



State Innovation Grant Program: Indiana

Indiana Environmental Stewardship Program (2006 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/performance-track/>)

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:

For several years, the Indiana Department of Environmental Management's (IDEM) Office of Pollution Prevention & Technical Assistance (OPPTA) has offered environmental recognition programs and forums to Indiana businesses and industry to encourage beyond compliance activities to protect the environment. To further promote the use of environmental management systems within Indiana, IDEM developed a program to challenge business and industry to improve and offer incentives beyond simple recognition.

IDEM's OPPTA has received a US EPA State Innovation Grant to develop and implement the Indiana Environmental Stewardship Program. The program rewards businesses and industry that have committed to continual improvement of their processes in order to decrease negative environmental impacts through regulatory and recognition incentives. With funds from the EPA State Innovation Grant, IDEM is developing its new state program as a stepping stone to becoming a member in EPA's National Environmental Performance Track.

Project Description

IDEM is implementing the Indiana Environmental Stewardship Program (ESP) to achieve improved environmental compliance, focusing on outcomes (reduced emissions and higher compliance rates) over traditional regulatory outputs (number of inspections and permits issued) to measure performance. The goals of the ESP are to promote continuous environmental improvement and the use of environmental management systems; provide opportunities through regulatory flexibility incentives for members to shift resources to continuous improvement activities; and focus limited state resources on those facilities not proactively managing their environmental responsibilities.

IDEM will provide specific regulatory flexibility to companies that go beyond the compliance threshold established by regulations, and who meet the complete



criteria of the ESP in order to help them adopt innovative approaches. A facility or corporation must meet three criteria to participate in the ESP:

- establishment and maintenance of an Environmental Management System to integrate environmental improvement in their business operation;
- maintenance of a satisfactory compliance record; and
- establishment of a tangible commitment to continuous environmental improvement.

To encourage companies to participate in the ESP, IDEM will include within its incentives: permitting flexibility and expedited permit applications and renewals; reduced recordkeeping, reporting, and monitoring requirements; and reduced routine inspections at the facility. Three new rules are enacted in the Indiana Administrative Code, specifically to establish support for these regulatory incentives from the Indiana Air Pollution Control Board, Indiana Water Pollution Control Board, and the Indiana Solid Waste Management Board. The rules also outline the program requirements.

The work will take three years to complete.

Connection to EPA's Goals

This program directly supports EPA's Strategic Goals by (Goal 1) creating healthier outdoor air; (Goal 2) protecting water quality; (Goal 3) reducing adverse effects to land by reducing waste generation, increasing recycling, ensuring proper management of waste and petroleum products, and reducing chemical risks at facilities; and by (Goal 5) improving environmental performance through pollution prevention and innovations.

Project Contacts:

For more specific information on the Indiana State Innovation Grant, please visit IDEM's ESP website at <http://www.in.gov/idem/prevention/esp/> or contact one of the individuals below:

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