

Readoption Approvals – OMB Directive (April 4, 2025)

Section 1 – Background: This Financial Management Circular (FMC) establishes the policies and procedures the Office of Management and Budget (OMB) and State Budget Agency (SBA) will use to implement [Executive Order 25-17](#). EO 25-17 tasks each state agency with preparing written findings addressing certain specified topics to justify the readoption of any regulation and tasks OMB with, among other duties, the responsibility to review and approve each readoption request submitted by an agency.

Section 2 – Procedure for Requesting OMB and SBA’s Approval: To receive approval from OMB and SBA, the agency head shall submit a request in writing addressed to OMB via e-mail, sent to sbarules@gov.in.gov with the phrase “Readoption Request” in the subject line, which includes copies of the information required by this FMC. As required by EO 25-17, the agency head shall submit this request on or before the first regular business day in July of the year preceding the expiration of the rule. OMB will provide a copy of the agency’s submission to the Governor’s Office and State Budget Agency (SBA) and coordinate with those entities to expedite their review and approval of the proposed rulemaking.

Following review and analysis of the agency's readoption request, OMB and SBA may (1) request additional information from the agency, (2) approve the readoption request, (3) suggest revisions to the request, and/or accompanying analysis and written findings, or (4) reject the request.

If the agency makes any substantive amendment or modification to the written findings or analysis subsequent to OMB and SBA approval, the agency must resubmit the revised request with the revised findings and/or analysis to OMB and SBA along with a (1) discussion of the changes in the proposed findings and/or regulatory analysis from the previous version approved by OMB and SBA and (2) explanation of the rationale for the changes. Reapproval is required before the agency may continue with the rulemaking process. This Circular does not alter the deadlines established for submission of an initial notice of readoption to the Legislature, publication of a notice of readoption in the Indiana Register, or any other applicable deadline.

Given the relatively short timeframe between the deadline for the written findings required by EO 25-17 (first regular business day in July), the time required for OMB and SBA review, and the statutory deadline for publishing the notice of readoption in the Indiana Register (first working day of September), agencies are strongly encouraged to submit their written findings as soon as possible, even in advance of the deadline.

Section 3 – Required Information: In order to facilitate review of readoption requests, the agency’s request shall include the following information:

The written findings required by paragraph 3 of [EO 25-17](#):

- a. A statement whether the subject matter covered by the rule remains carried out by the agency.
- b. The rationale for the agency's determination under Indiana Code § 4-22-2.6-4(a) for the continued need for the rule.
- c. The rationale for the agency's determination under subsection Indiana Code § 4-22-2.6-4 (a) that the rule, if readopted, will meet each of the standards in Indiana Code § 4-22-2-19.5 and (if applicable) the requirements for fees, fines, and civil penalties in Indiana Code § 4-22-2-19.6.
- d. Either:
 - i. Any revisions to previously prepared cost benefit, economic impact, fiscal impact, or regulatory burden statements prepared by the agency for the rule under Indiana Code § 4-3-22-13, 4-3-27-12, 4-22-2-22.7, 4-22-2-22.8, 4-22-2-28, and 4-22-2-1-5, if those previously prepared statements were published by the Indiana Register; or
 - ii. If the rule did not have a prior cost benefit, economic impact, fiscal impact, or regulatory burden statements prepared by the agency for the rule under Indiana Code § 4-3-22-13, 4-3-27-12, 4-22-2-22.7, 4-22-2-22.8, 4-22-2-28, and 4-22-2-1-5 published in the Register, a copy of an updated regulatory burden statement that meets the requirements of Indiana Code § 4-22-2-22.7.
- e. Any alternative methods of achieving the purpose of the rule that are less costly or less intrusive, or that would otherwise minimize the economic impact of the proposed rule on small businesses (as defined in Indiana Code § 4-22-2-1-4) and other regulated entities.
- f. The nature of any complaints or comments received from the public, including small businesses (as defined in Indiana Code § 4-22-2-1-4), concerning the rule or the rule's implementation by the agency.
- g. Any difficulties encountered by:
 - i. the agency in administering the rule; or
 - ii. small businesses (as defined in Indiana Code § 4-22-2-1-4) or other regulated persons in complying with the rule.
- h. The degree to which technology, economic conditions, or other factors have changed in the area affected by the rule since the last time the rule was adopted, readopted, or amended in the Indiana Register.
- i. Whether the federal government or any of the states covered by Section 2 of this Executive Order have less restrictive requirements than the rule, and, if so, the evidence or unique circumstances that justify why the more restrictive requirements in the rule are necessary.
- j. The last time the substantive content of the rule was amended.
- k. Whether the substantive content in the rule would be more appropriately integrated into Indiana Code as opposed to remaining as a separate administrative rule. In making such a determination, the agency shall consider the frequency of updates to the rule since its initial promulgation. If the substantive content of the rule has not been modified in the prior eight (8) years, the agency must present specific facts that justify keeping the substantive content in administrative rule rather than Indiana Code.

