FIRST REGULAR SESSION

SENATE BILL NO. 347

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR DIXON.

Read 1st time January 29, 2015, and ordered printed.

1673S.02I

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 217.035 and 374.080, RSMo, and to enact in lieu thereof two new sections relating to the sole purpose of codifying the omnibus state reorganization act of 1974.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 217.035 and 374.080, RSMo, are repealed and two new

- 2 sections enacted in lieu thereof, to be known as sections 26.900 and 217.035, to
- 3 read as follows:

26.900. 1. This act shall be known as the "Omnibus State

- 2 Reorganization Act of 1974."
- 2. The state constitution contemplates the separation of powers
- 4 within state government among the legislative, the executive, and the
- 5 judicial branches of the government. The legislative branch has the
- 6 broad purpose of determining policies and programs and reviewing
- 7 program performance. The executive branch has the purpose of
- 8 executing the programs and policies adopted by the legislature and of
- 9 making policy recommendations to the legislature. The judicial branch
- 10 has the purpose of determining the constitutional propriety of the
- 11 policies and programs and of adjudicating any conflicts arising from
- 12 the interpretation or application of the laws.
- 13 3. Except for specific changes provided, the powers, duties, and
- 14 responsibilities of the elective offices of state government are not
- 15 affected by this act.
- 4. It is the purpose of the general assembly in enacting this
- 17 statute to provide for the improved accountability in performance of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

service to the citizens of the state and for the most efficient and economical operations possible in the administration of the executive branch of state government. All officers and employees of the state government are directed to implement this act in accord with this purpose.

- 5. (1) Except as otherwise provided by this act, or the state constitution, all executive and administrative powers, duties, and functions, excepting those of the elective offices, previously vested by law or otherwise in the several state departments, commissions, boards, offices, bureaus, divisions, or other agencies are vested in the following administrative departments or in the office of administration: department of agriculture; department of conservation; department of elementary and secondary education; department of higher education; department of highways and transportation; department of labor and industrial relations; department of natural resources; department of mental health; department of public safety; department of revenue; department of social services.
- (2) Whenever the term "head of the department" is used, it shall mean the head of one of the administrative departments created by this section or the office of administration, unless otherwise provided in this act.
- 6. (1) The head of each department shall be appointed, as provided by the constitution, by the governor with the advice and consent of the senate. The head of each department shall serve at the pleasure of the governor unless otherwise provided by the constitution or this act.
- (2) Unless otherwise provided by this act, the head of each department is authorized to establish the internal organization of the department and allocate and reallocate duties and functions to promote economic and efficient administration and operation of the department. A departmental plan shall be developed by the head of each department and approved by the governor in accordance with the transfer by type provided in this act. A plan of such organization with any subsequent changes shall be filed with the secretary of state in the manner in which administrative rules are filed, and copies of the plan shall also be filed with the commissioner of administration and revisor of statutes, and such plans shall be published in an appendix to the

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revised statutes of Missouri and supplements to the revised statutes. Plans shall be filed before June 30, 1974, for the initial reorganization, and shall be effective when filed, unless the plan provides otherwise. Thereafter, any plan of reorganization shall be 59 filed on or before December thirty-first of each year and shall become 60 effective, as applicable to departments, divisions, agencies, boards, commissions, units, or programs transferred by type II or type III 61 transfers as provided in this act, only as provided in sections 26.500 to 62 26.540, except as herein provided in subsections 12 and 13 of this section. The plan shall provide for the level of compensation for division and other administrative positions, subject to appropriations therefor. The head of any department may cooperate with the head of 66 any other department in the interchange of personnel, joint use of 67 equipment and generally in any manner promoting the more effective 68 and efficient rendering of service. The purpose of appropriations made to any department in the executive branch of government shall not be altered without the prior approval of the fiscal affairs committee and the concurrence of the commissioner of administration. 72

- (3) When the head of the department is a commission or board it shall appoint a director of the department unless otherwise provided by this act and may delegate such duties, powers, and authority to the director of the department as it deems necessary to fulfill the duties and obligations of the department. Such director shall serve at the pleasure of the head of the department and shall have the title of office provided herein.
- 80 (4) (a) The head of each department, unless otherwise provided by this act, shall have exclusive budget-making powers for the 81 82 department and for each division, commission, board, unit, or other agency within the department. The head of the department shall 83 submit estimates of requirements for appropriations on behalf of the 84 department and each division, commission, board, unit, or other agency 85 86 within the department, as provided by section 33.220. Each division, commission, board, unit, or other agency within the department shall 87 present its estimate of requirements to the department head each year at or before such time as the head of the department directs. The 89 department head shall review each estimate submitted to it and may 90 modify any estimate. The department head shall consolidate all 91

