

A M E N D E D: Modifications to Proposals 1, 3, and 4; Survey Results are attached

SUBJECT: Update on Lean Six Sigma project to improve the department's procedures for promulgating rules.

FOR: April 2013 Board meeting

TO BE PRESENTED BY: Tim Andryk, Director, Bureau of Legal Services; Chandra Harvey, Attorney

SUMMARY:

In December, 2012 the Department assembled a team to review and streamline current procedures for promulgating administrative rules. This agenda item provides an update on that process and a review of proposed improvements.

The Department offers a package of recommended modifications to Board procedures for consideration by the Board for approval. The proposals include:

- Proposal 1: Use a 2-meeting, rather than 3-meeting, process for each rule proposal. At the first meeting, the Board would consider approving (1) the statement of scope and (2) the public hearing notice conditioned on its preparation by the Department consistent with relevant statutory requirements. The proposed rule would be presented to the Board for adoption at the second meeting (after public hearings). The Board would be notified prior to public hearings being held and would have an opportunity to request modification of the proposed rule and public hearing notice prior to proceeding.
- Proposal 2: Eliminate a memo currently provided to the Board at the meeting for consideration of the statement of scope because it is duplicative;
- Proposals 3, 5, 7 & 8: Better utilize technology to reduce Department staff travel for presentations, minimize costs for distribution of material to Board members, maintain meeting minutes, and go paperless;
- Proposal 4: Reduce the number of Board meetings from 10 to 8 meetings per year; and
- Proposal 6: Alert appropriate Department contact of Board questions in advance of presentations by staff, so staff can tailor presentations to better meet the needs of Board members.

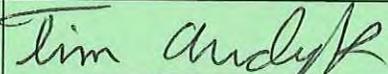
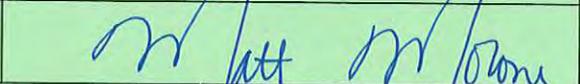
This agenda item also provides an update regarding pending improvements to the Department's internal procedures. For example, each bureau will be asked to appoint a rules coordinator to assist staff with the rules process. Additionally, the Department is developing a "rules toolkit" that contains new resources to assist staff with the rules process and updates those which have not been revised since changes to the rules process resulted from 2011 ACT 21. Other improvements include a document-sharing system to improve the review and approval of rule drafts and creation of training resources.

An estimate of expected reductions in the amount of time required to complete the rules process resulting from these improvement is attached. An estimate of improvements in cost and other efficiencies is also included.

RECOMMENDATION: That the Board approve the Lean Six Sigma Rules Process Proposal Package.

LIST OF ATTACHED MATERIALS (check all that are applicable):

- Background memo N/A
- Estimate of efficiency improvements N/A

Approved by	Signature	Date
Tim Andryk, Bureau Director		4-15-13
Not applicable, Administrator		
Cathy Stepp, Secretary		4/15/13

DATE: April 15, 2013
TO: Members of the Natural Resources Board
FROM: Cathy Stepp
SUBJECT: Lean Six Recommendations for the Rule-Making Process

In February 2012, the Department started ten projects aimed at reducing workload and costs, accelerating process timelines, and improving agency efficiency. To reach these goals, the Department uses a data-driven, customer-focused approach called "Lean Six Sigma" to target waste and variation, improve customer satisfaction, and increase process buy-in.

In December 2012, the Department assembled a Lean Six team to simplify and streamline the administrative rules process. The team was tasked with identifying and implementing recommendations to reduce staff and Board member workload, eliminate duplication, improve timeliness and customer satisfaction, and provide clear guidance and training.

As a part of the Lean Six process, the team solicited input regarding areas for improvement in the rules process. Because much of the process is statutorily driven, the team placed a special emphasis on internal staff and Board procedures. Using the feedback collected, the team has developed a list of proposals.

The team is recommending a package of proposals for consideration by the Board for approval. These proposals, along with their estimated cost and labor savings if approved, are summarized in the attached matrix. The Department requests that the Board approve the proposal package.

