

**EXECUTIVE REORGANIZATION ORDER (EXCERPT)**  
**E.R.O. No. 2011-4**

**445.2030 Renaming of department of energy, labor, and economic growth to department of licensing and regulatory affairs; transfer of bureau of health professions, bureau of health systems, functions relating to regulation of certain professional occupations, and controlled substances advisory commission from department of community health to department of licensing and regulatory affairs; transfer of disability concerns commission, division on deaf and hard of hearing and advisory council on deaf and hard of hearing, Pacific American affairs commission, and Hispanic/Latino commission from department of licensing and regulatory affairs to department of civil rights; transfer of certain powers and duties of bureau of energy systems from department of energy, labor, and economic growth to department of environmental quality; transfer of certain powers and duties of wage hour division to department of education; transfer of certain powers and duties relating to labor market information and strategies and state unemployment rate certification from department of licensing and regulatory affairs to department of technology, management, and budget; transfer of powers and duties relating to prevailing wages, energy efficiency and renewable energy revolving loan fund, and Michigan next energy authority from department of energy, labor, and economic growth to Michigan strategic fund; transfer of Michigan state housing development authority and state land bank fast track authority to Michigan strategic fund; creation of workforce development agency; transfer of council for labor and economic growth from department of licensing and regulatory affairs to workforce development agency; creation of Michigan administrative hearing system; transfer of powers and duties of SOAHR, Michigan tax tribunal, Michigan employment security board of review, workers' compensation appellate commission, qualifications advisory committee, and worker's compensation board of magistrates to Michigan administrative hearing system.**

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 which the Governor 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, programs, agencies, and commissions should be placed among the principal departments on a consistent, logical basis in order to ensure the most efficient use of taxpayer dollars and to allow the state to offer more streamlined services; and

WHEREAS, the administration's primary objective is the creation and cultivation of jobs; and

WHEREAS, economic development is an essential tool to attract and create jobs; and

WHEREAS, Michigan's economic development programs will benefit from greater consolidation of, and cooperation with, workforce development programs; and

WHEREAS, the citizens of the state of Michigan deserve an administrative hearing process that is efficient, fair, and responsive; and

WHEREAS, the centralization of administrative hearing functions will eliminate unnecessary duplication and streamline the delivery of necessary services; and

WHEREAS, it is in the public interest to achieve greater efficiency by abolishing harmful, redundant, or obsolete government agencies;

NOW, THEREFORE, I, Richard D. Snyder, 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, order the following:

**I. DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

A. The Department of Energy, Labor, and Economic Growth is renamed the Department of Licensing and Regulatory Affairs.

B. The Director of the Department shall provide executive direction and supervision for the

implementation of all transfers of authority to the Department of Licensing and Regulatory Affairs made under this Order.

C. The Director of the Department 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.

D. The Director of the Department and the directors of all other state departments and agencies having authority transferred to the Department of Licensing and Regulatory Affairs under this Order shall immediately initiate coordination 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.

E. All records, property 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 Licensing and Regulatory Affairs by this Order are hereby transferred to the Department of Licensing and Regulatory Affairs.

F. The Director of the Department of Licensing and Regulatory Affairs may delegate a duty or power conferred by law or this Order and the person to whom such duty or power is delegated may perform such duty or exercise such power at the time and to the extent that such duty or power is delegated by the Director of the Department of Licensing and Regulatory Affairs.

G. The Department of Technology, Management and Budget 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 for transfers made under this Order.

H. All rules, orders, contracts and agreements relating to the functions transferred to the Department of Licensing and Regulatory Affairs 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.

I. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity transferred to the Department of Licensing and Regulatory Affairs 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.

J. Any statutory references to the Department of Energy, Labor, and Economic Growth not inconsistent with this Order shall be deemed references to the Department of Licensing and Regulatory Affairs.

K. References to the Department of Licensing and Regulatory Affairs in this order may be deemed to be references to its named predecessor agencies.

