



Fiscal Fitness Highlights

March 1, 2005
Governor Donald Carcieri



Dear Fellow Rhode Islanders:

Last year, the Fiscal Fitness team began implementing ideas designed not only save taxpayers millions of dollars but also to change the way we run state government.

Today, I'm pleased to report that we have already achieved unprecedented success. As we approach the end of year one of the planned three-year implementation phase, we have already made significant progress on our efforts to streamline state government, improve the delivery of state services, and save taxpayer money.

So far, Fiscal Fitness has already saved Rhode Island taxpayers approximately \$128 million. At the same time, we have made state services more accessible to our citizens.

But this is only the beginning of the Fiscal Fitness mission. While the results have already gained national attention, we have only just begun to implement the major structural improvements that will ensure our state's fiscal fitness for future generations.

My goal from the beginning was to save taxpayer dollars by reducing waste, improving efficiency and by eliminating fraud and abuse. I am happy to report that we are right on track and we are making steady progress in all of these areas. Millions of dollars have been saved through negotiating a new employee health care contract. Millions more have been recovered from tax scofflaws. And the lines at the DMV are noticeably shorter.

The consolidation and centralization of our Legal, Human Resources, Information Technology and Facilities Management departments, where fully implemented, have already resulted in lower costs of operation, greater efficiencies, improved service and greater professional opportunities for our employees. Fiscal Fitness is working!

However, there is much more to do, and there are even greater challenges on the horizon. The stakes are high and the opposition to change is formidable. In order to fully realize our Fiscal Fitness goals, we will need the continued support of the General Assembly. We must also ask the various state employee unions to acknowledge that the changes we are making are both fair to our employees and good for Rhode Island taxpayers.

I encourage you to review both the enclosed highlights, the (on-line) detailed report, so that you can appreciate how much progress we have made with Fiscal Fitness. I also want to thank the Fiscal Fitness team and every state employee who contributed their talents and ideas to this initiative. Their insight and determination are truly appreciated.

Over the coming year, I am hopeful that everyone will support the changes that are imperative for a fiscally fit Rhode Island.

Sincerely

A handwritten signature in blue ink that reads "Arnold L. Caracci".

Fiscal Fitness...An Evolution of The Big Audit

Fiscal Fitness is the fulfillment of the Governor Donald L. Carcieri's promise to perform a "Big Audit" of state government. The Fiscal Fitness initiative is designed to identify and eliminate government waste and redundancies, while streamlining government operations and improving the delivery of state services to Rhode Island taxpayers.

In April 2003, the Governor kicked off the Fiscal Fitness initiative by recruiting sixty state employees from all levels of state government carry out an audit of executive-branch departments, which focused on areas including organization, staffing, workflow, processes, management, spending and budgeting.

Taking on the role of "coaches," Fiscal Fitness team members helped employees throughout the state generate hundreds of ideas, most of which were based on detailed analyses of agency operations. Teams of employees also researched best practices from other states and solicited improvement ideas from the private sector. An enthusiastic public contributed their own ideas, and several Rhode Island business leaders volunteered their time in support of the initiative.

In total, Fiscal Fitness generated hundreds of ideas focusing on better and less costly government. These recommendations fell along clear lines of action: reducing costs, capturing lost revenues, consolidating back-office and redundant functions, streamlining agencies, combining similar divisions and reducing the levels of upper- and mid-level management.

Many of the ideas have already been acted upon and have generated real savings. Other ideas are in varying degrees of implementation, while some are on the schedule for implementation this year or in 2006.

To date, Fiscal Fitness has saved Rhode Island taxpayers \$128 million.

But this is only the beginning. Many Fiscal Fitness ideas have yet to be implemented. Of these, many proposals will require the continued support of the General Assembly. Others will require the cooperation of state employee unions. Without the support of both, we will never be able to fully achieve the monetary savings and service improvements that Rhode Island taxpayers deserve and expect.

