

US EPA ARCHIVE DOCUMENT

Ms. Sherri Walker
State Innovation Grants Program
National Center for Environmental Innovation
Office of Policy Economics and Innovation
U. S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

RE: Innovation Grant Proposal

Dear Ms. Walker:

Please accept this proposal for EPA's 2007 State Innovation Grant competition. Ours is a two part proposal first to infuse Environmental Management Systems concepts into a regulatory agency's routine permitting and compliance work and second, push those concepts into state government sector operations.

If you have any questions please contact Todd Crawford of the Division of Environmental Quality at PO Box 176, Jefferson City, MO 65102 or by phone at 573-751-6892. Thank you.

Sincerely,

DEPARTMENT OF NATURAL RESOURCES

Doyle Childers
Director

DC:tcb

Enclosures

Pre-Proposal for State Innovation Grant – RFP Number EPA-AO-OPEI-07-01

1. PROJECT SUMMARY PAGE

Project Title: Project to Promote and to Demonstrate Environmental Management System Concepts and Applications

Project Applicant: Missouri Department of Natural Resources

State Project Manager: Todd Crawford
Department of Natural Resources
1101 Riverside Drive
PO Box 176
Jefferson City, MO 65101
Telephone: (573) 751-6892
Fax: (573) 751-9277
email: todd.crawford@dnr.mo.gov

Total Project Cost: *[Budgetary Information Withheld by U.S. EPA]*

Project Period: October 1, 2007 through September 30, 2011

Summary Statement: This proposal will boost the application of the Environmental Management System (EMS) concepts and approach across all of the department's environmental regulatory processes and within the operations of the department and another collaborating state agency. Within the department the proposal expands the interface between the EMS and traditional regulatory processes by embedding staff in each permitting and compliance unit trained in the application of EMS principles and the department's new program to incentivise EMSs. The proposal will further ingrain departmental staff with EMS concepts through the development of an EMS at a departmental location and potential EMS at a sister state agency's facility.

Statutory Authority and Flexibility: N/A

State Agency Support: The director of the Missouri Department of Natural Resources, Mr. Doyle Childers, wants to make voluntary application of EMS an integral part of the department's approach to environmental regulation. Mr. Childers recognizes to establish this approach without specific legal mandates and stable funding support, the department's voluntary EMS program needs to generate more momentum. He believes the department needs to expand managerial and technical staff's knowledge and confidence in EMSs to accomplish this. Mr. Childers specifically endorses the implementation of a departmental EMS to demonstrate leadership in this area to industry and other public agencies.

2. PRE-PROPOSAL PROJECT NARRATIVE

2a. Project Description.

The department is a comprehensive state environmental regulatory agency comprised of air, land and water regulatory programs, field offices for inspections and emergencies, and an environmental laboratory. Since 1974 the department has regulated industry under a tried and true approach of command and control. The department produces permits and conducts compliance inspections by the thousands yearly, and carries out enforcement cases by the hundreds. These actions have proved successful in reducing the number of environmental issues, however there is more to address than the department can accomplish through command and control alone. The department recognizes in order to thoroughly address and prevent negative impacts on the environment; companies must come to realize the economic advantages of improving environmental performance, and obtaining a better than minimum operations, required by current regulations.

Acting on this recognition, the department now encourages all organizations, large and small, public and private, whose operations have a quantifiable cost and environmental impact to develop an EMS. The Missouri Environmental Management Partnership (MEMP) is the department's program that encourages organizations to voluntarily develop and implement an EMS. MEMP has several levels of participation for industry and each level has a certain entry criteria, cooperative permitting possibilities and recognition benefits. Participation is voluntary, but MEMP will uphold generally recognized EMS conformance criteria as benchmarks for success and participation in the program. The conformance criteria include regulatory compliance and broader environmental goals.

The MEMP Team is an existing group charged with most of the application review and EMS audit work. They are drawn from the various media programs in DNR. While there are 6 members on the team, each is allowed only about 10% of a full time equivalent (FTE) to carry out MEMP duties. Sixty percent of one FTE is what has been budgeted for now to apply to this new approach.

