative sessions. It adopts study reports, recommends action to the legislature and the executive branch, sponsors legislation, and reviews the status of implementing recommendations.



State of Washington
Joint Legislative Audit
and Review Committee

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TABLE OF CONTENTS

Chapter		Page
	SUMMARY	i
	SUMMARY OF RECOMMENDATIONS	vii
1	INTRODUCTION	1
	Mandate	1
	Methodology and Study Limitations	1
	Program Background	2
2	COMPLIANCE WITH LEGISLATIVE INTENT	7
	Act Was Never Implemented or Funded	7
	Program Lacked Full Compliance	8
3	PROGRAM EFFECTIVENESS	11
	Improvements in Water and Habitat Quality Have Not Been Measured	11
	Program's Direct Impact in Providing Economic Stability in Targeted Areas is Not Known	14
	Conclusion and Recommendation	16
4	PROGRAM COST-EFFECTIVENESS, EFFICIENCY, AND DUPLICATION	17
	Program Cost-Effectiveness	17
	Program Expenditures	19
	Program Efficiency	25
	No Unnecessary Duplication	27
5	PROGRAM CONTINUATION	29

Program Lacks Necessary Information	29
-------------------------------------	----

Appendices**Page**

1	SCOPE AND OBJECTIVES	31
2	AGENCY RESPONSES	33
	AUDITOR'S NOTE	47
3	METHODOLOGY AND STUDY LIMITATIONS	49
4	JOBS FOR THE ENVIRONMENT GRANT RECIPIENT SURVEY	51

ENVIRONMENTAL RESTORATION JOBS ACT

Summary

INTRODUCTION

The Environmental Restoration Jobs Act of 1993 (ESHB 1785) is codified in state law, Chapter 43.21J RCW. This chapter provides the basic foundation for the Jobs for the Environment (JFE) program, which was established to fund labor-intensive environmental restoration projects using displaced natural resource workers.

The Department of Natural Resources (DNR) has been the lead agency in implementing the JFE program. A task force comprised of government and stakeholder representatives guides the program development and decision-making. The program awards grants to non-profit, tribal, and governmental applicants on a competitive basis for projects that demonstrate benefits to critical and depressed fish stocks and that employ dislocated natural resource workers.

RCW 43.21J.800 requires the Joint Legislative Audit and Review Committee (JLARC) to evaluate the implementation of the Environmental Restoration Jobs Act of 1993. We reviewed the program and answered a set of questions that are listed below. Our answers and recommendations follow each question.

Has the program complied with legislative intent as outlined in Chapter 43.21J RCW?

The JFE program has generally complied with legislative intent that is reflected in Chapter 43.21J RCW and subsequent budget

**JFE funds
environmental
projects that
use displaced
natural
resource
workers**

Program has been funded through budget provisos

provisos. However, the legislative history behind the evolution of the program is rather confusing because the direction given in legislation has changed several times. As a result, it is difficult to track legislative intent of the program and identify criteria to which the program should be held accountable.

The Environmental Restoration Jobs Act of 1993 was never funded or implemented as described in state law (Chapter 43.21J RCW). The overall purpose of the act was to implement clean water, forest, and habitat restoration projects that will produce measurable improvements in water quality and provide economic stability in the targeted areas. The spirit of the act is reflected in the JFE program. The program has been funded outside of the mechanism of the act and explicit direction for expenditure of those funds has been provided in budget appropriations. This has resulted in the emphasis of the program changing from time to time.

Our review did not find sufficient and competent evidence to conclusively determine why the act was not implemented or funded as described in state law. Officials of the Department of Natural Resources and the Office of Financial Management as well as the current and former legislative staff we interviewed seemed to agree that it was a budgetary decision made by the legislature.

Recommendation 1

The legislature should consider amending the original legislation (Chapter 43.21J RCW) for the purpose of clarifying its intent for the Jobs for the Environment program funding and operations, and deleting sections of law that are no longer needed.

Has the program made measurable improvements in water and habitat quality? What has been the program's direct impact in providing economic stability in the targeted areas?

Improvements in water and habitat quality, as a result of JFE projects, have not been measured. This is because the program lacked a critical component—the long-term monitoring of projects.

According to program officials, monitoring has not been an eligible activity for grant reimbursement up until this biennium. The newly implemented monitoring efforts are limited in scope, because they relate to maintaining corrective actions.

The program's immediate results are basically the types and amounts of work done under different projects. Program officials believe that this work should lead to long-term habitat improvements, providing spawning and rearing habitat for increased salmon populations.

Need long-term monitoring

Similarly, it is not possible to assess the program's direct impact in providing economic stability in the targeted areas, because necessary data to address such a question have not been collected. Program officials, however, provided evidence for the types of jobs created, wages paid, and number of people employed. The program's database shows that the JFE program has provided employment to nearly 800 people since its inception.

Before the legislature makes a policy decision of whether to fund long-term monitoring of JFE projects, program officials can assist policymakers by providing them with a cost-benefit analysis of various options for documenting the program's success.

Recommendation 2

Prior to the 1999 Legislative Session, the Department of Natural Resources should submit a plan to the legislature for long-term monitoring of the Jobs for the Environment program. The plan should include cost estimates and options for documenting the program's success in:

- *Making sustainable improvements in water and habitat quality, and*
- *Providing economic benefits in targeted areas.*

Has the program been implemented in an efficient and cost-effective manner? Has the program unnecessarily duplicated efforts of other public agencies or the private sector?

The program has not prioritized needs relating to environmental restoration and dislocated natural resource workers, nor developed benchmarks for evaluating cost-effectiveness, nor assessed the long-term impact of its projects. Therefore, it is difficult to say whether the program has been implemented in a cost-effective manner.

Program officials provided three reasons for not being able to assess cost-effectiveness: 1) watershed restoration is not an exact science and projects need time to become established; 2) long-term monitoring of projects has not been done; and 3) benchmarks for what is considered good results for the amount invested have not been established.

Program's current administrative costs are about 20 percent

We found that administrative costs for the JFE program have increased significantly between the 1993-95 and 1997-99 Biennia—from 8.3 percent to 20.7 percent of the total expenditures. These costs include both agency and grantee administration.

The Environmental Restoration Jobs Act of 1993 limits the administrative costs to no more than 5 percent of the annual revenues to the Environmental and Forest Restoration Account. Since the account was never activated, it is not clear whether the 5 percent limit on administrative costs still applies to the program.

Reasons offered by program officials for the increase in administrative expenses include the following¹:

- Staff costs were low at the beginning of the program implementation, because full program operation did not occur until the second year of the 1993-95 Biennium.
- At the beginning of the program there was a shortened grant development, evaluation, and award process in order to fund the projects quickly.
- Several grants are carried over each biennium generating more contract administration and technical amendments.

¹ Because of time constraints, we could not verify the extent to which these reasons contributed to the actual increases in administrative costs.

- Program requirements have increased over the years.

