

**SUMMARY OF
EXECUTIVE ORDER No. 2003 – 14**

**DEPARTMENT OF CAREER DEVELOPMENT
DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
DEPARTMENT OF COMMUNITY HEALTH
DEPARTMENT OF ENVIRONMENTAL QUALITY
DEPARTMENT OF MANAGEMENT AND BUDGET
DEPARTMENT OF STATE POLICE
DEPARTMENT OF TRANSPORTATION
DEPARTMENT OF TREASURY
FAMILY INDEPENDENCE AGENCY**

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

EXECUTIVE REORGANIZATION

Creation of Department of Labor and Economic Growth

- Renames the Department of Consumer and Industry Services the “Department of Labor and Economic Growth,” which will continue as a principal department of state government.
- Statutory references to the Department of Consumer and Industry Services (“DCIS”) are deemed references to the Department of Labor and Economic Growth.

Transfer and Abolition of Department of Career Development

- All of the functions and responsibilities of the Department of Career Development are transferred to the Department of Labor and Economic Growth (“DLEG”) and its Director, and are subject to subsequent reorganization by the DLEG Director. Transfers to DLEG include:
 - Job training programs;
 - Michigan Rehabilitative Services;
 - Michigan Rehabilitation Advisory Council;
 - Michigan Occupational Information System;
 - Adult education services;
 - Vocational-technical education services, including federal School-to-Work Opportunities programs and Job Training Partnership Act programs;
 - Community college regulatory activities;
 - Higher education assistance, including the Independent Student Grant program, Michigan Work Study program, Michigan Educational Opportunity Grant program;
 - Advanced Career Academy and Michigan Career Preparation System grants;

- Apprenticeship tax credits;
 - Work First program;
 - Michigan Workforce Investment Board;
 - Michigan Community Service Commission; and
 - Commission on Spanish-Speaking Affairs.
- The Interagency Council on Spanish-Speaking Affairs created by 1975 PA 164 and abolished by Executive Order 2000-5 is re-established.
 - All of the following functions are transferred to the DLEG Director:
 - Certification of seasonally-adjusted job training programs;
 - Responsibilities of the Director of Career Development under the Career Development and Distance Learning Act;
 - Positions on the following boards or committees held by the Director of Career Development are transferred to the DLEG Director:
 - Center for Educational Performance and Information Advisory Committee;
 - Michigan Merit Award Board.
 - The Department of Career Development is abolished.

Transfers from Department of Consumer and Industry Services

- **Department of Community Health**
 - The Bureau of Health Services, which regulates health professionals, is transferred to the Department of Community Health (“DCH”).
 - The Bureau of Health Systems, which regulates health facilities, emergency medical services, and nursing homes, is transferred to DCH.
 - The Controlled Substances Advisory Commission is transferred to DCH.
 - The Advisory Committee on Pain and Symptom Management is transferred to DCH. The position of member and Chairperson of the Committee is transferred from the DCIS Director to the DCH Director. DCH Director may designate a second representative on the Committee.
- **Family Independence Agency**
 - Transfers the Bureau of Family Services (formerly the Bureau of Regulatory Services) from DCIS to the Family Independence Agency (“FIA”).
 - Renames the Bureau as the “Office of Children and Adult Licensing”.

- Requires DLEG and the FIA to enter into an interagency agreement providing for the conduct of hearings for the Office of Children and Adult Licensing by DCIS Bureau of Hearings.
- Currently the Bureau of Family Services is responsible for the licensing and regulation of:
 - ◆ Over 4,267 adult foster care facilities;
 - ◆ 187 homes for the aged;
 - ◆ 4,843 child day care centers;
 - ◆ Approximately 11,800 family day care homes;
 - ◆ 3,600 group day care homes;
 - ◆ 7,896 foster family and foster family group homes;
 - ◆ 221 child caring institutions;
 - ◆ 257 child placing agencies;
 - ◆ 403 adult and children camps; and
 - ◆ 116 court-operated facilities.

A total of 32,700 facilities, serving over 500,000 children and adults in Michigan.

