STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- LEAN GOVERNMENT INITIATIVE ACT

Introduced By: Senators McKenney, Conley, Raptakis, Cano, and Rogers

Date Introduced: February 04, 2020

Referred To: Senate Rules, Government Ethics and Oversight

It is enacted by the General Assembly as follows:

SECTION 1. Sections 35-1.1-1, 35-1.1-2 and 35-1.1-4 of the General Laws in Chapter 35-1.1 entitled "Office of Management and Budget" are hereby amended to read as follows:

35-1.1-1. Statement of intent.

The purpose of this chapter is to establish a comprehensive public finance and management system for the State of Rhode Island that manages a data-driven budget process; monitors state departments' and agencies' performance; improves the regulatory climate; and ensures accountability and transparency regarding the use of public funds and regulatory impact, and to ensure the implementation of Lean government initiative tools and enterprises as a component of a performance management system for all state government departments, boards, commissions, and agencies.

35-1.1-2. Establishment of the office of management and budget.

(a) There is hereby established within the department of administration an office of management and budget. This office shall serve as the principal agency of the executive branch of state government for managing budgetary functions, regulatory review, performance management, internal audit, and federal grants management. In this capacity, the office shall:

(1) Establish an in-depth form of data analysis within and between departments and agencies, creating a more informed process for resource allocation to best meet the needs of Rhode Island citizens;
(2) [Deleted by P.L. 2019, ch. 88, art. 4, § 9];

(3) Analyze the impact of proposed regulations on the public and state as required by chapters 64.13 and 35 of title 42;

(4) Analyze federal budgetary issues and report on potential impacts to the state;

(5) Coordinate the budget functions of the state with performance management objectives;

(6) Maximize efficiencies in departments, agencies, advisory councils, and instrumentalities of the state by improving processes and prioritizing programs;

(7) Be responsible for the internal audit function of state government and conduct audits of any state department, state agency, or private entity that is a recipient of state funding or state grants; provide management advisory and consulting services; or conduct investigations relative to the financial affairs or the efficiency of management, or both, of any state department or agency.

(b) With respect to the Lean government initiative (hereinafter “Lean”), the office of management and budget shall:

(1) Create strategic and tactical approaches for Lean implementation, including integration into state governance and operational systems.

(2) Lead and develop state government's capacity to implement Lean tools and enterprises, including design and development of instructional materials as needed with the goal of integrating continuous improvement into the organizational culture.

(3) Create demand for Lean tools and enterprises in departments.

(4) Communicate with department and agency directors, boards, commissions, and senior management to create interest and organizational will to implement Lean tools and enterprises to improve agency results.

(5) Provide direction and advice to department heads and senior management to plan and implement departmental Lean programs.

(6) Direct and review plans for leadership and assist with the selection of process improvement projects of key importance to department and agency goals, programs, and missions.

(7) Identify and assist departments in identifying potential Lean projects.

(8) Continuously evaluate organizational performance in meeting objectives, identify and structure the direction that Lean implementation should take to provide greatest effectiveness, and justify critical and far-reaching changes.

(9) Lead the collection and reporting of data and learning related to Lean.
accomplishments.

(10) Widely disseminate Lean results and learning to Rhode Island residents, stakeholders, and other members of the public to demonstrate its benefits and returns on investment.

(11) Evaluate the effect of unforeseen developments on plans and programs and present to department and agency directors, boards, commissions, and senior management suggested changes in overall direction.

(12) Provide input related to proposals regarding new or revised legislation, rules, and related changes which have a direct impact over their implementation.

(13) Lead the development of alliances and partnerships with the business community, associations, consultants, and other stakeholders to enhance external support and advance the implementation of Lean tools and enterprises in state government.

(14) Lead relations with the general assembly and staff to build support for and understanding of Lean work in state government.

35-1.1-4. Offices and functions assigned to the office of management and budget --

Powers and duties.

(a) The offices assigned to the office of management and budget include the budget office, the office of regulatory reform, the performance management office, and the office of internal audit.

(b) The offices assigned to the office of management and budget shall:

(1) Exercise their respective powers and duties in accordance with their statutory authority and the general policy established by the governor or by the director acting on behalf of the governor or in accordance with the powers and authorities conferred upon the director by this chapter;

(2) Provide such assistance or resources as may be requested or required by the governor and/or the director;

(3) Provide such records and information as may be requested or required by the governor and/or the director, to the extent allowed under the provisions of any applicable general or public law, regulation, or agreement relating to the confidentiality, privacy, or disclosure of such records or information; and

(c) Except as provided herein, no provision of this chapter or application thereof shall be construed to limit or otherwise restrict the budget officer from fulfilling any statutory requirement or complying with any valid rule or regulation.

(d) As used in the chapter, "Lean" means a business-oriented system for organizing,
managing and improving the delivery of government services, operations, suppliers, and consumer relations to create a precise consumer value, expressed as providing higher quality services and fewer defects and errors and with less human effort, less space, less capital, and less time than more traditional systems.

c) The Lean government initiative will involve comprehensively mapping processes to define and understand what is happening in government and to identify "waste," as defined in the context of Lean analysis, in their processes.

(f) The Lean government initiative will help state departments and agencies to formulate plans to eliminate waste, making sure the processes result in more timely and predictable outcomes.

g) The Lean government initiative will streamline how government's work gets done by:

1. Eliminating or drastically reducing backlog;
2. Reducing lead times;
3. Simplifying processes;
4. Improving the suitability of applicants and consistency of reviews, and inspections;
5. Freeing up more time for "mission-critical" work; and
6. Improving staff morale and process transparency.

(h) The Lean initiatives in private industry have been very successful in improving quality, cost effectiveness, service delivery and responsiveness to its customers.

SECTION 2. Chapter 42-64.13 of the General Laws entitled "Rhode Island Regulatory Reform Act" is hereby amended by adding thereto the following section:

42-64.13-8.1. Lean government initiative progress reporting.

(a) No later than January 1, 2021, each department, agency, board, or commission, subject to the Lean government initiative under chapter 1.1 of title 35, shall submit to the director of the office of management and budget identifying processes within their department which they wish to be self-reviewed and guide the self-implementation of process improvement programs. This report shall propose a time deadline for completion of the self-review and proposed self-implementation of process improvement programs.

(b) Beginning July 1, 2021 and each year thereafter, the office of management and budget shall send a report to the governor, the speaker of the house of representatives and the president of the senate which summarizes the prior year's Lean government initiative progress, as required by this chapter.
SECTION 3. This act shall take effect upon passage.
EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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1 This act would, through the office of management and budget, implement the provisions
2 of the Lean government initiative, which has been adopted in the private business community and
3 governments throughout the country, to eliminate waste and inefficiency in the operation of state
4 government. It would also include a mandatory yearly progress reporting requirement by the
5 departments, agencies, boards and commissions subject to the Lean government initiative.
6 This act would take effect upon passage.

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