We found that officials have taken various steps to ensure program efficiency. For example, DNR reported that grant recipients at the local level brought to the program about \$7.5 million in matching funds and in-kind contributions to date. A survey of current grant recipients of the program reflected positively overall on the way the program is implemented.

**Received
\$7.5 million
in matching
contributions**

Finally, the program does not unnecessarily duplicate efforts of other public agencies or the private sector.

Recommendation 3

The Department of Natural Resources should prioritize the Jobs for the Environment program-specific needs and establish benchmarks for cost-effective projects to ensure program efficiency and cost-effectiveness. The department should provide this information to the legislature before the 1999 Legislative Session.

Recommendation 4

The legislature should consider clarifying in law the allowable types and levels of administrative expenses for the Jobs for the Environment program to ensure accountability and to maximize the use of funds for direct program services.

Is the program still needed? Would there be an adverse effect on public health, safety, or welfare if the program is terminated or modified in a way that curtails program authority or resources?

Although the anecdotal information and program outputs generally reflect positively on the program, it is difficult to say whether the program is still needed. This is because the program's impact in improving water and habitat quality and stabilizing economy in the targeted areas are not known. This information along with a prioritization of program-specific needs is necessary for determining if there would be an adverse effect on

**About \$16
million spent
on wages to
JFE project
workers**

public health, safety, or welfare if the program is terminated or modified in a way that curtails program authority or resources.

According to program officials, 90 dislocated workers would lose their jobs if the program were terminated now. The JFE program has so far spent about one-half of its total expenditures (approximately \$16 million of the \$30 million) on wages to workers. Areas most impacted by the elimination or reduction of the JFE program would be the natural resource based communities.

AGENCY RESPONSES

We have shared the report with the Office of Financial Management (OFM), the Department of Natural Resources (DNR), and the Department of Fish and Wildlife (DFW), and provided them an opportunity to submit written comments. The agencies concur/partially concur with the recommendations. Their written comments, as well as the auditor's note and comments on their response, are attached as Appendix 2.

ACKNOWLEDGMENTS

We appreciate the cooperation extended to us by the staff of the Jobs for the Environment program. This study was conducted by Joint Legislative Audit and Review Committee staff member Rakesh Mohan. The consulting firm of Sterling Associates was retained to conduct the financial part of the study. Bob Thomas and Ron Perry served as the project supervisors.

Thomas M. Sykes
Legislative Auditor

On November 10, 1998, this report was approved by the Joint Legislative Audit and Review Committee and its distribution authorized.

Representative Cathy McMorris
Chair

RECOMMENDATIONS

Summary

Recommendation 1

The legislature should consider amending the original legislation (Chapter 43.21J RCW) for the purpose of clarifying its intent for the Jobs for the Environment program funding and operations, and deleting sections of law that are no longer needed.

Legislation Required:	Yes
Fiscal Impact:	None
Completion Date:	1999 Legislative Session

Recommendation 2

Prior to the 1999 Legislative Session, the Department of Natural Resources should submit a plan to the legislature for long-term monitoring of the Jobs for the Environment program. The plan should include cost estimates and options for documenting the program's success in:

- Making sustainable improvements in water and habitat quality, and
- Providing economic benefits in targeted areas.

Legislation Required:	No
Fiscal Impact:	None to minimal
Completion Date:	1999 Legislative Session

Recommendation 3

The Department of Natural Resources should prioritize the Jobs for the Environment program-specific needs and establish benchmarks for cost-effective projects to ensure program efficiency and cost-effectiveness. The department should provide this information to the legislature before the 1999 Legislative Session.

Legislation Required:	No
Fiscal Impact:	None
Completion Date:	January 1999

Recommendation 4

The legislature should consider clarifying in law the allowable types and levels of administrative expenses for the Jobs for the Environment program to ensure accountability and to maximize the use of funds for direct program services.

Legislation Required:	Yes
Fiscal Impact:	None
Completion Date:	1999 Legislative Session

INTRODUCTION

Chapter One

The Environmental Restoration Jobs Act of 1993 (Engrossed Substitute House Bill 1785) is codified in state law, Chapter 43.21J RCW. This chapter provides the basic foundation for the Jobs for the Environment (JFE) program, which was established to fund labor-intensive environmental restoration projects using displaced natural resource workers.

Summary

MANDATE

RCW 43.21J.800 requires that on or before June 30, 1998, the Joint Legislative Audit and Review Committee (JLARC) prepare a report to the legislature evaluating the implementation of the Environmental Restoration Jobs Act of 1993. The scope and objectives of the review are in Appendix 1.

METHODOLOGY AND STUDY LIMITATIONS (See Appendix 3)

Although this is not a sunset review, we followed the general sunset criteria (RCW 43.131.070) in conducting this study. We find the sunset criteria to be useful in evaluating implementation of legislative acts. The criteria place the burden of proof on agencies to demonstrate the extent to which they have complied with legislative intent, effectively provided needed services, operated the program in an efficient and economical manner, and not duplicated efforts of other public agencies or private sector. In addition, the program under review needs to show its continuing need. Because of the time constraints, we asked program officials to provide us with information that directly answers the study objectives that are based on the sunset criteria.

PROGRAM BACKGROUND

DNR is the implementing agency

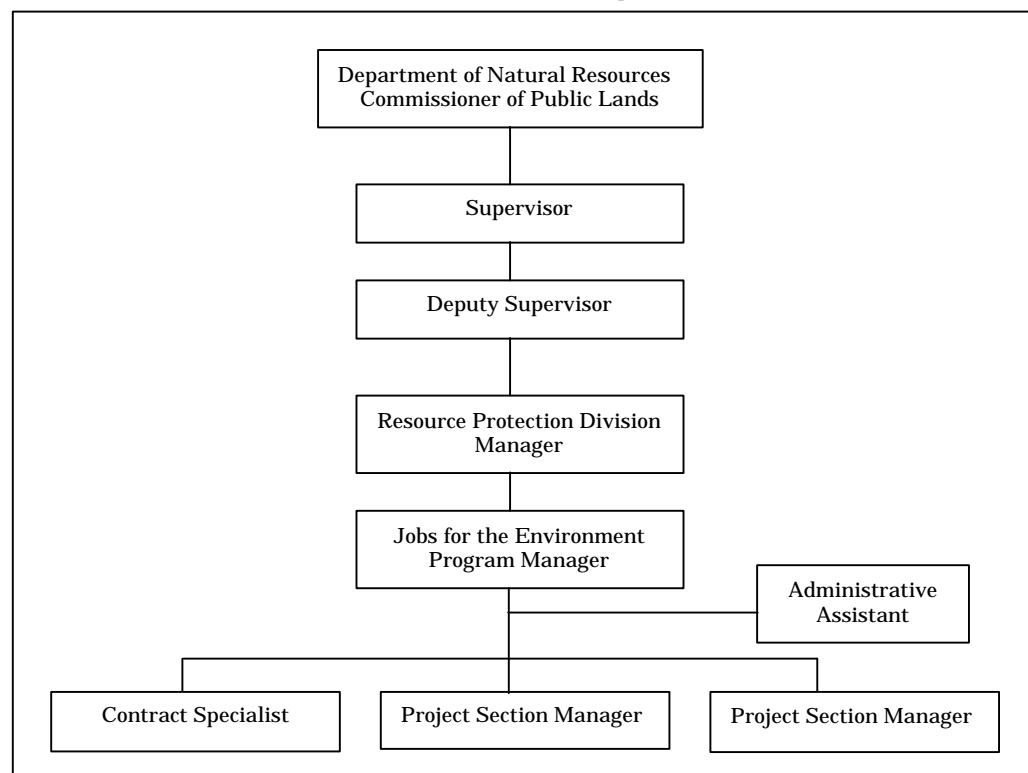
DNR has been the lead agency in implementing the JFE program. The Department of Ecology (DOE) and Washington Department of Fish and Wildlife (WDFW) have also participated. A task force comprised of government and stakeholder representatives guides program development and decision-making. The program awards grants to non-profit, tribal, and governmental applicants on a competitive basis for projects that demonstrate benefits to critical and depressed fish stocks and employ dislocated natural resource workers.

