

Indiana Department of Environmental Management

Environmental Rules Board Presentation

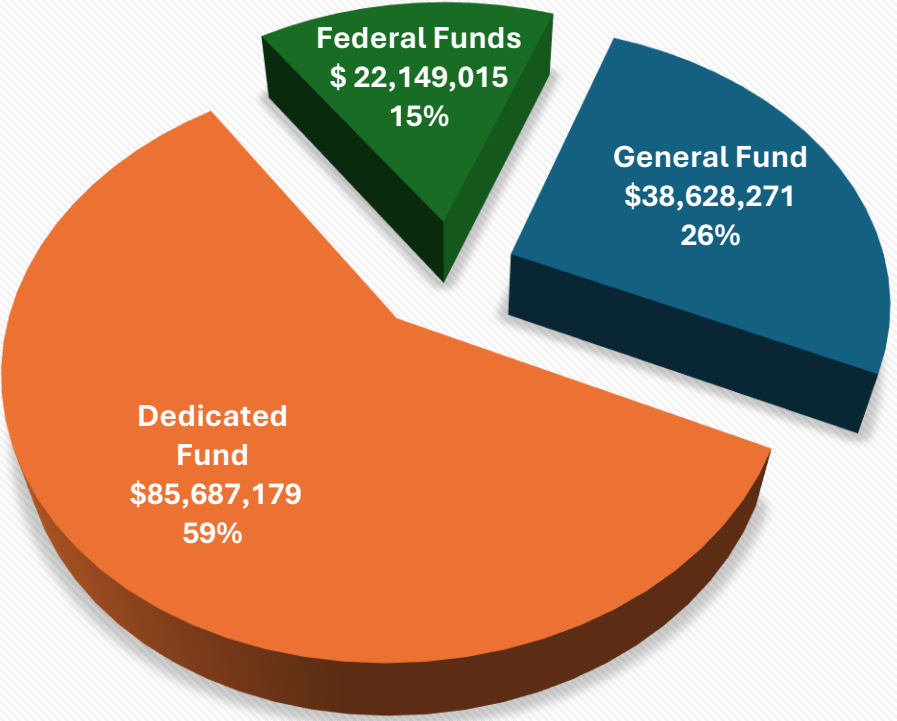
10.16.2025



Briony Towler
Chief Financial Officer

Agency Financial Overview

Overview of IDEM Funding



■ General Fund ■ Dedicated Fund ■ Federal Funds

State and Tribal Assistance Grants (STAG)	FFY24 Enacted (H.R. 4366, P.L. 118-42, March 9, 2024)	FFY25 Enacted, Full Year Continuing Resolution on (CR) (H.R. 1968, P.L. 119-4 March 15, 2025)	House FFY26 Full Committee Markup	Senate FFY26 Bill
- Categorical Grants	\$1,106,333	\$1,106,333	\$1,087,766	\$1,106,333
- State Revolving Funds	\$2,764,962	\$2,764,962	\$2,103,051	\$2,167,725
- All Other STAG	\$547,643	\$508,950	\$511,085	\$1,112,051
STAG Total	\$4,418,938	\$4,380,245	\$3,701,902	\$4,386,109



Bill Anthony
General Counsel

Statutory Overview



Ind. Code 13-16-1-4 Review and revision of fees; department duties

Sec. 4.

