

**State of Washington
Joint Legislative Audit and Review Committee (JLARC)**



**Follow-Up: 2001
Investing in the Environment
Performance Audit**

Briefing Report 03-3

January 8, 2003

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in alternative formats for persons with disabilities.***

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The Joint Legislative Audit and Review Committee (JLARC) carries out oversight, review and evaluation of state-funded programs and activities on behalf of the Legislature and the citizens of Washington State. This joint, bipartisan committee consists of eight senators and eight representatives, equally divided between the two major political parties. Its statutory authority is established in RCW 44.28.

JLARC staff, under the direction of the Committee and the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews and other policy and fiscal studies. These studies assess the efficiency and effectiveness of agency operations, impacts and outcomes of state programs, and levels of compliance with legislative direction and intent. The Committee makes recommendations to improve state government performance and to correct problems it identifies. The Committee also follows up on these recommendations to determine how they have been implemented. JLARC has, in recent years, received national recognition for a number of its major studies.

Follow-Up: 2001 Investing in the Environment Performance Audit

BRIEFING REPORT 03-3

JANUARY 8, 2003



STATE OF WASHINGTON

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In January 2001, JLARC audited the 12 state environmental quality grant and loan programs funded in the state capital budget, and administered by six agencies. The audit found that most programs were distributing funds to projects rather than strategically investing state dollars. The report offered 16 key investment practices that would foster sound environmental investments. JLARC recommended that it complete five annual reviews of the programs to assess their adoption of these practices.

This follow-up review focuses on the six largest of these 12 programs, which account for 96 percent of state spending in environmental grants and loans. JLARC staff assessed these six programs' progress in implementing changes to their investment practices, as recommended in the 2001 audit.

JLARC found that programs have progressed in implementing the recommendations of the January 2001 audit. Depending upon the programs' previous investment practices, grant and loan programs have achieved varying degrees of success in adopting key investment practices. This follow-up review highlights some of the progress these agencies have made. Based upon the six programs we assessed, however, programs have been slow to address three key practices:

- Establishing a cross-agency collaborative network of natural resource programs;
- Compiling and publishing outcome measures that display a program's investments; and
- Including "readiness to proceed" as a key prioritization and selection criteria.

The follow-up review also focuses on the implementation of two pieces of legislation related to the audit that were enacted in the 2001 Legislative Session:

- ESHB 1785 established legislative intent to begin implementing JLARC's recommendations and established the foundation for outcome-focused performance measures.
- SSB 5637 established a process for cross-agency development of a comprehensive watershed health and salmon recovery program.

The second follow-up review indicates that agencies are making efforts to improve their investment practices, and have made varying degrees of progress. The investment focus remains valid, and most programs have been successful in moving towards this intended goal. We anticipate seeing agencies achieve additional progress implementing these practices over the next funding cycles.

INTRODUCTION

In response to legislative interest in how the state was investing environmental dollars, the Joint Legislative Audit and Review Committee (JLARC) initiated a cross-agency audit of 12 environmental quality grant and loan programs administered by six agencies and funded in the state capital budget. The audit report, issued January 22, 2001, focused on two primary themes:

- The investment performance of the programs (their effectiveness in financing projects with high environmental quality returns), and
- The services provided by the programs to local governments.

The audit found a need for a significant shift in program focus away from distributing funds toward strategic investment, and a need to streamline and better integrate services across programs. The report made six recommendations, including one requesting annual reports from agencies describing their progress towards meeting the goals of the recommendations. The executive summary of the original audit report is included as Appendix 1.

2001 FOLLOW-UP: TWO AREAS OF CONCERN

The first follow-up review to the Investing in the Environment Performance Audit was presented to JLARC on September 26, 2001. That follow-up effort highlighted two areas of concern:

- State agencies still had not identified strategies to improve service to local governments.
- Funding for the ongoing operation of the Uniform Environmental Reporting System (UEPRS) was uncertain.

The executive summary of the 2001 follow-up report is included as Appendix 2.

Regarding the first area of concern, we can report that agencies have provided examples of several initiatives to improve services to local governments. Specifically:

- The Coordinated Prevention Grant (CPG) Program has established a stakeholder workgroup to assist in revising the program application, selection, and monitoring process;
- The Department of Ecology began the “Clean Sites Initiative” and has worked collaboratively with local jurisdictions involved in remedial action activities;
- The Water Quality Financial Assistance Program worked with the US Environmental Protection Agency and other partners to host a workshop for local governments on various federal and state environmental funding programs; and
- The Public Works Board (PWB) continues to support the Infrastructure Assistance Coordinating Council and its on-line database of infrastructure-related funding sources.

JLARC’s second area of concern has proven valid in that UEPRS has not matured into the comprehensive data depository originally envisioned in SHB 1204 (1999). This bill directed the Department of Transportation (DOT) to establish UEPRS and created a multi-agency advisory committee to assist in UEPRS development and improve coordination of environmental projects and funding programs. This initiative was originally supported by a \$1 million transportation budget appropriation to DOT, but such funding was not provided beyond the 1999-01 Biennium. UEPRS was funded from DOT’s base budget for a brief part of the 2001-03 Biennium, but currently, DOT has put ongoing operation of UEPRS on hold. Furthermore, the agencies originally required to provide data into the UEPRS system cite a lack of staff resources as the reason they are not currently entering projects into the system. Various agency representatives argue that the efforts under the requirements of SSB 5637 (2001) will eventually accomplish the same goals. A DOT representative is involved in the Monitoring Oversight Committee (MOC) discussions and continues to stress the importance of including within the MOC-proposed system a site-specific project component. If the UEPRS system itself does not continue to be used, it will be imperative that the MOC incorporate the concept of a proactive project identification function into its system. More discussion of SSB 5637 is included below.

2002 FOLLOW-UP: SIX LARGEST PROGRAMS AND TWO NEW LAWS

This latest follow-up review marks the second of five annual reviews recommended in the original performance audit. In this follow-up, staff have taken a more narrow approach in reviewing the original 12 audited programs by focusing on the six largest of the 12 programs. We asked staff within these six programs to provide updates on their progress in meeting Recommendation 4, which is implementing the 16 key investment strategies identified in the audit. These 16 practices were identified in the original audit as practices within programs' sphere of influence that would foster sound environmental investments or contribute to adaptive management. A full listing and explanation of the Key Investment Practices is included as Appendix 3. The appendix also includes a scorecard indicating JLARC's original assessment of the programs' practices.