- The Bureau's FY 2003 budget is \$23,559,000 (\$12,309,500 General Fund). Currently the Bureau has 204 authorized FTEs.
- **Metropolitan Extension Telecommunications Rights-of-Way Oversight Authority**
 - The functions of the Director of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Authority are transferred from DCIS to the Michigan Broadband Development Authority. The position of Director is eliminated and the functions of the Director are to be performed by Michigan Broadband Development Authority staff.
 - Metropolitan Extension Telecommunications Rights-of-Way Oversight Authority to remain an authority established under Const 1963, art VII, sec 27.
- **Department of Transportation**
 - Transfers federally-mandated oversight of the Detroit People Mover and the Detroit Department of Transportation trolley line service from DCIS to the Department of Transportation.

Transfers to the Department of Labor and Economic Growth

- **Michigan Broadband Development Authority**
 - Transfers Michigan Broadband Development Authority ("MBDA") from Department of Treasury to DLEG.

- DLEG Director replaces Michigan Economic Development Corporation (“MEDC”) President and Chief Executive Officer on the MBDA Board of Directors.
- MBDA will remain an independent authority, subject to budgetary, procurement, and related administrative or management control by the DLEG Director.
- **Michigan Economic Growth Authority**
 - President and Chief Executive Officer of the MEDC replaces the Chief Executive Officer of the Michigan Jobs Commission as a member of the Michigan Economic Growth Authority (“MEGA”).
 - DLEG Director replaces the Director of the Department of Management and Budget (“DMB”) as a member of MEGA. DLEG Director to serve as Chairperson of MEGA.
 - Authority of State Treasurer to approve brownfield redevelopment Single Business Tax credits for projects with a cost of \$10,000,000 or less is transferred to DLEG Director. Related post-approval functions are transferred to MEGA which has similar existing authority for projects over \$10,000,000.
- **Michigan Next Energy Authority**
 - Transfers Michigan Next Energy Authority (“MNEA”) from DMB to DLEG.
 - MNEA will remain an independent authority, subject to budgetary, procurement, and related administrative or management control by the DLEG Director.
- **Michigan Strategic Fund**
 - Transfers the Michigan Strategic Fund (“MSF”) from DMB to DLEG. This includes MSF status as a participant in the interlocal agreement creating the MEDC.
 - MSF will remain an independent authority, maintaining the same relationship with DLEG as MSF currently has with DMB.
 - DLEG Director replaces the DMB Director as a member of the MSF Board. DLEG Director to serve as President of MSF.
- **Brownfield Redevelopment Board**
 - The DLEG Director replaces the Chief Executive Officer of the Michigan Jobs Commission as a member of the Brownfield Redevelopment Board.
 - DLEG Director to serve as Chairperson of the Brownfield Redevelopment Board.

- **Fire Service—Bureau of Construction Codes and Fire Safety**

- Transfers State Fire Marshal and functions of Fire Marshal Division other than those related to arson investigation and related law enforcement functions from Department of State Police (“MSP”) to DLEG, Bureau of Construction Codes and Fire Safety.
- Transfers Fire Fighters Training Council from MSP to DLEG by Type I transfer. DLEG Director to replace MSP Director on Council. Authority to designate Chairperson of Fire Fighters Training Council transferred to Governor.
- Authority to designate Chairperson of the Fire Safety Board transferred to Governor.
- DLEG Director to replace MSP Director on Electrical Administrative Board.
- DLEG Director to replace State Fire Marshal or designee as member of Board of Mechanical Rules.

- **Advisory Council on Deaf and Hard of Hearing**

- Transfers Advisory Council on Deaf and Hard of Hearing from FIA to DLEG.

- **Commission for the Blind**

- Transfers Commission for the Blind from the FIA to DLEG.
- Transfers functions of FIA Director for Commission for the Blind to DLEG Director.

- **Commission on Disability Concerns**

- Transfers Commission on Disability Concerns from FIA to DLEG.

