

SUBCOMMITTEE RECOMMENDATION

Item 32: Department of Environmental Quality Indirect Rate Model Evaluation

To: Emergency Board
From: General Government Subcommittee
Carrier: Senator Frederick

The General Government Subcommittee received a report from the Department of Environmental Quality on evaluation of alternative indirect rate models.

The Department was directed by a budget note to undertake a comprehensive review of the current indirect rate model used to fund the agency's centralized services, and report findings to the Emergency Board. The evaluation included identification of issues with the current model, findings from researching other governmental approaches, and strategies the Department is pursuing to mitigate their challenges. Anticipated outcomes from this evaluation include improved cash flow for the Agency Management Division, and changes to the Department's budget development approach to mitigate indirect rate shortfalls.

The General Government Subcommittee recommends that the Emergency Board acknowledge receipt of a report from the Department of Environmental Quality on evaluation of alternative indirect rate models.