Fiscal Fitness is an on-going process of continuous improvement for our state. Working together, we can achieve our vision of transforming Rhode Island into a model for the delivery of cost-effective government services to satisfied citizens who have confidence that tax dollars are being spent efficiently. proposals will require the continued support of the General Assembly. Others will require the cooperation of state employee unions. Without the support of both, we will never be able to fully achieve the monetary savings and service improvements that Rhode Island taxpayers deserve and expect.

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Fiscal Fitness Savings Total \$128,000,000

Since its beginning in early 2004, Fiscal Fitness projects have saved \$28.1 million dollars for the state. By the end of the current fiscal year (June 30, 2005), projected savings will total \$45.3 million. This includes both actual reductions to the state budget and a smaller amount attributable to initiatives that served to “avoid” expenditures that would otherwise have been necessary.

For fiscal year 2006, we are projecting an additional \$59.6 million dollars in savings, as completed projects take hold and new ones come on line. In addition, we have negotiated contracts that will yield savings of \$23.9 million extending into fiscal year 2007 and beyond. These include our new state employee health care contract and several business related contracts for office supplies, telecommunications, computers and motor vehicles

Savings Summary

• Savings through 2/28/05	\$ 28,100,000
• Additional savings projected through 6/30/05	\$ 17,200,000
• Savings projected for FY 2006*	\$ 59,600,000
• Savings contracted for FY 07 and beyond	\$ 23,900,000
• TOTAL SAVINGS	\$128,800,000

* Includes \$14.5 million in new initiatives subject to General Assembly approval.

Looking Ahead - Years Two and Three

We can look ahead to additional savings in years two and three of Fiscal Fitness implementation. We have several projects just underway which, when fully implemented, will generate an additional \$34.1 million in savings annually. The next set of projects – currently awaiting implementation – will bring in another \$31.1 million.

There are also over \$50 million worth of savings tied to projects that will require union contract or legislative changes. Fiscal Fitness hopes to enjoy the continued support of the General Assembly in order to achieve over \$7 million in savings. Fiscal Fitness also needs the cooperation of the state employee labor unions to move forward on projects that will realize over \$47 million in savings for Rhode Island taxpayers.

Additional Savings Projected for FYs 2007 and 2008

• Projects Underway	\$ 34,100,000
• Projects implemented Years 2 and 3	\$ 31,100,000
• Projects Pending legislative changes	\$ 7,300,000
• Projects Pending Labor Issues	\$ 47,600,000
• TOTAL	\$120,100,000

Smarter Buying...

State government is that state's largest employer and buys more products and services than any other organization operating within our boundaries. As such, we have tremendous buying power to use when we negotiate both pricing and terms. During the past year, we have leveraged our buying power and have negotiated better deals for the taxpayers without compromising the quality of the products or services we buy.

Whether it's buying office supplies or services to administer our employee healthcare program, we have demanded the best pricing possible. We have instituted new purchasing procedures that will ensure our supplier partners and service providers are keenly aware of our cost-consciousness. We have also made sure that we better define the work that is requested of consultants, require cost proposals where necessary, and have re-negotiated master pricing agreements to ensure that the state is getting the highest quality goods and services for the most competitive prices.

Smarter Purchasing Department Practices Result in Substantial Savings

The state purchasing department has negotiated better deals for Rhode Island taxpayers in nine major categories, including: office supplies, telecommunications, computer hardware, copiers, vehicles; and janitorial, building maintenance, medical and laboratory supplies.

As of 2/28/05	\$1,204,000
Add'l (thru 6/30)	\$ 602,000
FY06	\$3,423,000

Over the life of these new contracts, the state will save over \$8 million.

New United HealthCare Contract will Save Millions

As of 2/28/05	\$ 820,000
Add'l (thru 6/30)	\$1,300,000
FY06	\$8,000,000

The new United HealthCare contract to administer the state employee healthcare program will save taxpayers a significant amount of money in administrative fees over the previous contract while providing our state employees with the same healthcare benefits. These are actual costs that the state would have incurred under the old contract had it not been sent out to bid.