## **II. DEPARTMENT OF COMMUNITY HEALTH**

### **A. Bureau of Health Professions**

1. The Bureau of Health Professions is transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Bureau of Health Professions of the Department of Community Health, including its Licensing Division, the Health Investigation Division, the Health Regulatory Division, the Administration Division, the Health Professional Recovery Program, and any board, commission, council, or similar entity within the Bureau of Health Professions, including the authority to regulate health professionals licensed, registered, or certified under Articles 1, 7, and 15 of the Michigan Public Health Code, 1978 PA 368, MCL 333.7101 to 333.7545, 333.16101 to 333.18838, are transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs.

2. Any authority, powers, duties, functions and responsibilities of the Bureau of Health Professions of the Department of Community Health under the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421 to 333.26430, are transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs.

3. Any authority, powers, duties, functions, and responsibilities of management support within the Department of Community Health for programs or functions within the Bureau of Health Professions are transferred from the Department of Community Health to the Director of the Department of Licensing and Regulatory Affairs.

4. Any authority, powers, duties, functions, and responsibilities concerning the promulgation of rules by the Department of Community Health related to the Bureau of Health Professions, and any board, commission, council, or other similar entity within the Bureau of Health Professions, are transferred to the Department of Licensing and Regulatory Affairs.

5. Any Bureau of Health Professions licensing council, board, or task force shall retain all of its statutory

authority, powers, duties, functions, and responsibilities that are consistent with this Order.

#### **B. Part 209 of the Michigan Public Health Code**

1. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Department of Community Health regarding the registration, licensing, or regulation of professional occupations arising from Part 209 of the Michigan Public Health Code, 1978 PA 368, MCL 333.20901 to 333.20979, including any board, commission, council, or similar entity providing regulation of health professionals licensed, registered, or certified under Article 17 of the Public Health Code, are transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs.

2. Any authority, powers, duties, functions, and responsibilities of management support within the Department of Community Health for programs or functions relative to the registration, licensing, or enforcement of professional occupations under Part 209 of the public Health Code are transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs.

3. Any authority, powers, duties, functions, and responsibilities of the Department of Community Health related to the promulgation of rules related to the registration, licensing, or regulation of professional occupations under the Part 209 of the Public Health Code, are transferred to the Department of Licensing and Regulatory Affairs.

#### **C. Bureau of Health Systems**

1. The Bureau of Health Systems is transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Bureau of Health Systems of the Department of Community Health, including its Division of Health Facilities and Services, the Division of Licensing and Certification, the Division of Nursing Home Monitoring, and the Division of Operations, and any board, commission, council, or similar entity within the Bureau of Health Systems, are transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs.

2. Any authority, powers, duties, functions, and responsibilities of management support within the Department of Community Health for programs or functions within the Bureau of Health Systems are transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs.

3. The transfers under this Section II.C. include but are not limited to any authority, powers, duties, functions and responsibilities of the Bureau of Health Systems under the following:

a. Parts 135, 201, 205, 208, 213, 214, 215, and 217 of the Public Health Code, 1978 PA 368, as amended, MCL 333.13501 to 333.13536, 333.20101 to 333.20211, 333.20501 to 20554, 333.20801 to 333.20821, 333.21401 to 333.21571, and 333.21701 to 333.21799e.

b. Titles XVIII and XIX of the federal Social Security Act of 1965 and the federal Clinical Laboratory Improvement Act of 1988.

4. The directors of the departments shall immediately initiate coordination to facilitate the transfers and develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the departments.

5. Any authority, powers, duties, functions, and responsibilities related to the promulgation of rules by the Department of Community Health related to the Bureau of Health Systems, and any board, commission, council, or other similar entity within the Bureau of Health Systems are transferred to the Department of Licensing and Regulatory Affairs.

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

#### **D. Controlled Substances Advisory Commission**

The Controlled Substances Advisory Commission created under Section 7111 of the Public Health Code, 1978 PA 368, MCL 333.7111, together with any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Controlled Substances Advisory Commission, are transferred from the Department of Community Health to the Department of Licensing and Regulatory Affairs.