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- 92 estimates or requirements for appropriations and prepare an estimate 93 for submission on behalf of the department and each division, 94 commission, board, unit, or other agency within the department, 95 subject to the form prescribed by section 33.220.
- 96 (b) The head of the department shall prepare all budgets for 97 agencies within his or her department and shall present the budget to 98 the commissioner of administration. The commissioner shall 99 consolidate all department budgets and submit the same in a single document to the general assembly.
 - (5) The head of the department shall approve all written annual reports which are required by law, of each division, board, commission, unit, or agency within the department before the reports are submitted for printing and distribution.
- 105 (6) The director of each department shall designate by written 106 order filed with the governor and president pro tempore of the senate a deputy director of the department, to act for and exercise the powers 108 of the director only during the department director's absence for official business, vacation, illness, death, resignation, 109 110 incapacity. When a deputy director acts as director of the department he or she shall receive a salary at the level provided for the director of 111 the department when he or she has acted in such a capacity for longer 112113 than thirty days. A deputy director, however, shall not exercise the 114 powers of the director for more than six consecutive months. Subject 115 to the provisions of chapter 36, where they apply, the department 116 director shall appoint all division heads unless otherwise provided in 117this act and such division heads and the deputy director of the department shall serve at the pleasure of the director of the 118 119 department or unless otherwise provided by this act.
 - (7) Nothing in this act shall be construed so as to remove any state agency or unit thereof or any position of employment from coverage under the provisions of the merit system law if the agency or position was covered by that law on the effective date of this act.
- 7. (1) To effect an orderly transition to the departments established by this act, each existing department, division, agency, board, commission, unit, or program shall be transferred, as provided, by July 1, 1974.
- 128 (a) Under this act a "type I transfer" is the transfer to the new

129 department or division of all the authority, powers, duties, functions, 130 records, personnel, property, matters pending, and all other pertinent 131 vestiges of the existing department, division, agency, board, 132 commission, unit, or program to the director of the designated 133 department or division for assimilation and assignment within the department or division as he shall determine, to provide maximum 134 efficiency, economy of operation, and optimum service. All rules, 135 136 orders, and related matter of such transferred operations shall be made under the direction of the director of the new department. 137

- 138 (b) Under this act a "type II transfer" is the transfer of a 139 department, division, agency, board, commission, unit, or program to the new department in its entirety with all the powers, duties, 140 141 functions, records, personnel, property, matters pending, and all other pertinent vestiges retained by the department, division, agency, board, 142 143 commission, unit, or program transferred subject to supervision by the 144 director of the department. Supervision by the director of the 145 department under a type II transfer shall include, but shall be limited 146 budgeting and reporting under subdivisions (4) and (5) of 147 subsection 6 of this section; to abolishment of positions, other than division, agency, unit, or program heads specified by statute; to the 148 149 employment and discharge of division directors; to the employment and 150 discharge of employees, except as otherwise provided in this act; to allocation and reallocation of duties, functions, and personnel; and to 151 152 supervision of equipment utilization, space utilization, procurement of 153 supplies, and services to promote economic and efficient administration 154 and operation of the department and of each agency within the department. Supervision by the director of the department under a 155 156 type II transfer shall not extend to substantive matters relative to policies, regulative functions, or appeals from decisions of the 157 transferred department, division, agency, board, commission, unit, or 158 program, unless specifically provided by law. The method of 159 160 appointment under type II transfer will remain unchanged unless 161 specifically altered by this act or later acts.
- 162 (c) Under this act a "type III transfer" is the transfer of a 163 department, division, agency, board, commission, unit, or program to the new department with only such supervision by the head of the department for budgeting and reporting as provided under 165

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166 subdivisions (4) and (5) of subsection 6 of this section and any other supervision specifically provided in this act or later acts. Such 168 supervisions shall not extend to substantive matters relating to policies, regulative functions or appeals from decisions of the 169 170 department, division, agency, board, or commission unless otherwise provided by this act or later acts. The method of appointment under 171type III transfer will remain unchanged unless specifically altered by 172 this act or later acts. 173

