

US EPA ARCHIVE DOCUMENT

## State Innovation Grants

### EPA 2006-2007 State Innovation Grants Competition Pre-Proposals

**Primary Category:** National Performance Track Program and State Performance-Based Environmental Leadership Programs

**Location:** Statewide, Michigan

**Applicant:** Michigan Department of Environmental Quality (MDEQ)

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**Scope and Focus:** As proposed, this project is designed to build state support for the United States Environmental Protection Agency's (EPA) National Environmental Performance Track (NEPT) program, to strengthen EPA's partnership with the Michigan Clean Corporate Citizen (C3) Program and participating establishments (100+), and to refine the reciprocal alignment of the NEPT and C3 programs through a formal Memorandum of Agreement (MOU).

**Federal Regulatory Flexibility:** State regulatory flexibility is a component of the existing C3 Program in Michigan and is included in the administrative rules of the respective MDEQ regulatory programs offering the benefits. In the event additional federal regulatory flexibility is offered, discussions will be held with the respective MDEQ regulatory program divisions to determine applicability and possible next steps. Discussions between the two agencies on the overall question of regulatory flexibility and other incentives such as public recognition will be a part of the MOU.

**Project Summary:** The Michigan C3 Program began accepting applications in mid 1997 and designated its first three C3's by the close of the year. The C3 Program continues to grow steadily. As of December 31, 2005, there have been 117 designations with 103 current members. This group of voluntary participants represents virtually every manufacturing and industrial sector, and is expanding to municipal government, academic institutions, military facilities, and agricultural operations. Participants range from small entrepreneurial and family-owned enterprises to large manufacturing and power generation facilities.

The C3 Program has been evaluated by EPA and comparison matrixes demonstrate many similarities and few differences between C3 and NEPT. Both programs require Environmental Management Systems (EMS), strong environmental regulatory compliance histories and pollution prevention/waste reduction commitments. There are currently five Michigan C3 establishments that also participate in NEPT. At this time, there is no formal reciprocity between the two programs. Coordinating these efforts will enable both agencies to increase the efficiency and effectiveness of our respective programs, encourage commitments to practices that yield environmental results beyond compliance, and improve our shared environmental quality.

**Narrative Summary:** The project shall contain two components: (1) Develop and implement an MOU between the EPA and MDEQ to better align both programs with the goal of increasing membership in both C3 and NEPT by sharing existing tools, providing better overall coordination of recruiting and recognition efforts, sharing and publicizing measurable environmental results, and by building on the strengths of both programs; and (2) Promote the use of EMSs and Pollution Prevention (P2) to improve environmental performance.

It is noteworthy that MDEQ and the C3 Program have supported and partnered with NEPT since its inception. Presently C3 Program staff coordinates multimedia compliance reviews for dual program applicants and have participated in past EMS initiatives, including the Multi-State Working Group and NEPT annual conferences. While some cooperation and coordination already exists, there is much more to be done and many opportunities available to mutually benefit both programs and increase the overall efficiency and effectiveness of C3 and NEPT.

**Program Benefits:** The benefits to be realized as a result of this project supports EPA's Strategic Goals including Goal 5: Compliance and Environmental Stewardship, Goal 5.1: Improve Compliance, and 5.2: Improve Environmental Performance through P2 and innovation, as well as enhancing the understanding and participation in both programs. This project will identify and build on opportunities to cooperatively implement alignment of the Michigan C3 and the NEPT programs. Opportunities include marketing, training, effective delivery of incentives, facility application submission and review, compliance screening, public relation/recognition opportunities, and environmental results reporting.

**Proposed Project Work Plan and Time Frame:** The proposed project consists of two major objectives: (1) Development and implementation of an MOU between EPA and MDEQ; and (2) Internal and external training targeted to increase participation and understanding of EMS, C3, and NEPT.

Development of MDEQ/EPA MOU (Year One – Grand Award + 180 days) – MDEQ and EPA staff will work to develop an MOU that bridges two programs, C3 and NEPT, with the goal of increasing the participation in both programs, while at the same time improving their overall efficiency and effectiveness.