This follow-up also focuses on two primary pieces of legislation relating to the audit enacted in the 2001 Legislative Session. ESHB 1785 established legislative intent to begin implementing JLARC's six audit recommendations and laid the groundwork for outcome-based performance measures. SSB 5637 established a process for cross-agency development of a comprehensive watershed health and salmon recovery monitoring program.

BUDGET INFORMATION: PROGRAMS RECEIVING MORE DOLLARS

At the time of the original 2001 performance audit, the twelve environmental grant and loan programs reviewed accounted for just over **\$440 million**. For the 1999-01 Biennium, this amount represented approximately 30 percent of the state's total spending on environmental quality efforts.¹ For the 2001-03 Biennium, the twelve grant and loan programs were appropriated a total of approximately **\$470 million**. The Governor's capital budget request for the 2003-05 Biennium includes a total of **\$382 million** for the twelve environmental grant and loan programs covered in the original audit. Program-level detail on past, current, and future funding is located in Appendix 4.

Appendix 4 also points out the distinction between the six larger grant and loan programs and the six smaller grant and loan programs. While this follow-up review focuses only on half the programs covered in the original audit, those programs encompass 96 percent of state spending in environmental grants and loans in the state.

REPORTED PROGRESS

We assessed the progress agencies have made in implementing the 16 investment strategies set out in the 2001 JLARC report by requesting updates from each of the six largest of the 12 original programs included in the audit. Figure 1 on the following page provides a summary of how those programs have implemented the sixteen investment strategies. Note that staff only requested updates on practices that received an original score of "P" (Partial) or "N" (No); we did not review practices found to be already fully in place during the original audit.

¹ See Appendix 7 of the "Investing in the Environment Performance Audit," page 87.

Figure1 – Investment Analysis Tallies – 2002 Follow-up

Process Stage and Practice Number	SRFB - Salmon Recovery	IAC - WWRP	Ecology - CPG	Ecology - RAG	Ecology - Water	Public Works Board - PWTF
Application						
1						
2						
3*						
Selection						
4	NC (P)					MP
5*			MP			
6*		Y	MP	NC (P)		NC (P)
7*		Y	MP			NC (N)
8*	NC (P)	NC (N)	NC (P)			
9*	NC (P)	NC (P)	MP		MP	
Implementation						
10			MP			
Monitoring						
11*	MP	MP	MP		Y	MP
Adaptive Management						
12						
13*	MP	MP	MP		NC (P)	NC (N)
14*			Y	NC (P)		
Additional Practices for Programs Addressing Systemic Issues						
15*		NC (P)				
16*	MP	NC (P)	NC (P)		MP	
KEY: Y = Practice present. MP = Program made progress incorporating practice since 2001; however practice is not yet fully present. NC = Practice has not changed from initial audit; the original score is indicated in parentheses. * = Asterisk next to practice number indicates that we consider its presence critical to investing.						

Program-level detail on how these investment strategies have been implemented by each agency is located in Appendix 5. Four primary findings emerged during our follow-up review of these six programs, and are presented below.

FINDING 1: AGENCIES ARE MAKING SOME PROGRESS

In general, the environmental grant and loan programs assessed in this follow-up have progressed in implementing the recommendations of the January 2001 performance audit. Depending upon the programs' investment practices in 2001, grant and loan programs achieved

varying degrees of success in incorporating key investment practices. Figure 1 demonstrates their progress: the original audit identified 35 practices which were not fully present in the six programs we evaluated in this follow-up. Our research found that 20 of those practices were either fully present in the programs' practices or that agencies were making progress in implementing them. However, certain investment practices may not as readily apply to certain programs, and therefore pose challenges to the programs and project sponsors alike. As a result, some programs have had difficulty incorporating certain investment principles. Two examples include:

- Local counties rely on Coordinated Prevention Grant (CPG, Ecology) funding for local recycling programs and ongoing projects. Removing the guaranteed funding and moving to a competitive award process (investment practice #5) may pose significant challenges to smaller counties with smaller tax bases, and is an issue that the program is working to resolve.
- As a result of pre-work negotiations and studies required of applicants, the Salmon Recovery Funding Board has faced the challenge of incorporating the "readiness to proceed" practice (investment practice # 8) into their grant criteria.

However, the investment focus remains valid, and most programs have been successful in moving towards this intended goal. We anticipate seeing additional progress towards implementing these practices over the course of the next few funding cycles.

FINDING 2: CROSS-AGENCY COORDINATION ONLY PARTIALLY ADDRESSED

Agency programs have been slow to participate in and support formal networks (investment practice #16). Networks provide a means of collecting, sharing, reviewing and assessing information about individual and collective program outputs, outcomes, and performance in the context of systemic environmental quality issues. This practice is crucial to environmental investing, because resolving systemic issues depends upon a collective response from many programs, projects, and activities.² Coordination between programs can enhance the collective benefits from multiple projects and investments. Water Quality Financial Assistance and Salmon Recovery Funding Board staff participated in the Monitoring Oversight Committee's work to implement SSB 5637. However, the Committee has not addressed the concept of making proactive strategic investments. Additionally, the future of the Committee is not certain, and depends upon funding decisions that will be made in the current biennium. Other efforts at establishing cross-agency coordination have not yet been undertaken.

FINDING 3: OUTCOME MEASURES SLOW TO IMPLEMENT

ESHB 1785's statutory requirement to compile and publish output and outcome measures directly related to a program's investments has not been fully implemented (investment practice #13). This important practice allows for internal and external review of program performance related to investment results and effectiveness. Of the six programs examined, three have not constructed performance measures that allow for an assessment of state dollars in environmental

² Systemic issues often span large geographic regions where environmental "cause and effect" may not be known, individual project investments contribute only partially to solutions, and outcomes will not be known for long periods of time.

projects. Programs are progressing, however. For example, the Wildlife and Recreation Program is soliciting stakeholder input to create outcome measures appropriate for habitat and recreation grants. Additional comments regarding the requirements of ESHB 1785, and the extent to which those requirements are being met, are included below.