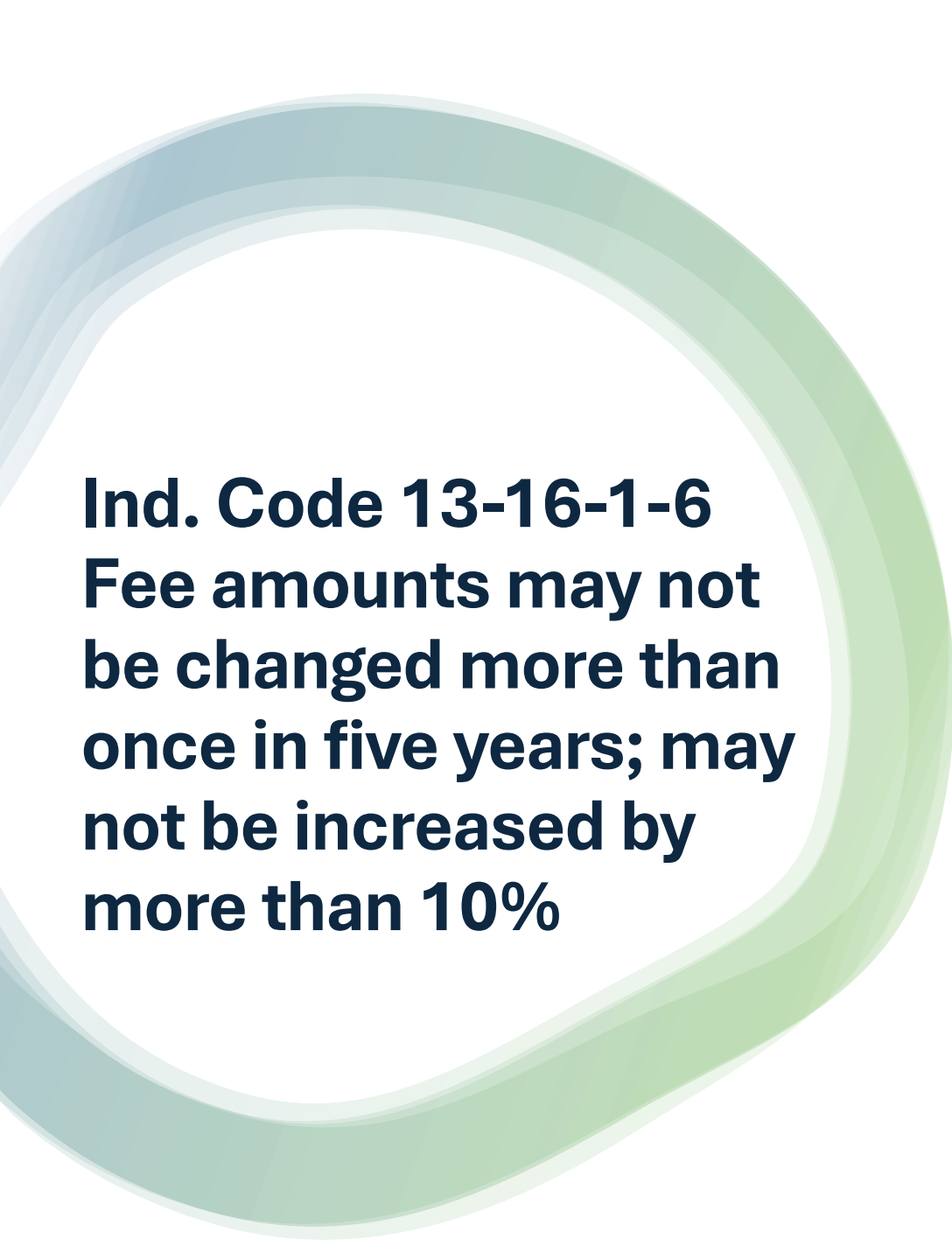
(a) The board shall periodically review the fees established under this title. The board may set or change a fee if the board determines, based upon the information provided under subsections (b) and (c) and the provisions of section 3 of this chapter, that a fee is necessary or that the amount of a fee is not appropriate.

(b) To assist the board in the periodic review of fees required by this section, the department shall:

- (1) arrange for an independent study of the costs referred to in section 2(2)(A) through 2(2)(D) of this chapter;
- (2) develop information on fees charged for equivalent activities in other states, as applicable, as provided in section 2(2)(E) of this chapter; and
- (3) periodically develop information on activities, functions, and permits that have been added or eliminated since the previous fee structure was adopted.

(c) The department shall:

- (1) present the information described in subsection (b) to the board for consideration; and
- (2) if so directed by the board, initiate a rulemaking under IC 13-14-9 to address fees.