New deal will save taxpayers \$25 million over the life of the contract.

New Preferred Provider Network Lowers Costs of Pharmaceuticals by \$1,500,000

To help better manage rising pharmaceutical costs, the state made changes to its pharmacy provider network. This effort has saved the state \$1,500,000 to date. And, by better monitoring and controlling the "maximum allowable cost" of individual prescription drugs, the state has saved an additional \$468,000.

As of 2/28/05	\$1,500,000
Add'l (thru 6/30)	\$ 468,000
FY06	\$ -

Competitive Bids for Architects and Engineers Yields \$780,000 in Savings

The Department of Administration has changed the process by which the state engages architectural and engineering firms. Before Fiscal Fitness, cost was not a consideration in the selection of such outside firms; price was only negotiated after a qualified vendor had been selected. Today, the state requires cost quotations to be submitted when “finalists” have been selected from a request for proposal process. Such cost quotations are now part of the standard evaluation process.

As of 2/28/05	\$ 780,000
Add'l (thru 6/30)	\$ 60,000
FY06	\$ 530,000

New Master Price Agreement for IT Consultants Saves Hundreds of Thousands of Dollars

As of 2/28/05	\$ 248,000
Add'l (thru 6/30)	\$ 23,000
FY06	\$ 700,000

A new master price agreement has been implemented with redefined roles, rates and legal terms and conditions. Approval for procuring consultants has been centralized, therefore resulting in better resource management and clearly defined deliverables.

Improved Monitoring and Revenue Collection

In some cases, individuals attempt to avoid paying their taxes, forget to pay, or pay them in an untimely manner. This is not only against the law but is unfair to the many taxpayers who pay their taxes honestly and on time.

There are other individuals who either through fraudulent means, misrepresentation, misunderstanding as to eligibility, or administrative error, receive benefits to which they are not entitled. This costs taxpayers millions of dollars and misdirects benefits and money from those who are in legitimate need.

In order to better administer our social services programs, the state has increased its efforts to monitor eligibility and to reduce recipient fraud. Additionally, we have improved our efforts to minimize administrative errors and maximize revenue reimbursements from the federal government.

We have also gone after tax scofflaws administratively and more aggressively, hiring additional personnel to perform field audits and to collect taxes that are owed.

Tax Delinquents Ante-up to the Tune of \$4.6 Million

As of 2/28/05	\$4,600,000	The state is aggressively pursuing tax scofflaws by requiring proof of state tax clearance prior to the issuance, or renewal, of licenses – including professional licensure. Legislation passed in 2004 requires state departments, boards, commissions and other authorities responsible for issuing or renewing licenses to coordinate with the Division of Taxation in order to guarantee that applicants do not owe back taxes to the state. This has resulted in the collection of \$4.6 million in unpaid taxes in just the seven-month period from August 2004 to February 2005.
Add'l (thru 6/30)	\$2,300,000	
FY06	\$6,900,000	

Additional Field Auditors and Revenue Officers Hired

Field auditors help the state collect tax revenue through the assessment and audit of taxes owed. A multi-state comparison showed that Rhode Island was understaffed by a minimum of 6 auditors. The state has hired additional auditors as well as 2 new revenue officers. The new personnel have already begun making a positive impact on collections from tax delinquents identified during the tax clearance licensing initiative above.

As of 2/28/05	\$ -
Add'l (thru 6/30)	\$ -
FY06	\$1,060,000

When fully trained and operational, these additional personnel are expected to collect an additional \$7.75 million in owed taxes annually.