FINDING 4: “READINESS TO PROCEED” STILL NOT EVALUATED

Some programs have not incorporated an evaluation of projects’ readiness to proceed as criteria in project prioritization and selection (investment practice #8). This investment practice is crucial because projects which are otherwise equal are all being considered for funding — the one which can be implemented first is preferable, because it will produce environmental benefits the soonest. For example, the Washington Wildlife and Recreation Program (WWRP) contends that the time involved between receiving a grant from the program and the transfer of property title can be too long to include this measure as selection criteria. This is problematic because funding projects that are not ready to proceed may tie up funds that can be applied elsewhere. In some instances, beginning environmental projects as soon as possible may forestall environmental damage. Of the six programs reviewed in this follow-up, three did not use this criterion in 2001, and have yet to incorporate the practice into their selection criteria.

RELATED LEGISLATION

ESHB 1785

ESHB 1785 (Chapter 227, Laws of 2001) requires agencies to implement the recommendations from the original Investing in the Environment Performance Audit. Specifically, the bill makes the following mandates:

- The Office of Financial Management (OFM) is required to assist the various environmental agencies in developing outcome-focused performance measures;
- OFM and the Salmon Recovery Office (SRO) are required to help the natural resource agencies develop recommendations for a monitoring program to track the outcome-based performance measures.

In response to this legislation, OFM staff worked with agencies to develop a workplan for implementation of audit recommendations and to provide technical assistance in developing outcome measures. However, once the workplan was completed, it appears that OFM’s role diminished. The report shows that all of the programs are making some progress towards establishing outcome-focused performance measures. While agencies are to be commended for their individual efforts, the lack of cross-agency collaboration and coordination continues to be troubling. Without a cross-agency effort to determine environmental priorities and strategies, agencies are unable to leverage their grant and loan funds against other efforts being undertaken elsewhere in state government.

ESHB 1785 required only one progress report to the Legislature, which was published in December 2002. Because agencies are still in various stages of developing and using outcome-based performance measures, and because the cross-agency coordination remains to be done, it is important that JLARC and other legislative committees continue to follow-up on ongoing agency efforts to implement this legislation.

SSB 5637

SSB 5637 (Chapter 298, Laws of 2001) created a Monitoring Oversight Committee to develop a comprehensive statewide strategy for monitoring watershed health with a focus on salmon recovery.³ The 2001-03 operating budget provided the IAC with a \$1.5 million appropriation to develop strategies and a plan for a monitoring program. The Committee consisted of representatives from state environmental agencies, the federal government, the Northwest Indian Fisheries Commission, and a local watershed group, and met with stakeholders at the federal, tribal, state, and local level. In December 2002, the Committee issued its final report. It identified 76 major action items, classified as either High or Medium Priority, as new activities necessary to establish a statewide monitoring strategy that would be in place by June 30, 2007, if funded. Twenty-two action items are identified as High Priority recommendations at a cost of \$19.9 million. The Committee also identified \$54 million per biennium of essential current monitoring which it believes are crucial to measuring progress in watershed health and salmon recovery and require sustained funding. The Committee classified recommendations into four categories; highlights of the high priority recommendations from each category are discussed below:

Adaptive Management and Governance Actions

- Recommendations in this category provide the means to gather information and implement information into the decision-making process.
- The Committee's highest priority recommendation in the Action Plan would create a permanent Watershed Monitoring Council to address monitoring-related policy and technical issues, and sustain the group's work of the past year, at a cost of \$250,000 per biennium.

Access to Monitoring Information

- These recommendations seek to provide the basis for coordinated agency reporting, uniform monitoring protocols, and data access through the Internet.
- The Committee recommends creating a Washington State Natural Resources Data Portal to provide access to data, reports, and analyzed information. Implementation of the portal would occur in three phases.
 - Work on Phase I of the portal is currently underway, and will continue until FY 2003 at a cost of \$200,000. This involves gathering all existing data and information currently available from relevant monitoring sources and providing the means to access it from a single, user-friendly site.
 - Before further phases are enacted, the Committee recommends conducting a feasibility study, at a cost of \$500,000, to define the needs, vision, scope, risks, and costs of a statewide data interface. Additionally, the study would analyze the requirements for mapping, reporting and analysis.

³ Specifically, the Monitoring Oversight Committee worked to improve the coordination of organizations monitoring watersheds, improve the information exchange among these organizations, and identify existing monitoring gaps. The Committee briefed a bipartisan legislative steering committee, consisting of two senators and two representatives on a quarterly basis to ensure that the group fulfilled its legislative mandate.

Accountability for Restoration Investments

- Recommendations in this category work to ensure the effectiveness of watershed health investments by evaluating the effects of an investment's stated purpose.
- Among high priority recommendations is the review of the Salmon Recovery Funding Board projects to determine whether the restoration projects have effectively met their desired outcome of producing more salmon. This would include Intensively Monitored Watersheds at a cost of \$800,000 per biennium.

Determining Trends in Fish, Water, and Habitat Conditions

- These recommendations address monitoring questions that extend beyond the individual project and management action scale, and are best answered through extensive monitoring efforts.⁴
- Among the Committee's high priority recommendations are habitat, water, and fish monitoring activities in a manner consistent with U.S. EPA guidelines. This recommendation would account for over \$3 million of the \$19.9 million high priority recommendations.

The Committee's funding recommendations are summarized below, categorized based on their four guiding principles:

Category	Subcategory	High Priority	Medium Priority	Total
Adaptive Management		\$300K	0	\$300K
Access to Monitoring Information		\$2,830K	\$3,953K	\$6,783K
Accountability for Restoration and Protection	Habitat Water Fish	\$2,432K 0 0	\$2,110K \$48,575K 0	\$4,542K \$48,575K 0
Determining Trends in Fish, Water, and Habitat Conditions	Habitat Water Fish	\$5,180K \$5,670K \$3,465K	\$9,320K \$25,250K \$6,540K	\$14,500K \$30,920K \$10,005K
Total		\$19,877K	\$95,748K	\$115,625K

Source: Executive Report, the Washington Comprehensive Monitoring Strategy and Action Plan for Watershed and Salmon Recovery.

⁴ The Committee proposes status and trend monitoring. This will not provide cause and effect relationships between actions and outcomes; however, it will provide an insight into the condition of the variable of interest. The spatial scale of monitoring proposed is large and varying, from studying a single organism to the state in its entirety.

