

**Department of Environmental Quality
Business Operations Report**

On February 12th, the Natural Resources Subcommittee recommended acknowledging receipt of a report, with instructions, from the Department of Environmental Quality on the business operations of the Department.

The Department's report was in response to a budget note, requiring it to undertake a comprehensive review of its budget and accounting structure and to contemplate other aspects of business operations, like the Department's cost allocation method and indirect rate.

The Department's first step is to look at the application of existing state accounting and budget reporting systems. The Department is consulting with other state agencies and working with the Department of Administrative Services and the Legislative Fiscal Office to potentially bring changes forward in 2021-23 budget development. The Subcommittee recommended the Department return to the September 2020 meeting of the Emergency Board to report on continued progress.

The Natural Resources Subcommittee recommends approval.