

**EXECUTIVE REORGANIZATION ORDER (EXCERPT)**  
**E.R.O. No. 2016-2**

**18.446 Creation of office of performance and transformation within state budget office, department of technology, management, and budget; transfer of powers and duties of office of regulatory reinvention to office of performance and transformation; transfer of powers and duties of director of licensing and regulatory affairs as executive director of office of regulatory reinvention and chief regulatory officer to executive director of office of performance and transformation; transfer of powers and duties of office of good government from administrative unit within department of technology, management, and budget to office of performance and transformation; operation of reinventing performance in Michigan center of excellence; abolishment of office of regulatory reinvention.**

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power 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 the Governor considers necessary for efficient administration; and

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

WHEREAS, state government must be innovative and efficient in order to deliver the services citizens deserve; and

WHEREAS, the people of the state of Michigan deserve a regulatory environment and regulatory processes that are fair, efficient, transparent, innovative, and conducive to business growth and job creation; and

WHEREAS, the core functions of regulatory reinvention, systematic process review, and strategic and performance excellence by state departments and agencies are inherently and inextricably linked; and

WHEREAS, the movement toward government excellence and transformation must be aligned with accountability and financial resources through a permanent linkage with the Office of Internal Audit and the State Budget Office;

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. CREATION**

A. The Office of Performance and Transformation ("OPT") is created within the State Budget Office, Department of Technology, Management and Budget.

B. The State Budget Director shall appoint an Executive Director of OPT. In addition to the powers, duties, and responsibilities vested in the Executive Director of OPT under this Order or by Michigan law as transferred by this Order, the Executive Director may also serve in other offices within the State Budget Office provided those offices are not incompatible under Michigan law.

C. OPT shall be responsible for continuous and systematic review and coordination of the state's regulatory, business, and customer service environments and processes as well as coordination and implementation of performance management metrics, service process optimization efforts, employee engagement programs and protocols, and change management and leadership education and training.

**II. TRANSFER OF OFFICE OF REGULATORY REINVENTION**

A. All authority, powers, duties, functions, responsibilities, and rulemaking authority vested in the Office of Regulatory Reinvention under Executive Order 2011-5 are transferred to OPT.

B. All authority, powers, duties, functions, and responsibilities vested in the Director of the Department of Licensing and Regulatory Affairs as Executive Director of the Office of Regulatory Reinvention and Chief Regulatory Officer of the state of Michigan are transferred to the Executive Director of OPT. The Executive Director of OPT is the Chief Regulatory Officer of the state of Michigan.

C. All records, personnel, property, unexpended balances of appropriations, allocations, or other funds used, held, employed, available, or to be made available to the Department of Licensing and Regulatory Affairs for the activities, powers, duties, functions, and responsibilities transferred by Section II of this Order are transferred to OPT.

D. The Executive Director of OPT, after consultation with the Director of the Department of Licensing and Regulatory Affairs, shall provide executive direction and supervision for the implementation of the transfers. The assigned functions shall be administered under the direction and supervision of the Executive Director of

OPT.

### **III. TRANSFER OF OFFICE OF GOOD GOVERNMENT**

A. All authority, powers, duties, functions, and responsibilities of the Office of Good Government, an administrative unit housed within the Department of Technology, Management and Budget, are transferred to OPT.

B. All records, personnel, property, unexpended balances of appropriations, allocations, or other funds used, held, employed, available, or to be made available to the Department of Technology, Management and Budget for the activities, powers, duties, functions, and responsibilities transferred by Section III of this Order are transferred to OPT.

C. The Executive Director of OPT, after consultation with the Director of the Department of Technology, Management and Budget shall provide executive direction and supervision for the implementation of the transfers. The assigned functions shall be administered under the direction and supervision of the Executive Director of OPT.

D. The Executive Director of OPT and the Director of the Department of Technology, Management and Budget shall jointly identify the program positions and administrative function positions that will be transferred to OPT under this Order. All transfers to OPT shall be consistent with this Order and documented by a memorandum of understanding between the Director of the Department of Technology, Management and Budget and the Executive Director of OPT.

### **IV. CENTER FOR REINVENTING PERFORMANCE IN MICHIGAN**

A. OPT shall develop, maintain, monitor, and facilitate Lean process initiatives to be implemented in each department and agency. OPT shall establish uniform protocols and procedures to be used for these Reinventing Performance in Michigan ("RPM") initiatives.

B. OPT shall operate a RPM Center of Excellence to provide coaching, mentoring, and oversight for all state and agency RPM initiatives.

C. The Executive Director of OPT and the Directors of the Department of Licensing and Regulatory Affairs and the Department of Technology, Management and Budget shall jointly identify the program positions and administrative function positions that will be transferred to OPT under this Order to operate the RPM Center of Excellence. All transfers to OPT shall be consistent with this Order and documented by a memorandum of understanding between the Director of the principal department affected by this Order and the Executive Director of OPT.

### **V. OTHER DUTIES AND RESPONSIBILITIES**

A. OPT shall develop, maintain, and promote statewide programs for change management, employee engagement, performance management, and process improvement. Such programs may include the following:

1. Creation and maintenance of communication mechanisms, such as websites, to inform departments and agencies and the public on performance excellence matters.

2. Assignment of liaisons to each department or agency to lend support for performance excellence activities.

3. Coordination of periodic statewide employee surveys.

4. Creation and maintenance of information technology systems to store and report information regarding activities and plans for employee engagement, performance management, and process improvement.

5. Coordination of training programs for state employees to promote leadership and manager development, employee engagement, performance management, and process improvement.

6. Scheduling and hosting periodic employee events and employee recognition programs.

B. OPT shall periodically review and evaluate the existing and proposed performance excellence activities and plans of the departments and agencies.

C. OPT shall make an annual written report to the Governor with respect to its review and recommendations concerning statewide performance excellence activities. In forming its recommendations, OPT shall consider such factors and information it deems useful, including consultation with the Directors of Departments.

D. Within 30 days of the date of this Order, each Department and Agency Director shall designate a Performance Excellence Officer who shall be responsible for coordinating performance excellence responsibilities and who shall serve as the liaison to OPT.

E. No later than October 1, 2016, and by October 1 of each successive year, each Performance Excellence Officer shall submit to OPT a Performance Excellence Plan, which shall include, at minimum, each performance excellence initiative that the Performance Excellence Officer reasonably expects to begin processing during the following 12-month period. The Department and Agency Director shall personally approve the Performance Excellence Plan. OPT shall determine such other contents of the Performance

Excellence Plan that it deems necessary.

## **VI. IMPLEMENTATION**

A. The Directors of the Departments impacted by this Order shall administer the functions transferred 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 under this Order.

B. All records, personnel, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available or to be available to entities transferred by this Order are hereby transferred to the Executive Director of OPT.

C. 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 department shall continue to be effective until revised, amended, or rescinded.

D. 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.

E. 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.

F. The Office of Regulatory Reinvention, created by Executive Order 2011-5, is abolished.

G. 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 days after the filing of this Order.

**History:** 2016, E.R.O. No. 2016-2, Eff. Apr. 3, 2016.

**Compiler's note:** Executive Reorganization Order No. 2016-2 was promulgated February 2, 2016, as Executive Order No. 2016-4, Eff. Apr. 3, 2016.

For a type III transfer of the office of good government, office of reinventing performance in Michigan, office of interagency initiatives, office of regulatory reinvention, and office of performance and transformation to department of technology, management, and budget, see E.R.O. 2019-1, compiled at MCL 324.99923.