

# SENATE BILL No. 1075

January 20, 2010, Introduced by Senators BISHOP, CROPSEY, GEORGE, PAPPAGEORGE, CASSIS, GILBERT and JELINEK and referred to the Committee on Reforms and Restructuring.

A bill to reorganize the executive and administrative agencies of state government; to establish principal state departments and department heads; to allocate executive and administrative powers, duties, functions, and services among the principal state departments; to prescribe the powers and duties of principal state departments and other agencies and officials; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

### CHAPTER 1. GENERAL SECTIONS

Sec. 101. This act shall be known and may be cited as the "executive reorganization act of 2010".

Sec. 102. As used in this act:

(a) "Head of the department" means the head of 1 of the principal state departments created by this act.

1           (b) "Type I transfer" means transferring intact an existing  
2 department, board, commission, or agency to a principal state  
3 department established by this act. When any board, commission, or  
4 other agency is transferred to a principal state department under a  
5 type I transfer, that board, commission, or agency shall be  
6 administered under the supervision of that principal state  
7 department. Any board, commission, or other agency granted a type I  
8 transfer shall exercise its prescribed statutory powers, duties,  
9 and functions of rule-making, licensing, and registration,  
10 including the prescription of rules, rates, regulations and  
11 standards, and adjudication independently of the head of the  
12 department. Under a type I transfer, all budgeting, procurement,  
13 and related management functions of any transferred board, agency,  
14 or commission shall be performed under the direction and  
15 supervision of the head of the principal state department.

16           (c) "Type II transfer" means transferring an existing  
17 department, board, commission, or agency to a principal state  
18 department established by this act. Any department, board,  
19 commission, or agency assigned to a type II transfer under this act  
20 shall have all its statutory authority, powers, duties, functions,  
21 records, personnel, property, and unexpended balances of  
22 appropriations, allocations, or other funds, including the  
23 functions of budgeting and procurement, transferred to that  
24 principal state department.

25           (d) "Type III transfer" means abolishing an existing  
26 department, board, commission, or agency and transferring all its  
27 statutory authority, powers, duties, functions, records, personnel,

1 property, and unexpended balances of appropriations, allocations,  
2 or other funds to a principal state department as specified under  
3 this act.

4 Sec. 103. (1) Except as otherwise provided in the state  
5 constitution of 1963, all executive and administrative powers,  
6 duties, and functions, excepting those of the legislature and  
7 judiciary, previously vested by law in the several state  
8 departments, commissions, boards, officers, bureaus, divisions, or  
9 other agencies are vested in the following principal state  
10 departments:

11 (a) Department of agriculture.

12 (b) Department of attorney general.

13 (c) Department of business assistance.

14 (d) Department of education.

15 (e) Department of health and human services.

16 (f) Department of natural resources and environment.

17 (g) Department of public safety.

18 (h) Department of state.

19 (i) Department of technology, management, and budget.

20 (j) Department of transportation.

21 (k) Department of treasury.

22 (2) Any board, commission, or agency not enumerated within  
23 this act but established by law within a department whose powers,  
24 duties, and functions are transferred under this act is transferred  
25 to that successor department and shall continue to exercise all its  
26 powers, duties, and functions within the principal state department  
27 as otherwise provided by law.

1       Sec. 104. If a principal state department is headed by a  
2 commission, the commission may delegate such duties, powers, and  
3 authority to the director of the department as it considers  
4 necessary to fulfill its duties and obligations.

5       Sec. 105. A deputy department head shall perform duties and  
6 exercise powers that the head of the principal state department  
7 prescribes. Unless the head of a department is a commission, a  
8 deputy department head shall act for, and exercise the powers of,  
9 the head of the principal state department during his or her  
10 absence or disability.

11       Sec. 106. (1) Except as provided by law, the head of each  
12 principal state department with the approval of the governor may  
13 establish the internal organization of that department and allocate  
14 and reallocate duties and functions to promote economic and  
15 efficient administration and operation of the department. A  
16 substantive function vested by law in any officer or agency within  
17 the principal state department shall not be removed from the  
18 jurisdiction of that officer or agency under this section.

19       (2) Except as provided by law, if any department, commission,  
20 or board or other agency is transferred by a type II or type III  
21 transfer to a principal state department under the provisions of  
22 this act, the powers, duties, and functions of the department,  
23 commission, or board or other agency shall be administered under  
24 the direction and supervision of the head of the principal state  
25 department. When a department, commission, or board or other agency  
26 is transferred by a type II or type III transfer to a principal  
27 state department, all prescribed statutory functions of rule-

1 making, licensing, and registration including the prescription of  
2 rules and adjudications shall be transferred to the head of the  
3 principal state department into which the department, commission,  
4 or board or other agency has been incorporated.