Ind. Code 13-16-1-6
Fee amounts may not
be changed more than
once in five years; may
not be increased by
more than 10%

Sec. 6.

(a) The board may not:

(1) set or change the amount of a fee established under this title more than one (1) time in five (5) years; or

(2) require payment of a fee for material used as alternate daily cover pursuant to a permit issued by the department under 329 IAC 10-20-13.

(b) A change in a fee established under this title may not increase the amount of the fee by more than ten percent (10%).



Hilary Alderete
Chief of Staff

Title V Fees



Title V Fee Increase Background

- Pursuant to Title V of the federal Clean Air Act (CAA), this permit program was required to be in place by December of 1996
- States were required to establish fees to fund this program
- Program must be funded exclusively by these fees and cannot rely on general funds or federal grants
- The original base fee was \$1,500

Statewide Emission Reductions Since 1986



Fine Particulate Matter
(PM2.5) dropped by **70%**



Carbon Monoxide dropped
by **70%**



Nitrogen Oxides dropped
by **81%**



Volatile Organic
Compounds dropped by
73%



Sulfur Dioxide dropped by
95%



**Overall, Statewide
emissions have declined
by 82% since 1986**



IDEM Actions To Address the Fee Issue

- Crowe provided third-party cost of service analysis
- Increasing the base fee provided revenue stability and had less impact on sources overall
- Statute limits fee increases to once every 5 years and only up to 10%
- SEA 155 in 2023 was passed to allow IDEM to move forward with a fee increase as an exception to the statute
- ERB approved the base fee increase from \$2,381 to \$6,100



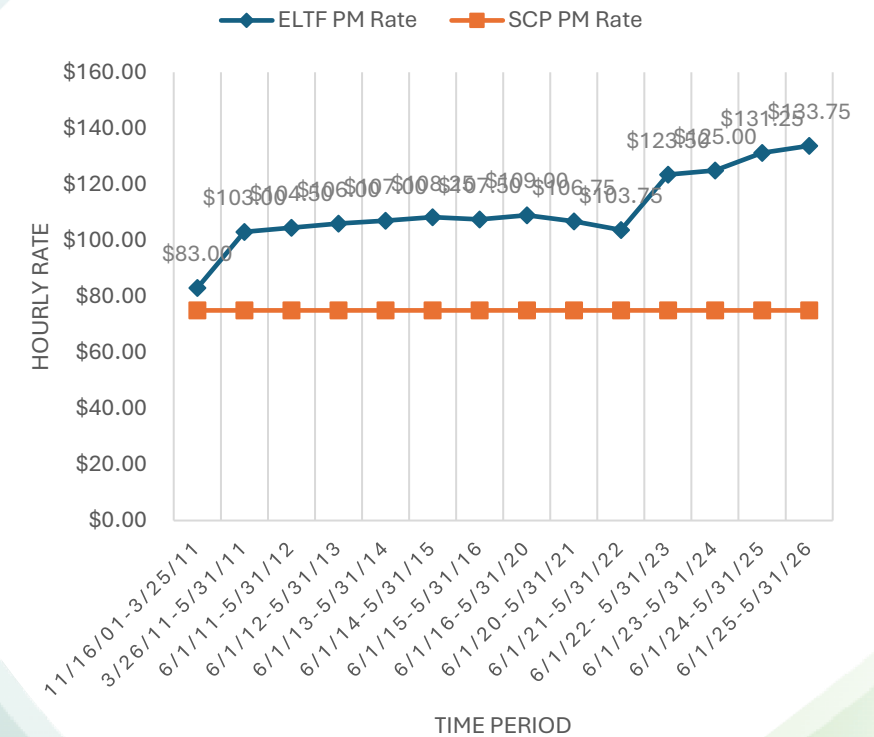
Thomas Kreke
Branch Chief

Office of Land Quality

OLQ – Project Management Billing Rate

- Project Management for remedial sites within the State Cleanup and Voluntary Remediation Programs are billed to responsible parties
- Rates have not been increased or adjusted in greater than 12 years
- Rate for labor will be billed at \$100/hr starting January 1, 2026