Medicaid Maximization Ideas Will Reap Millions

To reduce unnecessary expenditures in the Medicaid program, the state issued a Medicaid Maximization Request for Proposal to solicit strategies to reduce program costs or substituting federal or other sources of funds for state revenues. The initial Medicaid Maximization ideas included reviewing medical claims payments for overpayment detection and error reduction. Some of these strategies have already generated revenue while others have yet to achieve anticipated savings. The Department of Human Services initiated additional Medicaid savings ideas including the seeking of alternate payers of medical expenses and expediting reimbursement for state expenditures. These medical payment reviews and efforts are working; they are increasing the amount of revenue generated and are minimizing costs incurred by the state.

As of 2/28/05	\$ 6,114,000
Add'l (thru 6/30)	\$ 7,300,000
FY06\$	\$ 9,500,000

Improved Eligibility Monitoring for Medical Assistance and Child Care Programs Have Already Saved the State Approximately \$1.3 Million

As of 2/28/05	\$1,273,000
Add'l (thru 6/30)	\$ 627,000
FY06	\$2,800,000

In the past, the Department of Human Services had no resources to monitor recipient fraud and abuse for two state sponsored programs: Medical Assistance and Child Care. With an initial investment in new staff, the department could recoup savings by ensuring that clients are actually eligible for benefits and are entitled to receiving services. With the new staff, the department now monitors eligibility, investigates new applications, denies ineligible claims for payment, and terminates inappropriate clients. Net savings from this idea have already been achieved.

Total estimated savings could ultimately approach \$12,300,000 annually.

Both Costs and Savings Are Being Shared by State Employees

The cost of employee benefits has increased exponentially over the past several years, and employers everywhere have had to take aggressive cost containment actions to deal with the problem. In both the public and private sectors, employers have had to negotiate intensely with their healthcare insurers and at the same time turn to their employees, and to the unions who may represent them, to begin sharing in the cost of these benefits. Recent studies show that the typical employee now pays approximately 20% of the cost of their healthcare insurance.

In Rhode Island, our state employees have long enjoyed a very generous healthcare plan at no cost to the employee. Recently, the Governor has asked all state employees to begin co-sharing the cost of their healthcare benefits and he is optimistic that the employees and their unions will agree to pay their fair share.

Likewise, state employees have benefited by the state's efforts to control the cost of benefits. Employees have realized personal savings due to a new life insurance contract that the state has negotiated with the life insurance provider.

Health Coverage Cost Sharing by Non-Union Employees Has Reduced the State's Overall Costs by \$400,000

Recently, the state has begun requiring non-union, classified employees to pay a modest share of their health insurance premiums. As a result, the state has realized \$400,000 to date in health-insurance savings.

As of 2/28/05	\$ 404,000
Add'l (thru 6/30)	\$ 231,000
FY06	\$ 1,734,000

A similar cost sharing requirement is currently being negotiated with the various unions that represent organized state employees and could save taxpayers \$22,500,000 annually.

State Employees Enjoy Over \$800,000 in Savings Through Lower Life Insurance Rates

As of 2/28/05	\$ 820,417
Add'l (thru 6/30)	\$ 298,332
FY06	\$ 895,000

State employees have benefited from the re-negotiation of life-insurance costs, which are paid directly by the employees themselves. Two rate reductions were negotiated with the state's life insurance carrier last year. Employees covered by these policies realized the savings achieved.

Better Customer Service, Tighter Controls and Lower Costs

One of the major tasks of Fiscal Fitness was to review workflow, policies and procedures to identify ways to eliminate unnecessary activities, to use new technologies and to streamline processes wherever possible, without sacrificing quality or service. Many ideas were considered, but those that would reduce costs at the expense of customer service, quality or safety were rejected outright.

Other ideas actually required short term investments that would pay off in the future with either improved customer service or cost reductions. These ideas had to undergo more scrutiny to ensure that an adequate return on the investment would materialize in a reasonable period of time.

Many of the ideas, which centered on improving customer service rather than cost reduction, did in fact result in either immediate or potential long term cost savings or avoidance.

