

## EXECUTIVE REORGANIZATION ORDER

E.R.O. No. 2001-1

**18.41 Creation of department of information technology; transfer of authority, powers, and duties relating to information technology services within executive branch or agency to the department of information technology by type II transfer; transfer of certain authority, powers, duties, and functions from the department of management and budget to the department of information technology by type II transfer; abolishment of Michigan information network advisory board and transfer of its functions to department of information technology by type III transfer.**

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

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

WHEREAS, certain functions, duties and responsibilities currently assigned to other state departments can be more effectively carried out by a new principal Department of Information Technology; and

WHEREAS, reorganizing information technology management functions into a new principal department with a cabinet-level Chief Information Officer will promote a unified approach to information technology management for executive branch agencies; and

WHEREAS, the creation of a new Department of Information Technology will improve the management of information technology investments and allow the state to establish stronger strategic relationships with business partners; and

WHEREAS, the creation of a new Department of Information Technology will strengthen central policymaking and direction-setting in all areas of information technology, bring about improved information management and data standardization, and catalyze the use of improved project management practices and strategic technology infrastructure planning; and

WHEREAS, improvements are necessary to provide the customers of the state of Michigan - be they citizens, businesses or employees - with an improved delivery of state services; and

WHEREAS, it is necessary in the interests of efficient administration and good government to effect these changes in the organization of the Executive Branch of government.

NOW, THEREFORE, I, John Engler, Governor of the state of Michigan, pursuant to the powers vested in me by the Constitution of the state of Michigan of 1963 and the laws of the state of Michigan, do hereby order the following:

### I. DEFINITIONS

As used herein:

A. The "Department of Management and Budget" means the principal department created by Section 121 of Act No. 431 of the Public Acts of 1984, being Section 18.1121 of the Michigan Compiled Laws.

B. The "Michigan Information Network Office" means the entity created by Executive Order 1995-14, being Section 18.1695 of the Michigan Compiled Laws.

C. The "Michigan Information Network Advisory Board" means the entity created by Executive Order 1995-14, being Section 18.1695 of the Michigan Compiled Laws.

D. "Information Technology Services" means services involving all aspects of managing and processing information including, but not limited to:

- application development and maintenance;
- desktop computer support and management;
- mainframe computer support and management;
- server support and management;
- local area network support and management;
- information technology contract, project and procurement management;
- information technology planning and budget management, and;
- telecommunication services, security, infrastructure and support.

### II. CREATION OF THE DEPARTMENT OF INFORMATION TECHNOLOGY

A. The Department of Information Technology (hereafter "Department") is hereby created. This Department shall be headed by a Director who shall be appointed by and serve at the pleasure of the Governor. The Director shall also serve as the state's Chief Information Officer.

B. The Department shall lead state efforts to re-engineer the state's information technology infrastructure with the goal of achieving the use of common technology across the executive branch.

C. The Department shall coordinate a unified executive branch strategic information technology plan, identify best practices from executive branch agencies and other public and private sector entities, and develop and implement processes to replicate information technology best practices and standards throughout the executive branch.

D. The Department shall oversee the expanded use and implementation of project and contract management principles as they relate to information technology projects within the executive branch. Funded projects within executive branch agencies shall use the project and contract management methodologies specified by the Department.

E. The Department shall serve as a general contractor between the state's information technology users and private-sector providers of information technology products and services. The Department shall work toward building stronger partnering relationships with providers.

F. The Department shall develop service-level agreements with executive branch departments and agencies to ensure quality products are delivered on schedule and within budget.

G. The Department shall develop standards for application development including, but not limited to, a standard methodology and cost-benefit analysis that all executive branch departments and agencies shall utilize for application development activities.

H. The Department shall have the full cooperation of executive branch departments and agencies in developing and implementing the sharing of data and information throughout the executive branch. The Department shall determine and implement statewide efforts to standardize data elements and shall determine data ownership assignments among executive branch departments and agencies.