Staff

As shown in Exhibit 1, the JFE program is housed in DNR's Resource Protection Division. The program has a manager, two project section managers, one contract specialist who also serves as manager for some projects, and an administrative assistant.

Exhibit 1

Jobs for the Environment's Organization Chart



Source: DNR Documents.

As shown in Exhibit 2, DNR has had two types of staff for the JFE program—administrative staff and regional project staff. Administrative staff for the program has increased from 3.45 to 5.03 full-time-equivalent (FTE) positions over the years. On the other hand, regional project staff has decreased over the same time period as a greater percentage of project funds have been awarded to external grantees instead of DNR staff. Regional project positions are defined as those filled by displaced natural resource workers needed to implement JFE projects.

Washington Department of Fish and Wildlife staff provided technical support to the program through interagency agreements with DNR. Information was not available to determine if the Department of Ecology incurred staff costs for the 1993-95 Biennium.

Exhibit 2

Jobs for the Environment Staff at DNR (Full-Time-Equivalent Positions)

Type of JFE Staff at DNR	1993-95 Biennium	1995-97 Biennium	Fiscal Year 1998 (Annualized through March 1998)
Administrative Staff	3.45	4.69	5.03
Regional Project Staff	9.06	3.56	0.46

Source: Agency Financial Reporting System (AFRS) reports.

Revenues/Appropriations

As shown in Exhibit 3, the program was supported by a variety of fund sources. These fund accounts represent specific state appropriations *made available* through proviso language in state budget acts. The category “Other Revenue Sources” is comprised of actual funds reimbursed to DNR from WDFW using federal grants received from the United States Fish and Wildlife Service.

Most funds have been made available through proviso in legislative appropriations—ESSB 6244 (1994 1st Special Session), ESSB 6251 (1996 Regular Session), and SSB 6455 (1998 Regular Session). As with all legislative appropriations, authority to

Department
of Fish and
Wildlife
provides
technical
support

Funding has
been through
budget
provisos

spend these funds expires at the end of each biennium (that is, the administering agencies do not retain unspent funds).

Exhibit 3

Sources of Funds for the Jobs for the Environment

Source of Funds	1993-95 Biennium	1995-97 Biennium	1997-99 Biennium (Budgeted)
State General Fund	\$4,500,000	\$0	\$0
Watershed Restoration Partnership Program	10,000,000	1,600,000	0
Wildlife Account	0	1,300,000	0
Resource Management Cost Account	0	2,500,000	1,500,000
Forest Development Account	0	500,000	500,000
Water Quality Account	0	6,000,000	7,133,000
Federal General Fund	0	1,700,000	0
Other Revenue Sources (not provided)	0	994,555	108,961 ¹
Total²	\$14,500,000	\$14,594,555	\$9,241,961

Source: Agency Financial Reporting System (AFRS) reports.

DNR received most of the program appropriations

Exhibit 4 shows total appropriations by agency. Most of the DOE's appropriation was made available to DNR via an interagency agreement, except for the amount retained for the Washington Conservation Corps program. WDFW received grants from the United States Fish and Wildlife Service. The amount shown in Exhibit 4 does not include any indirect cost reimbursement WDFW may have received from federal agencies. WDFW also indicated it provided grant payments directly to grantees in the 1995-97 Biennium, using United States Forest Service federal funds. However, documentation of these fund sources was not provided.

¹ Estimated by DNR officials.

² The expenditures are significantly less than appropriations. See Chapter 4, page 22, for an explanation.

Exhibit 4**Jobs for the Environment Appropriations by Agency**

Agency	1993-95 Biennium	1995-97 Biennium	1997-99 Biennium (Budgeted)
Department of Natural Resources	\$12,000,000	\$13,600,000	\$9,133,000
Department of Ecology	2,500,000	0	0
Department of Fish and Wildlife	0	994,555	108,961 ³
Total⁴	\$14,500,000	\$14,594,555	\$9,241,961

Source: Agency Financial Reporting System (AFRS) reports.

Interagency Transfers

Most program activities were charged directly to DNR. However, there were some activities that involved interagency reimbursements as shown below:

- In the 1993-95 Biennium, the DOE provided to DNR via interagency transfer \$1,600,281 for grant project costs and \$100,000 for administrative costs.
- In the 1995-97 Biennium, DNR provided \$433,890 to WDFW for technical assistance costs.
- In the 1995-97 Biennium, WDFW provided \$994,555 to DNR for grant project costs paid to grantees.
- In the 1997-99 Biennium, DNR is projected to provide \$510,051 to WDFW for technical assistance costs, per interagency agreement.

³ Estimated by DNR officials.

⁴ The expenditures are significantly less than appropriations. See Chapter 4, page 22, for an explanation.

Indirect Revenue Sources

Grant recipients provide local matching contributions

Most grantees provide additional local matching funds and/or in-kind resources, or they obtain these resources from other groups. These resources are employed directly by the grantees and therefore are not recorded in the state's financial system. DNR requires JFE grantees to report on actual matching funds and in-kind services, and the department maintains this information in a grants database. Total amounts of these funds for each of the three biennia are as follows:

- \$1,606,858 - 1993-95 Biennium
- \$3,487,923 - 1995-97 Biennium
- \$2,277,654 - 1997-99 Biennium

According to DNR staff, units within DNR that provided services directly (as opposed to grantees) reported they also used \$172,314 from the Access Road Revolving Fund during the 1995-97 Biennium to carry out services in conjunction with the JFE program. Documentation of these additional funds was not made available. Amounts of matching support from this fund for the 1993-95 and 1997-99 Biennia were not provided.