Greatly Improved Customer Service at the Division of Motor Vehicles

The state has instituted several major, and long-overdue, customer service improvements at the RI DMV. These improvements include: a new customer friendly website and the ability to renew vehicle registrations online and at AAA. We have also made some significant infrastructure and equipment upgrades and have added lobby greeters at most locations. Relocation of the Pawtucket branch into the old Apex building has resulted in plenty of parking spaces. And, the operator control section has been moved to state owned space in the Pastore Center.

At the Pawtucket branch, customer lobby wait times have been reduced from 2 hours to 30 minutes.

Reduced Usage of 411 Assistance Saves the State \$30,000

As of 2/28/05	\$	29,909
Add'l (thru 6/30)	\$	9,152
FY06	\$	54,910

Dial-up directory information services have been blocked except for those state employees with specific job needs, such as caseworkers. As a result, the number of directory assistance calls has been reduced by two thirds.

Videoconferencing in the Courts Will Save \$380,000

Video conferencing has been instituted to allow incarcerated prisoners to communicate with the court and legal counsel while reducing the transportation costs. The administration is working with the Judicial Branch on implementation.

Consolidations and Reorganizations – A Careful and Deliberate Transformation

We are leveraging our Strengths, Eliminating Redundancy and Providing Greater Opportunities for Our Talented Employees

In addition to looking for ways to cut costs, we looked at the entire organization and decided that it didn't make sense to have 28 separate, yet similar, departments all providing the same services. The decision was made to undertake a major departmental reorganization and to consolidate similar functions into statewide service centers.

By consolidating these functions, we will leverage the talents and experience of the state's best and brightest employees, offer more efficient services, have greater professional development opportunities, and in the end recognize significant dollar savings for our taxpayers.

In 2004, Governor Carcieri signed a series of Executive Orders establishing several new divisions within the Department of Administration. They include the Division of Facilities Management, the Division of Capital Projects and Property Management, the Division of Information Technology and the Division of Legal Services.

We have been laying the groundwork and implementing these consolidations and departmental reorganizations in a careful and deliberate way to avoid any adverse impact on our employees or possible interruption in the delivery of important services to our citizens. This reorganization is a major effort that will be implemented over a three year period. Where we have already consolidated functions, we have begun realizing improved services and lower costs of operation.

In its 2005 "Grading the States" report, the Government Performance Project applauded the Carcieri administration's centralization efforts, saying that Rhode Island "has trouble getting its agencies to work with the central government, particularly when it comes to sharing information." The report went on to say that "Governor Carcieri seems to understand the problem," noting that Fiscal Fitness "came to the conclusion that bringing agencies under centralized control is critical."

Newly Combined Information Technology Division Savings to Date Are Over \$2,200,000

To date, the centralized IT Division has saved over \$2,000,000, with the bulk of this saving achieved through the management of employee attrition and by deploying existing employees and resources in a more effective manner. In the Department of Labor and Training we saved over \$800,000 in cost avoidance in the procurement of computer hardware through the new centralized IT Division.

Software has been installed statewide to prevent "spam" from infecting computers and project management standards have been developed that will lead to more efficient IT operations. Email servers have been consolidated and as a result, we have been able to reassign employees from email server support to higher value IT services while, at the same time increasing productivity across the board.

As of 2/28/05	\$2,200,000
Add'l (thru 6/30) FY06	\$ 384,000
	\$1,225,000

Facilities Maintenance Consolidation Results in Significant Savings

As of 2/28/05	\$ 635,000
Add'l (thru 6/30)	\$ 230,000
FY06	\$ 314,000

The Division of Facilities Management is now performing coordinated facilities management for state departments and agencies, including: operation, maintenance and repair of buildings, grounds, central HVAC, power plants and other facilities.

The Division of Capital Projects and Property Management have assumed direct responsibility of real property inventories, strategic planning, budgeting, construction management, and code enforcement for all capital projects.

