

EXECUTIVE REORGANIZATION ORDER

E.R.O. No. 2014-6

125.1995 Creation of department of talent and economic development; creation of Michigan talent investment agency within department; transfer of powers and duties of workforce development agency; transfer of governor's talent investment board from Michigan strategic fund to Michigan talent investment agency; transfer of powers and duties of unemployment insurance agency from department of licensing and regulatory affairs to Michigan talent investment agency; transfer of powers and duties of board of directors of Michigan strategic fund to new board of directors of Michigan strategic fund; transfer of Michigan strategic fund from department of treasury to department; transfer of Michigan state housing development authority from Michigan strategic fund to department; transfer of powers and duties of state land bank fast track authority from executive director of Michigan state housing development authority to director of department; transfer of Michigan office for new Americans from executive office of governor to department of licensing and regulatory affairs.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that he considers necessary for efficient administration; and

WHEREAS, Section 8 of Article V of the Michigan Constitution of 1963 provides that each principal department shall be under the supervision of the Governor unless otherwise provided by the Constitution; and

WHEREAS, there is a continued need to reorganize functions among state departments to ensure efficient administration; and

WHEREAS, skilled talent availability is critical to the continued growth of the Michigan economy; and

WHEREAS, strategies for spurring economic development and securing meaningful and rewarding employment for Michigan residents are interdependent;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the powers and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:

A. "Department of Talent and Economic Development" or "Department" means the principal department of state government created under Section II of this Order.

B. "Department of Licensing and Regulatory Affairs" means the principal department of state government created as the Department of Commerce under Section 225 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.325, renamed the Department of Consumer and Industry Services under Executive Order 1996-2, MCL 445.2001, renamed the Department of Labor and Economic Growth under Executive Order 2003-18, MCL 445.2011, renamed the Department of Energy, Labor, and Economic Growth under Executive Order 2008-20, MCL 445.2025, and renamed the Department of Licensing and Regulatory Affairs under Executive Order 2011-4, MCL 445.2030.

C. "Department of Treasury" means the principal department of state government created under Section 75 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.175.

D. "Michigan Economic Development Corporation" means the public body corporate created under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement effective April 5, 1999, as amended, between the Michigan Strategic Fund and local participating economic development corporations formed under the Economic Development Corporations Act, 1974 PA338, MCL 125.1601 to 125.1636.

E. "Michigan State Housing Development Authority" means the public body corporate and politic created under Section 21 of the State Housing Development Authority Act of 1966, 1966 PA 346, MCL 125.1421.

F. "Michigan Strategic Fund" means the public body corporate and politic created under Section 5 of 1984 PA 270, MCL 125.2005.

G. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

II. CREATION OF DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT

A. The Department of Talent and Economic Development is created as a principal department of state government. The Department shall exercise the powers, duties, functions, and responsibilities vested in the Department under this Order and develop, administer, and coordinate state economic, housing, and talent development initiatives and programs.

B. The Director of the Department shall be the head of the Department and shall be appointed by the Governor by and with the advice and consent of the Michigan Senate and serve at the pleasure of the Governor, consistent with Section 3 of Article V of the Michigan Constitution of 1963. The Director shall serve as a member of the Governor's Cabinet. In addition to other powers, duties, functions, and responsibilities vested in the Director of the Department under this Order and Michigan law, the Director also may serve as the Chief Executive Officer of the Michigan Economic Development Corporation if appointed as Chief Executive Officer of the Michigan Economic Development Corporation by its Executive Committee.

C. The Director of the Department may delegate a power, duty, function, or responsibility conferred upon the Director of the Department by this Order or Michigan law to a person within the Department. The person to whom the power, duty, function, or responsibility is delegated may perform or exercise the power, duty, function, or responsibility at the time and to the extent that the power, duty, function, or responsibility is delegated by the Director of the Department.

D. The Director of the Department shall provide executive direction and supervision for the implementation of all transfers to the Department or the Director of the Department under this Order.

E. The Director of the Department shall administer the powers, duties, functions, and responsibilities transferred to the Department or the Director of the Department by this Order in such ways as to promote efficient administration and shall make internal organizational changes within the Department as the Director deems administratively necessary to complete the realignment of responsibilities under this Order.

F. Except as otherwise provided in this Order, all records, property, and unexpended balances of appropriations, allocations, or other funds used, held, employed, or to be made available for powers, duties, functions, and responsibilities transferred to the Department or the Director of the Department under this Order are transferred to the Department.

