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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

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

Introduced By: Representatives Solomon, Serpa, Shekarchi, Blazejewski, and Marshall

Date Introduced: February 26, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-64.13-2, 42-64.13-3, 42-64.13-4 and 42-64.13-7 of the General
2 Laws in Chapter 42-64.13 entitled "Rhode Island Regulatory Reform Act" are hereby amended to
3 read as follows:

4 **42-64.13-2. Legislative findings.** -- The general assembly finds and declares that:

5 (1) Rhode Island is facing an economic and fiscal crisis and is suffering high
6 unemployment and other ill effects from the national recession that persists at the time of the
7 passage of this act;

8 (2) Rhode Island maintains regulatory processes and permitting procedures that, while
9 often protecting the public welfare, health and safety, are often inefficient, inconsistent with other
10 state policies and not always aligned with municipal and community development goals;

11 (3) The result of inefficiencies, inconsistencies and misalignments often result in delayed
12 or forgone permitting and regulatory opportunities for businesses desiring to retain or create jobs
13 in Rhode Island; and

14 (4) Rhode Island can more efficiently and consistently implement its regulatory and
15 permitting frame work in order to enhance economic development, community development and
16 the overall health and welfare of its citizens.

17 (5) As used in the chapter, "Lean" means a business-oriented system for organizing,
18 managing and improving the delivery of government services, operations, suppliers, and

1 consumer relations to create a precise consumer value, expressed as providing higher quality
2 services and fewer defects and errors and with less human effort, less space, less capital, and less
3 time than more traditional systems.

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

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

10 (8) The Lean government initiative will streamline how government's work gets done by:

11 (i) Eliminating or drastically reducing backlog;

12 (ii) Reducing lead times;

13 (iii) Simplifying processes;

14 (iv) Improving the suitability of applicants and consistency of reviews, and inspections;

15 (v) Freeing up more time for "mission-critical" work; and

16 (vi) Improving staff morale and process transparency.

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

19 **42-64.13-3. Purposes of chapter. [Effective February 1, 2015.]** -- The purposes of this
20 chapter are to create within the office of management and budget, the office of regulatory reform
21 that will facilitate the regular review of Rhode Island's regulatory processes and permitting
22 procedures; report thereon in an effort to improve them; ~~and~~ assist and facilitate economic
23 development opportunities within the regulatory and permitting processes and procedures that
24 exist within Rhode Island state and municipal government, and to ensure the implementation of
25 Lean tools and enterprises as a component of a performance management system for all state
26 government departments, boards, commissions, and agencies.

27 **42-64.13-4. Applicability.** -- The provisions of this chapter shall apply to all
28 departments, agencies, authorities, corporations, commissions, instrumentalities and political
29 subdivisions of the state, to all other entities that have been delegated regulatory and permitting
30 authority under state law, and all municipalities within the state, including their boards and
31 commissions with regulatory and permitting authority and responsibilities.

32 **42-64.13-7. Powers of the office of regulatory reform.** -- The office of regulatory
33 reform shall have the following powers:

34 (1) The director of the office of regulatory reform is authorized to intervene or otherwise

1 participate in any regulatory or permitting matter pending before any executive branch agency or
2 department or before any municipal board, commission, agency or subdivision thereof at which a
3 regulatory or permitting matter is pending for the expressed net benefit of a business. The director
4 of the office of regulatory reform may so intervene or otherwise participate in such pending
5 regulatory and permitting matters by providing written notice to the director of any department or
6 state agency in the executive branch, or the chairman or presiding officer over any municipal
7 department or subdivision thereof at which a regulatory or permitting matter is pending, that the
8 director of the office of regulatory reform is so intervening or otherwise participating in such
9 regulatory or permitting matter pending before such department, agency, board or commission.
10 The director of the office of regulatory reform shall be considered a party to the action and shall
11 be provided reasonable notice of any and all administrative hearings or meetings involving the
12 parties in such matter and shall be the opportunity to participate in such meetings, hearings or
13 other administrative procedures of such entity, of which such opportunity may be waived only by
14 writing from the director of the office of regulatory reform, for the purpose of assuring the
15 efficient and consistent implementation of rules and regulations in order to foster the creation and
16 retention of jobs in Rhode Island or otherwise foster economic development in Rhode Island
17 consistent with the purposes of this act. Any intervention or participation by the director of the
18 office of regulatory reform, other than in contested cases, shall not be deemed to violate the
19 provisions of the Rhode Island administrative procedures act at Title 42, Chapter 35 of the
20 general laws. Provided, however, all contested cases shall be conducted in accordance with the
21 provisions for hearings of contested cases in the administrative procedures act, Title 42, Chapter
22 35, of the general laws. As used in this section, the term "contested case" means a proceeding in
23 which conflicting rights between adverse parties are required by law to be determined in an
24 adversary proceeding that is judicial or quasi-judicial in nature, and not purely administrative in
25 character, before and/or by an agency.