COMPLIANCE WITH LEGISLATIVE INTENT

Chapter Two

Study Question: *Has the program complied with legislative intent as outlined in Chapter 43.21J RCW?*

Answer: *The Jobs for the Environment (JFE) program has generally complied with legislative intent that is reflected in Chapter 43.21J RCW and subsequent budget provisos. However, the legislative history behind the evolution of the program is rather confusing because the direction given in legislation has changed several times. As a result, it is difficult to track legislative intent of the program and identify criteria to which the program should be held accountable.*

ACT WAS NEVER IMPLEMENTED OR FUNDED

The Environmental Restoration Jobs Act of 1993 was never funded or implemented as described in state law (Chapter 43.21J RCW). The overall purpose of the act was to implement clean water, forest, and habitat restoration projects that will produce measurable improvements in water quality and provide economic stability in the targeted areas. The act also established an Environmental and Forest Restoration Account to fund environmental and forest restoration projects. However, the legislature never appropriated funds to this account.

Our review did not find sufficient and competent evidence to conclusively determine why the act was not implemented or funded as described in state law. Officials of the Department of Natural Resources and the Office of Financial Management as

Summary

Environmental
and Forest
Restoration
Account was
never funded

well as the current and former legislative staff we interviewed seemed to agree that it was a budgetary decision made by the legislature.

Program has been funded and shaped through the appropriations process

The spirit of the act is reflected in the JFE program. The program has been funded outside of the mechanism described in the act and explicit direction for expenditure of those funds has been provided in subsequent appropriations acts. SSB 5968 (1993 1st Special Session), the operating appropriations act, actually provided the first funding to the program. The program was later funded and shaped by various legislation including the following:

- ESSB 6243 (1994 Regular Session) provides appropriations for the Watershed Restoration program.
- ESHB 1410 (1995 2nd Extraordinary Session) provides funds for restoring and protecting watersheds in accordance with priorities for fish stocks and for the first time mentions “jobs in the environment program” [a terminology similar to “jobs for the environment”].
- SSB 6063 (1997 Regular Session) establishes the JFE program as a capital program and allows for monitoring its projects.
- SSB 6455 (1998 Regular Session) provides funds for priority salmonid stocks.

PROGRAM LACKED FULL COMPLIANCE

DNR officials reported that they have not been in full compliance with certain sections of Chapter 43.21J RCW. They cited the following three sections, as well as provided reasons, where the program differed.

- RCW 43.21J.020 establishes the Environmental and Forest Restoration Account. Because this account was never funded, loans were never offered or authorized for JFE grant recipients, and the specified percentages of funding for certain activities were never closely adhered to.

- RCW 43.21J.030 created the Environmental Enhancement and Job Creation Task Force. However, because the appropriation was through DNR, the department retained control of any final decision making.
- RCW 43.21J.040 gives the authority for evaluating project proposals to the task force. However, in practice, the program awards grants with a recommendation from the task force and approval by DNR.

DNR implemented the legislative intent for the JFE program by awarding grants to projects that provide both biological and social benefits. Program officials provided copies of grant applications that outline how proposals are rated in order to meet the program's legislative intent.

Officials also provided a sample of letters that were received in response to a request DNR made in December 1994 to affected state and federal agencies. The request asked for an evaluation of the Jobs for the Environment and Watershed Restoration Partnership programs. These letters are from the following four entities: Puget Sound Water Quality Authority, Washington State Labor Council, Workforce Training and Education Coordinating Board, U.S. Fish and Wildlife Service. All four entities gave positive assessment.

Recommendation 1

The legislature should consider amending the original legislation (Chapter 43.21J RCW) for the purpose of clarifying its intent for the Jobs for the Environment program funding and operations, and deleting sections of law that are no longer needed.

**Program
provides both
biological
and social
benefits**

PROGRAM EFFECTIVENESS

Chapter Three

Study Questions: *Has the program made measurable improvements in water and habitat quality? What has been the program's direct impact in providing economic stability in the targeted areas?*

Answers: *Improvements in water and habitat quality, as a result of JFE projects, have not been measured. This is because the program lacked a critical component—the long-term monitoring of projects. Similarly, it is not possible to assess the program's direct impact in providing economic stability in the targeted areas, because the program has not collected necessary data to address such a question.*

Summary

IMPROVEMENTS IN WATER AND HABITAT QUALITY HAVE NOT BEEN MEASURED

A critical component of watershed restoration is long-term monitoring. In the absence of data obtained from such monitoring, it is impossible to evaluate the outcome of restoration projects on water and habitat quality. According to JFE program officials, long-term monitoring of projects have not been done because of lack of authority to spend funds for such purposes. Up until this biennium, monitoring has not been an eligible activity for grant reimbursement.

The 1997-99 Biennium JFE budget proviso made monitoring an eligible cost. Program officials said that monitoring is now being incorporated into the scope of work for most of the grants being awarded in the current biennium. These grant recipients will report monitoring results in upcoming quarterly and final reports.

Newly Implemented Monitoring Efforts Are Limited in Scope

Long-term monitoring is needed to assess program impact

This monitoring is related to maintenance of corrective actions. Of the nine grants for 1997 Round One, we reviewed a randomly-selected sample of three project files. Each of these projects involve trying to reverse and prevent further damage to fish habitat along rivers that have been evaluated in ecological studies and/or which are part of water quality management plans. The projects include such things as planting trees along the river to replace foliage that has been removed previously, and putting in fences to prevent livestock from polluting the water. These approaches are meant to address problems that have been identified in a number of studies cited in the grant applications.

These projects are attempting to address the identified problems. The monitoring components include such things as: setting up photo points to keep track of stream maintenance conditions; providing baseline data about conditions for future effectiveness monitoring (implementation has not been specified); and getting the landowners to participate in monitoring after the project is over.

These projects are trying to monitor how well the specific efforts being taken to address demonstrated problems would be maintained. The projects themselves may be viewed as some measurable improvement in the conditions along rivers, and these are conditions that have been judged to be a detriment to fish habitat. There is nothing in the grant applications that would tell one whether these efforts would produce measurable improvements in water and habitat quality. Nor, from the information presented and how the projects are funded, is there any information that would say what the long-term improvements would be if there were any. This is because some projects of this nature may need long-term monitoring and additional funding to ensure that the level of maintenance is achieved (for example, that the fencing is replaced when needed).

If one were asking about measurable improvements to water and habitat quality, a separate, more comprehensive monitoring effort would be needed that would focus on the cumulative effects of such projects over a long period of time. For example, one reason

for planting trees is to provide shade, which helps to keep water temperature at a level needed by the fish. The success of this tactic, for an individual river, cannot be known in the short-run.

JFE Program Has Identified Immediate Results

As shown in Exhibit 5, immediate results of the JFE program are basically the types and amounts of work done under different projects. Program officials believe this work should lead to long-term habitat improvements, providing spawning and rearing habitat for increased salmon populations. Furthermore, the program is currently in the process of conducting an evaluation of its randomly-selected projects completed as of September 1997. Evaluation results are expected to be available by Fall 1998.

