

Joint Legislative Audit and Review Committee



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Implementation Study of Environmental Restoration Jobs Act Report 98-7

The Environmental Restoration Jobs Act of 1993 provides the basic foundation for the Jobs for the Environment (JFE) program. The purpose of the Act is to fund restoration projects that will produce measurable improvements in water and habitat quality and provide economic stability in the targeted areas.

Since its inception, the program has funded many restoration projects that employed nearly 800 people—mostly displaced natural resource workers—for wages ranging from \$12 to \$19 per hour. This preliminary report recommends that the program should implement long-term monitoring of its projects and track progress of its workers so the program's impact can be assessed in the future.

Introduction

The Department of Natural Resources (DNR) is the lead-implementing agency. The program awards grants to non-profit, tribal, and governmental applicants on a competitive basis for projects that demonstrate benefits to fish and employ dislocated natural resource workers. During the last three biennia, the program expenditures have totaled \$24.8 million in state and federal funds.

Compliance with Legislative Intent

The JFE program has generally complied with legislative intent. 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.

Although the Environmental Restoration Jobs Act of 1993 was never funded or

implemented as described in Chapter 43.21J RCW, the spirit of the Act is reflected in the JFE program. The program has been funded outside 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.

Effectiveness

Improvements in water and habitat quality resulting from JFE projects have not been measured because the program lacked 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. Similarly, the program's direct impact in providing economic stability in the targeted areas has not been measured.

Cost-Effectiveness, Efficiency, and Duplication

The program has not conducted a statewide needs assessment to prioritize its resources; developed benchmarks for evaluating cost-effectiveness; or 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 officials further indicated that 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.

Administrative costs have increased significantly between the 1993-95 and 1997-99 Biennia—from 7.5 percent to 19.2 percent of the total expenses. The Environmental Restoration Jobs Act limits the administrative costs to 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.

The program has taken various steps to ensure program efficiency. For example, DNR reported that grant recipients at the local level brought to the program more than \$7.5 million of 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.

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

Is the Program Still Needed?

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 statewide needs assessment, 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.

Recommendations

1. The legislature may wish to consider amending Chapter 43.21J RCW for the purpose of clarifying its intent for the JFE program funding and operations, and deleting sections of law that are no longer needed.
2. JFE should establish a long-term monitoring process to document the program's success in:
 - Making sustainable improvements in water and habitat quality, and
 - Providing economic benefit in targeted areas
3. DNR should conduct a statewide needs assessment, establish benchmarks for cost-effectiveness, and conduct long-term monitoring of its projects to ensure program efficiency and cost-effectiveness.
4. The legislature may wish to clarify in law about allowable types and amounts of administrative expenses for the JFE program to ensure accountability in the future for the use of funds for direct program services.