The team has also recommended, and is in the process of implementing, the following changes to the Department's internal procedures:

- *Mandatory Rules Coordinators:* Each Department bureau will now be required to appoint a trained rules coordinator to assist staff with the rules process;
- *Rules Toolkit Database:* The Department will develop and maintain a centralized "Rules Toolkit" Database with a suite of new and revised resources, templates, and document samples;
- *Revised Rules Checklist:* The Department will create and make available a revised rules checklist which is specifically tailored for rule drafters;
- *Best Practices Guidance:* The Department will develop "best practices" guidance for each step in the rules process using feedback from Department staff and Board members;
- *Updated Rules Training:* The Department will set a long-term goal of developing revised training resources for rule drafting and presentations, using multiple methods to accommodate different learning styles and needs;
- *Revised Routing Process:* The Department will develop a streamlined document routing process which eliminates unnecessary and duplicative sign-offs; allows simultaneous review and electronic signatures; and establishes a standardized routing order based on level of review;
- *Document Elimination:* The Department will eliminate the internal "pink sheet" for scope statements because its contents duplicate the contents of the scope statement; and
- *Recommendations for Statutory Change:* The Department will develop a list of proposals for changes to the statutes governing the rules process.

Agency Contact:

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AMENDED - Lean Six Sigma Project to Improve the Department's Procedures for Promulgating Rules

PROPOSAL	DESCRIPTION	Pros	Cons	Cost savings	Labor savings	
1	Reduce the number of DNR appearances before Board from three to two. From June 2011 - March 2013 the NRB had before them 18 hearing authorization requests, of which 17 were approved and 10 had no Board discussion.	Length of time taken to promulgate a rule can be reduced by 2 - 3 months by using a passive review system for approval of hearing notices ; Provides staff with increased options for work planning; Reduces the amount of time the Board spends on routine, often non-controversial issues; Eliminates 1/3 of Board agenda times related to rules. This would not apply retroactively to rules currently in progress.	None--This proposal balances the need to streamline process, while retaining the Board's prerogative to act on the public hearing notice and proposed rule should it desire to do so prior to public hearing	Travel: \$150 per staff member; Printing & Postage: \$30 per rule	Staff: 6 - 16 hours per rule, depending on the complexity of the rule; Board Members: Up to 1 hour per member per rule, including pre-reading, briefing and agenda item time	
				Proposal 1	Travel Total: \$750 Printing & Postage: \$901	Staff Total: 48 - 128 Hours NRB: Up to 7 Hours
2	Eliminate Board memo as an attachment to the green sheet for scope statement approval	Agenda items will be more concise with no loss of information; Eliminates staff confusion regarding the purpose and routing of memo; Eliminates the need for staff to produce and Board members to read a document that is duplicative of the scope statement	None--All the information contained in the Board memo will still be available in the scope statement and green sheet	Paper & Copying: Minimal (\$1 - \$5 per rule)	Rule Drafters: .5 - 4 hours in memo preparation, per rule; Rule Reviewers: 15 min - 1 hour per reviewer, per rule	
				Proposal 2	Total: \$30 - \$150	Rule Drafters: 15 - 120 hours Rule Reviewers: 7.5 - 30 hours

AMENDED - Lean Six Sigma Project to Improve the Department's Procedures for Promulgating Rules