PROJECT MANAGEMENT HOURLY RATE



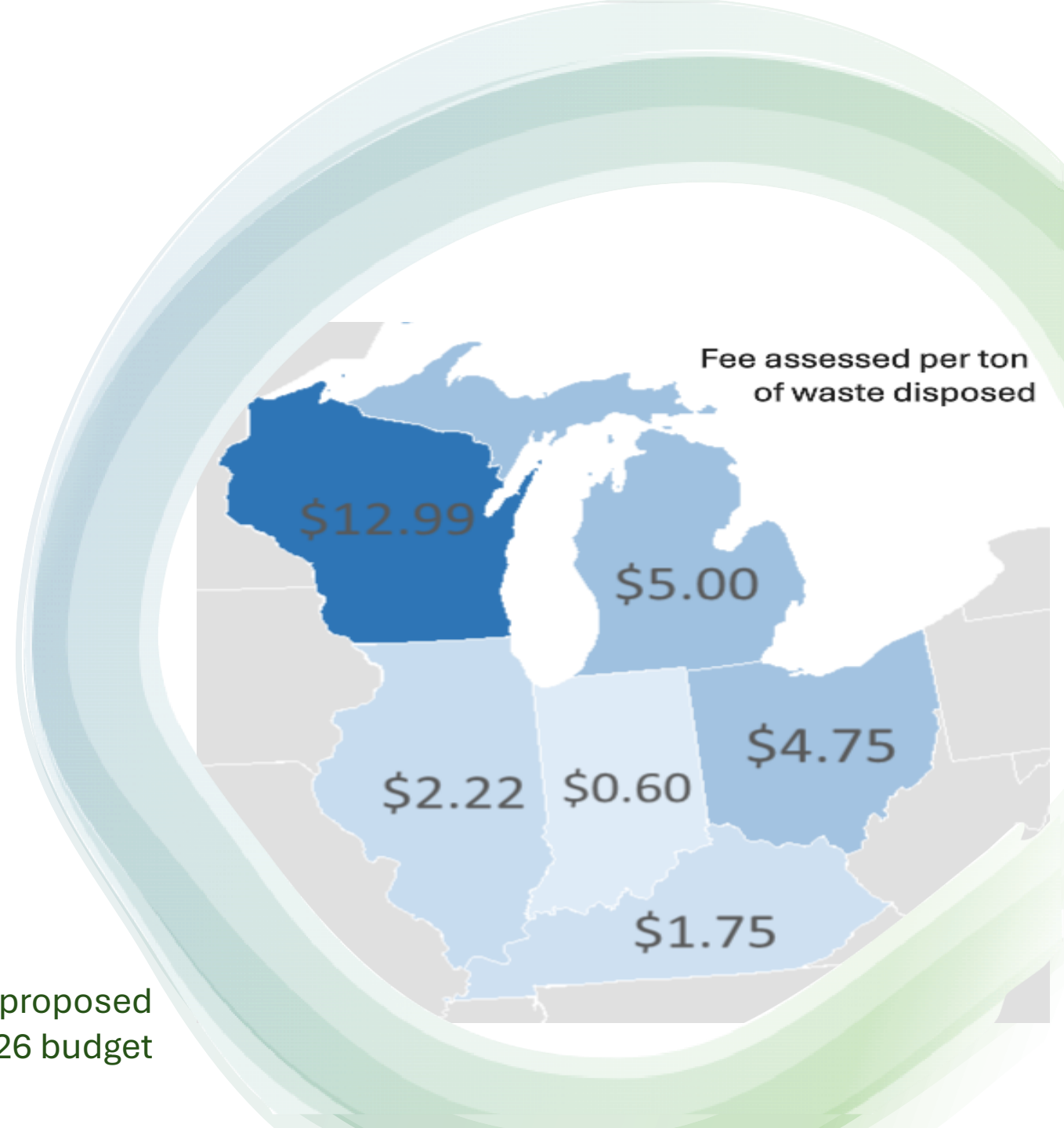
OLQ Fees – Program Fees

- Permit programs
 - Landfills
 - Incinerators
 - Processing Facilities
 - Anerobic digesters
 - Compost
 - Waste Tires
 - Confined Feeding
 - Land Application
 - Septage Management
- Permit Application Fees
 - New permits
 - Modifications
 - Renewals
 - ~\$600K from 800 annual applications
 - ~85% of applications do not have an application fee
- Annual Fees
 - ~\$4.8M from 2,600 active permits
 - ~30% of permits do not have an annual fee