In spite of MEMP's small size, we anticipate the program will grow and create significant efficiencies within the department and other organizations. The program will promote the number of organizations, both public and private, in adopting a formal EMS to address their own environmental responsibilities.

At this time, the department currently does not have an EMS, and the EMS concepts and MEMP activities are largely unfamiliar within many sections of the department. Though upper management is enthusiastic and committed to voluntary EMSs and MEMP, the department's commitment has not been fully demonstrated to the regulated entities or its own personnel. As a large agency, with many environmental aspects, implementing our own EMS would expose and train the staff in the concept and provide an excellent example for us and others. Other Missouri state agencies with significant environmental aspects and problems will benefit from the departments' example. It is the department's intent to broaden the application of EMS concepts within other Missouri State agencies, both from a regulatory control and an operational improvement perspective.

Virtually every activity regulated by federal and state environmental law will benefit from broader knowledge about and application of voluntary EMSs. An EMS by its nature makes an organization more aware of its many impacts on the environment and how its waste generation or wasteful activities cost them money. Making the use of EMSs more widespread, as we are proposing to do here, will help those companies meet and exceed the requirements of the air, water and waste laws.

PROPOSAL

Part 1. This project will significantly expand the interface between the traditional regulatory and EMS/MEMP approaches. The proposal is to integrate information delivery to facilities on the EMS/MEMP into each of our permit, enforcement and inspection offices and enlarging the activity time by significantly expanding the MEMP technical team to include more members of the permitting and compliance staff. EMS concepts would be introduced to permit applicants, inspectees or violators by the department staff while performing their normal duties. The staff members would be trained in EMS and MEMP information. Information about MEMP and EMSs would be incorporated into the permitting packages for applicant's review and action.

Training is a large part of the integration effort. We do not want staff to promote the EMS/MEMP/Performance Track approach from a point of ignorance or indifference. Staff must not only understand the principles involved, but also have a strong confidence in them. We propose to hold a 40-hour lead auditor or equivalent training for each technical team member. Extensive training will be provided for the team leader and assistant team leader to provide periodic formal and on the job training to the other team members. Whenever possible, we would draw upon experienced EPA staff as agreed under our Performance Track / MEMP Memorandum of Agreement to help provide on site EMS audit and inspection instruction. Training for all other permitting and compliance staff and their management will also be available.

We anticipate a significant increase in the number of MEMP applications because of this effort. The department is not proposing to increase the number of staff for this project, however this project will create additional workload for the team. Therefore the department may need to contract out a portion of the Teams' increased MEMP application review work to an experienced EMS contractor when it becomes necessary. The contractor will have close oversight by the Team and will not be the gatekeeper for the applicants. During the project period, the MEMP effort will need to find permanent funding in order to maintain the momentum generated by this project.

PROJECT'S ACTIVITY TIMELINE

1. Staff selection for MEMP Technical Team [Time Frame – October 07]
2. General information release on the EMS/MEMP project [October 07 then Qtrly.]
3. Contact sector associations, local agencies, and environmental advocacy groups to advise and solicit comments [October to December 07]

4. Selection of training consultant [November 07 to January 08]
5. MEMP Expansion Team (MET) training: field and classroom [November 07 to March 08]
6. Other staff training sessions on MEMP and EMS [November 07 to November 08 and then periodic as new staff are added]
7. Revise permit information packages and operational manuals [November 07 to March 08]
8. Delivery of EMS and MEMP information to regulated entities and public. [January 08 to September 2010]
9. Selection of MEMP application review consultant [when necessary]

Part 2: To add to the regulatory momentum building in part one, part two proposes a sector approach to promoting EMSs. The department proposes to develop its own EMS and at the same time, work with other state agencies that have significant environmental aspects to do the same.

As the environmental leader in Missouri, the department will demonstrate their commitment to environmental excellence by implementing its own voluntary EMS. Such a demonstration will not only say “do as I do”, it will provide us with the actual experience to help encourage and guide other organizations through their EMS process. It is the department’s intent to encourage and provide leadership to other agencies within the state, to build their own EMS.