Additionally, 16 action items that use existing structures and funding can be implemented at no new cost. Among these recommendations are requirements for agencies to develop protocols and update existing reports and indexes. 54 medium priority monitoring actions that could be funded in future biennia were also identified at a cost of \$95.7 million.

CONCLUSION

JLARC's second follow-up review indicates that state agencies are making efforts to implement some of the six recommendations made in the original Investing in the Environment Performance Audit. During the two years since the release of the audit, many agencies have changed their application and selection processes, engaged stakeholders in revising the evaluation criteria and developing outcome-based performance measures, and improved outreach efforts to local governments and other grant and loan applicants. Many of these efforts take a great deal of time and effort, however, and programs are in varying stages of progress. All six programs reviewed in this follow-up are making progress implementing JLARC's 16 investment strategies. What still appears to be lacking, however, is cross-agency coordination in all areas, not just monitoring. JLARC raised this an area of concern in our first follow-up review done in 2001. This continues to be an area receiving little attention from the natural resource agencies in 2002.

APPENDIX 1 – 2001 INVESTING IN THE ENVIRONMENT PERFORMANCE AUDIT – EXECUTIVE SUMMARY

INVESTING IN THE ENVIRONMENT: ENVIRONMENTAL QUALITY GRANT AND LOAN PROGRAMS

REPORT 01-1

REPORT DIGEST

JANUARY 22, 2001



STATE OF WASHINGTON
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ENVIRONMENTAL QUALITY GRANT AND LOAN PROGRAMS PERFORMANCE AUDIT

Twelve capital budget programs administered by six agencies provide grants and loans to local governments and other entities to maintain, restore, or enhance environmental quality. Examples of the broad range of projects and activities funded by the programs include construction of sewage treatment plants, hazardous waste cleanup, dairy waste management, environmental education, and salmon habitat restoration. Approximately \$440 million has been budgeted for these programs in the 1999-01 Biennium – the largest amount in their history.

This audit was initiated by the Joint Legislative Audit and Review Committee (JLARC) in response to legislative interest in the performance of the programs. The audit focuses on two primary themes: the investment performance of the programs (their effectiveness in financing projects with high environmental quality returns), and their collective ability to serve local government environmental investment needs.

Program Overview

Most of the programs have been created since the mid-1980s to respond to emergent environmental issues in the areas of water quality, solid and hazardous waste management, habitat loss, and, most recently, endangered species recovery. The programs play an important role in a complex environmental quality system. They distribute the vast majority of the funding the state provides to local governments for environmental quality purposes, and consume **over one-fourth of the state's overall natural resources budget**.

Requests for program funding have been growing. The number of funding applications increased 37 percent over the past five years. During this time, programs were able to accommodate 59 percent of the \$1.4 billion in total funding requested.

There are large variations in the amount of funding provided to projects across the state's 39 counties. There are, however, **no comprehensive environmental indices** that might be used to explain these variations or gauge the impacts of expenditures. Our analysis shows that program funding allocations closely follow population – more funding is consistently allocated to projects taking place within counties with higher populations.

Distributing Versus Investing

Environmental investments are intended to produce a return of quality improvements in water, land, or species resources. Without measurable returns, it is impossible to determine if investments have been effective. Measuring investment returns can be difficult, particularly within large and complex environmental systems.

It is often not clear how individual projects contribute to long-term solutions over time. Many of the **systemic environmental issues** we are now facing in Washington, such as salmon recovery and water quality planning for entire river basins, pose significant new challenges to making investments and measuring their returns.

Solid data is missing for monitoring environmental quality, learning from past projects, and coordinating investments across programs. While some steps have been taken towards developing meaningful environmental performance measures and coordinating projects, these efforts are only in their infancy.

At this time, the one output that is most clearly and consistently documented across programs is that money has been distributed. Thus, the programs under this audit can be characterized as being primarily **distributional** in nature.

Program Investment Practices

Based on our research of environmental funding programs in Washington and other states, we developed a **model** for evaluating program investment practices. The model's 16 key investment practices represent a new program benchmark—a **framework for deliberate environmental investment decision making**. In comparing program structures and operations to the model, we found that many **programs performed well on basic practices related to funding distribution, but poorly in practices that ensure the effectiveness of investments**. Adoption of some of the missing key investment practices could shift the focus of program activities away from distribution and towards investment results.

Local Government Perspectives

Eighty-two local jurisdictions and organizations across Washington that have applied for and/or received program funding commented on their capacity to make sound environmental investments, as well as on program services. These 82 local entities identified a number of barriers to making strategic long-term

environmental investments at the local level. Several cross-program service issues that increase the time, complexity, and cost of accessing program funding were also identified. Individuals from local entities offered a series of structural and process improvements to increase local capacity to make sound investments and improve program services.

Recommendations

The report includes six recommendations intended to achieve the following:

- **Increase the systematic collection and sharing of information** about applications for funding, project locations, baseline conditions, and investment outcomes that can be used to plan and design projects, coordinate investments across programs, evaluate investment performance, and learn from past investments;
- **Integrate practices from the investment model into program structures and operations** to shift the focus of program activities towards making sound environmental investments;
- **Streamline and better integrate program services** to local governments; and
- **Ensure that funding agencies work together** to achieve these goals.

By implementing these recommendations, **confidence surrounding the state's environmental investments can be increased and services to local governments can be improved**. Being able to more clearly define and efficiently produce desired long-term environmental results across programs can help **increase certainty that policy-makers' intent to spend scarce public resources effectively will be achieved**.

APPENDIX 2 – 2001 INVESTING IN THE ENVIRONMENT FOLLOW-UP – EXECUTIVE SUMMARY

**FOLLOW-UP:
2001 INVESTING IN THE
ENVIRONMENT
PERFORMANCE AUDIT
BRIEFING REPORT 01-9**

**REPORT DIGEST
SEPTEMBER 26, 2001**



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2001 INVESTING IN THE ENVIRONMENT PERFORMANCE AUDIT

First Progress Report

JLARC completed this performance audit of 12 environmental quality grant and loan programs funded in the capital budget in January 2001. The audit resulted in six recommendations to improve investment effectiveness, performance measurement, and services to local governments. Two pieces of legislation were enacted during the 2001 Legislative Session in support of the audit recommendations.