### **III. DEPARTMENT OF CIVIL RIGHTS**

#### **A. Disability Concerns Commission**

The Disability Concerns Commission, created by Executive Order 2009-28, MCL 445.2012, together with

any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Disability Concerns Commission, are transferred from the Department of Licensing and Regulatory Affairs to the Department of Civil Rights.

**B. Division on Deaf and Hard of Hearing; Advisory Council on Deaf and Hard of Hearing**

The Division on Deaf and Hard of Hearing and the Advisory Council on Deaf and Hard of Hearing are transferred from the Department of Licensing and Regulatory Affairs to the Department of Civil Rights. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement of the Division on Deaf and Hard of Hearing and the Advisory Council on Deaf and Hard of Hearing, including but not limited to the statutory authority, powers, duties, functions, and responsibilities set forth in 1937 PA 72, as amended, MCL 408.201 through 408.210, and 1982 PA 204, Sections 393.501 through 393.509, are transferred from the Department of Licensing and Regulatory Affairs to the Department of Civil Rights.

**C. Pacific American Affairs Commission**

The new Pacific American Affairs Commission and the Office of Asian Pacific American Affairs created under Executive Order 2009-21, MCL 445.1992, together with any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the new Pacific American Affairs Commission and the Office of Asian Pacific American Affairs are transferred from the Department of Licensing and Regulatory Affairs to the Department of Civil Rights.

**D. Hispanic/Latino Commission**

The Hispanic/Latino Commission and the Office of Hispanic Latino Affairs created by 1975 PA 164, as amended, MCL 18.301 through 18.308, together with any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Hispanic/Latino Commission and the Office of Hispanic Latino Affairs are transferred from the Department of Licensing and Regulatory Affairs to the Department of Civil Rights.

**E. Implementation of Transfers to Department of Civil Rights**

1. 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 III of this Order are transferred to the Department of Civil Rights.

2. The Director of the Department Civil Rights, 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 Director of the Department of Civil Rights.

3. The directors of the departments shall immediately initiate coordination to facilitate the transfers and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Civil Rights.

4. The Director of the Department of Civil Rights shall administer any assigned functions 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.

**IV. DEPARTMENT OF ENVIRONMENTAL QUALITY**

**A. Bureau of Energy Systems**

Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Bureau of Energy Systems related to energy policy, energy efficiency, alternative energy, green infrastructure, green programs and practices, low-impact design, sustainability, and recycling transferred to the Department of Energy Labor and Economic Growth under Executive Order 2008-20 are transferred to the Department of Environmental Quality.

**B. Implementation of Transfers to Department of Environmental Quality**

1. 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 IV of this Order are transferred to the Department of Environmental Quality.

2. The Director of the Department of Environmental Quality, 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 Director of the Department of Environmental Quality.

3. The directors of the departments shall immediately initiate coordination to facilitate the transfers and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Environmental Quality.

4. The Director of the Department of Environmental Quality shall administer the assigned functions 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.

## **V. DEPARTMENT OF EDUCATION**

### **A. Youth Employment Act aspects of the Wage Hour Division**

Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Wage Hour Division relative to the Youth Employment Act, 1978 PA 90, Mel 409.101 to 409.124, are transferred from the Department of Licensing and Regulatory Affairs to the Department of Education.

### **B. Implementation**

1. 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 V of this Order are transferred to the Department of Education.

2. The Superintendent of Public Instruction, 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 Superintendent of Public Instruction.

3. The director of the department and the Superintendent of Public Instruction shall immediately initiate coordination to facilitate the transfers and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Education.

4. The Superintendent of Public Instruction shall administer any assigned functions 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.

## **VI. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**

### **A. Labor Market Information and Strategies**

The Bureau of Labor Market Information and Strategies, and any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Bureau of Labor Market Information and Strategies are transferred from the Department of Licensing and Regulatory Affairs to the Department of Technology, Management and Budget.

### **B. State Unemployment Rate Certification**

Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Director of the Department of Licensing and Regulatory Affairs under Section 353 of the Management and Budget Act, 1984 PA 431, MCL 18.1353, regarding certification of the seasonally adjusted state unemployment rate, are transferred from the Department of Licensing and Regulatory Affairs to the Department of Technology, Management and Budget.