Implement executed MOU for C3/NEPT Programs (Year One and Year Two – MOU execution + 30 days then ongoing). Activities include:

- Establish and coordinate the application processes of NEPT and C3, so eligible applicants may more easily apply to either or both programs.
- Work with EPA and member establishments to identify ways to streamline and facilitate the application and reapplication process for both programs.
- Provide eligible establishments the technical assistance necessary to apply, reapply and be evaluated expeditiously for continued participation in either program.
- Explore additional incentives especially in the area of public recognition for both C3 and NEPT to increase both new membership and retain existing members as well.
- Effectively evaluate environmental compliance to applicable multimedia state and federal regulations.
- Coordinate educational, training, marketing, and recruiting opportunities to achieve the maximum efficiency and effectiveness for both agencies.
- Encourage and coordinate public relation opportunities at joint program member recognition events.
- Coordinate and expand existing recognition mechanisms, including Web sites, press releases, annual reports, etc., to highlight new and renewing members.
- Explore opportunities to improve and coordinate reporting of environmental results for both programs.
- Communicate more effectively to members, regulated community, general public, and other stakeholders, the quantifiable environmental results achieved by NEPT and C3.
- Allow flexibility by MDEQ regulatory programs in meeting their EPA commitments on inspections and compliance and enforcement oversight activities by redirecting staff resources to those facilities not currently a C3 or NEPT member.
- As one of the first and longest standing leadership programs in the country, C3 has been a model for other states to follow as they develop their own programs. As part of this proposal, MDEQ further pledges to extend additional resources through the sharing of materials and program expertise/experiences to mentor other states who are thinking about developing similar leadership programs.

Internal and external EMS/C3/NEPT Training (Year One and Year Two – MOU execution + 30 days then ongoing). In prior years, the MDEQ held two consecutive series of half or full-day basic EMS training for interested parties. The training was offered statewide and delivered in Lansing and other locations across the state. The grant project will develop new training as described below to include NEPT staff and the wealth of resources and information gleaned from NEPT and new federal voluntary environmental initiatives. The NEPT will also be integrated into training open to applicant establishments.

The joint resources and knowledge base of the federal and state C3/NEPT programs and the brain trust of their respective staffs will be tapped to coordinate planning efforts and training design for dual-agency EMS/C3/NEPT introductory training. Permitting staff will have the opportunity to learn more about these environmental tools and incentive programs. Field staff and inspectors can upgrade their skills to include a basic understanding of EMS and its attending benefits. Training will also build knowledge of ongoing voluntary community-based environmental projects, C3's, and NEPT's partnering with local schools and governments, nonprofits, business community efforts, etc. Providing internal and external training and other technical assistance over the grant period will increase understanding of and participation in the NEPT and C3 programs, and foster agency and community involvement and understanding. Activities include:

- Develop on-line assistance/training for first-time applicants in understanding the C3 and NEPT application processes, tutor them through the available and necessary documents and guidance for both C3 and NEPT. An additional focus will be on the cooperative agreement between the two program agencies.
- Develop on-line assistance/training for renewing C3/NEPT applicants with forms, examples, and guidance.
- Provide on-site assistance via premeetings for application preparation and EMS development and EMS implementation.
- Include a C3/NEPT cooperative agreement and NEPT Program highlights presentation at the annual C3 Mini-Conference.
- In cooperation with NEPT staff, develop and provide internal staff training on the basics of EMS, its role in regulatory management and compliance including Supplemental Environmental Projects, and C3/NEPT programs criteria and benefits.
- Provide selected regulatory internal staff with an overview of EMS auditing.
- Provide targeted EMS training to selected sectors, on request including:
  - Agriculture
  - Municipal Government
  - Educational Institutions
  - Society of Manufacturing Engineers
  - Health and Safety Organizations
  - Trade Industries

**Summary Budget Information: - (Two Year Project Costs)**

[Withheld by EPA]

**Outcomes and Measures of Effectiveness:**

Effectiveness can be measured in two areas as a result of this project: Program Growth and Improvement, and Data Reliability and Aggregation:

- Program Growth and Improvement: Quantifiable data would include: (1) the completion and adoption of EPA/MDEQ Memorandum of Agreement; (2) the number of internal C3 and NEPT training overview sessions and staff attending; (3) the number of internal EMS audit training sessions and staff attending; (4) the number of external EMS training sessions and characterization of attendees; (5) the participation rate of joint NEPT and C3 members; (6) the number of joint recognition events, media releases, and published articles, features, editorial letters and annual reports; and (7) the number of requests from other states developing similar leadership programs.
- Data Reliability and Aggregation: Through joint training and a better understanding of agency program requirements and expectations, data provided by voluntary participants would gain reliability. Outcomes from data reporting would allow better comparability and aggregation, and lead to more accurate agency analysis. Information on cost savings, industry sector environmental initiatives, and neighborhood partnerships could also be collected. This information will be useful in the creation of case studies to be made available to the public on agency Web sites, etc.