Agencies have submitted their first of five annual progress reports on implementation of the recommendations. Overall, the reports indicate that, individually, agencies have been attentive to the recommendations. They have developed preliminary implementation plans and have discussed those plans with program stakeholder and advisory groups. In addition, some agencies have moved beyond planning to make initial adjustments to their grant and loan programs.

Two Areas of Concern

Although individual agencies have generally been attentive to the JLARC's recommendations, progress in two areas is of concern.

First, agencies have not collectively identified the cross-agency processes that will be used to improve the strategic coordination of environmental projects and applications for funding under JLARC's Recommendation 1, and the streamlining and integration of state agency grant and loan program services to local governments under Recommendation 5.

Second, funding to support ongoing operation of the Uniform Environmental Project Reporting System (UEPRS), the only cross-agency mechanism currently available for reporting and coordinating projects across agencies, is uncertain. If interagency support to sustain UEPRS lags, then an important tool to coordinate projects and track and report Legislative investments of capital budget resources in this important policy area will also be diminished.

As agencies continue to move forward in implementing the JLARC audit recommendations, these two areas warrant increased attention. JLARC in its continuing follow-up efforts will pay particular attention to these areas.

APPENDIX 3 – KEY INVESTMENT PRACTICES

Key Investment Practices

Investment Process Stage and Practice Number	Investment Practice	Explanation / Rationale
APPLICATION		
1	Program employs advertisement and outreach mechanisms that broadly disseminate information about program funding and availability.	Broad dissemination ensures that incomplete knowledge about the program does not pose an access barrier to potentially good projects/investments.
2	Technical assistance is made available to assist potential applicants in accessing the program and developing high-quality applications.	Ensures that technical issues and the application process don't become barriers.
3	To be eligible to receive funds, applicant is required to document the existence of a formal analysis demonstrating the need and rationale for the project . For projects addressing <i>systemic</i> issues, this should be in the form of a long-term strategic plan that employs scientifically sound assessment tools such as limiting factors analysis. For projects addressing <i>traditional issues</i> , this should be in the form of an alternatives analysis with a rationale for selecting the proposed alternative.	Documents that consideration has been given to project design and scope. For <i>systemic issues</i> , a strategic plan ensures knowledge of the underlying system and key factors that contribute to the issue at hand. Without a strategic plan, uncertainty regarding project outcomes may be too high to warrant investments. For traditional issues, an alternatives analysis ensures that applicants have considered alternatives before proposing specific solutions. (NOTES: 1) "Initial" strategic plans that focus on the need to collect baseline information may be accepted as a basis for investments in research and assessment activities. 2) Strategic plans may be prepared by the applicant or another entity. 3) An alternatives analysis may be in the form of cost-benefit analysis, cost-effectiveness analysis, EIS, comprehensive plan, etc.)
SELECTION		
4	Program's prioritization and selection process is documented, clear, objective, and open .	Ensures objectivity and clarity about why investment decisions were made.
5	Program's prioritization and selection criteria evaluate the environmental quality benefits that are expected to be produced by projects. For systemic issues, short-term and long-term direct benefits should be evaluated, as well as any ancillary benefits that will result from implementing the project.	Environmental quality benefits are the core focus of program investments. In addition to direct benefits, ancillary benefits such as producing information that can be used in adaptive management strategies, establishing first steps in implementing strategic plans, or ensuring future options to recover investments (e.g. ability to sell land that is not producing intended results), should also be considered.
6	Program's prioritization and selection criteria evaluate the likelihood that the benefits will be produced based on both applicant's ability and track record <i>and</i> the design of the project.	Provides information to assess the risk or uncertainty surrounding realization of investment benefits.
7	Program's prioritization and selection criteria evaluate projects' costs relative to the benefits expected to be received.	Provides information about the investment's value relative to the amount of money invested.

Key Investment Practices (continued)

Investment Process Stage and Practice Number	Investment Practice	Explanation / Rationale
8	Program's prioritization and selection criteria evaluate projects' readiness to proceed .	For otherwise equal projects, the one that can be implemented sooner is preferable as it will produce environmental benefits sooner. Funding projects that are not ready to proceed may tie up funds that could be beneficially applied elsewhere. In some cases, beginning projects as soon as possible may forestall environmental damage.
9	Program employs a minimum threshold score for projects to receive funding.	Returns on investments are likely to be uncertain for projects scoring below certain thresholds, and programs should have the option of not investing in these projects. (NOTE: For programs where applications significantly exceed available funding, competition may create a defacto funding threshold based on relative rankings. However, such funding thresholds are not identical to investment thresholds, which should be defined as the minimum score that is likely to produce desired returns from an investment).
IMPLEMENTATION		
10	Project implementation and expenditure plan and schedule specified in contract and enforced .	Programs should ensure that public receives the anticipated benefits according to planned schedule. Ensures accountability for investments.
MONITORING		
11	Project output and outcome data is collected from project sponsors (project-level results). Outcome data incorporates pre-project implementation baseline data.	Analyzing investment performance requires understanding both process (what was done) and results (the impact of what was done). Results are most meaningful when compared to baseline environmental quality conditions. For systemic projects, results should also be referenced against the strategic plan .
ADAPTIVE MANAGEMENT		
12	Program compiles and publishes comprehensive process and workload measures .	Enables internal and external review of program performance related to workload.
13	Program compiles and publishes output and outcome measures that directly relate to the program's investments (program level results).	Enables internal and external review of program performance related to investment results and effectiveness.
14	Program regularly consults with an external advisory group regarding program practices and performance.	Enables objective evaluation of program practices and results. Facilitates program responsiveness to changing conditions .
ADDITIONAL FEATURES FOR PROGRAMS ADDRESSING SYSTEMIC ISSUES		
15	For systemic issues, program coordinates its project investments at the funding stage with other related state, federal, local, tribal, and private investments at the appropriate geographic scale.	Resolution of systemic issues depends on a collective response from many programs, projects, and activities. Coordination may enhance collective benefits from multiple projects and investments.
16	Program participates in and supports a formal network and/or process to collect, share, review and assess information about individual and collective program outputs, outcomes, and performance in the context of systemic environmental quality issues.	

Source: JLARC.