III. CREATION OF MICHIGAN TALENT INVESTMENT AGENCY

A. The Michigan Talent Investment Agency is created within the Department. The Michigan Talent Investment Agency shall exercise the powers, duties, functions, and responsibilities vested in the Michigan Talent Investment Agency under this Order or assigned to the Michigan Talent Investment Agency by the Director of the Department under the direction and supervision of the Director of the Department. The Governor shall appoint the head of the Michigan Talent Investment Agency, who is designated as a member of the Governor's Cabinet.

B. In addition to any other powers, duties, functions, and responsibilities vested in the Michigan Talent Investment Agency, the Michigan Talent Investment Agency shall exercise all of the following powers, duties, functions, and responsibilities:

i. Review, investigate, evaluate, and assess all programs within the executive branch of government related to talent services and programs, including, but not limited to, services and programs involving job preparedness, career-based education, skilled trades training, incumbent worker training, employment assistance, STEM training programs, and programs targeted at the structurally unemployed.

ii. Analyze and make recommendations to the Director of the Department and the Governor on existing and proposed talent services, programs, and policies, and on the elimination of duplication in existing state programs in these areas.

iii. Provide information and assistance relating to talent services and programs to state departments and agencies, both directly and by functioning as a clearinghouse for information related to talent services and programs received from the state departments and agencies, other government agencies in this state, other states, the federal government, and job creators.

iv. Serve as the Governor's liaison to state departments and agencies and the workforce regions of this state with respect to talent services and programs.

v. Request advice and assistance from state departments and agencies relating to the reengineering of business processes relating to talent services and programs and establish inter-agency and intra-agency data sharing requirements, policies, procedures, and standards to improve services for job seekers and job providers in Michigan relating to talent services and programs. State departments and agencies shall cooperate fully with the Michigan Talent Investment Agency in the performance of its powers, duties, functions, and responsibilities.

vi. Unless contrary to state or federal law, serve as the coordinating office for state departments and agencies with talent services responsibilities including, but not limited to, Michigan Rehabilitation Services in the Department of Human Services, the Michigan Veterans Affairs Agency in the Department of Military and Veterans Affairs, the Bureau of Services for Blind Persons in the Department of Licensing and Regulatory Affairs, and the Prisoner Reentry Program and Community Support Services Program administered by the Department of Corrections. Coordinating functions include, but not limited to, combined state plans, development of performance metrics, identification of high demand jobs by prosperity regions, and employer outreach.

vii. Function as the clearinghouse for all communications with the United States Department of Labor relating to talent services and programs.

viii. To the extent permitted under applicable law, coordinate talent services and program funding opportunities on a state and regional basis, including, but not limited to, the workforce regions within this state.

IV. OTHER TRANSFERS TO TALENT INVESTMENT AGENCY

A. All of the powers, duties, functions, and responsibilities of the Workforce Development Agency created by Section VIII of Executive Order 2011-4, MCL 445.2030, including all records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, are transferred from the Michigan Strategic Fund to the Michigan Talent Investment Agency.

B. The Governor's Talent Investment Board created by Executive Order 2011-13 is transferred from the Michigan Strategic Fund to the Michigan Talent Investment Agency. The Governor's Talent Investment Board shall function as an advisory body and shall continue to be the state workforce investment board required for this state under Section 111 of the federal Workforce Investment Act of 1998 and, as of July 1, 2015, the Workforce Innovation and Opportunity Act. The position on the Governor's Talent Investment Board held by the Director of the Department of Licensing and Regulatory Affairs is transferred to the Director of the Department, or his or her designee from within the Department.

C. All of the powers, duties, functions, and responsibilities of the Unemployment Insurance Agency created by Section II.N. of Executive Order 2003-14, MCL 445.2011, including, but not limited to, the powers, duties, functions, and responsibilities of the Director of the former Unemployment Insurance Agency under Section 5 of the Michigan Employment Security Act, 1936 (Ex Sess) PA 1, MCL 421.5, defined as the Director of Employment Security in Executive Order 1997-12, MCL 421.94, transferred to the Director of the Bureau of Worker's and Unemployment Compensation under Executive Order 2002-1, MCL 445.2004, and transferred to the Department of Licensing and Regulatory Affairs by Executive Order 2011-4, MCL 445.2030, including all records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, are transferred from the Department of Licensing and Regulatory Affairs to the Michigan Talent Investment Agency.

D. The Director of the Department may assign the powers, duties, functions, and responsibilities transferred to the Department under this Section IV. to the Michigan Talent Investment Agency.

E. The Director of the Department shall provide executive direction and supervision for the implementation of all transfers under this Section IV.

