
**State Government & Tribal Affairs
Committee**

HB 2173

Brief Description: Maximizing the use of lean strategies in state government.

Sponsors: Representatives Moscoso, Dammeier, Probst, Sells, Jinkins, Stanford, Ryu, Billig, Ladenburg, Hansen, Tharinger, Maxwell, McCoy, Springer, Appleton, Kenney, Miloscia, Roberts, Kirby, Green, Wylie and Ormsby.

Brief Summary of Bill

- Encourages agencies to implement Lean strategies.
- Allows agencies to expend up to \$200,000 of its appropriated funds to develop Lean strategies.

Hearing Date: 1/9/12

Staff: Marsha Reilly (786-7135).

Background:

"Lean" is a business management strategy used in various private and government sectors. Originally developed as Six Sigma for the manufacturing sector, its aim was to improve quality while reducing costs. The concept has been expanded to other disciplines to promote business and operational excellence.

In December 2011, the Governor signed Executive Order 11-04 to implement the Lean business management strategy. The executive order requires all executive cabinet agencies to begin implementing Lean by learning about its principles, concepts, and tools; completing a Lean project by August 31, 2012; deploying efforts to build capacity for Lean, while embedding Lean in the agency culture; and reporting Lean results and lessons learned to the Governor by August 31, 2012. The executive order also directs the Governor's accountability and performance staff to work to provide enterprise-wide guidance on initiating Lean implementation; provide resource

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options to assist agencies in Lean deployment; develop an enterprise roadmap for effective Lean implementation; and report progress and results of agency and interagency Lean implementation.

Summary of Bill:

An intent is stated to encourage additional state agencies to implement Lean strategies to increase effectiveness and efficiency in delivering state services. A state agency director that initiates Lean strategies may expend up to \$200,000 of the moneys appropriated to the agency that have not been appropriated for another specific purpose and may request consultation and assistance in developing its Lean strategies from the Department of Commerce or the Department of Agriculture.

Appropriation: None.

Fiscal Note: Requested on January 6, 2012.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.