Investment Analysis Tallies and Scores⁵

Process Stage and Practice Number	Conservation Comm - CREP	Conservation Comm - Dairy	Conservation Comm - Water	DNR - ALEA	Ecology - CPG	Ecology - PPG	Ecology - RAG	Ecology - Water	IAC - WWRP	Public Works Board - PWTF	SRFB - Salmon Recovery	State Parks - Boat Pumpouts
Application												
1	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
3*	P	Y	Y	N	Y	P	Y	Y	Y	Y	Y	Y
Selection												
4	Y	Y	Y	Y	Y	Y	Y	Y	Y	P	P	Y
5*	P	P	P	Y	P	Y	Y	Y	Y	Y	Y	Y
6*	N	P	P	P	P	Y	P	Y	P	P	Y	P
7*	P	P	P	N	P	P	Y	Y	N	N	Y	Y
8*	N	P	P	Y	P	P	Y	Y	N	Y	P	P
9*	N	P	P	P	N	P	Y	P	P	Y	P	P
Implementation												
10	Y	Y	Y	Y	P	Y	Y	Y	Y	Y	Y	Y
Monitoring												
11*	P	P	Y	P	P	P	Y	P	P	P	P	P
Adaptive Management												
12	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
13*	P	P	P	P	P	P	Y	P	P	N	N	P
14*	Y	Y	Y	N	P	P	P	Y	Y	Y	Y	Y
Additional Practices for Programs Addressing Systemic Issues												
15*	P	NA	Y	N	Y	P	NA	Y	N	NA	Y	Y
16*	P	NA	P	N	P	P	NA	P	P	NA	P	P

Yes	Partial	No	Not Applicable	TOTAL	Score Across Programs
12	0	0	0	12	100%
12	0	0	0	12	100%
9	2	1	0	12	83%
10	2	0	0	12	92%
8	4	0	0	12	83%
3	8	1		12	58%
4	5	3	0	12	54%
4	6	2	0	12	58%
2	8	2	0	12	50%
11	1	0	0	12	96%
2	10	0	0	12	58%
12	0	0	0	12	100%
1	9	2	0	12	46%
8	3	1	0	12	79%
5	2	2	3	12	67%
0	8	1	3	12	44%

TOTALS												
Y	6	7	9	7	6	7	12	12	8	9	10	10
P	7	7	7	4	9	9	2	4	5	3	5	6
N	3	0	0	5	1	0	0	0	3	2	1	0
NA	0	2	0	0	0	0	2	0	0	2	0	0
Total	16	16	16	16	16	16	16	16	16	16	16	16
Program Score*	59%	75%	78%	56%	66%	72%	93%	88%	66%	75%	78%	81%

KEY:
Y = practice present
P = practice partially present
N = practice not present
NA = not applicable (traditional programs)

* Asterisk next to practice number indicates that we consider its presence critical to investing.

⁵ Scores are intended to indicate the relative degree to which programs currently employ key investment practices. Each feature was weighted equally. Features that were present received a full score. Features that were partially present received a "half" score. Features that were not present received a score of zero. A sensitivity analysis revealed that the absence of weighting of individual features did not substantially shift relative ranking of programs.

APPENDIX 4 – BUDGET DETAIL FOR 12 AUDITED PROGRAMS

Agency	Program	1999-01 Appropriation	2001-03 Appropriation	2003-05 Governor's Request
Department of Ecology	Local Toxics Coordinated Prevention Grants Program	\$17,699,684	\$52,000,000	\$17,800,000
	Local Toxics Remedial Action Grants Program	\$25,347,203		\$26,700,000
	Water Quality Financial Assistance Program	\$173,883,259	\$209,112,802	\$149,000,000
Interagency Committee for Outdoor Recreation / Salmon Recovery Funding Board	Washington Wildlife and Recreation Program (habitat portion)	\$25,561,000	\$22,500,000	\$15,000,000
	Salmon Recovery Grants Program	\$92,657,752	\$55,642,000	\$54,000,000
Public Works Board	Public Works Trust Fund (wastewater, stormwater, and solid waste portions)	\$80,900,000	\$115,344,200	\$107,000,000
Sub-total, six largest programs:		\$416,048,898	\$454,599,002	\$369,500,000

State Conservation Commission	Conservation Reserve Enhancement Program	\$6,417,595	\$1,000,000	\$1,000,000
	Dairy Waste Management Grants	\$5,408,546	\$5,500,000	\$0
	Water Quality Grants Program	\$5,194,000	\$4,340,000	\$4,500,000
Department of Natural Resources	Aquatic Lands Enhancement Grants Program	\$5,087,600	\$5,565,000	\$5,400,000
State Parks and Recreation Commission	Statewide Boat Pumpout Grants Program	\$996,000	\$1,000,000	\$1,000,000
Department of Ecology	Local Toxics Public Participation Grants	\$896,538	(included in Local Toxics programs above)	\$800,000
Sub-total, six smaller programs:		\$24,000,279	\$17,405,000	\$12,700,000

Grand total, 12 grant and loan programs: **\$440,049,177 \$472,004,002 \$382,200,000**

APPENDIX 5: PROGRAM-LEVEL DETAIL FOR SIX PROGRAMS INCLUDED IN THE 2002 FOLLOW-UP REVIEW

Public Works Board – Public Works Trust Fund

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
4	Program's prioritization and selection process is documented, clear, objective, and open.	P	Scoring process is documented but not as clear as other programs. Board staff scores applications internally. According to staff, an artifact of the design of the application forms and scoring process is that applicants are rated as much on how well they describe the project need and their previous system management accomplishments, as on the merits of the project.	MP	Although Board staff continue to score applications internally, they have devised a more thorough scoring system based on project type and project need.
6	Program's prioritization and selection criteria evaluate the likelihood that the benefits will be produced based on both applicant's ability and track record and the design of the project.	P	Program rates applicants on past and future efforts to maintain and enhance the infrastructure system. Effort receives up to 60 percent of the total score. The design of the project is not directly evaluated.	NC	There has been no effort to implement this investment strategy. Board staff assert that the task of evaluating the design of a project is more appropriately done by the project permitting entities (e.g., the Department of Ecology).
7	Program's prioritization and selection criteria evaluate projects' costs relative to the benefits expected to be received.	N	Program does not consider cost in application scoring process. However, program has established maximum loan amounts per jurisdiction per biennium.	NC	There has been no effort to implement this investment strategy. Board staff assert that the cost of the project is ultimately the burden of and decision for the local jurisdiction.
11	Project output and outcome data is collected from project sponsors (project-level results). Outcome data incorporates pre-project implementation baseline data.	P	Program collects data on implementation of projects, but not on environmental results of state investments. No environmental baseline or performance data are required to be submitted.	MP	The Board is now asking loan recipients to describe the "outcomes" generated by the project in all four priorities: public health and safety, environmental improvements, economic vitality improvements, and system performance improvements.