Under this part, the department will identify and train a cross-functional Departmental Core Team with the assignment to recommend the scope of the EMS and begin the development process. Other agencies (e.g., MoDOT, Corrections) will be encouraged to join our Core Team in training, in an effort to support a cross-media EMS plan. This innovative group effort will expand knowledge of EMS in new areas and will allow other agencies to compare, assist, encourage and even compete in their efforts. The departments' MEMP Technical Team will stay in communication with the other agencies and be available for assistance as they apply for participation in MEMP. This assistance agreement will pay for an EMS training consultant and part of the personnel cost in other agencies involved in the EMS training, planning and development steps.

The following timeline is designed for the above part two activities. Collaborating state agencies will be on a similar path:

1. Finalize agreements with other state agencies to participate. [Time Frame – 1 month]
2. Training component for state agency Core Teams [2 months]
3. (Plan) Preliminary preparations: [8 months]
4. Define EMS goals and scope
5. Do a preliminary review of current compliance and environmental programs/systems. Compare this to the criteria for an EMS. Evaluate our organization’s structure, procedures, policies, environmental impacts, training programs and other factors. Do a Gap Analysis to determine what needs to be done.

- a) Develop budget and schedule. Identify possible early successes. Secure resources.
- b) Involve Employees. Monitor and communicate progress (up and down ladder)
6. Develop EMS: [18 to 24 months] – Some items may occur simultaneously.
 - a) Identify Legal and Other Requirements, Identify Environmental Aspects and Related Products, Operations, and Activities, Define Views of Interested Parties [2 months]
 - b) Prepare Environmental Policy [2 months]
 - c) Define Key Roles and Responsibilities [2 months]
 - d) Establish Objectives and Targets [4 months]
 - e) Develop Environmental Management Programs, Identify Operational Controls, and the Identify Monitoring and Measurement Needs; Establish Operational Controls & Monitoring Processes [4 months]
 - f) Define Job-Specific Roles and Responsibilities [4 month]
 - g) Plan and Conduct Initial Employee Awareness [3 month]
 - h) Establish Other System-Level Procedures [4 months]
 - 1) employee training and awareness,
 - 2) internal and external communication,
 - 3) emergency preparedness and response,
 - 4) EMS auditing, and
 - 5) Management review.
 - i) Prepare EMS Documentation (Manual) [3 months]
 - j) Plan and Conduct Specific Employee Training. Employee training should be designed to ensure understanding of: [3 months]
 - 1) key system processes,
 - 2) operational controls related to their specific jobs, and
 - 3) any monitoring or measurement for which they are responsible.
 - 4) Job-specific training should also cover topics such as EMS auditing for those employees that will conduct internal EMS audits.
7. Conduct EMS Audits (Check)
8. Conduct Management Review (Act) (not part of the assistance agreement)
9. Modify and update EMS as required. Continue in an ever-improving cycle. (not part of the assistance agreement)

2b. Program Guidelines, Eligibility Requirements, And Selection Criteria

(Meet Section I A-E Section II A-C)

This project is built on a developing strategy within this state to encourage the voluntary use of EMSs. The department implemented several years ago a small program with no statutory authority or earmarked funds to foster the voluntary use of EMSs. The project is to help expand in every office the encouragement of EMSs in the facilities we regulate. We will also generate interest and confidence in EMSs by not only implementing one at our flagship LEED certified green building in Jefferson City, but assisting another state agency in developing their own EMS. We believe this could have a significant effect on attitudes toward EMS development in other state agencies with significant environmental impacts.

We anticipate the leadership of this agency and the participation of a sister agency will lead to other Missouri state agencies applying EMSs and entering Performance Track and/or the Missouri Environmental Management Partnership. Many of our state agencies have significant environmental impacts that have presented many problems through the years. Permitting issues are common, and many wastes are generated without enough thought given to disposal or other release. By showing leadership and providing assistance, this department can help other agencies into systems that prevent pollution and keep them in compliance for the long term.

The project will commence October 1, 2007 and is expected to run a little beyond three years. The department commits to producing a final report on completed and anticipated outcomes within 3 months after completion of the project.