In 2004 the state decided to terminate a lease for the Division of Motor Vehicles (DMV). The building was not being adequately maintained. Last winter a pipe froze and a subsequent flood caused the facility to be uninhabitable for weeks. DMV "Operator Control" was moved to a newly renovated section of a building on the grounds of the State owned Pastore Center in Cranston. Within two calendar years, the initial investment will be recovered and the State will begin to realize cost savings as a result of being located on state owned property.

Consolidated Legal Services Saves Money and Offers Greater Collaboration Between Executive Branch Attorneys

This division is responsible for the management, coordination and development of all legal staff and resources within the Executive Branch of government and is comprised of six practice groups including: Administrative Law, Corporate Law, Labor/Employment, Legislative and Legal Support, Child Support Enforcement and Administrative Adjudication.

As of 2/28/05	\$ 158,000
Add'l (thru 6/30)	\$ 212,000
FY06	\$ 737,000

To date, the Centralized Legal Division has saved over \$150,000 through eliminating unnecessary contracts for outside legal services, and reducing the number of part time lawyers in the state workforce.

In addition, the reorganization of the state's legal department will ensure that the Executive Branch of state government gets the most experienced attorneys collaborating, sharing their experienced and in turn providing the best legal advice possible.

Human Resources Centralization

The Division of Human Resources within the Department of Administration has also reorganized along functional lines and anticipates becoming a full service statewide human resources organization.

As of 2/28/05	\$ 986,000
Add'l (thru 6/30)	\$ 394,000
FY06	\$1,074,000

The new centralized Human Resources Department will establish four “service centers” — Human Services, General Government, Public Safety and Professional Agencies — to provide consistent services to all agencies statewide. Each center will be responsible for standardizing human resource policies, implementing uniform practices, automating tasks, and eliminating redundant activities. The savings to date have been gained through attrition.

Department of Labor and Training Has Saved Over \$700,000 through Senior Level FTE Reduction and Attrition

As of 2/28/05	\$ 772,000
Add'l (thru 6/30)	\$ 221,000
FY06	\$ 675,000

The Department of Labor and Training (DLT) is an example of a state agency that over time became top-heavy with management. In many instances, managers supervised only one employee. The DLT has focused this past year on the attrition of senior level positions to save money, run to more efficiently and to redeploy needed resources on the front line where the need was greater.

Over \$1,000,000 Saved by Better Management of Overtime

Another benefit of engaging the agencies in reorganization efforts has been a reduction in overtime spending. The Department of Mental Health, Retardation and Hospitals has worked diligently to reduce overtime without negatively impacting the level of service and coverage in their 24hour/7 day a week operations. To date, this agency has saved over \$1,000,000 through the better management of overtime.

As of 2/28/05	\$1,028,000
Add'l (thru 6/30)	\$ 364,000
FY06	\$ 778,000

What's Next?

We have successfully implemented a broad range of Fiscal Fitness ideas throughout state government. Some of these ideas were easier than others to implement, and have already begun generating cost savings, increased revenues, greater efficiencies and improved customer service. Other ideas and initiatives will take longer.

The departmental reorganizations are taking place gradually and will continue to evolve during the next two years. We are taking a deliberate and careful approach to implementation to ensure that we take the least disruptive course of action. Many of these departments and functions provide crucial services to our most needy citizens or provide for public safety and homeland security.

In every instance, our goal is to make lasting improvements that will both reduce the cost of operation and improve the level of service that our taxpayers deserve.

Employee Health Care Plan Redesign Could Save Taxpayers \$12,500,000 per year

A comprehensive study of the state's current employee health plan revealed that making several changes to the design of the plan would result in substantial cost savings, e.g. by updating co-pay amounts, medical procedures covered by the plan, and by encouraging the use of generic prescriptions. This item is being negotiated with the various labor unions that represent state employees.