5       Sec. 107. (1) Heads of principal state departments,  
6 commissions, and boards and principal executive officers of  
7 departments, commissions, and boards shall receive compensation  
8 prescribed by law.

9       (2) Directors of departments, commissions, and boards that are  
10 established in or transferred to a principal state department shall  
11 not engage in any business, vocation, or employment other than the  
12 duties of the office. Members of boards and commissions may so  
13 engage unless specifically prohibited by law.

14       Sec. 108. All powers, duties, and functions vested in the  
15 office of governor are continued, except as otherwise provided by  
16 this act.

17       Sec. 109. The head of each principal state department shall do  
18 all of the following:

19       (a) Not later than September 1, 2010, for each of the  
20 department's significant programs develop a mission statement,  
21 identify the outcomes the program seeks to achieve, and specify the  
22 outcome indicators that the program will use to track performance  
23 for the outcome.

24       (b) Beginning November 1, 2010 and each November 1 thereafter,  
25 include with the department's proposed budget to the state budget  
26 office performance data and provide a report including the  
27 performance data to the senate and house appropriations committees

1 when the governor submits his or her budget to the legislature.  
2 These reports shall be posted on the department's website. The  
3 department shall review the performance data annually and update  
4 the performance data in subsequent reports.

5 (c) When establishing an internal organization for the  
6 department, do all of the following:

7 (i) Allocate and reallocate duties and functions to promote  
8 economic and efficient administration and operation of the  
9 department.

10 (ii) Focus resources on providing direct services to citizens.

11 (iii) Create horizontal organizations that reduce layers of  
12 bureaucracy.

13 (iv) Use technology whenever possible to increase efficiency  
14 and productivity.

15 (v) Submit a plan to implement this subdivision with timelines  
16 for implementation to the legislature not later than July 1, 2010.

17 (d) By January 1, 2011, submit a plan to benchmark or peer  
18 review all significant programs within the department over a 5-year  
19 period. The benchmarking or peer reviewing shall be made against  
20 similar programs considered best in class. Department heads shall  
21 use the results to improve program performance.

22 (e) Create a searchable website that provides information on  
23 the expenditure of state funds by the state department. As used in  
24 this subdivision, "expenditure of state funds" means the  
25 expenditure of all appropriated or nonappropriated funds by a state  
26 agency that includes, but is not limited to, all of the following:

27 (i) State purchases.

1           (ii) Contracts and subcontracts.

2           (iii) Grants.

3           Sec. 110. Unless specifically authorized by state law, a  
4 principal state department or type I agency within a principal  
5 state department shall not promulgate or implement rules that are  
6 more stringent than federal law.

7                           CHAPTER 2. DEPARTMENT OF AGRICULTURE

8           Sec. 201. The department of agriculture is established.

9           Sec. 202. The head of the department of agriculture is the  
10 commission of agriculture.

11          Sec. 203. All powers, duties, and functions now vested by law  
12 in the department of agriculture are transferred by a type II  
13 transfer to the department of agriculture.

14                          CHAPTER 3. DEPARTMENT OF ATTORNEY GENERAL

15          Sec. 301. The department of attorney general is established.

16          Sec. 302. The head of the department of attorney general is  
17 the attorney general.

18          Sec. 303. (1) All powers, duties, and functions now vested by  
19 law in the department of attorney general are transferred by a type  
20 II transfer to the department of attorney general.

21          (2) The department of civil rights is abolished and all  
22 powers, duties, and functions now vested by law in the department  
23 of civil rights other than those prescribed to the civil rights  
24 commission established in section 29 of article V of the state  
25 constitution of 1963 are transferred by a type III transfer to the  
26 department of attorney general.

27          Sec. 304. The civil rights commission established in section

1 29 of article V of the state constitution of 1963 shall be housed  
2 within the department of attorney general. The civil rights  
3 commission shall carry out the powers, duties, and functions  
4 prescribed by the state constitution of 1963 and as otherwise  
5 provided by law.

6 CHAPTER 4. DEPARTMENT OF BUSINESS ASSISTANCE

7 Sec. 401. The department of business assistance is  
8 established.

9 Sec. 402. The head of the department of business assistance is  
10 the director of the department of business assistance.

11 Sec. 403. (1) The department of energy, labor, and economic  
12 growth is abolished and all powers, duties, and functions now  
13 vested by law in the department of energy, labor, and economic  
14 growth are transferred by a type III transfer to the department of  
15 business assistance.

16 (2) All powers, duties, and functions now vested by law in the  
17 Michigan strategic fund are transferred by a type I transfer to the  
18 department of business assistance.

