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ENVIRONMENTAL INDICATORS

**House Bill 4558 (Substitute H-5)
First Analysis (12-10-97)**

**Sponsor: Rep. Liz Brater
Committee: Conservation, Environment
and Recreation**

THE APPARENT PROBLEM:

The state has spent millions of dollars on environmental matters during the past 30 years. Yet many believe that the legislature has no way of knowing whether this money is being spent wisely, and no means of assessing which of the state's environmental programs are succeeding and which are failing. For example, audits performed from October 1, 1992 through June 30, 1994 of the Department of Natural Resources' (now the Department of Environmental Quality [DEQ]) Surface Water Quality and Waste Management Divisions by the Office of the Auditor General indicated that the divisions' goals were not measurable, and that it had no means of assessing the state's overall water quality nor of determining if the department was achieving its mission of protecting and enhancing the state's surface waters.

At present, the state submits several reports to the federal Environmental Protection Agency (EPA). However, such reports address only the issues of each particular program and do not present a comprehensive overview. The EPA is in the process of developing a system by which each state could measure and evaluate its environmental programs, and thirty-seven states have developed environmental indicator programs that use objective data to report trends in environmental and natural resources quality and to assess each program. It is proposed that the state use data that is now collected by the DEQ, but that has not previously been organized, to compile an "environmental report card" that would be made available to the legislature and to the public.

THE CONTENT OF THE BILL:

The bill would add a new section to the Natural Resources and Environmental Protection Act (NREPA) to require the Department of Environmental Quality (DEQ) to 1) compile a "Michigan Environmental Report Card;" 2) make recommendations to the legislature on a comprehensive set of performance measures, after receiving public testimony on them; develop a comprehensive set of environmental quality indicators for, among other things, air, water, wildlife, forests,

waste, energy use, and land use; 2) publish annually
"The

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Michigan Environmental Report Card", which would include an assessment of the environmental health of the state; and 3) make a joint funding recommendation to the legislature to address the concerns in the report and/or to gather more information to assess the indicators.

Michigan Environmental Report Card. The DEQ would be required to compile the environmental data that it collects into a single report, entitled "The Michigan Environmental Report Card," and make it available to the public. The DEQ would be required to cooperate with the Department of Natural Resources (DNR) and other departments, as appropriate, to prepare the report. The report would have to be submitted to the governor, the chairs of the legislative standing committees that have jurisdiction over environmental quality and natural resource issues, and the chairs of the Senate and House appropriation subcommittees on natural resources and environmental quality. The report would also have to be made available to the public electronically and in paper format upon request.

The bill would specify that the content of the report be guided by the core performance measures agreed to in negotiations between the U.S. Environmental Protection Agency (EPA) and the Environmental Council of the States, beginning with the agreement negotiated for the 1998 fiscal year. Subsequent reports would have to reflect any revisions to the 1998 agreement. However, the report would have to include, but not be limited to, the following information:

- Toxic releases and off-site transfers: state totals for releases and off-site transfers reported according to the federal Toxic Releases Inventory. This data would have to be reported both in total, and for releases to air, water, and land.
- Air quality: state ambient air quality data for criteria pollutants; state emission totals for criteria pollutants from major stationary sources; exceedances of National Ambient Air Quality Standards; and size and location of nonattainment areas.
- Surface water quality: percentage of the state's surface waters supporting and not supporting designated uses; areas with impaired water quality; and number, location, and volume of combined sewage overflows reported to the department.
- Drinking water: number, location, and amount of exceedances of maximum contaminant levels; percentage of public water supplies with exceedances.
- Solid waste: statewide total of solid waste landfilled; proportion of waste imported as a percentage of state total landfilled and state or county of origin of imported.

- Hazardous waste: statewide total of waste generated, imported and exported, and disposed in Michigan; proportion of waste imported as a percentage of the state total disposed in Michigan.

Information on core performance measures (defined under the bill to mean a hierarchical collection of environmental indicators, program outcome measures, and program output measures that are relevant nationwide, and used for strategic planning, program planning, and tracking progress in achieving environmental program goals and objectives), for which data are currently collected and readily available, would also have to be included in the report. The DEQ could modify core performance measures to make use of currently collected and readily available data, and would be required to report on the activities it engaged in to adopt a comprehensive set of core performance measures.

