



# OFFICE OF MANAGEMENT & BUDGET

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## MEMORANDUM

**To:** The Honorable Daniel J. McKee, Governor  
The Honorable K. Joseph Shekarchi, Speaker of the House  
The Honorable Dominick J. Ruggerio, President of the Senate

**From:** Erik Godwin, Deputy Director, Office of Management and Budget

**Subject:** Office of Regulatory Reform Annual Report FY 2023

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### ORR Annual Report: FY 2023

*July 1, 2022 to June 30, 2023*

#### Summary

As a part of the Office of Management and Budget (OMB), the Office of Regulatory Reform's (ORR) mission is to review new and amended regulations with a focus on minimizing adverse impacts on Rhode Island businesses, large and small. During Fiscal Year 2023, ORR maintained this mission by updating current processes and providing training opportunities for agencies as they resumed normal rulemaking activities following the COVID-19 pandemic.

In Fiscal Year 2023, ORR reviewed and cleared 178 total agency submissions of new or amended regulations, averaging approximately 15 per month. For initial regulatory submissions (excluding repeals), ORR revised the regulatory text or analyses of approximately 38% of the submissions during the EO 15-07 review. Only 2.1% of agency submissions submitted during Fiscal Year 2023 were recorded as adversely impacting small businesses, while 17.5% had only positive impacts and 80.4% had no small business impact.

#### ORR Mission

[Executive Order \(EO\) 15-07](#) requires ORR to review all Executive Branch regulations using a model similar to the federal regulatory model. Signed in February 2015, EO 15-07 outlines a process to ensure regulations are not imposing unnecessary burdens on individuals and businesses. ORR is responsible for the review and approval of all proposed regulatory actions by agencies under the Governor's purview.

For all regulatory actions proposed by these agencies, ORR reviews and approves those regulation drafts at two points: 1) before the regulation is posted for public comment, and 2) after public comments are received and before the agency publishes the final rule. This review ensures that regulatory actions align with the Governor's priorities, and all internal stakeholders receive notice of the proposed regulation. It also ensures that agencies have completed the legally required cost-benefit, municipal, and small business impact analyses,

to ensure the benefits justify the costs. Additionally, ORR frequently works with agencies early by reviewing draft regulations and assisting with the development of regulatory analyses.

In today's complex regulatory environment, it is more important than ever to have up-to-date, transparent regulations based on rigorous analyses to balance health, safety, welfare, and the environment with the need to minimize regulatory burdens on Rhode Island businesses and individuals. The EO 15-07 process has significant value across the regulatory landscape, particularly for the business community. During the review, regulatory submissions are frequently revised to improve either language or the accompanying analyses. The bulk of those changes specifically address ways to reduce the burden on regulated entities, such as small businesses and specific sectors of the economy.

### **ORR's Major Initiatives**

The Director of the Office of Management and Budget, Brian Daniels, has added primary responsibilities to ORR that reflect the changing regulatory needs of government. First, ORR is assisting agencies in harmonizing state regulations with the increasingly complex requirements of federal and municipal laws. The profound economic, social, and policy shifts brought on by COVID-19 have challenged regulatory systems in ways not previously considered. This has forced federal, state, and local regulatory entities to amend regulatory structures to keep pace, often at a speed that increases the risk that different levels of regulation will institute contradictory requirements. Director Daniels has made it a priority to assist state agencies in their efforts to identify, analyze, and harmonize Rhode Island's regulations with those of federal and municipal authorities.

Second, ORR is hosting trainings that outline the requirements set forth in the [Administrative Procedures Act](#) (APA) and [Executive Order 15-07](#), including regulatory analysis, fiscal notes, and small business analysis. These trainings are a crucial step in ensuring effective rulemaking. The trainings are designed to equip agency regulatory personnel with the necessary skills and knowledge to navigate the complex regulatory landscape and address the challenges they may encounter during the rulemaking process. In FY 2023, trainings were scheduled and prioritized by policy area – Health and Human Services, Energy and Environment, Commerce and Business, Education, Public Safety, General Government, and Transportation. Sixty-two employees from 39 agencies and quasi agencies were in attendance. Tailoring these trainings to agencies' specific needs and policy areas enhanced their ability to produce well-crafted regulations benefitting both the public and businesses.

### ORR Review Process Metrics

Although the Executive Order sets the limit on review times at 30 calendar days, ORR has never approached that duration when calculating its average review time. In addition, ORR review times have begun to decline in the post-COVID era.

*Table 1: Average Number of Days Regular Rulemakings Spend Under Review*

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
12.8	13.4	14.8	13.9	14.4	10.2

Additionally, the number of regulations withdrawn from the OMB review system due to incomplete regulatory packages (analyses, fiscal notes, and other associated statutory requirements) has also decreased. This decrease likely reflects a combination of the result of the trainings and improvements to the process.

*Table 2: Number of Regulations Withdrawn from the OMB Review System*

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
56	23	20	31	25	12