### **C. Implementation**

1. 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 under Section VI of this Order are transferred to the Department of Technology, Management and Budget.

2. The Director of the Department of Technology, Management and Budget, 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 Director of the Department of Technology, Management and Budget.

3. The directors of the departments shall immediately initiate coordination to facilitate the transfers and shall develop a memorandum of record identifying any pending settlements, issues of compliance with



applicable federal and state laws and regulations, or other obligations to be resolved by the Department of Technology, Management and Budget.

4. The Director of the Department of Technology, Management and Budget shall administer any assigned functions 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.

## **VII. MICHIGAN STRATEGIC FUND**

### **A. Prevailing Wages on State Projects Act**

Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Wage Hour Division relative to prevailing wages on state projects created by the Prevailing Wages on State Projects Act, 1965 PA 166, as amended, MCL 408.551 to 408.558, are transferred from the Department of Energy Labor and Economic Growth to the Michigan Strategic Fund.

### **B. Energy Efficiency and Renewable Energy Revolving Loan Fund**

The Energy Efficiency and Renewable Energy Revolving Loan Fund and any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, relative to administration of the Energy Efficiency and Renewable Energy Revolving loan Fund created by 2009 PA 242, MCL 460.911 to 460.913, are transferred from the Department of Energy Labor and Economic Growth to the Michigan Strategic Fund.

### **C. Michigan Next Energy Authority**

1. The Michigan Next Energy Authority and any authority, powers, duties, functions, responsibilities, personnel, property, unexpended balances of appropriations, or other funds of the Michigan Next Energy Authority are transferred from the Department of Energy Labor and Economic Growth to the Michigan Strategic Fund.

2. The Michigan Next Energy Authority shall exercise its prescribed powers, duties, functions, and responsibilities independent of the President of the Michigan Strategic Fund. However, budgeting, procurement, and related administrative or management functions of the Michigan Next Energy Authority assigned to the Director of the Department of Labor and Economic Growth under Executive Order 2003-18, MCL 445.2011, shall be performed by the President of the Michigan Strategic Fund. The Department of Treasury shall function as the appointing authority for any civil service employees of the Authority.

### **D. The Bureau of Energy Systems**

The Bureau of Energy Systems, and any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, relative to administration of the Bureau of Energy Systems, other than those transferred to the Department of Environmental Quality under Section IV.A. of this Order, are hereby transferred from the Department of Licensing and Regulatory Affairs to the Michigan Strategic Fund.

### **E. Michigan Economic Growth Authority**

1. The position as a member of the Michigan Economic Growth Authority designated for the Director of the Department of Licensing and Regulatory Affairs or his or her representative pursuant to Executive Order 2003-18, MCL 445.2011, is transferred to the President of the Michigan Strategic Fund or his or her representative.

2. The position as Chairperson of the Michigan Economic Growth Authority designated for the Director of the Department of Treasury, or his or her representative from within the Department of Treasury, pursuant to Executive Order 2010-3, is transferred to the President of the Michigan Strategic Fund or his or her representative.

### **F. The Michigan State Housing Development Authority**

1. The Michigan State Housing Development Authority, created by 1966 PA 346, MCL 125.1421 et seq., is hereby transferred intact to the Michigan Strategic Fund. 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.

2. The Michigan State Housing Development Authority shall exercise its prescribed statutory powers, duties, and functions independent of the Michigan Strategic Fund. The budgeting, procurement, and related management functions of the Michigan State Housing Development Authority shall be performed under the direction and supervision of the President of the Michigan Strategic Fund. When directing and supervising the budgeting, procurement, and related management functions of the Michigan State Housing Development

Authority, the President of the Michigan Strategic Fund shall remain cognizant of the rights of the holders of Michigan State Housing Development Authority bonds or notes. The Michigan State Housing Development Authority shall remain as the appointing authority for any civil service employees of the Michigan State Housing Development Authority. 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.

3. The transfer of the Michigan State Housing Development Authority under Section VII.F.1 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.

4. 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 of this state, nor the Michigan Strategic Fund, 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.

5. 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 this state, nor the Michigan Strategic Fund.