OLQ Fees – Disposal and Management Fees

- Disposal and Management fees
- Disposal fee is \$0.10 per ton at landfills and \$0.05 per ton at incinerators
- Management fee is \$0.50 per ton at landfills and incinerators
- ~\$6.5M from ~12.5M tons of solid waste disposed

*Michigan is currently at \$0.36 but has proposed an increase to \$5.00 in their 2026 budget





Solid Waste and Hazardous Waste 10 Year Permits

- Exploring an increase permits from **five years to ten years.**
 - Potentially reduces paperwork and personal cost burden on the permittee by half over the life of the permit
 - Potentially reduces burden on permit staff
 - Expected increase in submitted modifications
 - Decrease in renewal fees
- Statute allows for ten year permits
- Rule changes would be required



Martha Clark Mettler
Assistant Commissioner

Office of Water Quality



OWQ NPDES Fee Case Study- Martha

- Current OWQ fee revenues fail to cover the personnel costs necessary for OWQ to fulfill its duties to the State as required by law.
- NPDES application fee is nominal (\$100) and does not cover the cost of processing.
- NPDES permit holder annual fees include a base fee and an operational fee based on the amount of the facility's flow from the previous year.
- Different states lump and split categories of systems differently thus ranges for individual permits are presented in the table below are broad. Generally, Ohio, Kentucky, and Illinois charge higher fees – see comparisons on next slide.

OWQ

NPDES Fee Case Study- Martha

Municipal Facilities

Indiana Current NPDES Operational Fees	Ohio NPDES Operational Fees	Kentucky NPDES Operational Fees	Illinois NPDES Fees – note application is rolled into operational fee
\$400-\$31,455	\$200-\$62,100	base fee of \$2200-\$7000	\$500-\$50,000

Note: The sum of the annual salaries of staff dedicated to municipal permit writing is currently \$613,644.75 (this does not include any support staff time).

Industrial Facilities

Indiana Current NPDES Operational Fees	Ohio NPDES Operational Fees	Kentucky NPDES Operational Fees	Illinois NPDES Fees – note application is rolled into operational fee
\$1,000-\$48,415	\$250-\$18,700 plus a \$7,500 surcharge	base fee of \$2200-\$7000	\$1000-\$50,000

Note: The sum of the annual salaries of staff dedicated to industrial permit writing is currently \$578,373.73 (this does not include any support staff time).



**Commissioner
Woods**

Executive Order Overview



Executive Order 25-38

- Governor Braun issued Executive Order 25-38, Creating Opportunity through Reduction of Excessive Environmental Regulation, on March 12, 2025 – Key provisions
 - IDEM "should identify state environmental regulations that are unduly burdensome, significantly raise the cost of living for Hoosiers, are not supported by current law and the best available science, or do not benefit Indiana's environment. These Agencies should report opportunities to revisit or rescind such state environmental regulations to the Governor's Office no later than July 1, 2025."
 - "Any environmental rules or regulations currently in place in the State of Indiana that exceed an applicable federal requirement or limitation without explicit direction to do so in Indiana Code must be reviewed. The review shall be completed by October 31, 2025, with a written report provided to the Governor and the Legislative Council by December 31, 2025, providing an explanation for why the current rule or regulation is more stringent than federal standards, and whether maintaining this higher standard is necessary to protect human health or the environment, or otherwise benefits the community being regulated. The report should include specific justification supporting the need for maintaining more stringent regulation or recommend changes to bring the agency's regulatory framework in line with federal requirements, if appropriate."