For the purposes of Sections 2, 3.i, and 6.a of EO 25-17, requiring a comparison of the rule to similar rules in Illinois, Kentucky, Michigan, and Ohio and other states designated by OMB, OMB designates the States of Idaho and South Dakota;

- b) A copy of the rule to be readopted in Word;
- c) A completed Regulatory Readoption Template (see <https://www.in.gov/omb/management-circulars/rule-approval-process/readoption-process/>) and Regulatory Analysis Template (see <https://www.in.gov/omb/rule-approval-process/regulatory-analysis-template/>). The completed templates may refer to specific portions of the written findings required by EO 25-17 when the requested information is the same;
- d) With the initial readoption request and at least once a year on the first regular business day in July thereafter, a written plan including the following:
 - i. A discussion of how, if at all, the agency's readoption request(s) will contribute to EO 25-17's goal of a 25% reduction in regulatory requirements for the agency by January 1, 2029.
 - ii. A schedule by year covering the current year and the next three years of each agency rule scheduled for expiration or readoption, the agency's current plan for each rule (whether to let it expire, readopt it, or shorten it) and by rule the contribution the agency's current plan makes to achieving the overall goal of a 25% reduction by January, 2029. As required by EO 25-17, the schedule should presume that the agency will seek to have the General Assembly add to the Indiana Code any rules that have not been amended in the prior eight (8) years, unless the agency presents in the plan a compelling justification that it is more transparent and cost-effective for regulated entities to keep the requirements in an administrative rule. For 2026 and beyond, the plan should include by year and by rule a cumulative record of rules allowed to expire or shortened and the progress made towards the overall 25% goal;
 - iii. A good faith effort to anticipate the need for new regulations, if any, during the relevant period and to offset those by the reduction in the number and/or length of other rules; and
 - iv. The agency's current plan to streamline its regulatory/permitting approval processes, if any, to achieve a substantial shortening of the time required for approval or rejection, as required by EO 25-17. For 2026 and beyond, the plan should include a summary of progress made to date, including specific reductions by regulatory or permit type;

e) The nature of any comments received from regulated entities or interested parties regarding the proposed rule, if the agency has received such comments;

f) Contact information (name, phone number, and email address) for an agency staff member who can answer substantive questions about the proposed rule and the underlying policy area.

Section 6 – OMB and SBA Review: If an agency's readoption request is approved, OMB and SBA shall issue an approval in writing that can be provided to the Indiana Register. Under normal circumstances, OMB and SBA should respond to an agency with a determination or comments and questions regarding the proposed rulemaking within 45 days of submission. An agency may not file a notice of readoption under IC 4-22-2.6-5 with the Indiana Register until it has obtained this approval.

Section 7 – Expedited Review: In addition to the documents listed above, the agency may also submit a request that OMB and SBA conduct an expedited review of the proposed rule. Such request may be granted under limited circumstances, including, but not limited to, adoptions or incorporation by reference of federal law; regulations or rules that are applicable to Indiana and contain no amendments that have a substantive effect on the scope or intended application of the federal law or rule; technical amendments with no substantive effect on an existing Indiana rule; or if the proposed rule has no fiscal impact to the state and local governments. The decision to expedite the review of a proposed rule shall be within the sole discretion of OMB and SBA.



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