

2019 -- H 5636

LC000155

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

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

Introduced By: Representatives Solomon, O'Brien, Phillips, Jackson, and Vella-  
Wilkinson

Date Introduced: February 27, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

3 **35-1.1-1. Statement of intent.**

4 The purpose of this chapter is to establish a comprehensive public finance and  
5 management system for the State of Rhode Island that manages a data-driven budget process,  
6 monitors state departments' and agencies' performance, maximizes the application for and use of  
7 federal grants and ensures accountability and transparency regarding the use of public funds, and  
8 to ensure the implementation of Lean government initiative tools and enterprises as a component  
9 of a performance management system for all state government departments, boards, commissions,  
10 and agencies.

11 **35-1.1-2. Establishment of the office of management and budget.**

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

16 (1) Establish an in-depth form of data analysis within and between departments and  
17 agencies, creating a more informed process for resource allocation to best meet the needs of  
18 Rhode Island citizens;

1 (2) Identify federal grant funding opportunities to support the governor's and general  
2 assembly's major policy initiatives and provide technical assistance with the application process  
3 and post-award grants management;

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

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

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

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

14 (b) With respect to the Lean government initiative (hereinafter "Lean"), the office of  
15 management and budget shall:

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

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

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

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

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

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

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

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

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

1 accomplishments.

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

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

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

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

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

15 **35-1.1-4. Offices and functions assigned to the office of management and budget --**

16 **Powers and duties.**

17 (a) The offices assigned to the office of management and budget include the budget  
18 office, the performance management office, office of internal audit, and the federal grants  
19 management office.

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

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

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

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

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

34 (d) As used in the chapter, "Lean" means a business-oriented system for organizing,

1 managing and improving the delivery of government services, operations, suppliers, and  
2 consumer relations to create a precise consumer value, expressed as providing higher quality  
3 services and fewer defects and errors and with less human effort, less space, less capital, and less  
4 time than more traditional systems.

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

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

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

12 (1) Eliminating or drastically reducing backlog;

13 (2) Reducing lead times;

14 (3) Simplifying processes;

15 (4) Improving the suitability of applicants and consistency of reviews, and inspections;

16 (5) Freeing up more time for "mission-critical" work; and

17 (6) Improving staff morale and process transparency.

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

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

22 **42-64.13-8.1. Lean government initiative progress reporting.**

23 (a) No later than January 1, 2020, each department, agency, board, or commission,  
24 subject to the Lean government initiative under chapter 1.1 of title 35, shall submit to the director  
25 of the office of management and budget identifying processes within their department which they  
26 wish to be self-reviewed and guide the self-implementation of process improvement programs.  
27 This report shall propose a time deadline for completion of the self-review and proposed self-  
28 implementation of process improvement programs.

29 (b) Beginning July 1, 2020 and each year thereafter, the office of management and budget  
30 shall send a report to the governor, the speaker of the house of representatives and the president  
31 of the senate which summarizes the prior year's Lean government initiative progress, as required  
32 by this chapter.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- LEAN GOVERNMENT  
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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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