



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We Protect Hoosiers and Our Environment.

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Eric J. Holcomb
Governor

Brian C. Rockensuess
Commissioner

August 29, 2022

Zachary Jackson, State Budget Director
Indiana State Budget Agency
200 West Washington Street, Room 212
Indianapolis, IN 46204

Re: FY24-25 Biennial Budget Transmittal Letter

Dear Director Jackson:

I am pleased to submit the Indiana Department of Environmental Management's FY24-25 biennial budget request. This letter serves as an agency overview and identifies our accomplishments and challenges over the last two years, as well as our objectives for the next biennium. It also includes an executive organizational chart and key performance indicators as identified by the Management Performance Hub. I hope this letter relays the importance of our great agency and how our budget request supports our activities and initiatives.

Agency Overview

The Indiana Department of Environmental Management (IDEM) was created under Title 13 of the Indiana Code in 1985. IDEM ensures that regulated entities comply with federal and state environmental laws and rules that help protect Hoosiers and our environment. IDEM is divided into six main offices – Office of Air Quality, Office of Land Quality, Office of Water Quality, Office of Program Support, Office of the Chief of Staff, and Office of Legal Counsel. Each office supports the various functions of the agency, including permit programs, inspection and compliance efforts, compliance and technical assistance, enforcement, collecting samples for testing, and cleanup of contaminated sites. Each of these activities are required to fulfill the agency's responsibilities under state and federal law.

Office of Air Quality

The Office of Air Quality (OAQ) assures that Indiana's outdoor air quality meets the federal Clean Air Act's national ambient air quality standards. OAQ regulates sources that emit air pollutants and verifies compliance with applicable state and federal air pollution laws and regulations.

Office of Land Quality

The Office of Land Quality (OLQ) prevents pollution to Indiana's land resources and protects the public from exposure to harmful contaminants on our land, ground water, surface water, and indoor air.

Office of Water Quality

The Office of Water Quality (OWQ) monitors, protects, and improves Indiana's water quality to ensure its continued use as a drinking water source, habitat for wildlife, recreational resource, and economic asset.



Visit on.IN.gov/survey or scan the QR code to provide feedback.

We appreciate your input!



Office of Program Support

The Office of Program Support (OPS) helps the agency achieve its goal of compliance among regulated entities and helps Hoosiers understand, achieve, and exceed environmental responsibilities through educational programs and grant opportunities.

Office of the Chief of Staff

The Office of the Chief of Staff supports IDEM's program areas to maximize efficiency and achieve the agency's mission. The Chief of Staff oversees Media and Communication Services, Finance Division, Information Services, Human Resources, and Government Affairs.

Office of Legal Counsel

The Office of Legal Counsel (OLC) provides legal advice to all IDEM program areas on a wide variety of topics, ranging from permitting decisions to enforcement activities.

Accomplishments & Challenges

Over the last two years, IDEM has continued to improve turnaround times for permitting and compliance activities. Permits are issued on time and in real time, meaning that they are issued well under the required statutory timeframes. IDEM also instituted metrics to reduce the time to issue compliance reports to regulated entities. The agency has 45 days to issue inspection reports, and the current turnaround time is four days. This speed ensures that regulated entities know of compliance issues faster so they can get back into compliance faster, resulting in a safer environment for Hoosiers.

Hoosiers are also benefiting from the work of our Offices of Air and Water Quality. In 2022, 97.2% of the state's population lives in counties with air that meets all air quality standards. Also in 2022, 99.4% of Hoosiers have excellent drinking water, meaning that the public water systems in these areas do not have any violations.

In addition to ensuring everyday compliance, IDEM staff must respond to new environmental issues that arise. Perhaps the most significant new issue in the last several years has been the emergence of a new class of chemicals of concern known as Per- and polyfluoroalkyl substances (PFAS), often referred to as "forever chemicals." These chemicals are used in everyday household products and can be found in the air, soil, and water from the use and disposal of products containing PFAS. U.S. EPA is currently working to determine levels at which these chemicals may pose a threat to human health and the environment.