F. The Director of the Department shall administer the powers, duties, functions, and responsibilities transferred under this Section IV. in such ways as to promote efficient administration and shall make internal organizational changes within the Department as the Director deems administratively necessary to complete the realignment of responsibilities under this Order.

V. TRANSFER OF MICHIGAN STRATEGIC FUND

A. All of the powers, duties, functions, and responsibilities of the Board of Directors of the Michigan Strategic Fund created by Section 5 of the Michigan Strategic Fund Act, 1984 PA 270, MCL 125.2005, are transferred to a new Board of Directors of the Michigan Strategic Fund created by this Section V.A. The Board of Directors of the Michigan Strategic Fund in existence on the date of this Order is abolished upon the effective date of this Order. The new Board of Directors of the Michigan Strategic Fund shall consist of the Chief Executive Officer of the Michigan Economic Development Corporation or his or her designee from within the Michigan Economic Development Corporation, the Director of the Department of Licensing and Regulatory Affairs or his or her designee from within the Department of Licensing and Regulatory Affairs, the State Treasurer or his or her designee from within the Department of Treasury, and eight (8) residents of this state appointed by the Governor with the advice and consent of the Michigan Senate. Not less than seven (7) of the eight (8) members appointed by the Governor shall be from the private sector, but other qualifications for appointment as a member of the new Board of Directors of the Michigan Strategic Fund shall be determined by the Governor. One (1) of the members shall be appointed by the Governor from a list of three (3) or more nominees submitted by the Speaker of the House of Representatives. One (1) of the members shall be appointed by the Governor from a list of three (3) or more nominees submitted by the Majority leader of the Senate. Of the members initially appointed by the Governor, two (2) shall be appointed for a term expiring on February 28, 2019, one (1) shall be appointed for a term expiring on February 28, 2018, two (2) shall be appointed for a term expiring on February 28, 2017, and one (1) shall be appointed for a term expiring on February 28, 2016. After the initial appointments, members shall be appointed for terms of four (4) years. Until December 31, 2015, the new Board of Directors of the Michigan Strategic Fund shall include two (2) additional residents of this state appointed by the Governor with the advice and consent of the Michigan Senate for terms expiring on December 31, 2015. Of the members appointed by the Governor, there shall be minority, female, and small business representation. A member appointed by the Governor shall serve until a successor is appointed, and a vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment. The Governor shall designate one (1) member of the board to serve as its chairperson. The new Board of Directors of the Michigan Strategic Fund shall elect from among its members a vice-chairperson. The Governor shall designate one (1) member to serve as the President of the Michigan Strategic Fund, who may be

compensated for his or her service as President of the Michigan Strategic Fund.

B. The Michigan Strategic Fund is transferred from the Department of Treasury to the Department.

C. The Michigan Strategic Fund shall exercise its prescribed statutory powers, duties, and functions, including the functions of adjudication, rule-making, licensing, and registration, including any prescription of rules, rates, regulations, and standards, independently of the Director of the Department. All budgeting, procurement, and related management functions of the Michigan Strategic Fund shall be performed under the direction and supervision of the Director of the Department.

D. All records, personnel, property, unexpended balances of appropriations, allocations, or other funds used, held, employed, available, or to be made available to the Michigan Strategic Fund for the powers, duties, functions, and responsibilities transferred under Section V. of this Order shall remain with the Michigan Strategic Fund.

E. The Director of the Department, after consultation with the State Treasurer, shall provide executive direction and supervision for the implementation of the transfers under this Section V.

VI. TRANSFER OF MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

A. The Michigan State Housing Development Authority, created by 1966 PA 346, MCL 125.1421 et seq., is hereby transferred intact from the Michigan Strategic Fund to the Department. The Michigan State Housing Development Authority shall retain all of its statutory authority, powers, duties, functions, responsibilities, records, personnel, property, and unexpended balances of appropriations. The Michigan State Housing Development Authority shall also retain control of all monies and funds, including but not limited to, grants, bonds, notes, reserves, and trust funds, subject to any agreements of the Michigan State Housing Development Authority with note and bond holders.

B. The Michigan State Housing Development Authority shall exercise its prescribed statutory powers, duties, and functions, including the functions of adjudication, rule-making, licensing, and registration, including any prescription of rules, rates, regulations, and standards, independently of the Director of the Department. The budgeting, procurement, and related management functions of the Michigan State Housing Development Authority shall be performed under the direction and supervision of the Director of the Department. When directing and supervising the budgeting, procurement, and related management functions of the Michigan State Housing Development Authority, the Director shall remain cognizant of the rights of the holders of Michigan State Housing Development Authority bonds or notes. Certain Michigan State Housing Development Authority bond or note contracts may require the Michigan State Housing Development Authority to either maintain sufficient personnel or contract for services to plan Michigan State Housing Development Authority programs and to supervise enforcement and, where necessary, foreclosure of Michigan State Housing Development Authority mortgage agreements.