Related EOs

- **Executive Order 25-06**, “Creation of the Office of Energy and Natural Resources,” which created the Office of Energy and Natural Resources to be led by the Secretary of Energy and Natural Resources to, among other duties, undertake a review of regulations and identify opportunities for policy codification and to reduce regulation.
- **Executive Order 25-49**, “Encouraging Practical Approaches to Climate and Energy Solutions by Rejecting Social Cost of Greenhouse Gases and Climate Action Plans” (EO 25-49), which provides, in part, that “[s]tate agencies shall identify and address regulatory and other barriers to environmentally beneficial projects, including unnecessary red tape for building new or retrofitting existing facilities.” EO 25-49 also requires agencies to “identify and pursue opportunities to eliminate or reduce harmful federal climate policies.”
- **Executive Order 25-50**, “Ensuring Economic Opportunity and Indiana’s Energy Future by Supporting Life Extensions for Coal Energy Generation and Assessing Natural Gas Supplies,” directs agencies to undertake certain collection, monitoring, and assessment activities to ensure reliability and affordability for Hoosiers.
- **Executive Order 25-17**, “Promoting Freedom and Opportunity for Hoosiers by Reducing Regulation and Controlling Regulatory Costs,” directs agencies to review existing rules scheduled for readoption, seek reductions in regulatory requirements and costs, and compare regulatory burdens to other states.
- **Executive Order 25-40**, “Increasing Opportunity for Indiana’s Businesses and Hoosiers through Permitting Transparency and Accountability,” provides that IDEM and other agencies “shall conduct regular reviews of their permitting processes to ensure compliance with permit timelines, identify opportunities for improvement, and maintain the high quality of permits issued” in order to ensure that the “State of Indiana remains a leader in regulatory best practices while upholding environmental and infrastructure standards.”
- **Executive Order 25-48**, “Creating Economic Opportunity and Securing Indiana’s Energy Future through Advanced Nuclear Development,” requires the identification and prioritization of efforts to address regulatory constraints, coordination, and streamlined permitting to enable and attract nuclear energy industry supply partners.

Implementation of Executive Order 25-38

- In May 2025, IDEM issued a public solicitation for comments on state regulations that are “unduly burdensome, significantly raise the cost of living for Hoosiers, ... not supported by current law and the best available science, or ... do not benefit Indiana's environment" (deadline June 30, 2025).
- IDEM received more than 1400 pages of public comments.
- On July 1, IDEM submitted a report to the Governor, which contained background material, excerpts from public comments, and ten regulatory areas to revisit.
- “IDEM will seek opportunities to effect changes to unduly burdensome federal requirements impairing Indiana’s ability to provide ‘a stable, predictable, and fair environment for businesses and industries that contribute to the prosperity of our State.’”



STATE OF INDIANA
OFFICE OF THE GOVERNOR

Indiana Statehouse, Second Floor
Indianapolis, Indiana 46204

Fellow Hoosiers,

We need to unleash the productive side of our economy, while protecting and preserving our state's natural resources.

Federal laws like the Clean Air Act, Clean Water Act, and Safe Drinking Water Act establish baseline national standards for environmental protection, and states implement those standards within their borders.

Many states go further than the federal standards, and create a complex web of regulations for businesses and farmers to navigate.

Because I believe the federal standards are an appropriate baseline to strike the balance between growing our economy and protecting our environment, on March 12, 2025, I signed an executive order that Indiana will not go beyond those federal environmental standards, unless required by state law or deemed necessary by my office to address a specific need.

Government naturally drifts toward over-regulation, so my agencies were also directed to identify policies that are significantly raising the cost of living or not benefitting our environment.

This report is their findings on regulations and policies that are stifling innovation and raising the cost of living without achieving a safer and better environment for Hoosiers.

We can be good stewards of our environment without stifling growth through excessive government mandates, and I'm proud to be leading that initiative here in Indiana.

