

**SENATE FISCAL AGENCY
 MEMORANDUM**

DATE: September 4, 2018
TO: Members of the Michigan Senate
FROM: Elizabeth Raczkowski, Fiscal Analyst
RE: Executive Order 2018-7

Executive Order No. 2018-7

On July 12, 2018, Governor Snyder issued Executive Order (E. O.) 2018-7, which would transfer the administrative powers, functions, and responsibilities of the Office of Refugee Services within the Department of Health and Human Services (DHHS) to the Michigan Office for New Americans (MONA) within the Department of Licensing and Regulatory Affairs (LARA). The Order also would create a new advisory body, the Chairpersons Council, within MONA and would eliminate the position of Director of the Michigan Office for New Americans. According to Article V, Section 2 of the Michigan Constitution, the Legislature has 60 calendar days following the issuance of an Executive Order to disapprove it. The last day for the Legislature to reject E.O. 2018-7 is September 10, 2018.

Affected Programs and Functions

The Office of Refugee Services administers the Federally-funded Refugee Assistance Program, which provides various means of assistance to eligible refugees and immigrants for up to eight months following their arrival in the United States, or from the date their asylum was granted.

Programs and functions transferred under E.O. 2018-7 would include the administration of Refugee Social Services, administration of contracts with Refugee Service Agencies for the Unaccompanied Refugees Minors Program, preparation and submission of the State Plan for Refugee Services, additional coordination of refugee services, Federal reporting and outcome analysis, and administration of Federal funding for refugee services not otherwise specified in the Executive Order. A number of these functions are conducted through partnerships with local entities.

Functions remaining with DHHS would include the administration of Refugee Cash Assistance, Refugee Medical Assistance and other health programming, and the Repatriation Program. In addition, the direct service delivery functions performed by DHHS employees at local field offices would not be transferred.

Chairpersons Council

Section II of the Executive Order would create the Chairpersons Council within the Michigan Office for New Americans to advise the Office on matters related to its mission and services. The Michigan Office for New Americans was created by Governor Snyder via Executive Order 2014-2. It was moved from the Governor's Office to LARA by Executive Order 2015-2. Its stated mission is to attract global talent to Michigan, encourage the creation of a welcoming environment for immigrants, and assist with integration and access to State services on behalf of immigrants and refugees.

The Council would consist of the chairpersons of the following commissions, all of which are under the authority of LARA: the Asian Pacific American Affairs Commission, the Hispanic/Latino Commission of Michigan, and the Commission on Middle Eastern American Affairs. The Order specifies that the members of the Council would serve without compensation; however, members would be eligible for travel and expense reimbursements in accordance with relevant State statutes and the rules promulgated by LARA. Assistance to the Chairpersons Council would be provided by existing MONA personnel.

Transfers

Section 2, Article V of the State Constitution authorizes the Governor to organize the Executive branch of government by Executive Order. Three types of reorganizations are identified in the Executive Reorganization Act:

- **Type I Transfer.** Under a Type I transfer, an existing department, board, commission, or agency is transferred intact to another principal department. The entity is administered under the supervision of the new principal department; however, the prescribed statutory powers, duties, and functions are exercised by the entity as a relatively autonomous entity.
- **Type II Transfer.** Under a Type II transfer, all of the statutory authority, powers, duties, and functions, as well as records, personnel, property, unspent balances of the appropriations, and other funds associated with an entity, and the entity itself are transferred to and placed under the authority of the principal department.
- **Type III Transfer.** A Type III transfer means the abolishment of an existing entity. The statutory authority, powers, duties, functions, records, personnel, and funding are not abolished, but instead are transferred to the principal department.

Executive Order 2018-7 does not specify the type of transfer authorized by the E.O., but it appears to be a Type II transfer.

Fiscal Impact

Executive Order 2018-7 would not have a significant fiscal impact on State or local government. The transfer moves 7.0 FTEs from DHHS to LARA, representing about \$735,000 in restricted funds. The E.O. eliminates the position of Director of the Michigan Office for New Americans.

Summary

Executive Order 2018-7 would transfer many administrative functions of the Office of Refugee Services from the DHHS to the Michigan Office for New Americans within LARA. The Order also would create the Chairpersons Council in MONA and would eliminate the position of Director of MONA. Executive Order 2018-7 will take effect on September 10, 2018, unless the Legislature rejects it before that date.

If you have any questions on E.O. 2018-7, please do not hesitate to contact me.

/mh

c: Ellen Jeffries, Director
Bill Bowerman, Associate Director