Public Works Board – Public Works Trust Fund - Continued

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
13	Program compiles and publishes output and outcome measures that directly relate to the program's investments (program-level results).	N	Program performance measures do not include project investment outputs or outcomes. Staff indicates that investment outcomes are only relevant at the community level, and that the program's role is to provide financial resources to communities.	NC	The Board maintains its point that investment outcomes are only relevant at the community level.

Department of Ecology – Coordinated Prevention Grant

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
5	Program's prioritization and selection criteria evaluate the environmental quality benefits that are expected to be produced by projects. For systemic issues, short-term and long-term direct benefits should be evaluated, as well as any ancillary benefits that will result from implementing the project.	P	Program provides funding on formula basis. However, applicants are encouraged to abide by project criteria when developing applications. Those criteria include the degree to which: the application supports projects that prevent environmental contamination from hazardous and solid waste; outcomes of the project can be measured; and the application supports state goals such as the overall recycling rate and used oil recycling rate.	MP	Department of Ecology staff work with local jurisdictions to select projects that best meet local needs within the parameters of the State Waste Management Plan, and maximize environmental benefits with the requested resources.
6	Program's prioritization and selection criteria evaluate the likelihood that the benefits will be produced based on both applicant's ability and track record and the design of the project.	P	Program provides funding on formula basis. Applicants are encouraged to abide by project criteria when developing applications, including the degree to which the application complies with local hazardous or solid waste management plans. However, the criteria do not address the applicant's ability and track record.	MP	Department of Ecology staff will compile benchmarks from comparable jurisdictions to ensure that projects funded use appropriate designs and methods with proven success in other localities. The applicant's track record is not considered; however, grant officers have the ability to negotiate with recipients to improve projects if superior methods are known.

Department of Ecology – Coordinated Prevention Grant - Continued

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
7	Program's prioritization and selection criteria evaluate projects' costs relative to the benefits expected to be received.	P	Program provides funding on formula basis. However, applicants are encouraged to abide by specified project criteria when developing applications. Those criteria include the degree to which the application supports efficient use of the state's resources.	MP	Department of Ecology staff will compile benchmarks from comparable jurisdictions to ensure that projects funded use the most cost effective methods for jurisdictions of that size and geographic location.
8	Program's prioritization and selection criteria evaluate projects' readiness to proceed.	P	Program provides funding on formula basis. However, applicants are encouraged to abide by project criteria when developing applications. Those criteria include the readiness of the project to proceed.	NC	There is no change in this area.
9	Program employs a minimum threshold score for projects to receive funding.	N	Program provides funding on a formula basis. For the past five years, all applications were fully funded. However, funded activities are local priorities included in the adopted and approved local solid waste and hazardous waste management plans.	MP	Grant officers have the ability to withhold funding of projects that do not comply with established "best practices" of localities of similar demographics.
10	Project implementation and expenditure plan and schedule specified in contract and enforced.	P	Schedule is specified in Scope of Work, but not enforced ("no funds withheld if schedule was missed").	MP	Key timelines will be negotiated between grant officers and project sponsors. If the project sponsor fails to meet the agreed upon requirements, funds are shifted to other programs.
11	Project output and outcome data is collected from project sponsors (project-level results). Outcome data incorporates pre-project implementation baseline data.	P	Program requires grant recipients to report output and outcome data. However, program does not require submission of baseline data.	MP	Department of Ecology staff work with project sponsors, either by referring the project sponsor to data if it exists, or working with the applicant to establish baseline data.
13	Program compiles and publishes output and outcome measures that directly relate to the program's investments (program level results).	P	Program publishes statewide program outputs, along with individual local government success stories. However, the only statewide performance measure is recycling rate, and a rationale tying this rate to program performance is not provided.	MP	Program plans to implement two layers of monitoring: broad performance measures and project-specific environmental results. Performance measures will measure effectiveness in meeting environmental improvement goals.

Department of Ecology – Coordinated Prevention Grant - Continued

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
14	Program regularly consults with an external advisory group regarding program practices and performance.	P	Program does not have formal advisory group, but the larger Solid Waste Advisory Committee and the ad hoc Solid Waste Policy Forum occasionally consider CPG topics.	Y	Local stakeholders actively engaged in drafting the new CPG guidelines. The group will continue to convene every two years to discuss successes and concerns with the program.
16	Program participates in and supports a formal network and/or process to collect, share, review and assess information about individual and collective program outputs, outcomes, and performance in the context of systemic environmental quality issues.	P	Program does not have formal advisory group, but the larger Solid Waste Advisory Committee and the ad hoc Solid Waste Policy Forum occasionally consider CPG topics.	NC	There is no change in this area.

Interagency Committee on Outdoor Recreation – Washington Wildlife and Recreation

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
6	Program's prioritization and selection criteria evaluate the likelihood that the benefits will be produced based on both applicant's ability and track record and the design of the project.	P	Evaluation criteria address the long-term management viability of the site and the level of support of the site from other entities, but do not specifically address the applicant's ability and track record.	Y	Criteria have been added to the evaluation process that consider the applying agency's ability to manage the site.
7	Program's prioritization and selection criteria evaluate projects' costs relative to the benefits expected to be received.	N	This is not an element of the program's evaluation criteria.	Y	The program's evaluation criteria consider this by requiring a review of the cost effectiveness of each project.

