

**AGENDA**

**ASSEMBLY BUDGET SUBCOMMITTEE NO. 3  
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION  
&  
ASSEMBLY COMMITTEE ON ENVIRONMENTAL  
SAFETY AND TOXIC MATERIALS  
&  
ASSEMBLY COMMITTEE ON WATER, PARKS  
AND WILDLIFE**

**Assemblymember Fran Pavley, Hearing Chair**

**THURSDAY, MARCH 13, 2003  
STATE CAPITOL, ROOM 4202  
Upon Adjournment of Session**

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**ENVIRONMENTAL PROTECTION INDICATORS  
FOR CALIFORNIA (EPIC)**

- I.....Subcommittee Oversight Issues**
  
- II.....Issues for Legislative Consideration**  
**- Mark Newton, Legislative Analyst**
  
- III.....Presentation and Discussion**  
**- Winston Hickox, Secretary for CalEPA**

## **SUBCOMMITTEE OVERSIGHT ISSUES: ENVIRONMENTAL PROTECTION INDICATORS FOR CALIFORNIA**

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Many challenges face the Legislature this year in reviewing and adopting the budget. Natural resources and environmental protection are one of the few areas of the budget that receive less General Fund than five years ago. This year the Legislature must be more thorough and critical in its review of every program to determine priorities and identify programs that should be streamlined to eliminate duplication.

To assist the evaluation of the budget this is a joint hearing of the Budget Subcommittee 3 on Resources, the Environmental Safety and Toxic Materials and the Water, Parks and Wildlife policy committees to further explore the Environmental Protection Indicators for California (EPIC) program in the California Environmental Protection Agency (CalEPA). The Budget does not propose funding for EPIC in 2003-04 and no work plan for future development, uses and updates of EPIC has been produced. However, the Agency is sponsoring AB 1360 (Steinberg) that will statutorily create the program beginning in 2004 with reports to the Legislature every two years.

In its analysis the Legislative Analyst Office concluded that EPIC has merit but legislative involvement is crucial to ensuring the ongoing usefulness and effectiveness of this effort. There are a number of questions that the Agency has been asked to answer about the effectiveness and the need for the program.

### **BACKGROUND**

The EPIC project was created in 2000-01 to establish and implement a process for developing environmental indicators. EPIC issued its first report in April 2002 that is described as the foundation for measuring the state's environmental quality in terms relevant to both human and ecosystem health. The indicators in the report are intended to provide objective, scientific information for assessing California's environment. The report was developed jointly by the California Environmental Protection Agency and the Resources Agency with the active participation of the Department of Health Services. Various stakeholders both in and out of government collaborated in its development.

According to the 2002 report, EPIC is designed to be an ongoing process to integrate and use information about the environment to frame new approaches to solving environmental problems. Environmental indicators can be used as part of the planning process, for setting goals and tracking progress in improving California's environment and natural resources.

Traditionally many environmental programs are evaluated upon measures of activity such as the number of permits granted. Environmental indicators can show the effects of these activities on the environment and public health.

**What are environmental indicators?** Scientifically based measurements to track changes in environmental conditions over time. Trends in the number of days above the carbon monoxide standard is one environmental indicator of the levels of air pollution.

**Funding:** Since 2000-01 CalEPA's expenditures for EPIC have been roughly \$700,000 General Fund. The January 10 Governor's budget does not include funding for this program in 2003-04.

**The Process for Developing EPIC:** An advisory panel of business, environmental and academic representatives identified significant environmental issues facing the state and began to develop an initial set of indicators. In discussions with committee staff, members of the advisory panel were supportive of the goals of the program. Their main criticism tended to be that the program relied on existing data sources generated by state agencies. The two problems they saw with this were: 1) that there were significant gaps where important indicators were not being measured by state agencies, and 2) that some of the indicators used were chosen because data was available even when the chosen indicator was not necessarily very meaningful. There were also concerns that the presentation of results was too technical and not at the right "level" for a policy-maker audience. However, most are supportive of the overall concept and thought the project should be more ambitious and clarified as to the purposes for which EPIC might be used.

The primary consideration for selecting an indicator was its scientific validity based on the data available for measurement. This process did uncover significant data gaps for a number of environmental issues. The EPIC report sets forth the magnitude and scope of this problem. EPIC did identify 90 environmental indicators and identified those indicators where adequate data exists, where further data is required or for which data does not exist.

**LEGISLATIVE ANALYST'S OFFICE**

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In the LAO's *Analysis of the 2003-04 Budget Bill*, the Analyst has reported on the administration's EPIC initiative and has recommended the enactment of legislation to guide EPIC. The LAO will present their findings and recommendations.

A copy of the Analyst's analysis has been included for the Members.

<b>COMMENTS</b>
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**Questions for the LAO:**

- Are other states utilizing environmental indicators?
- How could EPIC be used in the budget process?
- Should EPIC be created in statute? If so, should it provide requirements for evaluating departmental budgets?

## CALEPA COMMENTS

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Secretary Winston Hickox will present the EPIC program and the findings in last years report. The Committee should consider whether EPIC does or could provide the kinds of tools necessary for evaluating environmental protection programs and determining budget priorities. In determining whether EPIC is a legislative priority, the Committee should consider what level of funding would be necessary so that it would be an effective tool for evaluation and prioritization of funding. A copy of the PowerPoint presentation explaining EPIC and the executive summary of the April 2002 report are included.

### Questions for CalePA:

- What would the cost of EPIC be in the next year and out years?
- What is the purpose of the program, who benefits, what is the public need?
- Does this program address a long-term need or a short-term problem?
- Is there evidence that this program is serving its customers well/poorly?
- What organizations support/oppose the program?
- Are there programs that serve a similar purpose? How do programs such as the Resources Agency California Legacy program fit into the indicators?
- How is this program coordinated with similar programs?
- Do private companies, private institutions (such as universities), or non-profit organizations provide similar services? What are the alternatives to this program?
- How can EPIC be more integrated into decision processes?
- What level of funding would be needed for EPIC to be an effective planning and budget tool for the budget year and future years?
- What are the funding sources for this program (fees, bonds, General Fund, federal)?