- (d) Under this act a specific type transfer is any transfer other than type I, type II and type III transfers.
- (e) All references in this act are to the whole department, division, agency, board, commission, unit, or program of state government or all the chapters or sections of the statutes named except any sections, part of sections, parts of chapters, or parts of the department, division, agency, board, commission, unit, or program otherwise transferred by other provisions of this act.
- (2) Heads of departments or agencies affected shall prepare orderly transfer arrangements relating to personnel, equipment, other 183 184 property and matters pending, and they shall prepare a formal transfer agreement which shall not go into effect until approved by the 185 commissioner of administration. Unencumbered appropriation 186 187 balances in whole or in part may be transferred on approval of the 188 governor and the state fiscal affairs committee. Copies of all transfer 189 agreements and approved transfers of appropriation balances shall be 190 filed in the office of the state fiscal affairs committee, office of the 191 revisor of statutes, office of administration and the secretary of state's office, and such copies shall be available in those offices for public 192 193 inspection.
 - (3) Any matter pending before any department or agency on the effective date of transfer shall be assumed by the department or agency which will exercise the duty or power relating to the matter after the effective date of transfer and there shall be no interruption of process in such a transfer. All rules, forms, and procedures will remain unchanged for a period of ninety days following transition and then may be changed only as provided by law, the transfer agreement, or by executive order.
 - 8. (1) The transfers provided by this act shall be effected by

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203 June 30, 1974, by executive order of the governor in accord with the 204 provisions of this act and subject to filing required transfer 205 agreements, the appointment of officers, approval of transfer of 206 appropriations, and the approval of the commissioner of 207 administration. The governor shall appoint the heads of the departments as soon as is possible, after the effective date of this 208 act. The period from the effective date of this act to the date of 209 210 transfer shall be devoted to planning and arranging the transition and 211 in establishing the internal structure of each department to insure the uninterrupted operations of state government. During the transition 212 213 period, officers appointed to new departments may also serve in positions in existing agencies but shall receive only the compensation 214 215 provided for the new position to which they will serve after transfer. 216 If at any time positions in the executive branch are transferred to coverage under chapter 36, all incumbents of such positions with at 217 218 least twelve months of prior service on the effective date of this act 219 shall have incumbency preference and shall be permitted to retain 220 their positions provided they meet qualification standards acceptable 221 to the personnel division of the office of administration. An employee 222 with less than twelve months of prior service on the effective date of 223 this act or an employee who is appointed to such a position after the 224 effective date of this act and prior to the classification and allocation 225 of the position by the personnel division shall be permitted to retain 226 his position providing he meets acceptable qualification standards and 227 subject to successful completion of a working test period which shall 228 not exceed twelve months of total service in the position. After the 229 allocation of any position to an established classification, such position 230 shall thereafter be filled only in accordance with all the provisions of chapter 36. 231

- (2) All expenditures of state funds by any department, division, or other agency within the executive branch of state government shall be made only in the amounts and for the purposes as directed by the general assembly in the act appropriating the money to the department, division, or other agency, except as provided in subsection 6, subparagraph (2) and subsection 9 of this section.
- 9. In establishing the positions and supporting staff of each department created by this act, the costs of such positions and

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operations will be met as far as possible by utilizing funds for existing positions or funds available from vacant positions within the appropriations of the departments, divisions, agencies, boards, commissions, units, or programs assigned to the department.

- 10. In financing the administrative transfers provided in this act it is the intent of the general assembly to respect the segregation of funding provided by the constitution or law.
- 247 11. Nothing in this act shall be interpreted as transferring any 248 employee from one state pension or retirement system to another.
 - 12. The governor is authorized to create by executive order such advisory councils or committees as may be required to conform with requirements to receive federal grants, provided that such executive orders shall be submitted as provided in sections 26.500 to 26.540, except that such executive orders shall be effective immediately, but will be void if a resolution to disapprove is adopted by either house of the general assembly as provided in sections 26.500 to 26.540. The head of the department shall appoint all members of such advisory councils unless federal law or regulation or this act requires otherwise, in which case they shall be subject to the federal requirement as shall be provided by executive order. Members of such advisory councils shall be allowed only reimbursement for their actual and necessary expenses from the appropriations made to the department or agency to which they render advice. All advisory councils or committees shall annually make a report on their activities to the director of the department including all recommendations. A copy of each such report shall be transmitted by the advisory committee to the governor and to the legislative library.
 - 13. If any matter, relating only to assignment of agencies, programs, or operations, is left unresolved by this act, or must be adjusted to conform with federal law or regulation to receive federal aids, the governor may by executive order resolve the matter; provided that such executive orders shall be submitted, as provided in sections 26.500 to 26.540, except that such executive orders shall be effective immediately, but will be void if a resolution to disapprove is adopted by either house of the general assembly as provided in sections 26.500 to 26.540.
- 276 14. (1) Unless otherwise provided, where this act establishes a

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method of appointment other than presently provided by law, those persons serving terms fixed by law shall serve out the remainder of the term for which they were appointed and on the expiration of terms, after July 1, 1974, the appointment shall be made as provided herein. The qualifications, terms, compensation, and related matters will remain as in present law except as specifically altered by this act.