On-line Reverse Auctions for Purchasing of Certain Goods and Services if Approved by the General Assembly Will save \$3,100,000

A reverse auction is a real-time, online bidding process used to ensure the best possible price for goods and services that may be required by the state. While a standard auction drives the price up until the highest bidder wins, a reverse auction lowers prices as bidders continuously compete for a share of the state's purchases. The result is that the state can capture the best open market pricing for the specified goods. The Governor has submitted legislation to enable the Division of Purchasing to utilize reverse auctions.

Consolidating the Tax Audit and Collection Functions Will Save Taxpayers \$1.8 Million

Combining Tax Division collectors and auditors into a single branch, would not only be more efficient, but would also increase the amount of federal resources at our disposal. This newly combined branch will also improve taxpayer services by providing a single point of contact for tax issues.

Health and Human Services Secretariat

In March of 2004, Governor Carcieri signed an Executive Order creating the “Office of Health and Human Services” (OHHS) for the purpose of facilitating cooperation among the five state agencies administering Rhode Island’s health and human service programs: the Department of Children, Youth, and Families, the Departments of Elderly Affairs, the Department of Health, the Department of Human Services, and the Department of Mental Health, Retardation, and Hospitals. The new organization will formalize and facilitate inter-departmental cooperation to eliminate waste, maximize purchasing power, and to improve the departments’ ability to meet clients’ needs.

Department of Public Safety and Homeland Security

Fiscal Fitness proposed that the following public safety agencies will come under the umbrella of Department of Public Safety (DPS): State Police, Sheriffs (including Capitol Police), State Fire Marshal (Includes the State Fire Academy), Fire Safety Code Board of Appeal and Review, Municipal Police Training Academy.

A DPS will provide better inter-agency communications through a single public safety reporting structure and is planned for years two and three of implementation.

Reorganization of the Department of Environmental Management

The new organizational structure at the DEM will support functional accountability and will be streamlined. Savings will come primarily from realigning upper management duties and program consolidation. The new organization will allow for improved coordination among environmental programs and improved customer service.

Department of Transportation

Several steps will be taken to improve DOT’s efficiency. Three DOT divisions are separately responsible for the department’s administrative functions. The ratio of supervisors and managers to workers is very low for some sections of the department. Several divisions duplicate functions that could be centralized.

Reorganization of the Department of Business Regulation

The Department of Business Regulation’s numerous divisions create an expensive management group and make it more difficult to coordinate similar functions in the Department. The Fiscal Fitness recommendations called for merging divisions and reducing unnecessary management. Already, the Racing and Athletics division has been merged with the Division of Commercial Licensing after the retirement of a division director. Additionally, plans are being made to relocate the DBR from leased space to a state owned facility.



***Fiscal Fitness is here to stay...
it's the right way to operate state government.***

What began as the Big Audit, evolved into a model for improving state government operations. The Fiscal Fitness initiative yielded many great ideas and has already delivered impressive results for the taxpayers of Rhode Island. And this is only the beginning.

In years two and three of the implementation phase, more significant changes will be made in our organizational structure. Many of these changes will be transparent to the taxpayer, yet will allow us to reduce costs, improve effectiveness and more efficiently deliver needed services.

The new and improved ways of doing things that were created by the Fiscal Fitness initiative will continue to guide us towards the promising future that lies ahead. While we expect to encounter resistance to change, we cannot be deterred from continuing to look for ways to control costs and become more efficient. At the same time, we can never lose sight of our responsibility to care for those in need and to provide safety nets to protect our most vulnerable citizens.

If we work together we can satisfy the needs of our citizens and at the same time being good stewards of taxpayer dollars. It is our goal to be efficient and to be human.

Fiscal Fitness Vision Statement

Rhode Island will become a model for the delivery of cost-effective government services to satisfied citizens who have confidence that tax dollars are being spent efficiently. State employees will be treated with dignity and respect, and be recognized for innovation and superior service to the citizens of Rhode Island

See the Full Year End Fiscal Fitness Report on Line

To view the detailed report please visit <http://www.gov.state.ri.us>