Program is currently evaluating its projects

Exhibit 5

Summary of JFE Immediate Results (As of June 30, 1997)

Type of Work Conducted	Quantity
In-Stream Restoration	
Culverts made passable	283
Culverts replaced	280
Upstream fish habitat opened up	167 miles
Log and rock structures	23,769
Spawning beds created	23,738 square yards
Large woody debris/habitat structures placed	3,024
Riparian Restoration	
Riparian fencing	163 miles
Cross fencing	84 miles
Riparian enhancements	725 acres
Upland Restoration	
Roads surveyed	419 miles
Roads abandoned	138 miles
Roads storm proofed	349 miles
Stream Typing	
Stream surveyed	3,412 miles
Stream retyped	1,924 miles

Source: Jobs for the Environment Program, January 1998. A status report to the legislature by the WDFW and DNR.

PROGRAM'S DIRECT IMPACT IN PROVIDING ECONOMIC STABILITY IN TARGETED AREAS IS NOT KNOWN

Based on the information available through the JFE program and the Department of Employment Security (DES), JFE program officials said it is not possible to reliably identify the direct impact of the program in providing economic stability in the targeted areas. According to DES, this is because the amount of money spent by the program for employing natural resource displaced workers in a county is a very small percentage of the total economy of that county. The targeted areas are defined in law and include distressed counties affected by economic decline in timber and fish-related industries, which resulted in natural resource displaced workers.

Nearly 800 People Received Employment

Project-
workers'
wages
ranged from
\$12 to \$19
per hour

Program officials provided evidence for the types of jobs created, wages paid, and number of people employed. The program database shows that the JFE program has provided employment to 782 people since its inception. They were paid wages ranging from about \$12 to \$19 an hour. Exhibit 6 shows the types of workers employed and wages paid by the JFE program. With the exception of apprentices, all other workers are also paid health benefits.

The program requires, at a minimum, 80 percent of the workforce to be displaced workers. If the 80 percent displaced work force rule cannot be met, the program requires written justification from the grantee that DES has been contacted and dislocated workers are not available. If grantees are unsuccessful in employing displaced workers and time-sensitive work has to be done, grant recipients are allowed to hire from the unemployed register.

In 1996, JFE surveyed the then current grant recipients in an attempt to get a sense of how many workers were finding employment outside of this program. The survey results reported on 107 workers indicated that at least 25 of those workers had found permanent employment outside the JFE program.

Exhibit 6
Types of Workers Employed and
Wages Paid by the JFE Program

Types of Worker	Hourly Wage
Watershed Restoration Worker	\$12.44
Watershed Restoration Supervisor	\$14.31
Bulldozer Operator	\$15.18
Power-shovel Operator	\$15.18
Dump Truck Operator	\$13.51 – \$13.88
Log Truck Driver	\$13.88
Tree Cutter	\$18.88
Apprentice	Prevailing hourly rate for apprentice of the trade

Source: DNR Documents.

The program does not have sufficient data to assess the extent of training offered to displaced workers. According to JFE program officials, they reviewed a sample of 20 grants from 1996 to assess what training was provided. All grant recipients had provided on-the-job training. However, only 13 of the 20 grantees provided formal training to their workers. In addition to the training provided by grantees, the JFE has offered two technical workshops to its grant recipients—one in 1995 and another in 1997.

Of the nine grants for 1997 Round One, we reviewed a randomly-selected sample of three project files. The purpose of the review was to determine if number of employees, pay, and training opportunities were discussed in each application. One project was trying to retain workers hired for a previous project. Two of the projects explained how training was geared toward the workers hired becoming journeymen. From the information provided, it is not possible to speculate about any long-term social benefits that might come from these projects.

Some training has been provided to workers

CONCLUSION AND RECOMMENDATION

As discussed in Chapter 43.21J RCW, the overall purpose of the Environmental Restoration Jobs Act was to implement clean water, forest, and habitat restoration projects that will produce measurable improvements in water quality and provide economic stability in the targeted areas. In order to assess the full effectiveness of the implementation of the act, data resulting from long-term monitoring is needed. Such monitoring will involve measuring sustainable improvements in water and habitat quality, as well as assessing economic benefits in targeted areas.

Because such type of monitoring efforts may require a substantial amount of resources, one could argue that program outputs—like square yards of spawning beds created, miles of riparian fencing installed, number of displaced workers employed, etc.—are sufficient to measure the program's impact and justify its continuation. Therefore, program officials can assist the policymakers by providing them with a cost-benefit analysis of various options for documenting the program's success. Such information then can be used by the legislature for deciding whether to fund long-term monitoring of JFE projects. We think a reasonable cost-effective approach should be considered, and we do not intend that data be collected regardless of cost.

Recommendation 2

Prior to the 1999 Legislative Session, the Department of Natural Resources should submit a plan to the legislature for long-term monitoring of the Jobs for the Environment program. The plan should include cost estimates and options for documenting the program's success in:

- *Making sustainable improvements in water and habitat quality, and*
- *Providing economic benefits in targeted areas.*

PROGRAM COST-EFFECTIVENESS, EFFICIENCY, AND DUPLICATION

Chapter Four

Study Questions: *Has the program been implemented in an efficient and cost-effective manner? Has the program unnecessarily duplicated efforts of other public agencies or the private sector?*

Summary

Answers: *The Jobs for the Environment (JFE) program has achieved results in that it has provided employment to displaced workers and funded environmental restoration projects. However, the program has not prioritized needs, nor developed benchmarks for evaluating cost-effectiveness, nor assessed the long-term impact of its projects. Therefore, it is difficult to say whether the program has been implemented in a cost-effective manner. We found that the program has taken various steps to ensure program efficiency. Finally, the program does not unnecessarily duplicate efforts of other public agencies or the private sector.*

PROGRAM COST-EFFECTIVENESS

Cost-effectiveness of the Program Is Not Certain

Department of Natural Resources (DNR) officials used two criteria to address the cost-effectiveness of the JFE program—producing good results for amount invested, and efficiency in use of funds.

According to JFE program officials, they have funded projects that use the best available science. For example, at least one of the key components of the Wild Salmonid Policy has been a part

Benchmarks for cost- effectiveness are needed

of JFE projects. The policy was adopted by the Washington Fish and Wildlife Commission in December 1997.

Program officials acknowledged that the long-term impact that will be produced for the amount invested is not yet known. They provided three reasons for not being able to assess the long-term impact: 1) watershed restoration is not an exact science and projects need time to become established; 2) long-term monitoring of projects has not been done; and 3) benchmarks for what is considered good results for the amount invested on a program or statewide basis have not been established.

According to program officials, the efficiency in use of funds is reflected through stakeholder involvement, administrative expenses, and administrative procedures. Finally, program officials said that capital budget authority, which was given to the program this biennium, would help the planning and implementation of time- and season-sensitive projects. These and other issues relating to program efficiency and cost-effectiveness are discussed in the following sections of this chapter.