Threshold Criterion #1 (*learning from a new approach or innovation, not just fixing a problem*)

Part 1: Embedding staff trained in EMS, Performance Track and MEMP into all media permitting and compliance offices is an innovative approach to transferring knowledge on those subjects broadly and efficiently across the agency and to the regulated community. We will learn whether increasing our level of expertise will expand the use and success of EMSs.

Part 2: Involving more than one agency in the education and development of EMSs is certainly an innovative approach and will demonstrate the how that approach can advance the transfer of information across state government.

Threshold Criterion #2

(*general focus linked to EPA goal to prevent or control pollution*)

Part 1: By distributing EMS knowledge strategically about the agency, more regulated facilities will learn of the advantages of an EMS and will be more likely to voluntarily implement an EMS and apply to the MEMP or Performance Track programs. This is clearly in line with EPA's and this department's goal to prevent or control pollution.

Part 2: Development of one or more state departmental EMSs will directly improve the environment through mitigation of environmental aspects and impacts. Through a better understanding of EMS, this development should improve the environment by demonstrating leadership and it's belief that EMSs reduce pollution and thereby produce benefits to the organization, its neighbors and the environment.

2c. Environmental Outputs

The department's MEMP Team will begin training the department's Air, Land and Water Office permitting and compliance staff. Interested associations will be advised and input solicited on the

revised approach. Forms, fact sheets, manuals and other documents for staff and the public will be modified to include EMS/MEMP/Performance Track information. We will also track the numbers of info requests about EMS, follow-ups, and press coverage. At the same time, information meetings and training will begin to seek EMS agreements with other Missouri State agencies. Annual and quarterly progress reports will be sent to EPA.

For each of these, routine reports will display simple counts of the actions or things accomplished and will include narrative explanation and description of progress.

2d. Environmental Outcomes

As the MEMP and EMS are incorporated throughout the state, the department expects significant cross-media environmental results. As this effort builds EMS momentum, other Missouri state agencies will be encouraged implement an EMS and to join MEMP and Performance Track. This project will not only expand environmental performance, link rules development and permitting, improve efficiency to regulators, it will also enhance public involvement. The team proposes using their trained EMS team to work collaboratively with other entities to encourage progress beyond the regulated levels. The department intends set the example to help recruit others in our own sector (state agencies) and stakeholders by encouragement, training and by setting an example.

Specific outcomes are permitted or inspected organizations or state agencies swayed to using an EMS, then joining MEMP or Performance Track; pollutants addressed in EMS targets and objectives

2e. Public Involvement and Collaboration

As the project begins, public agencies and private associations/organizations will be included in discussions about EMS advancement in their areas. Promoting EMS/MEMP/PT during permitting and compliance discussions will be a significant addition to our historical approach to achieving compliance. We will collaborate with a sister state agency and involve trade associations to demonstrate EMS benefits and to boost the confidence in the approach.

Specific industry and advocacy associations we will work with include RegForm, Associated Industries, Associated General Contractors, Limestone Producers, Forest Products, Pork Producers, Poultry Federation, Municipal League, MO Chamber of Commerce, and others.

3. Pre-Proposal Budget Summary

State: Missouri

Agency: Department of Natural Resources

Project Title: Project to Promote and to Demonstrate Environmental Management System Concepts

[Budgetary Information Withheld by U.S. EPA]

3. ENVIRONMENTAL RESULTS PAST PERFORMANCE

The department has received awards from EPA for many years. Among the largest awards include the Performance Partnership Grant, State Revolving Fund Grant and multiple Superfund Grants. Currently the department receives over 100 awards yearly from EPA and other Federal Awarding Agencies. The departments' performance results has achieved and surpassed EPA's expectations.

5. PROGRAMATIC CAPABILITY

The department is the comprehensive state environmental regulatory agency for Air, Land and Water. The department is committed to improving the environmental impact throughout the state. This project will greatly increase the number of organizations, both public and private to become aware of and adopt an EMS and join MEMP. Since the department produces permits and conducts compliance inspection through the state, it has a vested interest in preventing a negative impact on the environmental footprint both in Missouri and surrounding States. Through leadership and commitment, the state of Missouri has the capability and leadership to serve as a benchmark for a successful EMS program.