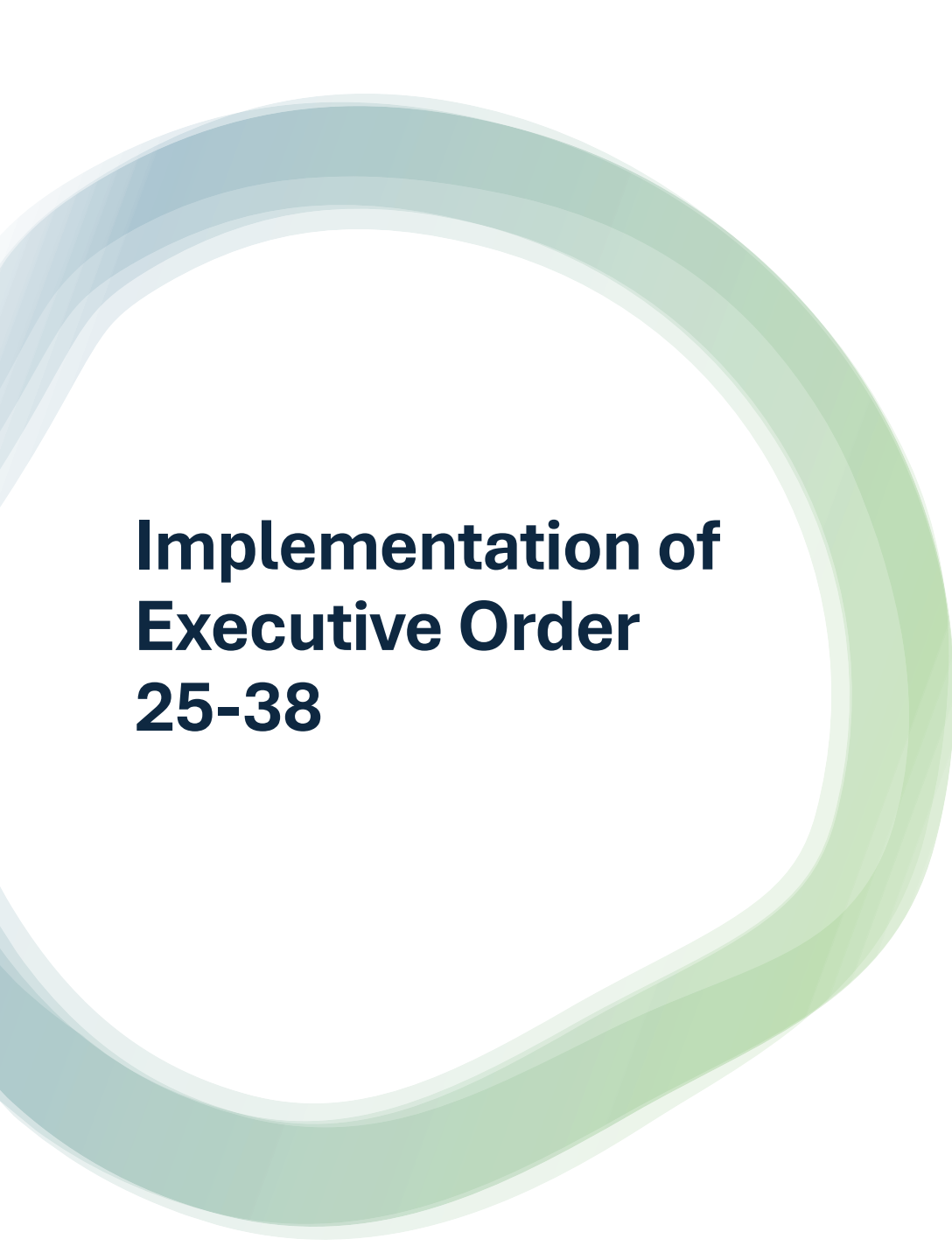
Working for every Hoosier,

Mike Braun



Freedom and Opportunity

For Every Hoosier



Implementation of Executive Order 25-38

- **Underground Storage Tank (UST) Notification Forms(Ind. Code 13-23-1-2(c)(8), 329 IAC 9-2-2):** State regulations currently require re-submittal of a form for any change at a facility in addition to federal requirements for form submittal after an ownership change or new tank installation.
- **Removal of Requirement for Prior Approval for Fire Training Open Burning (326 IAC 4- 1-4.1):** The current rule requires prior approval for burning not exempted under 326 IAC 4-1-3 and 4-1-4. This includes fire training.
- **Streamline National Pollution Discharge Elimination (NPDES) Permit Schedule of Compliance (Ind. Code § 13-18-3-2.6; 327 IAC 5-2-12 DS; 327 IAC 5-2-12.1 GL):** Directives regarding the allowable length of time for facilities to meet newly imposed permit limitations are out-of-date and inconsistent between waters in the Great Lakes basin and downstate waters.
- **Biomass Digester Definition of Biomass/Appropriate Feedstock (Ind. Code ch. 13-20-10.5, 329 IAC 11.5):** The code allows for digestion of both biomass and appropriate feedstocks but does not allow for digestion of appropriate feedstocks only.
- **Eliminate or Revise Requirement to Submit Emissions Reduction Plan for Malfunctions (326 IAC 1-6-6):** This rule requires the submittal of a plan to reduce emissions resulting from malfunctions that occur at permitted sources.



Implementation of Executive Order 25-38

- **Remove Requirement for IDEM Certification for Certain Tax Deductions (Ind. Code § 6- 11-12-35.5):** Current code directs IDEM to determine if certain systems or devices qualify for tax deductions.
- **Expand Flexibility in Use of Electronic Waste Funds (Ind. Code 13-20.5).** IDEM's electronic waste registration and recycling funds are currently limited to the expenses of administering the fund. IDEM recommends statutory changes to expand eligibility in order to enhance collection activities and provide additional outreach.
- **Extend Certain Waste Permit Terms to 10 Years (329 IAC 3.1-13-15; 329 IAC 10-12-1).** Currently, IDEM permits for solid and hazardous waste range from 3 to 5 years. Extending the timeframe of these permits would reduce paperwork burdens associated with renewals and improve Indiana's competitiveness.