Program Needs Have Not Been Prioritized

According to program officials, annual budget proviso language has, to a degree, limited the funding available for needs assessments by stating that only planning related to specific projects was eligible. However, the program has used three major sources to identify/verify needs:

- Grant Application Process — Answers to questions relating to watershed and fish on the grant application process serve as an on-going needs assessment.
- Technical Studies — The program uses the following: Salmon and Steelhead Stocking Inventory (SASSI), the Department of Fish and Wildlife's Wild Salmonid Policy, local watershed planning efforts, stream typing studies, and potential listings of threatened and endangered species under the Endangered Species Act.
- Technical Studies Conducted by Grant Recipients.

The program's current process of scoring and ranking grant proposals does not clearly specify a prioritization of needs relating to environmental restoration as well as training and employment of dislocated natural resource workers. It will be useful to identify the relative priority of the types or areas of projects needed. Such prioritization will maximize the effective use of program's limited resources when awarding grants.

Accordingly we suggest that DNR establish priorities for projects identified through the processes mentioned above. That information should be made available to the legislature prior to the 1999 Legislative Session so that the legislature may consider which projects to fund in the next biennium.

Recommendation 3

The Department of Natural Resources should prioritize the Jobs for the Environment program-specific needs and establish benchmarks for cost-effective projects to ensure program efficiency and cost-effectiveness. The department should provide this information to the legislature before the 1999 Legislative Session.

PROGRAM EXPENDITURES

Administrative Expenses for the Program Have Increased Significantly

Administration is not explicitly defined in either program enabling legislation (Environmental Restoration Jobs Act) or budget acts. Therefore, for this review, administrative expenses include the following two types of costs:

- **Agency Administration Costs** – These are non-project agency costs for DNR, which include agency administration (for example, program planning and management).
- **Grantee Administration Costs** – These are not tracked explicitly in the state's financial system, but were part of the grant solicitation and reimbursement process.

About one-fifth of program expenditures are for administration

As shown in Exhibit 7, administrative expenses for the JFE program have increased significantly from the 1993-95 Biennium to the present biennium—from 8.3 percent to 20.7 percent of the total expenditures. Over three biennia, agency administration grew from 4.6 percent to 10.2 percent, while grantee administration increased from 3.7 percent to 10.5 percent of the total expenditures.

Exhibit 7
Jobs for the Environment Types of Expenditures

Types of Expenditures	1993-95 Biennium		1995-97 Biennium		1997-99 Biennium (Budgeted)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Agency (DNR) Administration	\$334,453	4.6%	\$608,892	6.8%	\$615,549	10.2%
Grantee Administration	272,900	3.7%	858,413	9.5%	634,869	10.5%
Sub Total Administrative Expenses	\$607,353	8.3%	\$1,467,305	16.3%	\$1,250,418	20.7%
Agency Technical Assistance	100,000	1.4%	433,890	4.8%	510,051	8.5%
Direct Services (Projects in Impact Areas Employing DNRW ¹)	6,593,933	90.3%	6,690,780	74.3%	3,627,436	60.2%
Direct Services (Projects in Non-Impact Areas Employing DNRW)	0	0.0%	417,869	4.6%	636,550	10.6%
Total²	\$7,301,286	100%	\$9,009,844	100 %	\$6,024,455	100%

Source: Agency Financial Reporting System (AFRS) reports.

¹ DNRW = Displaced Natural Resource Workers

² The total does not include expenditures for the Washington Conservation Corps program: \$799,454 (1993-95 Biennium), \$750,000 (1995-97 Biennium), and \$800,000 (1997-99 Biennium). According to agency officials, the JFE program did not administer these funds. The funds were transferred to the Department of Ecology through interagency agreements.

Though total direct expenditures for JFE projects are expected to decrease by about 40 percent—from \$7.1 million (1995-97 Biennium) to \$4.3 million (1997-99 Biennium)—it is unlikely that the administrative burden to the state for managing grantees will decrease in similar fashion. In part, this is due to the fixed cost involved in administering any program. Reasons offered by program officials for the increase in administrative expenses include the following:³

- Staff costs were low at the beginning of the program implementation, because full program operation did not occur until the second year of the 1993-95 Biennium.
- At the beginning of the program, there was a shortened grant development, evaluation, and award process in order to fund the projects quickly.
- Technical requirements for the program have increased.
- Several grants are carried over each biennium generating more contract administration and technical amendments.
- Requirements for program oversight have increased.
- The frequency of task force meetings has increased from quarterly to monthly.
- The program has a new program evaluation component.
- Coordination with other salmon restoration efforts has increased.

The Environmental Restoration Jobs Act of 1993 limits the administrative expenses to no more than 5 percent of the annual revenues to the Environmental and Forest Restoration Account. Since the account was never activated, it is not clear whether the 5 percent limit on administrative costs still applies to the JFE program. The program, however, has limited the reimbursement to its grantees for their administrative costs. Grantees were reimbursed for administrative costs at the rate of 5 percent of

**Environmental
Restoration
Jobs Act limits
administrative
expenses**

³ Because of time constraints, we could not verify the extent to which these reasons contributed to the actual increases in administrative costs.

project costs for grants initially awarded in the 1993-95 Biennium and 15 percent of project costs for grants awarded in subsequent biennia.

In addition to agency and grantee administrative costs, the program incurred agency technical assistance costs for providing scientific monitoring and assistance to project grantees. These costs have built-in 19-20 percent overhead expenses, which are separate from the agency administrative costs displayed in Exhibit 7. Washington Department of Fish and Wildlife provides agency technical assistance through interagency agreements with DNR. Because these costs were not charged directly to the JFE program in the 1993-95 Biennium, DNR officials estimated these costs for this biennium.

As it stands now, there is statutory limit on administrative expenses for a non-existing fund. If the legislature wishes to impose restrictions on administrative costs for the program in the future, it should to consider clarifying current law.

Recommendation 4

The legislature should consider clarifying in law the allowable types and levels of administrative expenses for the Jobs for the Environment program to ensure accountability and to maximize the use of funds for direct program services.

Actual Expenditures Are Less Than Appropriations

According to DNR officials, two factors contributed to lower actual expenditures during the last three biennia (1993-95 through 1997-99). First, certain legislative provisions relating to types of land restricted the use of the following funds for the JFE projects: Wildlife Account, Resource Management Cost Account, and Forest Development Account. In addition, a number of grants were constrained by seasonal/weather timelines. These timing issues occasionally prevented grantees from completing planned work within the biennium the grant was initially awarded.

Local Match and In-kind Contributions Help Stretch Program Dollars

At the local watershed level, the JFE program seeks partnerships and coordinates projects with all sectors (private, public, tribal, and other state and federal agencies). This involves funding projects on all types of land ownership. As noted in Chapter One, DNR reported that grant recipients at the local level have added about \$7.5 million in matching funds and in-kind contributions to the program since its inception.