PROPOSAL	DESCRIPTION	Pros	Cons	Cost savings	Labor savings
3	Allow staff presenters the flexibility to appear at out-state meetings via Live Meeting or conference call and as an option to allow public appearances from regional headquarter offices	Improves work allocation and backlog by reducing staff time out of office; Reduced travel is fiscally and environmentally responsible	None--Live Meeting allows the Board to interact with staff presenters in much the same way as if the presenter appeared in person; additionally, division administrators and bureau directors will still attend in person	Travel: Up to \$150 per staff member per meeting (state rate lodging: \$70; meals: \$20; vehicle reimbursement: \$60)	Presenters: Up to 10 hours in travel time & time spent at the Board meetings while not presenting, per meeting
Proposal 3				Total: Up to \$3,000 - \$7,500	Total: 200 - 500 hours
4	Reduce number of Board meetings from 10 to 8 (or 9) per year to begin January 1, 2014. Option 1) 8 meetings tentative schedule: January 28-29, March 11-12, April 22-23, June 3-4, August 12-13, September 23-24, October 28-29, and December 9-10. Option 2) 9 meetings tentative schedule: January 28-29, February 25-26, April 8-9, May 27-28, June 24-25, August 12-13, September 23-24, October 28-29, and December 9-10.	Reduces time and resource commitments for Board members, staff and stakeholders; Proposed schedule accommodates key rules deadlines (e.g. annual waterfowl rules) and holidays; Allows increased time for staff and Board member preparation, briefings and site tours; Ability to hold emergency meetings is retained; Less meetings will not reduce Board relevance or authority because rules-related agenda items and voting is still required by statute	Meetings may be longer to accommodate agenda items that ordinarily would be presented at an eliminated meeting (however, this risk may be mitigated the additional proposals discussed herein); This proposal has the potential to increase the need for emergency meetings (however, emergencies are unpredictable by nature, and the risk may be mitigated by setting the schedule with key rules deadlines in mind)	Per Eliminated Meeting (based on one night lodging in Madison): \$2,215 (Lodging & Parking: \$830; Board Mileage Reimbursement: \$849; Breakfast, Lunch, Dinner & Coffee for Board Members and department staff: \$536)	Staff Time: 71 hours per eliminated meeting, including meeting room set-up & take-down; media site operation; law enforcement (2 wardens); logistics planning; agenda & legal notice preparation; webmaster tasks; & billings. [Staff presentations not included, as this time would be reshuffled to a scheduled meeting]. O.S. & Administration Time: 108 hours per eliminated meeting. Board Members: 156 hours per meeting (Commute: 28 hours; Overnight: 72 hours; Meeting: 56 hours).
Proposal 4				Option 1: \$4,430 Option 2: \$2,215	Option 1: 670 hours Option 2: 335 hours

AMENDED - Lean Six Sigma Project to Improve the Department's Procedures for Promulgating Rules

PROPOSAL	DESCRIPTION	Pros	Cons	Cost savings	Labor savings
5	Board Members receive Department-issued tablets which will reduce copying costs and paper waste. Options for NRB: 1) receive a DNR issued laptop for on-line access to rules, email, and resources; 2) download and print from NRB Internet; or 3) NRB staff will email pdfs	Increases mobility and accessibility of documents (can download documents from email or website); Reduces paper waste; Provides access to DNR email and intranet (including program resources, tools, manuals, handbooks, etc.); Electronic note-taking capabilities; Instant receipt of agenda items via email instead of mail; Enhanced/more immediate public access; Maintenance provided by Department, not individual members; Compatible programing across all Board members; Ability to search documents for keywords; Reduces competition for limited copying and printing equipment; reduction in overtime hours	This is a cost that the Department does not presently incur (Over time, however, it may be offset by printing, copying and postage costs. Initial cost of tablets: \$5,950; tablet maintenance and licenses: \$7,471	Printing and Postage savings: \$7,514	Board Liaison: 9 hours per meeting, including printing, copying, assembling, mailing and filing, reducing the amount of overtime; Board Members: Whether time savings will occur is highly dependant on individual usage; however, this proposal increases ease of use and accessibility
Proposal 5				Total: None	DNR Total: 90 hours NRB Total: 70 - 140 hours
6	Alert appropriate Department contact of questions in advance of Board meetings so presentations can be tailored accordingly	Presentations to Board will be tailored to better meet members' needs	None	N/A	Staff Time: 1 - 2 hours per rule; Board Members: 5 - 30 minutes per presentation
Proposal 6				Total: N/A	Staff Time: 30-60 hours NRB: 2.5 - 15 hours

AMENDED - Lean Six Sigma Project to Improve the Department's Procedures for Promulgating Rules