26 (2) Promptly upon such intervention as set forth in subdivision (1) above, the director of
27 the office of regulatory reform shall publish its rationale for its intervention in such pending
28 regulatory or permitting matter. The director of the office of regulatory reform may so intervene
29 upon findings that:

30 (i) That the pending, regulatory or permitting action, in and of itself or as part of a
31 regulatory process, has significant economic development impact upon the state or any
32 municipality herein; and

33 (ii) The pending regulatory or permitting matter, in and of itself or as part of a regulatory
34 process, has significant impact on any industry, trade, profession or business that provides

1 significant jobs or other significant economic development impact, including municipal and state
2 taxes or other revenues, to the state or its citizens.

3 (iii) The office of regulatory reform shall upon the conclusion of each fiscal quarter
4 promptly provide to the office of the governor and the general assembly through the offices of the
5 president of the senate and the speaker of the house of representatives a written report identifying:

6 (A) All matters in which the director of the office of regulatory reform intervened;

7 (B) The rationale for his or her intervention;

8 (C) The status of the pending regulatory or permitting matter;

9 (D) Any observations or recommendations from the director of the office of regulatory
10 reform with respect to such regulatory or permitting policies or procedures relating to the subject
11 matter of such pending regulatory or permitting matters in which the director so intervened; and

12 (E) The status of the agency rule review required pursuant to subsection 42-35-3.4(d)
13 including the number of rules reviewed within the previous quarter, the number of rules amended
14 or rescinded and the estimated aggregate impact of such amendments or rescissions on businesses
15 in Rhode Island.

16 (3) The office of regulatory reform is authorized to appear as an amicus curiae in any
17 legal proceeding relating to any matter.

18 (4) The office of regulatory reform is authorized to coordinate with and support the
19 building commissioner and fire marshal in the development and implementation of a standard
20 statewide process for electronic plan review, permit management and inspection.

21 (5) The office of regulatory reform is authorized to coordinate, provide technical
22 assistance, and oversee state agency regulatory review and accompanying economic impact
23 statements on small businesses.

24 (6) Concerning the Lean government initiative, the office of regulatory reform shall:

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

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

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

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

34 (v) Provide direction and advice to department heads and senior management to plan and

1 implement departmental Lean programs.

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

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

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

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

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

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

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

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

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

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

25 **42-64.13-8.1. Lean government initiative progress reporting.** – (a) No later than
26 January 1, 2016, each department, agency, board, or commission, subject to the Lean government
27 initiative under this chapter, shall submit to the director of the office of regulatory reform a report
28 identifying processes within their department which they wish to be self-reviewed and guide the
29 self-implementation of process improvement programs. This report shall propose a time deadline
30 for completion of the self-review and proposed self-implementation of process improvement
31 programs.

32 (b) Beginning July 1, 2016 and each year thereafter, the office of regulatory reform shall
33 send a report to the governor, the speaker of the house of representatives and the president of the
34 senate which summarizes the prior year's Lean government initiative progress, as required by this

1 [chapter.](#)

2 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- LEAN GOVERNMENT
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1 This act would implement the provisions of the Lean government initiative, which has
2 been adopted in the private business community and governments throughout the country, to
3 eliminate waste and inefficiency in the operation of state government. It would also include a
4 mandatory yearly progress reporting requirement.

5 This act would take effect upon passage.

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