Significant Portions of Funds Have Been Used for Contracts with Non profit Corporations

The JFE program spent the following amounts for grant contracts with non profit corporations:

- \$4,140,247 or 56.7 percent of total expenditures in the 1993-95 Biennium.
- \$3,136,759 or 34.8 percent of total expenditures in the 1995-97 Biennium.
- \$2,525,675 or 41.9 percent of total expenditures is projected to be spent in the 1997-99 Biennium.

Expenditures for non profit corporations were not tracked explicitly in the state financial system. However, DNR identified nonprofit grantees and subsequently summarized approximate total grants paid to these grantees in each fiscal year from information in the agency's grants database.

These figures are determined based on the non profit status of the formal grant recipients. However, nonprofit grantees often partnered with different organizations, such as local governments, to implement projects. Similarly, grant recipients from local governments often partnered with nonprofit corporations. Consequently, due to the external partnering and subcontracting relationships established by the formal grant recipients, actual state funds eventually passed on to nonprofit corporations may differ from these figures.

More than
one-third of
JFE funds
have been
used for non
profit
corporations

Use of Program Funds in Impact Areas Have Declined

Just as administrative and technical assistance costs have become a greater percentage of total program expenditures, use of funds for providing direct services have correspondingly become a smaller percentage of total program expenditures. As shown in Exhibit 7, in the 1993-95 Biennium the program used \$6,593,933 (90.3 percent of total expenditures) for its JFE projects that were located in natural resource impact areas and that employed displaced natural resource workers. The criteria of “natural resource” for defining rural impact areas and displaced workers more broadly encompasses both “timber” and “fishing” industries.

“Natural resource” includes both timber and fishing industries

DNR’s grant application process for the 1993-95 Biennium required all projects to be located in areas impacted by the decline in timber harvest. It also required grantees to report whether workers employed on the project were displaced timber workers. The Department’s grants database shows that 96 percent of workers were displaced timber workers; meaning that most likely there were no projects that did not employ at least one displaced timber worker.

For the 1995-97 and the 1997-99 Biennia, DNR did not track project expenses directly in the state’s financial system along the dimensions of location and type of workers. However, the department’s grants database showed that expenditures declined for projects that were in natural resource impact areas and/or that employed displaced natural resource workers:

- \$7,108,649 or 78.9 percent of total program expenditures in the 1995-97 Biennium
- \$4,263,986 or 70.8 percent of total program expenditures in the 1997-99 Biennium (projected)

The analysis for this review was performed on the basis of county location of projects. The figures for projects located in rural impact areas may be slightly understated, because information to verify whether the projects in King County were located in a rural impact area within the county was not available. However, the

expenditures for these projects were a fairly small portion of total grant costs.

PROGRAM EFFICIENCY

Jobs for the Environment Task Force Is Key to Coordination

The task force plays a critical role in keeping the open line of communication among the project manager and the grantee. The role and composition of the task force has evolved since program inception. The original Environmental Restoration Jobs Act of 1993 and a subsequent 1997 bill, SSB 6063, guide the current task force.

The task force is comprised of individuals from local government, state government, the Governor's Rural Community Assistance Team, tribes, non profit organizations, labor groups, private industry, and federal agencies. Task force meetings provide an opportunity for issues to be addressed in a collaborative fashion early on before they become problems or major obstacles. In addition, these meetings serve as a forum where the social and economic interests are integrated with natural resource interests. The task force meets the last Wednesday of every month.

Program Has Implemented Administrative Procedures to Ensure Program Efficiency

Our interviews with JFE program officials and the review of a sample of five project files indicated the program has an adequate monitoring process of its on-going projects. At least three site visits are conducted by the project manager for each project—at the beginning, midway, and end of the project. Additional site visits are conducted when necessary or requested by the grantee.

For each project, the grantee submits quarterly reports and interim reports with each bill for reimbursement. There are standard formats for submitting quarterly and final reports. Grantees are given a Jobs for the Environment Administrative Requirements Handbook. The program also uses a contingency and site substitution request form, which is completed by grant

**Taskforce
includes
many
different
stakeholders**

**Site visits are
conducted
regularly**

recipients to seek help from the program to deal with unforeseen situations.

In 1996 the program developed a database which is helpful in maintaining and using project information. According to JFE officials, program efficiency is further ensured by the following activities:

- Awarding grants as soon as possible to avoid delays in project implementation.
- Supporting the hiring of returning dislocated workers who have mastered some skills from the previous grant.
- Training and supervising volunteers from local organizations.

Grant Recipients Report Satisfaction with Program Implementation

Grant recipients satisfied; provide suggestions

We conducted a survey of all 14 current recipients of JFE grants, and received responses from all. Six of them have been denied at least one grant in the past. Appendix 4 includes their responses. Overall, the survey reflected positively on the way the program is implemented. Thirteen said the process of awarding grants is fair. One respondent said that sometimes the criteria used for rating grant activities are not explained.

The respondents provided suggestions for improving the process of awarding and funding grants and reimbursing grantees for expenses. These suggestions are basically in response to problems associated with retaining a stable and trained workforce and with restoration projects that often have longer timeframes than the duration of grants. These suggestions include the following:

- Implement a two- to three-year grant period.
- Simplify grant application.
- Allow more money for baseline and long-term monitoring to quantify benefits.

- Provide more flexibility in managing the grant.
- Allow “up front” money to organizations with proven track record.

NO UNNECESSARY DUPLICATION

Although similar programs in the public sector exist, the JFE program does not appear to unnecessarily duplicate efforts of other public agencies or the private sector. Each program has a slightly different purpose and fills a particular niche, complementary to the others.

We contacted local government officials to determine if they knew of any other programs similar to the JFE program. As a result, we did not learn of any such programs. Usually local and tribal governments and non-profit organizations at the local level apply for grants through the JFE program to conduct their restoration projects in accordance with program requirements.

Local entities
apply for
JFE grants

Program officials identified the following four areas of possible duplication:

- Regional fisheries enhancement groups provide matching funds and volunteer labor to help JFE funding go farther.
- The private sector industry and large landowners provide voluntary participation in partnerships with local JFE grant recipients.
- The Interagency Committee for Outdoor Recreation awards riparian habitat grants for restoration only when the purchase of underlying land development rights is involved. The JFE program does not have authority to make land acquisitions.
- The federal Jobs in the Woods program, funded and operated by the U.S. Fish and Wildlife Service and the U.S. Forest Service, has similarities and distinctions with the JFE program. For example, the JFE program employs dislocated natural resource workers (which include both

fish and timber). Another distinction is in the area of land ownership. All types of land ownership are eligible for the JFE program.