Interagency Committee on Outdoor Recreation – Washington Wildlife and Recreation - Continued

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
8	Program's prioritization and selection criteria evaluate projects' readiness to proceed.	N	This is not an element of the program's evaluation criteria, although IAC contracts require that projects begin within 90 days of the contract being signed.	NC	There is no change in this area. Program staff explain that readiness to proceed would not be appropriate in a land acquisition process.
9	Program employs a minimum threshold score for projects to receive funding.	P	The program does not employ a minimum threshold score. However, a defacto funding threshold exists due to the volume of project applications received. The program funded 59 of the 120 projects that requested funding (49 percent) during the last three biennia.	NC	There is no change in this area.
11	Project output and outcome data is collected from project sponsors (project-level results). Outcome data incorporates pre-project implementation baseline data.	P	Program collects project output information such as number of acres acquired, but baseline conditions and environmental results/outcomes are not reported.	MP	Although the information is not tracked by IAC, agencies sponsoring projects list in their application the statewide baseline status of plant and animal species affected by the project.
13	Program compiles and publishes output and outcome measures that directly relate to the program's investments (program-level results).	P	Program collects output data such as number of acres purchased, and has published compendiums of funded projects. However, program has not established outcome-based performance measures.	MP	Program staff are in the process of soliciting stakeholder input into appropriate outcome measures for habitat grants and recreation grants.
15	For systemic issues, program coordinates its project investments at the funding stage with other related state, federal, local, tribal, and private investments at the appropriate geographic scale.	N	The program does not formally coordinate investments at the application and selection stage, though the existence of local partnerships is evaluated during the prioritization process.	NC	There is no change in this area.

Interagency Committee on Outdoor Recreation – Washington Wildlife and Recreation - Continued

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
16	Program participates in and supports a formal network and/or process to collect, share, review and assess information about individual and collective program outputs, outcomes, and performance in the context of systemic environmental quality issues.	P	The IAC participates on JNRC, however, this network has not evolved to the point that assessment of investment performance is undertaken across programs.	NC	There is no change in this area.

Department of Ecology – Water Quality Financial Assistance

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
9	Program employs a minimum threshold score for projects to receive funding.	P	Program does not employ a minimum threshold. However, a defacto funding threshold exists due to the volume of applications received. Over the last five years, 44 percent of all projects applying for funds were funded.	MP	Staff are developing a threshold to withhold funding for projects that are not likely to produce substantive environmental outcomes, or are not developed to the extent to make such a determination.
11	Project output and outcome data is collected from project sponsors (project-level results). Outcome data incorporates pre-project implementation baseline data.	P	Program encourages applicants to submit baseline environmental data with their applications. Environmental results are closely monitored for point source projects (those that require NPDES permit), though monitoring is often not undertaken for non-point projects.	Y	Project sponsors are required to provide baseline data and document the environmental change that resulted from the funded project.
13	Program compiles and publishes output and outcome measures that directly relate to the program's investments (program level results).	P	Program tracks outcome measures related to investments in facility projects, though statewide assimilation of this data is not available. Only basic output measures are available for most other projects, although the program has published results from individual projects in special reports, agency's statewide water quality performance measures are not explicitly tied to this program.	NC	Data is collected on a project by project basis, but program level data has yet to be collected or compiled in a manner demonstrating environmental investment.

Department of Ecology – Water Quality Financial Assistance

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
16	Program participates in and supports a formal network and/or process to collect, share, review and assess information about individual and collective program outputs, outcomes, and performance in the context of systemic environmental quality issues.	P	Ecology is a member of IAC and JNRC, and is participating in the development of a variety of coordinated efforts to address salmon, water quantity, and water quality issues around the state. However, these networks have not evolved to the point that assessment of investment performance is undertaken across programs.	MP	Staff participated in the Monitoring Oversight Committee which implemented SSB 5637; however, the future of the Committee depends upon funding decisions that will be made this biennium.

Department of Ecology – Remedial Action Grants

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
6	Program's prioritization and selection criteria evaluate the likelihood that the benefits will be produced based on both applicant's ability and track record and the design of the project.	P	Toxics Cleanup Program conducts extensive review of project design (see comments on feature #5 above). However, applicant's ability and track record are not evaluated.	NC	This practice has not changed; however, Ecology has worked with communities through the Clean Sites Initiative, which it initiated in 2001 with surplus oil revenues.
14	Program regularly consults with an external advisory group regarding program practices and performance.	P	MTCA Advisory Committee did extensive work in 1995 and 1996 related to cleanup process and standards. Issues identified at that time are still being deliberated by local governments, interest groups, and the Legislature.	NC	There is no change in this area.

Interagency Committee for Outdoor Recreation—Salmon Recovery Funding Board

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
4	Program's prioritization and selection process is documented, clear, objective, and open .	P	The prioritization process and criteria are documented. However, due to three layers of project review (Lead Entities, Salmon Recovery Funding Board [SRFB] Technical Panel, and Salmon Recovery Funding Board itself), the rationale behind prioritization and selection decisions may be difficult for applicants to track.	NC	There is no change since the 2001 audit.
8	Program's prioritization and selection criteria evaluate projects' readiness to proceed .	P	Though the program's eligibility requirements specify that projects be implemented as soon as feasible (and be completed within five years), readiness is not addressed in the evaluation process.	NC	There is no change since the 2001 audit.
9	Program employs a minimum threshold score for projects to receive funding.	P	The program does not utilize a minimum threshold score. However, a defacto funding threshold exists in the number of projects funded versus the number that have applied for funding (60 percent of applications in this biennium were funded as of June 30, 2000).	NC	There is no change since the 2001 audit.
11	Project output and outcome data is collected from project sponsors (project-level results). Outcome data incorporates pre-project implementation baseline data.	P	Though the program evaluates lead entity monitoring strategies, and requires applicants to have a monitoring plan, at this time SRFB collects only project output information (e.g., was the project completed according to contract). Submission of baseline data to SRFB is not required. The SRFB is involved in continuing discussions with other natural resource agencies on how to best monitor salmon project outcomes.	MP	IAC staff will be reviewing appropriate measures with the Board and with stakeholders in spring of 2003.
13	Program compiles and publishes output and outcome measures that directly relate to the program's investments (program-level results).	N	Program has not yet established investment output or outcome measures.	MP	IAC staff are working with the Board to revise its mission and determine program-level outcomes.

Interagency Committee for Outdoor Recreation—Salmon Recovery Funding Board - Continued

Investment Process Stage and Practice Number	Investment Practice	Score	2001 Report Findings	Score	2002 Report Findings
16	Program participates in and supports a formal network and/or process to collect, share, review and assess information about individual and collective program outputs, outcomes, and performance in the context of systemic environmental quality issues.	P	Salmon Recovery Funding Board, through IAC, is a member of Joint Natural Resources Cabinet. However, this network has not evolved to the point that assessment of investment performance is undertaken across programs.	MP	The SRFB is represented on the Monitoring Oversight Committee, which serves as one component of this function.

