

Mandatory Evaluation Components

Report No. 2019-04, Stream Restoration Projects Receive Duplicative State Funding and Inadequate Performance Management

N.C. Gen. § 120-36.14 requires the Program Evaluation Division to include certain components in each of its evaluation reports, unless exempted by the Joint Legislative Program Evaluation Oversight Committee. The table below fulfills this requirement and, when applicable, provides a reference to the page number(s) where the component is discussed in the report.

N.C. Gen. § 120-36.14 Specific Provision	Component	Program Evaluation Division Determination	Report Page
(b)(1)	Findings concerning the merits of the program or activity based on whether the program or activity		
(b)(1)(a)	Is efficient	<p>Overall, from Fiscal Years 2013–14 to 2016–17, the average cost per linear foot of Water Resources Development Grant-Environmental Quality Incentives Program (WRDG-EQIP) stream restoration projects has increased by 30%, demonstrating a potential reduction in efficiency.</p> <p>From Fiscal Year 2013–14 to 2014–15, the average cost per linear foot of WRDG-EQIP stream restoration increased by 17%, and from Fiscal Year 2014–15 to 2016–17, the cost per linear foot increased by 11%.</p>	22
(b)(1)(b)	Is effective	<p>The overall objective or measurable outcome of stream restoration is the reduction of sediment in rivers, streams, and bodies of water. However, the grant administrator at the Department of Environmental Quality (DEQ) does not track the reduction of sediment in rivers, streams, and bodies of water. As a result, the Program Evaluation Division could not determine the effectiveness of WRDG-EQIP stream restoration outcomes.</p> <p>Analysis of the performance data that was available shows that the number of grants administered and number of planned linear feet of restoration decreased by 58% and 41%, respectively, from Fiscal Year 2013–14 to 2017–18, demonstrating diminishing effectiveness of the program.</p>	22
(b)(1)(c)	Aligns with entity mission	The WRDG program provides grants for water conservation and recreation enhancement across the state. The WRDG program's purpose aligns with the Department of Environmental Quality's mission statement: providing science-based environmental stewardship for the health and prosperity of all North Carolinians.	8
(b)(1)(d)	Operates in accordance with law	The Program Evaluation Division did not detect any operational aspects of the WRDG-EQIP grant program that were not in accordance with state law. However, because DEQ is not actively managing the performance of WRDG-EQIP grants, the program is potentially less likely to detect and report instances of overpayment to and non-compliance by grantees.	19
(b)(1)(e)	Does not duplicate another program or activity	The Program Evaluation Division found duplication of funding. For the Western Stream Initiative, two different state sources have provided funding for identical work activities within a single project. Funds have come from both the Water Resources Development Grant (WRDG) program at the Department of Environmental Quality and from the Clean Water Management Trust Fund (CWMTF) at the Department of Natural and Cultural Resources. As a result, the State is at risk for overpayment.	13-18

(b)(1a)	Quantitative indicators used to determine whether the program or activity		
(b)(1a)(a)	Is efficient	Number of linear feet of stream restoration completed can serve as a proxy output or unit of production for sediment reduction. Using WRDG-EQIP grant costs and planned number of linear feet of stream restoration, the Program Evaluation Division analyzed the cost per linear foot of stream restored and determined this cost is increasing.	20
(b)(1a)(b)	Is effective	The program should but does not measure effectiveness based on a reduction of sediment in rivers, streams, and bodies of water compared to standard and historical baselines.	20
(b)(1b)	Cost of the program or activity broken out by activities performed	The Program Evaluation Division estimates that the total cost for DEQ to operate EQIP is \$20,691, including \$18,555 in state appropriations, \$1,526 in federal funding, and \$610 in receipts.	8
(b)(2)	Recommendations for making the program or activity more efficient or effective	Recommendation 2 states that the General Assembly should direct the grant administrator for the Western Stream Initiative to strengthen performance management of state grant funds. 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 the 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.	27
(b)(2a)	Recommendations for eliminating any duplication	<p>Recommendation 1 states that the General Assembly should minimize the risks of grant duplication by consolidating grant resources for the Western Stream Initiative into either WRDG-EQIP or the CWMTF.</p> <p>Should the General Assembly choose to move funding for the existing WRDG-EQIP program to CWMTF, it should direct 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.</p> <p>Should the General Assembly decide to move the 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 projects be based on historical cost data.</p>	27
(b)(4)	Estimated costs or savings from implementing recommendations	None	N/A