PROPOSAL	DESCRIPTION	Pros	Cons	Cost savings	Labor savings
7	Continue use of Media Site for Board meetings and consider broadcast for the public	Promotes public transparency and openness; Enhances staff access to and knowledge of Department/Board issues; Distance, weather and costliness less of an impediment to attendance	Media Site allows listening but not participation (however, individuals who wish to participate may still attend in person)	The primary cost benefit will be to members of the public, who will not have to incur travel costs to attend the meetings	Staff Time: 6 hours per meeting (by no longer longer having to wait for agenda items in person, staff can devote time to other work tasks)
Proposal 7				Total: N/A	Staff time: 540 hours
8	Use Media Site meeting recordings and Brief of Action as legal record for Board meetings, rather than typed minutes. Embed recordings with jump points to allow listeners to fast forward to desired agenda items	Promotes public transparency and openness; Improved efficiency for Board Liaison, freeing time for other Board-related tasks; Listeners will be able to comprehend tone and pace, otherwise lost in printed minutes; Written transcripts will only be produced as needed; Listening opportunities available at DNR Service Centers for individuals without computer or media access	NRB might need to establish media protocols and offer media training to members and staff	None (possibly increased costs)	DNR Staff: 15 - 40 hours per meeting for minutes drafting; Board Members: 2.5 - 8 hours per meeting, including for combined Board officer reviews and edits, and individual reviews by individual members
Proposal 8				Total: N/A	DNR Staff: 150 - 400 hours NRB: 25 - 80 hours

Grand Total	Cost Savings: \$6,896 - \$13,731	Labor Savings: 1,487.5 - 2,790 hours and a 2 - 3 month reduction in the rule process
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Lean Six Sigma: Survey Results

Administrative Rules Process Team

In December 2012, the Department assembled a Lean Six Sigma Team to review and streamline the Administrative Rules Process. The Team designed a survey to assist in the development of recommendations to achieve this goal, reduce the amount of time that staff devotes to rule-related tasks, and increase training opportunities. The survey was distributed to all staff members who play a role in the rule process and to Natural Resources Board members. This report summarizes the results.

Role in the Rule Process

Survey participants were asked to identify their role in the rule process. Over 50% of survey respondents indicated that they draft rule package documents and review rule package documents that others have drafted, suggesting that streamlining these tasks will have the most wide-spread impact on staff.

Respondents indicated that rule related tasks, on average, comprise a relatively small percent (14%) of their job duties. It is difficult to tell whether this result translates to a low frequency of program rule promulgation, as opposed to low involvement in on-going rulemaking.

Approximately 50% of respondents have more than 5 years of experience with the rule process. However, because some programs engage in rule-making infrequently, this result does not necessarily suggest a high level of experience with the rule process.

Other role-related findings include:

- 86% of respondents have attended a Natural Resources Board Meeting;
- 66% have made a presentation to the Natural Resources Board Meeting; and
- 74% have represented the Department at a public hearing.

Comfort & Familiarity with the Rule Process

Survey participants were asked a series of questions designed to gauge their familiarity and comfort with their assigned tasks within the rule process. In general, the results indicated a low level of comfort and familiarity. Specifically:

- 68% of respondents indicated some level of dissatisfaction with the adequacy of the training they had received on their role in the rules process;
- Only 13% of respondents “always” feel comfortable completing rule process tasks which they are assigned, whereas 46% “sometimes” or “rarely” feel comfortable;
- Only 16% of respondents can locate written rule resources all of the time;
- Only 17% of respondents are “always” able to meet the rule related deadlines assigned to them;
- Only 12% of respondents indicated that they “always” have sufficient time to complete the rule related tasks assigned to them; and

- Only 15% of respondents who ask someone to review a rule related document feel that they “always” receive timely feedback.

In a few areas, however, comfort and familiarity were high, suggesting low contribution to delay and confusion within the rule process. These findings include:

- 87% of respondents are “always” or “usually” able to identify individuals to seek guidance from if they have questions; and
- 82% of respondents indicated that they “usually” or “always” receive cooperation from other rules related staff in completing rules related tasks.