19 (3) All permitting and licensing functions, other than  
20 hunting, fishing, and trapping licenses, that are administered by a  
21 principal state department are transferred to the department of  
22 business assistance for administration by the department of  
23 business assistance.

24 CHAPTER 5. DEPARTMENT OF EDUCATION

25 Sec. 501. The department of education is established.

26 Sec. 502. The head of the department of education is the state  
27 board of education.



1       Sec. 503. The principal executive officer of the department of  
2 education is the superintendent of public instruction.

3       Sec. 504. All powers, duties, and functions now vested by law  
4 in the department of education are transferred by a type II  
5 transfer to the department of education.

6               CHAPTER 6. DEPARTMENT OF HEALTH AND HUMAN SERVICES

7       Sec. 601. The department of health and human services is  
8 established.

9       Sec. 602. The head of the department of health and human  
10 services is the director of the department of health and human  
11 services.

12       Sec. 603. (1) The department of community health is abolished  
13 and all powers, duties, and functions now vested by law in the  
14 department of community health are transferred by a type III  
15 transfer to the department of health and human services.

16       (2) The department of human services is abolished and all  
17 powers, duties, and functions now vested by law in the department  
18 of human services are transferred by a type III transfer to the  
19 department of health and human services.

20               CHAPTER 7. DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT

21       Sec. 701. The department of natural resources and environment  
22 is established.

23       Sec. 702. The head of the department of natural resources and  
24 environment is the director of the department of natural resources  
25 and environment.

26       Sec. 703. All powers, duties, and functions now vested by law  
27 in the department of natural resources and environment are

1 transferred by a type II transfer to the department of natural  
2 resources and environment.

3 CHAPTER 8. DEPARTMENT OF PUBLIC SAFETY

4 Sec. 801. The department of public safety is established.

5 Sec. 802. The head of the department of public safety is the  
6 director of the department of public safety.

7 Sec. 803. (1) The department of state police is abolished and  
8 all powers, duties, and functions now vested by law in the  
9 department of state police are transferred by a type III transfer  
10 to the department of public safety.

11 (2) The department of corrections is abolished and all powers,  
12 duties, and functions now vested by law in the department of  
13 corrections are transferred by a type III transfer to the  
14 department of public safety.

15 (3) The department of military and veterans affairs is  
16 abolished and all powers, duties, and functions now vested by law  
17 in the department of military and veterans affairs are transferred  
18 by a type III transfer to the department of public safety.

19 CHAPTER 9. DEPARTMENT OF STATE

20 Sec. 901. The department of state is established.

21 Sec. 902. The head of the department of state is the secretary  
22 of state.

23 Sec. 903. All powers, duties, and functions now vested by law  
24 in the department of state are transferred by a type II transfer to  
25 the department of state.

26 CHAPTER 10. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

27 Sec. 1001. The department of technology, management, and

1 budget is established.

2       Sec. 1002. The head of the department of technology,  
3 management, and budget is the director of the department of  
4 technology, management, and budget.

5       Sec. 1003. (1) All powers, duties, and functions now vested by  
6 law in the department of management and budget are transferred by a  
7 type II transfer to the department of technology, management, and  
8 budget.

9       (2) The department of information technology is abolished and  
10 all powers, duties, and functions now vested by law in the  
11 department of information technology are transferred by a type III  
12 transfer to the department of technology, management, and budget.

13       Sec. 1004. The civil service commission established in section  
14 5 of article XI of the state constitution of 1963 shall be housed  
15 within the department of technology, management, and budget. The  
16 civil service commission shall carry out the powers, duties, and  
17 functions prescribed by the state constitution of 1963 and as  
18 otherwise provided by law.

19                   CHAPTER 11. DEPARTMENT OF TRANSPORTATION

20       Sec. 1101. The department of transportation is established.

21       Sec. 1102. The head of the department of transportation is the  
22 state transportation commission.

23       Sec. 1103. The principal executive officer of the department  
24 of transportation is the director of the department of  
25 transportation.

26       Sec. 1104. All powers, duties, and functions now vested by law  
27 in the state transportation department are transferred by a type II

1 transfer to the department of transportation.

2 CHAPTER 12. DEPARTMENT OF TREASURY

3 Sec. 1201. The department of treasury is established.

4 Sec. 1202. The head of the department of treasury is the state  
5 treasurer.

6 Sec. 1203. All powers, duties, and functions now vested by law  
7 in the department of treasury are transferred by a type II transfer  
8 to the department of treasury.

9 CHAPTER 21. REPEALERS

10 Sec. 2101. The executive organization act of 1965, 1965 PA  
11 380, MCL 16.101 to 16.608, is repealed.