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## Recommendations

**Recommendation 1. The General Assembly should minimize the risks of grant duplication by consolidating grant resources for the Western Stream Initiative into either the Water Resources Development Grant (WRDG-EQIP) program or the Clean Water Management Trust Fund (CWMTF).**

Finding 1 shows that funds for Western Stream Initiative projects are duplicative because funds come from two different state sources—WRDG-EQIP and the CWMTF. Duplication is inefficient, challenges program transparency, and exposes the State to greater risk of overpayment.

To minimize the risk of duplication, the General Assembly should consolidate all funding for stream restoration projects within one of these two sources. Should the General Assembly choose to move all funding for the existing WRDG-EQIP program to the CWMTF, it should direct the CWMTF to eliminate the use of the regional grant model. The CWMTF should require applicants for Western Stream Initiative grants to apply for grant resources on a project-by-project basis.

Should the General Assembly choose to move CWMTF stream restoration grants for the Western Stream Initiative to the existing WRDG-EQIP program, it should direct WRDG-EQIP to eliminate the use of the current grant award mechanism and require that grant awards for the Western Stream Initiative be based on historical project cost data.

All efforts to eliminate the duplication of funding and improve administration of state grants for the Western Stream Initiative should be completed and reported to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by September 30, 2019.

**Recommendation 2. The General Assembly should direct the grant administrator for the Western Stream Initiative to improve performance management of state grant funds.**

Finding 2 shows the Department of Environment Quality is not actively managing the performance of WRDG-EQIP grants. The majority of the data necessary to demonstrate the grant program's efficiency and effectiveness are neither tracked nor reported. To ensure performance of Western Stream Initiative grants is being actively managed, the grant administrator should be directed to collect and report all data listed in Exhibit 11 of this report. All efforts to measure the effectiveness and efficiency of grants for the Western Stream Initiative should be included in an annual report to the General Assembly. The first report for Fiscal Year 2019–20 data should be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by November 1, 2020.

**Recommendation 3. The General Assembly should direct the State Auditor to perform an audit of state funds for projects managed by Resource Institute for the Western Stream Initiative to identify any additional overpayment of state funds, and direct the appropriate state agency to recoup any overpayment.**

Finding 1 shows the vendor for EQIP, Resource Institute, submitted 51 invoices for the same work as justification for reimbursement from WRDG-EQIP and the CWMTF, resulting in an overpayment of \$20,816. However, the invoices used to determine this level of overpayment of state funds were based on a sample of projects. To ensure the State identifies any and all overpaid funds, the General Assembly should direct the State Auditor to conduct an audit of all state funds paid to Resource Institute for the Western Stream Initiative. In addition, the General Assembly should direct the appropriate state agency to recoup all state funds overpaid to Resource Institute for Western Stream Initiative projects identified in this report and by the State Auditor.

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## Appendices

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Appendix A: List of All Water Resources Development Grants—Environmental Quality Incentives Program (WRDG-EQIP)

Appendix B: Details of Three Stream Restoration Projects Paid \$12,149 Less Than Total Invoices

Appendix C: Scenario in Which the State Will Overaward for Stream Restoration Projects

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## Agency Response

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A draft of this report was submitted to the Department of Environmental Quality for review and response. PED's response to DEQ's response is provided following the appendices, beginning on page 35. DEQ's response begins on page 37.

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## Program Evaluation Division Contact and Acknowledgments

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Staff members who made key contributions to this report include Jacob Ford and Sean Hamel. John W. Turcotte is the director of the Program Evaluation Division.