States around the nation are conducting sampling to determine the level of these chemicals present in the environment, and IDEM is doing the same. IDEM is conducting a three-phase sampling project to determine levels of PFAS in drinking water intakes. Additionally, IDEM is partnering with the Indiana Department of Homeland Security and the State Fire Marshal's Office to collect PFAS-laden firefighting foam from fire departments free of charge to protect firefighters and to prevent the release of PFAS foam into the environment. The collection process has been underway for several months, and nearly 12,000 gallons of foam have been collected across the state.

As our work to protect Hoosiers and the environment continues, we face three crucial challenges. First, recruiting and retaining high quality staff is more difficult than ever due to a complex job market and an aging workforce. Almost a third of our employees have worked at the agency for upwards of 20 years and are eligible for retirement, and we anticipate large numbers of retirements in upcoming years. To address this, we are working with the State Personnel Department to develop succession plans for staff throughout the agency and increase our recruitment efforts to attract new employees.

Second, IDEM has seen dedicated fund balances deplete significantly in recent years due to declining revenue, particularly in our air permitting program. Title V of the federal Clean Air Act requires states to operate an air permitting program that is funded exclusively by permitting fees. Fee revenue is based on emissions reported each year and cannot be supplemented by general funds or federal grants. Unfortunately, the revenue generated by the current fee structure is no longer sufficient to fund the Title V program due to emission reductions and increasing operating costs. IDEM is seeking a legislative change in the 2023 session to restructure our air fees and stabilize this revenue stream.

Depleting fund balances also make it difficult for IDEM to meet the state match requirements required by the U.S. EPA's Performance Partnership Grants (PPG), which make up a significant portion of our budget. We plan to meet this roughly \$20 million requirement in the SFY24-25 biennium by continuing to supplement from a one-time funding source. Beyond this biennium, IDEM will need assistance to meet the required state match to ensure current levels of PPG funding.

Third, IDEM must invest in modernization of our technology projects and operations to remain a meaningful resource to Hoosiers and the environment. IDEM operates with numerous outdated software applications, which play an integral role in accomplishing everyday tasks by employees. To maintain an efficient workflow, IDEM needs to modernize our IT applications, which consists of the following projects: 1) the replacement of our existing 23-year-old legacy application used for managing and tracking enforcement activities for the Offices of Air, Land, and Water Quality; 2) an update of our Virtual File Cabinet (VFC) to make searching our public records easier and more user-friendly; and 3) the development of an eSubmissions portal to serve Indiana's regulated entities. Implementation of these IT system improvements would occur during the next biennium and is dependent on adequate staffing and appropriations.

Next Biennium Objectives

In the next biennium, IDEM's overall goals are to maintain permit issuance timeframes, improve compliance report issuance times, and continue refining our programs and initiatives to meet the Governor's goals of strong fiscal management and delivering great government service. We can accomplish these goals through four primary objectives.

Our first objective is to aid dedicated funds that are unable to absorb increased operating costs and increasing match requirements to the federal Performance Partnership Agreement. Some dedicated fund cash balances are projected to decrease because of increased operating costs and match requirements.

Second, we need additional funding to expand the OWQ drinking water branch. A workload analysis conducted by U.S. EPA identifies a gap between the resources currently available to IDEM's drinking water program and projected resources needed to implement the program in the future. To maintain drinking water standards along with increasing demands, IDEM is requesting 15 additional positions for this program.

Third, IDEM has submitted change packages to centralize technology costs, assist dedicated funds with the General Salary Adjustment from January 2022, and right-size the Confined Feeding Operations Inspection fund and the Riverside Clean Up fund.

Key Performance Indicators

IDEM's key performance indicators are the percent of Hoosiers with Clean Air, the percent of Hoosiers with Excellent Drinking Water, permitting issuance times, and inspection report turnaround times. IDEM will continue to monitor these metrics and work towards improvement.

Organizational Chart

IDEM's executive organization chart is enclosed.

Sincerely,

Brian C. Rockensuess
Commissioner