6. All rules, orders, contracts and agreements lawfully adopted or entered into prior to 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 State Land Bank Fast Track Authority**

1. The State Land Bank Fast Track Authority created under Section 15 of the Land Bank Fast Track Authority Act, 2003 PA 258, MCL 124.765, is transferred to the Michigan Strategic Fund.

2. The State Land Bank Fast Track Authority shall exercise its prescribed statutory powers, duties, and functions independent of the Michigan Strategic Fund.

3. The budgeting, procurement, and related management functions of the State Land Bank Fast Track Authority shall be performed under the direction and supervision of the President of the Michigan Strategic Fund. When directing and supervising the budgeting, procurement, and related management functions of the State Land Bank Fast Track Authority, the President of the Michigan Strategic Fund shall remain cognizant of the rights of the holders of State Land Bank Fast track Authority bonds or notes.

3. The transfer of the authority, powers, duties, functions, responsibilities, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the State Land Bank Fast track Authority with respect to issuance of bonds or notes to the Michigan Finance Authority pursuant to Section IV.L.1. of Executive Order 2010-2 is ratified and confirmed.

#### **H. Implementation of Transfers to the Michigan Strategic Fund**

1. 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 Energy Labor and Economic Growth for the activities, powers, duties, functions, and responsibilities transferred under Section VII of this Order are transferred to the Michigan Strategic Fund.

2. The President of the Michigan Strategic Fund, after consultation with the Director of the Department of Licensing and Regulatory Affairs and the Department of Treasury, 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 President of the Michigan Strategic Fund.

3. The director of the department and the President of the Michigan Strategic Fund shall immediately initiate coordination to facilitate the transfers and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Michigan Strategic Fund.

4. The President of the Michigan Strategic Fund shall administer any assigned functions 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.

#### **VIII. WORKFORCE DEVELOPMENT AGENCY**

#### **A. Creation of the Workforce Development Agency**

The Workforce Development Agency is created within the Michigan Strategic Fund.

#### **B. Workforce Transformation**

Except as otherwise provided in Section VIII.C. of this Order, any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Bureau of Workforce Transformation within the Department of Licensing and Regulatory Affairs, including but not limited to, any board, commission, council, or similar entity, and any rule making authority of the Bureau, are transferred to the Workforce Development Agency.

#### **C. Authority Retained by Department of Licensing and Regulatory Affairs**

Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, under the following statutes are not transferred under Section VIII.B. of this Order and are retained by the Department of Licensing and Regulatory Affairs:

a. Sections 1 through 5 of the Proprietary Schools Act, 1943 PA 148, MCL 395.101 to 395.104, regarding the permitting and licensing of proprietary schools;

b. Sections 1 to 5 of the Private Trade Schools, Business Schools, Correspondence Schools, and Institutes Act, 1963 PA 40, MCL 395.121 to 395.125, regarding the permitting of solicitors;

c. Sections 170 to 177 of the Michigan General Corporations Act, 1931 PA 327, MCL 450.170 to 177, regarding educational corporations and foundations.

#### **D. Center for Educational Performance and Information Board**

The position on the Center for Educational Performance and Information Advisory Committee designated for a representative of the Department of Career Development under Section 94a of the State School Aid Act of 1979, 1979 PA 94, MCL 388.1694a, and transferred to the Director of the Department of Energy Labor and Economic Growth, or his or her authorized representative, under Executive Order 2003-18, MCL 445.2011, is transferred to the Director of the Workforce Development Agency, or his or her authorized representative.

#### **E. Michigan Merit Award Board**

The position on the Michigan Merit Award Board designated for the Director of the Department of Career Development under Section 4 of the Michigan Merit Award Act, 1999 PA 94, MCL 390.1454, and transferred to the Director of the Department of Energy Labor and Economic Growth or his or her authorized representative under Executive Order 2003-18, MCL 445.2011, is transferred to the Director of the Workforce Development Agency, or his or her authorized representative.

