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State Innovation Grant Program: New Hampshire

Encouraging Superior Environmental Performance through Management Systems, Recognition, and Rewards (2005 Competition)

The State Innovation Grant Program

In 2002 EPA introduced the State Innovation Grant Program to support efforts led by state environmental agencies to test innovative approaches for achieving better environmental results and improved efficiency in permitting programs. Between 2002 and 2007, the State Innovation Grant program competition awarded over six million dollars to support 35 state projects that test permitting innovation for a variety of regulated entities including several small business sectors. A summary of the awards by year appears in the table below.

State Innovation Grant Program Statistics, 2002-2007			
Competition Year	Proposals Submitted	Proposals Selected	Total Program Funding (\$)
2002/2003	29	6	\$618,000
2004	33	9	\$1.425 Million
2005	26	7	\$1.479 Million
2006	25	6	\$1.243 Million
2007	17	7	\$1.611 Million
Cumulative Total	130	35	\$6.376 Million

"Innovation in Permitting" has been the theme of the State Innovation Grant competition since its inception. In the last three competition cycles states received awards for projects in the following three categories:

- The Environmental Results Program (ERP) is an innovative approach to improving environmental performance based on a system of the interlocking tools of compliance assistance, self-certification (sometimes, where permissible, in lieu of permitting), and statistically-based measurement to gauge the performance of an entire business sector. The program utilizes a multimedia approach to encourage small sources to achieve environmental compliance and pollution prevention. (See: http://www.epa.gov/permits/erp/)
- Environmental Management System (EMS) is a system involving a
 continual cycle of planning, implementing, reviewing and improving the
 processes and actions that an organization undertakes to meet its
 business and environmental goals. EMSs provide organizations of all
 types with a structured system and approach for managing environmental
 and regulatory responsibilities to improve overall environmental
 performance and stewardship. (See: www.epa.gov/ems/info/index.htm)
- Performance Track is a partnership that recognizes top environmental performance among participating US facilities of all types, sizes, and complexity, both public and private.

(See: http://www.epa.gov/performancetrack/)

NCEI has provided awards also for projects testing watershed-based permitting, and for permit process streamlining in past competitions. For more information on the history of the programs, including information on solicitations, state proposals, and project awards, please see the EPA State Innovation Grants website at http://www.epa.gov/innovation/stategrants

Project Background:

In 2005 New Hampshire received an EPA State Innovation Grant to promote better environmental performance through the use of Environmental Management Systems (EMS). These EMS would help businesses address compliance requirements regulated by the New Hampshire Department of Environmental Services (NHDES), as well as promote better environmental business practices in areas not covered by federal and state regulations. In New Hampshire only a small percentage of business are in manufacturing sectors and most businesses are small businesses with over 90 percent employing fewer than 50 people. The rural nature of the state and the tendency toward smaller businesses makes the encouragement and adoption of EMS difficult and complicated. The grant project will utilize a variety of educational and outreach approaches to encourage adoption of EMS by public and private sector organizations throughout New Hampshire. In addition, this project will develop a plan, and hopefully implement, a performance-based reward and recognition program mirroring US EPA's National Environmental Performance Track.

Project Description

NHDES is working to encourage systematic environmental management by NH business and local government through the use of a variety of innovative measures, including an Environmental Leadership Program. The program will attempt to leverage efforts by business and local government to achieve environmental compliance and address emerging environmental problems through a voluntary performance-based reward/recognition program, intended to be similar to the EPA National Environmental Performance Track Program but with a higher tier for outstanding stewardship, as well as an onramp tier. This project offers the opportunity to capitalize on stakeholder input and support from local leaders to test concepts that could be implemented on a larger scale through Performance Track or in Performance Track-



like programs in other states. These concepts include partnering on priority issues, on-ramp design, performance assessment, and selection of benefits to encourage participation.

The main components of New Hampshire's project include both outreach and educational activities. The process, strongly driven by a stakeholder and advocacy group comprised of academics, business, government, and environmental organizations, will include strategies aimed at business, government, and the public to improve overall environmental management and stewardship within New Hampshire. The project will include training seminars geared toward the public and private sectors, including NHDES staff, regulated entities on a sector basis, and the public. In addition, NHDES will implement an outreach program focused on university business schools, to emphasize the importance of sustainability concepts for prospective business managers. NHDES will also focus on educational outreach for small and medium business enterprises (SMEs) that often lack knowledge of EMS, as a tool to improve their environmental stewardship through improved efficiency practices. Throughout this process, opportunities will be sought for larger business organizations to mentor SMEs through projects including but not limited to "greening the supply chain."

The grant project's last component consists of the New Hampshire Environmental Leadership Program, a multitiered reward and recognition program loosely modeled after EPA's National Performance Track Program. This program is currently envisioned to involve three tiers; the first will allow SMEs to gear up toward the higher performance level tiers: tier 2, modeled after the Performance Track program for high-level performers, and a third tier. This higher tier would require a facility-specific contractual negotiation, owing to the difficulty of using a "one-size-fits-all" approach in a highly diverse but small population like New Hampshire's manufacturing sector.

This grant funded project will last three years until September 2009.

Connection to EPA's Goals

New Hampshire's EMS project furthers EPA's Strategic Goals by (Goal 5) promoting environmental innovation and stewardship through the use of an innovative management system that promotes "beyond compliance" performance from industry sectors.

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