C. The transfer of the Michigan State Housing Development Authority is subject to any agreement executed prior to the issuance of this Order with note holders, bond holders, or issuers of instruments that are guaranteed.

D. Nothing in this Order shall be construed to affect the status of moneys of the Michigan State Housing Development Authority. Moneys of the Michigan State Housing Development Authority are not moneys either of this state or the Department, and shall continue to be non-state funds. State funds appropriated to the Michigan State Housing Development Authority lose their identity as state funds upon payment to the Michigan State Housing Development Authority and become public funds of the Michigan State Housing Development Authority under the control of the Michigan State Housing Development Authority. Funds established by or within the Michigan State Housing Development Authority are public trust funds administered by the Michigan State Housing Development Authority.

E. Nothing in this Order shall be construed to impair the obligations of any bond issued by or on behalf of the Michigan State Housing Development Authority. Bonds and notes issued by or on behalf of the Michigan State Housing Development Authority are obligations of the Michigan State Housing Development Authority and not obligations of either this state or the Department. Nothing in this Order shall be construed to alter the status of the Michigan State Housing Development Authority as a public body corporate and politic.

F. All rules, orders, contracts and agreements lawfully adopted or entered into before the effective date of this Order by the Michigan State Housing Development Authority shall continue to be effective until revised, amended, or rescinded.

G. The Director of the Department, after consultation with the President of the Michigan Strategic Fund and the Executive Director of the Michigan State Housing Development Authority, shall provide executive direction and supervision for the implementation of the transfers under this Section VI.

VII. TRANSFER OF STATE LAND BANK FAST TRACK AUTHORITY

All of the powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the State Land Bank Fast Track Authority created under Section 15 of the Land Bank Fast Track Act, 2003 PA 258, MCL 124.765, are transferred from the Executive Director of the Michigan State Housing Development Authority to the Director of the Department, except for revenue bonding powers. Any revenue bonding powers of the State Land Bank Fast Track Authority are transferred to the Michigan Strategic Fund.

VIII. TRANSFER OF OFFICE FOR NEW AMERICANS

The Michigan Office for New Americans created within the Executive Office of the Governor by Executive Order 2014-2 is transferred from the Executive Office of the Governor to the Department of Licensing and Regulatory Affairs.

IX. IMPLEMENTATION

A. The State Budget Director shall determine and authorize the most efficient manner possible for the handling of financial transactions and records in the state's financial management system for the remainder of the current state fiscal year for transfers made under this Order.

B. All rules, orders, contracts, plans, and agreements relating to the functions transferred by this Order lawfully adopted prior to the effective date of this Order by the responsible state agency shall continue to be effective until revised, amended, or rescinded.

C. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity transferred by this Order shall not abate by reason of the taking effect of this Order. Any lawfully commenced suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

D. The Director of the Department and the directors of all other state departments and agencies having authority transferred to the Department of Talent and Economic Development under this Order shall immediately initiate coordination to facilitate the transfers and develop memoranda of record identifying any pending settlements, issues or compliance with applicable federal and state laws and regulations, or other obligations to be resolved related to the authority to be transferred.

E. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements of Section 2 of Article V of the Michigan Constitution of 1963, this Order shall be effective 60 calendar days after the beginning of the next regular legislative session after the filing of this Order.

History: 2014, E.R.O. No. 2014-6, Eff. Mar. 15, 2015

Compiler's Notes: Executive Reorganization Order No. 2014-6 was promulgated December 18, 2014 as Executive Order No. 2014-12, Eff. Mar. 15, 2015. For reestablishment of board of directors of state land bank fast track authority, established by MCL 124.767, but abolished by MCL 124.781, see E.R.O. No. 2016-6, compiled at MCL 125.1996. For transfer of administrative functions of refugee services undertaken by office of refugee services within department of health and human services to Michigan office for new Americans within department of licensing and regulatory affairs, see E.R.O. No. 2018-4, compiled at MCL 125.1997. For the renaming and the transfer of authorities, powers, duties, functions, and responsibilities of the department of talent and economic development to the department of labor and economic opportunity; for abolishment of the Michigan talent investment agency and the workforce development agency and the transfer of authorities, powers, duties, functions, and responsibilities to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.