Rule Related Resources

Several questions were designed to elicit information regarding respondents’ knowledge, use of, and preference for rules related resources. Participants identified program attorneys, the department rules coordinator and division/program rules coordinators as the three resources utilized most frequently. In contrast, respondents indicated virtually no knowledge or use of the Department Economics SharePoint website.

Training Opportunities

In general, survey respondents indicated widespread support for increased training opportunities. 94% of respondents identified at least one area in which they would like to receive additional training, with economic impact analyses (69%), scope statements (49%) and rule drafting (46%) being the top three contenders. 40% of respondents who are eligible to serve as hearing officers indicated a desire to receive the training.

As for method, respondents indicated a strong preference for classroom training, with online training and print resources also receiving generally favorable support. However, several individuals urged throughout the survey that a “mixture” of methods should be pursued to accommodate different learning styles and the varying frequency at which different programs engage in rulemaking.

Sources of Delay & Confusion

Respondents were asked to identify the aspect of the rules process which they feel causes the most delay. Although no single aspect received the majority of responses, economic impact analyses, rule drafting, and scope statements were identified most often.

Similarly, respondents were asked to identify the aspect of the rule process which they feel is most confusing. Here, however, economic impact analyses emerged as a clear front runner.

Areas for Action

For the purposes of conducting follow-up discussions, respondents were asked to identify which areas, if any, they had ideas to improve the rule process. Training/resources and department rule tasks each received 23% of the vote.

Respondents were separately asked whether they had suggestions to change the statutes which govern the rule process. 29% answered “yes”—a rate lower than anticipated.

Respondents were also given an opportunity to provide suggestions for improvement. Although feedback was varied, some reoccurring themes emerged. Using the themes guidance, the following are identified as areas for potential action:

- **Samples Bank:** Maintain a web-based “bank” of sample rules documents from a variety of programs, along with corresponding “Do’s and Don’ts” guidelines. Keep these documents in a single place, accessible to all. This would reduce the need for staff to seek out others to answer more basic questions.
- **Templates:** Create document templates that offer guidance on formatting. Keep these in the same common location as sample documents. Less experienced staff had expressed frustration in navigating the Administrative Rules Procedures Manual.
- **Rule Tracker:** Develop a tracking spreadsheet that can track when rules steps were completed, and calculate future deadlines.
- **Timeline:** Develop timeline guidance for completed rules in the shortest amount of time possible so staff can better understand and navigate deadlines.
- **Rule Process Training:** Offer several methods of training. Comprehensive classroom-based training could be offered more sporadically. However, print and video resources should be available at all times, and should be focused on specific tasks within the rules process, rather than on the process as a whole.
- **Hearing Officer Training:** Offer hearing officer training on a regular basis (annually, quarterly, etc.) to reduce the amount of time it takes for staff to make arrangements for public hearings.
- **Rule Coordinators:** Ensure that every program has a rule coordinator, and offer guidance to staff regarding the role of the rule coordinator.
- **Uniform Routing Procedure:** Establish a uniform routing procedure that:
 - Seeks attorney involvement early;
 - Clarifies the routing order;
 - Is electronic (SharePoint);
 - Reduces the likelihood of “lost” documents;
- **Pre-Drafting Meetings:** Encourage pre-drafting meetings with key policy developers, management and if appropriate, stakeholders to reduce the likelihood of significant post-drafting revisions.
- **Checklists:** Develop checklists for each major step of the rule process.
- **Special Process for Mandated Rule Changes:** Develop a streamlined process for rule changes which are mandated by the federal government or state statute changes. Ideally, this process would omit requirements such as the EIA.
- **Economic Impact Analysis:** Create extra training and resources for staff tasked with completing the EIA. Alternatively, hire an economist to complete these.
- **Streamline NRB Processes:** Explore ways to streamline NRB tasks and processes to reduce staff and board member workload, including a return to two-meeting (rather than three-meeting) rule process.