- (2) All department heads, directors of departments, members of boards and commissions, and such other officers as directed by law shall qualify for their office by taking an oath to support the Constitution of the United States and the Constitution of the state of Missouri and to faithfully demean himself, in the office to which he has been appointed.
- 289 15. (1) Where this act changes titles or eliminates positions, 290 departments, divisions, commissions, boards, agencies, or units, the 291 office as changed or the position assuming the duties of abolished 292 positions, departments, divisions, commissions, boards, agencies, or 293 units shall fulfill all duties, serve in all ex officio capacities and in 294 every way be read into the law as the official or agency named as 295 successor unless otherwise provided by this act. Where this act changes the method of appointment of officials, said provision also 296 297 requires that any reports to be rendered be rendered to the authority 298 making the appointment unless otherwise provided herein.
 - (2) All officers or employees shall be bonded, as required by law or by the governor by executive order. The commissioner of administration shall have the authority, however, to place all elected or appointed officers or employees, required to be bonded, under a blanket bond to the extent feasible. All bonds, blanket or individual, shall be obtained on the basis of competitive bidding.
- 305 16. The staff of the committee on legislative research shall 306 prepare reorganization-revision bills to be submitted to the eightieth 307 general assembly to revise the statutes so as to reflect the changes 308 made by or pursuant to this act and shall, for consideration of the 309 eightieth general assembly, prepare such other reorganization-revision 310 bills as may be found to be necessary to meet the requirements of the 311 amendment to the constitution adopted August 8, 1972, and this act; 312 except that the committee on legislative research shall use fully section 3.060, where it will suffice. At such time as all statutory revision 313

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314 changes required pursuant to this act have gone into effect the revisor of statutes may prepare legislation to repeal this act. 315

- 316 17. For the purposes of this section, the phrase "this act" shall 317 also refer to sections 32.028, 37.005, 161.020, 173.005, 226.005, 226.007, 318 252.002, 261.023, 286.005, 630.003, 640.010, 650.005, and 660.010.
- 319 18. The revisor of statutes is hereby directed to change all 320 references to "section 1 of the Omnibus State Reorganization Act of 321 1974" in the revised statutes to "section 26.900".

217.035. The director shall have the authority to:

- 2 (1) Establish, with approval of the governor, the internal organization of the department and file the plan thereof with the secretary of state in the manner in which administrative rules are filed, the commissioner of administration and the revisor of statutes;
- 6 (2) Exclusively prepare the budgets of the department and each division within the department in the form and manner set out by statute or by the commissioner of administration;
- 9 (3) [Designate by written order filed with the governor, the president pro tem of the senate, and the chairman of the joint committee on corrections, a 10 deputy director of the department to act for and exercise the powers of the 11 12 director during the director's absence for official business, vacation, illness or incapacity. The deputy director shall serve as acting director no longer than six months; however, after the deputy director has acted as director for longer than 15 thirty days the deputy director shall receive compensation equal to that of the 16 director;
- 17 (4) Procure, either through the division of purchasing or by other means 18 authorized by law, supplies, material, equipment or contractual services for the 19 department and each of its divisions;
 - [(5)] (4) Establish policy for the department and each of its divisions;
- 21 [(6)] (5) Designate any responsibilities, duties and powers given by 22 sections 217.010, 217.810, 558.011 and 558.026 to the department or the 23 department director to any division or division director.

[374.080. 1. The director may appoint a deputy, who shall 2 be subject to removal at pleasure by the director, and who shall possess all the powers and perform all the duties attached by law 3 to the office of director during a vacancy in the office, and during 4 5 the absence, inability or suspension of his principal. The director

shall be responsible for the acts of his deputy, who shall, before entering upon the duties of his office, take the oath and be bonded as required of the director in section 374.030. The deputy director shall assist the director in the administration of the department, and perform such duties and have such powers as the director may direct.

2. In the event there is an absence of the director and no deputy has been appointed, the governor shall appoint the acting director from among the division directors within the department.]

Bill

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