#### **F. Council for Labor and Economic Growth**

The Council for Labor and Economic Growth, created by Executive Order 2004-36, as amended by Executive Order 2006-15, together with any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Council for Labor and Economic Growth, is hereby transferred from the Department of Licensing and Regulatory Affairs to the Workforce Development Agency. Executive Orders 2004-36 and 2006-15 are further amended as follows:

1. The requirement to advise the Department of Labor and Economic Growth provided for in Sections III.C. and III. E. of Executive Order 2004-36 is amended to delete reference to the Department of Labor and Economic Growth and to require the advice instead be given to the Director of the Workforce Development Agency.

2. The requirement that staff be provided by the Department of Labor and Economic Growth in Section IV. B. of Executive Order 2004-36 is transferred to the Workforce Development Agency.

3. The duty to provide guidance to the Council on the authority created in Section IV.J. of Executive Order 2004-36 is transferred from the Department of Licensing and Regulatory Affairs to the Workforce Development Agency.

4. The requirement in Section IV.N. of Executive Order 2004-36 that members of the Council shall refer all legal, media, and legislative contacts to the Department of Labor and Economic Growth is amended. Members of the Council shall refer those contacts to the Workforce Development Agency.

5. The position of the Director of the Department of Labor and Economic Growth as an ex officio voting member of the Council for Labor and Economic Growth is eliminated.

#### **G. Implementation of Transfers**

1. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, 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 VIII of this Order are



transferred to the Workforce Development Agency.

2. The Director of the Workforce Development Agency, after consultation with the Director of 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 Director of the Workforce Development Agency.

3. The Director of the Workforce Development Agency and the Director of the Department of Energy Labor and Economic Growth shall immediately initiate coordination to facilitate the transfers and shall develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the Workforce Development Agency.

4. The Director of the Workforce Development Agency shall supervise and administer the functions transferred to the Michigan Strategic Fund under Section VIII of 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 under this Order.

## **IX. MICHIGAN ADMINISTRATIVE HEARING SYSTEM**

### **A. Creation of the Michigan Administrative Hearing System**

1. The Michigan Administrative Hearing System is created as an independent and autonomous Agency within the Department of Licensing and Regulatory Affairs.

2. The Michigan Administrative Hearing System shall be headed by a director known as the Executive Director of the Michigan Administrative Hearing System.

3. The appointing authority for the Executive Director of the Michigan Administrative Hearing System shall be the Governor.

4. The Michigan Administrative Hearing System shall exercise its prescribed powers, duties, responsibilities, and functions, including the prescription of any hearing rules, adjudications or orders, independent of the Director of the Department of Licensing and Regulatory Affairs. The budgeting, procurement, and related management functions of the Michigan Administrative Hearing System shall be performed under the direction and supervision of the Director of the Department of Licensing and Regulatory Affairs.

5. The Michigan Administrative Hearing System shall coordinate and lead state efforts to evaluate policies and procedures for contested administrative hearings and develop standards for the conduct of administrative hearings.

6. To increase efficiency and to assure effective delivery of adjudicative services, the Executive Director of the Michigan Administrative Hearing System shall establish and continuously reassess assignment, scheduling, productivity, or other performance standards for hearing officers, administrative law judges, magistrates, board members, and commissioners assigned to the Michigan Administrative Hearing System.

### **B. Transfer of Administrative Hearing Functions and Personnel, State Office of Administrative Hearings and Rules**

1. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the State Office of Administrative Hearings and Rules (SOAHR) created through Executive Orders 2005-1 and 2005-26, MCL 445.2021, except its authority, powers, duties, functions, and responsibilities transferred from the Office of Regulatory Reform to the SOAHR by Executive Order 2005-1, are transferred from the SOAHR to the Michigan Administrative Hearing System.

2. The SOAHR, established under Executive Orders 2005-1 and 2005-26, MCL 445.2021, is abolished.

3. Any and all statutory references to the SOAHR related to administrative hearings not inconsistent with this Order shall be deemed references to the Michigan Administrative Hearing System created under Section IX of this Order.

4. The position of Executive Director of SOAHR is abolished.

### **C. Michigan Tax Tribunal**

The Michigan Tax Tribunal, created under Act No. 186 of the Public Acts of 1973, as amended, being Section 205.701 et seq. of the Michigan Compiled Laws, together with any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, is transferred to the Michigan Administrative Hearing System.