PROGRAM CONTINUATION

Chapter Five

Study Questions: *Is the program still needed? Would there be an adverse effect on public health, safety, or welfare if the program is terminated or modified in a way that curtails program authority or resources?*

Answers: *Although the anecdotal information and program outputs reflect generally positively on the program, it is difficult to say whether the Jobs for the Environment (JFE) program is still needed. This is because the program's impact in improving water and habitat quality and stabilizing economy in the targeted areas is not known. This information along with a prioritization of program-specific needs is necessary for determining if there would be an adverse effect on public health, safety, or welfare if the program is terminated or modified in a way that curtails program authority or resources.*

Summary

PROGRAM LACKS NECESSARY INFORMATION

As mentioned in the previous chapters of this report, the JFE program lacked the following information that is necessary in assessing whether the program is still needed:

- Prioritization of needs relating to environmental restoration and displaced natural resource workers
- Program's impact in providing measurable improvements in water and habitat quality
- Program's direct impact in providing economic stability in the targeted areas

- Program's cost-effectiveness in its approach to do environmental restoration work and provide economic stability in the targeted areas

Officials used anecdotal information, studies conducted by grantees, technical articles, results from a watershed restoration activity survey conducted in 1994, and immediate accomplishments of the JFE program as evidence and/or criteria to demonstrate that the program is still needed. A number of letters from grant recipients, displaced workers, and volunteers described the importance of the JFE program.

Ninety Dislocated Workers Would Lose Jobs If the Program Were Terminated Now

According to its officials, so far the JFE program has spent about one-half of its total expenditures (approximately \$16 million of the \$30 million) on wages to workers. Timber and natural resource based communities, such as Grays Harbor and Pacific Counties, would feel the most impact from the elimination or reduction of the JFE program.

People said positive things about JFE

To demonstrate the impact of JFE expenditures on the Grays Harbor regional economy, program officials used a recent letter (dated March 27, 1998) they received from one of the grant recipients, Columbia-Pacific Resource Conservation and Development. According to the letter, the grantee paid \$1.1 million in salaries and benefits to 62 dislocated timber workers and conducted \$809,452 worth of business with over 45 local merchants, suppliers, and contractors.

Stakeholders Reflect Positively

Local project administrators, displaced workers, and private landowners talked positively about the program. We talked with these people when we visited several project sites in Skagit County. The purpose of the visit was to observe examples of work done under projects funded by the JFE program. The people we talked with emphasized the importance of the JFE program to watershed restoration and displaced workers.

SCOPE AND OBJECTIVES

Appendix 1

SCOPE

The review followed the general sunset criteria (RCW 43.131.070) and analyzed program information covering three biennia (1993-95, 1995-97, and 1997-99). Because of the short timeframe available to conduct the review, the following objectives were addressed to the extent necessary program data were readily available.

OBJECTIVES

1. Determine if the program has complied with legislative intent as outlined in Chapter 43.21J RCW.
2. Determine if the program has made measurable improvements in water and habitat quality and had a direct impact in providing economic stability in the targeted areas.
3. Determine if the program has been implemented in an efficient and cost-effective manner and has not duplicated efforts of other public agencies or the private sector.
4. Assess if the program is still needed and if there will be an adverse effect on public health, safety, or welfare if the program is terminated or modified in a way that curtails program authority or resources.

AGENCY RESPONSES

Appendix 2

- Department of Natural Resources
- Department of Fish and Wildlife
- Office of Financial Management
- Auditor's Note

To link to this appendix, click [here](#).

AUDITOR'S NOTE

Both the Department of Natural Resources and the Department of Fish and Wildlife did not concur with our Recommendation 3 (see agency responses). Following are JLARC staff comments to their response:

Needs Assessment - We acknowledge the importance of various studies used by program officials to identify/verify needs. Because these studies are not specific to the JFE program, we think it will be useful to prioritize program-specific needs relating to both environmental restoration as well as training and employment of dislocated natural resource workers. This might involve nothing more than identifying the types or areas of projects needed and their relative priorities. Such prioritization will maximize the effective use of program's limited resources when awarding grants. The program's current process of scoring and ranking grant proposals does not clearly specify a prioritization of needs.

Benchmarks for Cost-effectiveness - If the Department of Natural Resources' current review of its selected JFE projects results in establishing benchmarks for cost-effectiveness, we do not suggest further work on benchmarks.

Based on the agency response, we have modified Recommendation 3 as follows:

The Department of Natural Resources should prioritize the Jobs for the Environment program-specific needs and establish benchmarks for cost-effective projects to ensure program efficiency and cost-effectiveness. The department should provide this information to the legislature before the 1999 Legislative Session.

Subsequent to the October 6, 1998, meeting of the Joint Legislative Audit and Review Committee, the Department of Natural Resources provided a written response to the modified recommendation. Their response is attached in this appendix.

METHODOLOGY AND STUDY LIMITATIONS

Appendix 3

BACKGROUND RESEARCH

As part this study, we conducted literature reviews, researched relevant Washington State legal and budget documents, and reviewed state agency documents. We contacted the National Conference of State Legislatures and the National Association of Service and Conservation Corps for information on programs that employ and train displaced natural resource workers through their environmental restoration projects. We then surveyed other states and Canadian provinces that appeared to have programs similar to Washington's Jobs for the Environment.

STAKEHOLDER INPUT

To seek input from various stakeholders and learn about key issues relating to the JFE program, we contacted the following: legislators and legislative committee staff, Conservation Commission, Interagency Committee for Outdoor Recreation, and Department of Employment Security. We also talked with a former staff member of the JFE program at the Department of Fish and Wildlife, who had significant knowledge of program history.

Furthermore, we contacted officials of the Washington State Association of Counties and Washington State Association of County Officials, and sought input of local officials through an April 1998 issue of *The Courthouse Journal*, a joint publication of the two associations. In addition, we talked with natural

resources/environmental program officials of King County and Thurston County.

SITE VISIT AND FILE REVIEW

Fieldwork for the study included analyzing agency documents, reviewing a sample of project files, and interviewing program officials. To understand the program dynamics, we attended a Jobs for the Environment Task Force meeting and visited several project sites in Skagit County. The site visit included conversations with local grant recipients, displaced natural resource workers, and private landowners. We also surveyed current grant recipients to solicit their comments and suggestions for improving the program.

FINANCIAL REVIEW

JLARC contracted with Sterling Associates to research and analyze the financial portion of the study. Sterling Associates conducted initial and follow-up meetings with agency officials, researched the appropriations acts and other relevant resources to obtain information on the funding history, collected data from agency officials, and analyzed financial information relating to the JFE program.

Since many of the grants have timelines that may span fiscal years, the information for the financial review is summarized at the biennium level. Due to the use of interagency transfers and reimbursements for implementing this program, some fiscal information for specific agencies may not be comparable across agencies (for example, administrative cost percentages). Therefore, though data was collected on an agency basis, much of the fiscal information may be more meaningful on a programwide basis. Furthermore, information was not readily available to quantify indirect support that the program has received from various other agency units (for example, centralized accounting staff, human resources, etc.).