Comprehensive Performance Measures. The bill would require that the department make recommendations to the legislature on a comprehensive set of performance measures by January 15, 2000, and receive public testimony prior to making the recommendations. The performance measures would have to reflect the core performance measures defined under the bill, and any additional measures necessary to reflect state environmental program priorities and goals. The DEQ would also have to estimate the cost of establishing these measures and benefits of receiving greater flexibility in spending federal funds awarded to the state to administer environmental protection programs.

Advisory Committee. The DEQ would have to convene an advisory committee to guide the development of the recommendations on comprehensive performance measures. The committee would consist of one representative each from the Departments of Environmental Quality, Natural Resources, and Agriculture, three experts from the universities, and two representatives each from environmental, business, agricultural, and natural resources interests. Committee

meetings would have to comply with the provisions of the Open Meetings Act.

The advisory committee would be required to review the types of data collected and managed by state departments that would be relevant to the development of performance measures; and to identify useful data already collected by the state, and missing data that should be collected to fully implement a comprehensive set of performance measures. The committee could also recommend ways to ease data reporting and management burdens to facilitate use of the data collected. In addition, department representatives serving on the committee would have to assist the committee in fulfilling its duties.

The advisory committee's duties would end when the legislature received its recommendations on a comprehensive set of performance measures. After that, the DEQ would be required to convene a new advisory committee every three years to review the status of implementation and the need for revisions to respond to changing priorities. The membership of subsequent advisory committees would be the same as the original one.

MCL 324.601

FISCAL IMPLICATIONS:

According to the House Fiscal Agency (HFA), the bill would have an indeterminate impact on state funds. The HFA reports that much of the data that the Department of Environmental Quality (DEQ) would be required to compile under the provisions of House Bill 4558 is currently available, although some data may be found in field offices or in several different locations. It may also be necessary to revise existing sampling procedures to gather information not currently collected for federal or state reporting purposes. The costs to the DEQ would depend on the amount of staff time necessary to compile performance information and prepare required reports. Publication costs would be recovered through the proceeds of sales of these reports to the general public. (12-10-97)

The provisions of the substitute bill would require that the Department of Environmental Quality (DEQ) collect certain environmental data. This data is currently collected by the department. However, the DEQ reports that the bill would result in initial startup costs that would include: two FTE positions to compile the Michigan Environmental Report Card; two FTE positions to formulate the advisory committee's recommendations; and the cost of printing the report. The costs would diminish, however, after the first year. (12-10-97)

ARGUMENTS:

For:

The provisions of the bill would help determine which of the state's environmental programs are successful and which need to be improved; and would close the "information gap" that currently exists between the Departments of Environmental Quality and Natural Resources and the legislature. These departments currently amass an abundance of environmental data, but some people maintain that this information is not analyzed as it should be. For example, the auditor general reported recently that the state has no reliable database on the quality of its ground water. It is, therefore, impossible to know whether the state's water quality is improving or deteriorating. As a result of compiling the data specified under the bill, however, the legislature would have the tools to evaluate the state's "environmental progress" and to formulate policy and budget decisions. In addition, since the report would also incorporate public testimony and would be made available to the public, it would also serve to increase public awareness of environmental trends.

Against:

In written testimony presented to the House committee, the Michigan Manufacturers Association (MMA) states that the bill is unnecessary. According to the testimony, the MMA currently provides ample information to the DEQ and to the DNR that serve the same purpose as that proposed under the bill. For example, the MMA claims that information it provides enables the department to publish Ambient Air Quality and Toxic Release reports. That information can be accessed through the Internet, department newsletters, and by request. The MMA also maintains that the bill does not incorporate the provisions of current Department of Agriculture (DOA) reporting and permit programs, and that it does not provide for input by regulated sources.

POSITIONS:

The Michigan Environmental Council supports the bill. (12-10-97)

The Department of Environmental Quality (DEQ) has no position on the bill. (12-10-97)

The Michigan Chemical Council opposes the bill. (12-10-97)

The Michigan Municipal League (MML) supports the bill. (12-10-97)

The Michigan State Chamber of Commerce has no position on the bill. However, the chamber questions the need for legislation that is already compiled by the DEQ. (12-10-97)

The National Federation of Independent Business (NFIB) has no position on the bill. (12-10-97)

Analyst: R. Young

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.