### **D. Michigan Employment Security Board of Review**

The Michigan Employment Security Board of Review, created under 1936 PA 1, as amended, MCL 421.1 to 421.75, together with any authority, powers, duties, functions, records, personnel, property, unexpended

balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, of the Michigan Employment Security Board of Review, are transferred to the Michigan Administrative Hearing System.

#### **E. Workers' Compensation Appellate Commission**

1. The Workers' Compensation Appellate Commission, created under Executive Order 2003-18, MCL 445.2011, together with its authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including its functions of budgeting and procurement, are transferred to the Michigan Administrative Hearing System.

2. All the authority, powers, duties, functions, and responsibilities of the Chairperson of the Workers' Compensation Appellate Commission to establish assignment, scheduling, productivity, or other performance standards is transferred from the Chairperson of the Workers' Compensation Appellate Commission to the Executive Director of Michigan Administrative Hearing System.

#### **F. Qualifications Advisory Committee**

The Qualifications Advisory Committee, created under Executive Order 2003-18, MCL 445.2011, is transferred to the Michigan Administrative Hearing System.

#### **G. Worker's Compensation Board of Magistrates**

The Worker's Compensation Board of Magistrates, established under Section 213 of the Worker's Disability Compensation Act of 1969, 1969 PA 317, MCL 418.213, as amended by Executive Order 2003-18, MCL 445.2011, and Executive Order 2009-53, is transferred to the Michigan Administrative Hearing System. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, are also transferred to the Michigan Administrative Hearing System.

#### **H. Implementation of Transfers**

1. The Executive Director of the Michigan Administrative Hearing System shall provide executive direction and supervision for the implementation of the transfers described in Section IX of this Order.

2. Any authority, powers, duties, functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and procurement, are transferred to the Michigan Administrative Hearing System.

3. The Executive Director of the Michigan Administrative Hearing System shall make internal organization changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

4. All rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, or repealed.

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

6. The functions of budgeting, procurement and management-related functions of the agencies transferred by Section IX of this Order shall continue to be exercised by the Director of the Department of Licensing and Regulatory Affairs.

#### **X. MISCELLANEOUS**

A. The position of Automobile and Home Insurance Consumer Advocate created by Executive Order 2008-2, MCL 445.2005, is abolished.

B. The position of Chief Energy Officer created by Executive Order 2008-20, MCL 445.2025, is abolished.

C. This Order shall not abate any criminal action commenced by this state prior to the effective date of this Order.

D. 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, the provisions of this Order shall be effective 60 days after the filing of this Order.

**History:** 2011, E.R.O. No. 2011-4, Eff. Apr. 25, 2011.

**Compiler's note:** Executive Reorganization Order No. 2011-4 was promulgated February 23, 2011 as Executive Order No. 2011-4, Eff. Apr. 25, 2011.

For transfer of powers and duties relative to land bank fast track act, 2003 PA 258, performed by Michigan strategic fund to Michigan state housing development authority, see E.R.O. No. 2013-3, compiled at MCL 125.1393.

For transfer of powers and duties of workforce development agency from Michigan strategic fund to Michigan talent investment agency, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

For transfer of powers and duties of unemployment insurance agency, including powers and duties of its director, from department of licensing and regulatory affairs to Michigan talent investment agency, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

For transfer of powers and duties of director of licensing and regulatory affairs created under MCL 10.82 to executive director of Michigan agency for energy, see E.R.O. No. 2015-3, compiled at MCL 460.21.

For transfer of Hispanic/Latino commission of Michigan and office of Hispanic/Latino affairs from department of civil rights to department of licensing and regulatory affairs, see E.R.O. No. 2016-1, compiled at MCL 445.1993.

For the transfer of powers, duties, functions and responsibilities of the Michigan administrative hearing system to the Michigan office of administrative hearings and rules, and abolishment of the Michigan administrative hearing system, see E.R.O. 2019-1, compiled at MCL 324.99923.