- **Streamline the Process for Alternative Thermal Effluent Limits Under Section 316(a) of the Clean Water Act (327 IAC 5-7).** The process for facilities unable to meet thermal water quality standards to study, develop, and seek approval of alternative thermal effluent limits (ATELs) can be burdensome and create uncertainty.
- **Rescind IDEM Nonrule Policy Documents Enf-001 (Penalty Policy For Underground Storage Tank/Leaking Underground Storage Tank Requirements) and Enf-002 (Civil Penalty Policy), which have been incorporated into the Indiana Administrative Code.** IDEM anticipates that additional Nonrule Policy Documents will be rescinded, amended, and/or incorporated into rule or statute based on feedback received in response to its solicitation for input related to EO 25-38 and other executive orders, as well as through internal reviews and collaboration with the ERB.



Matt Prater
Branch Chief

Office of Water Quality



Lead and Copper Rule Update

- In August 2025, EPA announced it will defend the Biden administration's LCRI against AWWA's lawsuit
 - They stated, "At the same time, EPA will develop new tools and information to support practical implementation flexibilities and regulatory clarity. The agency will announce next steps in the coming months"
- EPA may change regulatory timelines and certain requirements, but at this time LCRI remains in effect and will be brought before the board as part of a future rulemaking
- The purpose of amending 327 IAC 8, is to incorporate the federal drinking water rules by reference, including applicable portions of the federal lead and copper rule revisions (LCRR) to prepare for incorporating the lead and copper rule improvements (LCRI) by reference



Lori Freeman
Branch Chief

Office of Land Quality



Coal Combustion Residuals Rule Update

- Draft rule language intended to comply with IC 13-19-3-3 was preliminarily adopted during the December 11, 2024 meeting
- Revisions made based on comments received during preliminary adoptions
- Reviewed language with OMB and revised/clarified language as needed.
- Anticipate bringing the rule before the board for final adoption at the December 2025 ERB meeting.
- Continue to meet with the EPA on a regular basis to aid in submitting an approvable application for authorization.



Thank you

IDEM