I. The Department shall develop systems and methodologies to review, evaluate and prioritize existing information technology projects within the executive branch and shall report to the Governor the status of information technology projects on a semi-annual basis.

J. The Department will assist the State Budget Office with the development of information technology budgets for the executive branch. All information technology budget requests from the executive branch will be submitted to the State Budget Office and the Department. The State Budget Office and the Department will jointly review and recommend for funding consideration only those proposals that fit into the overall strategic information technology management plan of the state and that provide a reasonable return on investment.

### III. INFORMATION TECHNOLOGY FUNCTIONS AND PERSONNEL

A. Except as otherwise provided in part IV of this order, all the authority, powers, duties, functions, responsibilities, personnel, equipment and budgetary resources involved in or related to the provision of information technology services currently located within any executive branch department or agency are hereby transferred to the Department of Information Technology by a Type II transfer, as defined in Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

B. As necessary to accomplish the missions and goals of executive branch departments and agencies, the Director of the Department of Information Technology, or the individual designated by the Governor as the Information Technology Transition Director, may immediately detail personnel transferred from executive branch departments and agencies under the provisions of this part back to their respective department or agency of origin.

### IV. DEPARTMENT OF MANAGEMENT AND BUDGET

A. All the authority, powers, duties, functions and responsibilities of the following units, teams, divisions, and offices within the Department of Management and Budget:

the Michigan Administrative Information Network;

the Computing Services Unit;

the Information Technology Services Division;

the Office of Project Management;

the Information Technology Budget and Finance Division;

the Office of Information Technology Solutions;

the Telecommunications Services Unit, and;

the Michigan Information Network Office;

including, but not limited to, the statutory authority, powers, duties, functions and responsibilities set forth in:

1. Section 203 of Act No. 431 of the Public Acts of 1984, as amended, being Section 18.1203 of the Michigan Compiled Laws (automated information processing installations);

2. Section 269(1)(b) and 269(1)(d) of Act No. 431 of the Public Acts of 1984, as amended, being Section 18.1269(1)(b) and 18.1269(1)(d) of the Michigan Compiled Laws (provision of centralized services to state agencies, specifically telecommunications and optical disc services);

3. Executive Order 1994-13, as amended, being Section 18.32 of the Michigan Compiled Laws (transfer of

certain computer program analysis and programming responsibilities to the Michigan Administrative Information Network);

4. Executive Order 1994-15, as amended, being Section 18.33 of the Michigan Compiled Laws (telecommunications systems and related services);

5. Executive Order 1995-10, as amended, being Section 18.1691 of the Michigan Compiled Laws (consolidation of information processing systems for executive branch agencies);

6. Executive Order 1995-14, as amended, being Section 18.1695 of the Michigan Compiled Laws (Michigan Information Network Office); and,

7. Section 1291 of Act No. 335 of the Public Acts of 1993, as amended, being Section 380.1291[1] of the Michigan Compiled Laws (world-class statewide interactive video and data access and exchange system);

are hereby transferred from the Department of Management and Budget to the Department of Information Technology by a Type II transfer, as defined in Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

B. All the authority, powers, duties, functions and responsibilities of the Michigan Information Center, which is currently located in the Executive Office of the Governor pursuant to the terms of a Memorandum of Understanding and a Memorandum of Agreement executed between the Executive Office of the Governor and the Department of Management and Budget in March of 2001, upon its return from the Executive Office of the Governor to the Department of Management and Budget, is hereby transferred from the Department of Management and Budget to the Department of Information Technology by a Type II transfer, as defined in Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws

#### V. MICHIGAN INFORMATION NETWORK ADVISORY BOARD

All the authority, powers, duties, functions and responsibilities of the Michigan Information Network Advisory Board are hereby transferred from the Department of Management and Budget to the Department of Information Technology by a Type III transfer, as defined in Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws. The Michigan Information Network Advisory Board is hereby abolished.