Worker’s Compensation and Unemployment Reorganization

- **Worker’s Compensation**

Expanded role for Worker’s Compensation Qualifications Advisory Committee

- Expands the Qualifications Advisory Committee (“QAC”) to 10 members with equal representation for employee and employer interests. Members continue to be appointed by the Governor. Allows the QAC to conduct business with quorum equal to half of the members appointed and serving. Allows Governor to designate Chairperson of QAC.

Abolish Current Worker's Compensation Appellate Commission

- Abolishes the current Worker's Compensation Appellate Commission. Transfers functions, powers, and duties to the Worker's Compensation Board of Magistrates where a distinct appellate function will be performed by Appellate Magistrates.

Assign Members of Worker's Compensation Board of Magistrates to perform appellate functions as Appellate Magistrates

- Authorizes the Chairperson of the Board of Magistrates to assign members of the Board of Magistrates to perform appellate review functions as Appellate Magistrates. Appellate Magistrates assigned for three years, assuring continuity in decision-making. Magistrates with at least two years remaining on Board of Magistrates eligible for assignment as Appellate Magistrates.
- QAC members representing employees to recommend two magistrates for every one required to be assigned by the Chairperson as Appellate Magistrates. QAC members representing employers to recommend two magistrates for every one required to be assigned by the Chairperson as Appellate Magistrates.
- Appellate Magistrates to sit in two-member panels, one representing employer and the other representing employee interests. In the event of a deadlock, the Chairperson casts the tie-breaking vote. The Chairperson may also reassign cases based upon caseload.
 - ◆ Provides Appellate Magistrates who are dedicated to appeals oversight for a set term.
 - ◆ Provides a formal appeals process to review Worker' Compensation cases which are precedent setting, significantly inconsistent with the law, or in which facts have been clearly misinterpreted.
- The Chairperson of the Board of Magistrates annually determines the number of Appellate Magistrates needed.
- Appellate Magistrates subject to the same qualifications and performance requirements as Worker's Compensation Magistrates and can perform non-appellate functions in spare time, unlike current Appellate Commissioners.
- Requires written appellate opinions and public distribution of the opinions via the Internet.
- Authorizes the Chairperson of the Worker's Compensation Board of Magistrates to issue appellate rules and procedures.

- Recognizes the need for an efficient, lean government by reducing the overall number of Worker's Compensation Magistrates and Appeals Members from 37 to 30—in line with the fact that the three year average pending case load has fallen significantly from a decade ago.

1. Magistrates Pending Cases	(1990 through 1992 avg.)	30,568
	(2000 through 2002 avg.)	19,736
2. Appeals Pending Cases	(1990 through 1992 avg.)	1,692
	(2000 through 2002 avg.)	369
 - Changes in worker's compensation appellate functions save approximately \$1.2 million annually.
 - Appellate Magistrates will be dedicated to appellate functions but also available for other tasks not incompatible with their appellate work, thereby increasing administrative efficiency.
 - Provides flexibility by allowing number of persons hearing appellate cases to fluctuate with appellate caseload.
 - Requires persons with experience in worker's compensation law to serve as Appellate Magistrates. Currently, candidates with no experience in worker's compensation law are eligible for appointment to the Worker's Compensation Appellate Commission.
 - Establishes productivity standards and mandatory performance evaluations for Appellate Magistrates. None currently required for Appellate Commissioners.
 - Authorizes mandatory continuing legal education for Appellate Magistrates. No current requirement authorized for Appellate Commissioners.
 - Eliminates duplication and inefficiency in structure of administrative support for Appellate Commission and Board of Magistrates.
- **Reorganization of Bureau Worker's and Unemployment Compensation**
- Splits the current Bureau of Worker's and Unemployment Compensation into three mission-focused agencies within DLEG:
 - Unemployment Insurance Agency;
 - Workers' Compensation Agency; and
 - Wage and Hour Division.
 - Three new agencies/divisions are to be headed by classified civil servant directors or administrators.
 - Eliminates the statutorily-mandated, but currently vacant, position of Assistant to the Director of the Bureau of Worker's Compensation.