#### VI. MISCELLANEOUS

A. The individual designated by the Governor as the Information Technology Transition Director shall provide executive direction and supervision for the implementation of all transfers of authority to the Department of Information Technology made under this Order.

B. The Information Technology Transition Director, and the Directors of all executive branch departments and agencies shall jointly identify the program positions and administrative function positions that will be transferred to the Department of Information Technology according to the terms of this Order. The Information Technology Transition Director and the Directors of all executive branch departments and agencies shall make every effort to develop agreements specifying these positions by the effective date of this order. In the event of a failure to reach agreement on the positions to be transferred under this order, the Information Technology Transition Director shall develop a written recommendation specifying the positions to be transferred to the Department of Information Technology under the terms of this order. The Information Technology Transition Director shall submit the recommendation to the Governor no later than January 1, 2002, for his consideration and approval.

C. The Information Technology Transition Director shall immediately initiate coordination with the directors of all state departments affected by this Order to facilitate the transfers and develop memoranda of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved related to the authority to be transferred.

D. All records, personnel, property, equipment, grants and unexpended balances of appropriations, allocations and other funds used, held, employed, available or to be made available to any entity for the activities, powers, duties, functions and responsibilities transferred to the Department of Information Technology by this Order are hereby transferred to the Department of Information Technology.

E. The Director of the Department of Information Technology shall administer the assigned functions transferred by this Order in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

F. The Director of the Department of Information Technology, or other individual designated by the Governor, may establish an administrative unit, including budget, personnel, information systems, internal audit, procurement, legislative and other related administrative functions. The Director of the Department of Information Technology, or other individual designated by the Governor, may also request the assistance of any state department or agency with respect to personnel, budgeting, procurement, information systems and other management-related functions and the state department or agency shall provide such assistance.

G. The Director of the Department of Information Technology, or other individual designated by the Governor, may hire or retain such contractors, sub-contractors, advisors, consultants and agents as the director may deem advisable and necessary, in accordance with the relevant procedures, statutes, rules and regulations of the Civil Service Commission and the Department of Management and Budget, and may make and enter into contracts necessary or incidental to the exercise of the powers and performance of the duties of the department and the

director. Under this provision, the Director of the Department of Information Technology, or other individual designated by the Governor, may specifically hire or retain such contractors, sub-contractors, advisors, consultants and agents as the director may deem advisable and necessary to provide legal advice or legal services, to provide for research and development activity, and/or to provide strategic planning services.

H. The Director of the Department of Information Technology, or other individual designated by the Governor, may by written instrument delegate a duty or power conferred by law or this Order, and the department, agency or person to whom such duty or power is delegated may perform the duty or exercise the power at the time and to the extent that the duty or power is delegated by the Director of the Department of Information Technology, or other individual designated by the Governor.

I. After consultation with the Director of the Department of Information Technology, or other individual designated by the Governor, the State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for the remainder of the fiscal year.

J. All rules, orders, contracts, grants and agreements relating to the functions transferred to the Department of Information Technology 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.

K. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order shall not abate by reason of the taking effect of this Order.

L. The invalidity of any portion of this Order shall not affect the validity of the remainder thereof.

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the state of Michigan of 1963, the provisions of this Executive Order shall become effective October 14, 2001.

**History:** 2001, E.R.O. No. 2001-1, Eff. Oct. 14, 2001

**Compiler's Notes:** For creation of new e-Michigan office within department of information technology; transfer of powers and duties of e-Michigan office to new e-Michigan office; creation of new e-Michigan advisory council; and transfer of powers and duties of e-Michigan advisory council to new e-Michigan advisory council, see E.R.O. No. 2002-2, compiled at MCL 18.61 of the Michigan Compiled Laws. For transfer of powers and duties of new e-Michigan office and new e-Michigan advisory council to department of information technology and abolishment of new e-Michigan office and new e-Michigan advisory council, see E.R.O. No. 2002-10, compiled at MCL 18.62 of the Michigan Compiled Laws.