



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

CODIFICATION OF WORKFORCE DEVELOPMENT PROGRAMS

House Bill 5901
Sponsor: Rep. Stephen Ehardt

House Bill 5902
Sponsor: Rep. Patricia Godchaux

House Bill 5903
Sponsor: Rep. Judson Gilbert

House Bill 5904
Sponsor: Rep. Randy Richardville

House Bill 5905
Sponsor: Rep. Gary A. Newell

House Bill 5906
Sponsor: Rep. Brian Palmer

House Bill 5907
Sponsor: Rep. Ruth Johnson

House Bill 5908
Sponsor: Rep. John Stewart

House Bill 5909
Sponsor: Rep. Jerry Kooiman

House Bill 5910
Sponsor: Rep. Triette Reeves

House Bill 5911
Sponsor: Rep. Tom Meyer

House Bill 5912
Sponsor: Rep. Clark Bisbee

House Bill 5913
Sponsor: Rep. Doug Hart

House Bill 5914
Sponsor: Rep. Mickey Mortimer

House Bill 5915
Sponsor: Rep. Sandra Caul

House Bill 5916
Sponsor: Rep. Gene DeRossett

House Bill 5917
Sponsor: Rep. Sue Tabor

House Bill 5918
Sponsor: Rep. Loren Hager

House Bill 5919
Sponsor: Rep. Judith Scranton

House Bill 5920
Sponsor: Rep. Jerry Vander Roest

House Bill 5921
Sponsor: Wayne Kuipers

House Bill 5922
Sponsor: Rep. Jason Allen

House Bill 5923
Sponsor: Rep. Barb VanderVeen

**Committee: Employment Relations,
Training and Safety
Complete to 4-19-02**

House Bills 5901-5923 (4-19-02)

A SUMMARY OF HOUSE BILLS 5901 - 5923 AS INTRODUCED 4-16-02

The bills would establish a career development system by creating a Department of Career Development; the Michigan Workforce Investment Board; local workforce investment areas and

local workforce investment boards; education advisory groups; and, the Michigan Rehabilitation Advisory Council. To create the "one-stop delivery system for career development services," three of the bills would repeal existing acts. A more detailed description of each bill follows.

House Bill 5901 would create a new act to establish, among other things, a Department of Career Development, and the Michigan Workforce Investment Board. The bill specifies that the act would be known as the "career development delivery system act." Under the bill, the Department of Career Development would be created as a principal state department to develop a continuously improving system that would provide career training, education, planning, and career development services. The department would be administered by a director who was appointed by and serve at the pleasure of the governor. The director could appoint one or more deputy directors and other assistants and employees, as well as delegate his or her authority.

The bill specifies that the Michigan Workforce Board, originally created in Executive Order No. 2002-5, would be created within the department; that the workforce board would have all of the powers and duties provided in the executive order; and, that the board would advise the governor and the director on matters related to career education and career development.

Under the bill and pursuant to federal law, the governor would designate local workforce investment areas within the state, and the chief elected official in each local workforce investment area would appoint (and the governor would certify), a local workforce investment board for each area designated. The local board would do all of the following: a) operate in accordance with policies established by the department; b) set operating policies with strategic plans approved by the department for the portion of the Michigan Works System within the local area; c) certify whether a local plan for federally- and state-funded career development programs was consistent with a locally developed strategic plan; and, d) any other duties, functions, and responsibilities under the Workforce Investment Act of 1998 (Public Law 105-220, 112 Stat. 936). The bill specifies that a local board or a Michigan Works agency would provide department-funded services to program applicants and participants only through service providers selected by a competitive bidding process. However, a local workforce investment board, or a Michigan Works agency, could provide department-funded services directly, if the governor determined after a bidding process that there were no other entities capable of providing the required services at a reasonable cost.

House Bill 5901 would require that an education advisory group be established and operated in each local workforce investment area, as described in the School Aid Act, including representation from post-secondary institutions to include community colleges, four-year institutions, and research institutions.

The bill also would establish within the department the Michigan Rehabilitation Advisory Council, originally created in Executive Order No. 1994-20, and subsequently transferred to the department in Executive Reorganization Order No. 1999-1, MCL 408.40. The council would oversee the department's operation of the state's plan for vocational rehabilitation services.

House Bill 5901 specifies that the career development department would oversee the creation and operation (by the local workforce investment boards) of a system of Michigan Works one-stop service centers through the state, in accordance with federal law. The system

would provide an integrated statewide career guidance system, labor market information, labor exchange, and management information system that supports the Michigan Works system.

Finally, the bill specifies that in accordance with Article VIII, Section 7 of the state constitution, the bill would not diminish the supervision and control of community colleges by locally elected boards of trustees, and would not limit community colleges in the development of courses and curriculum.

The bill would define "Michigan Works system" to mean the local workforce investment board and local administrative entities that receive funds and administer the following workforce development programs: Title 1 of the federal Workforce Investment Act of 1998; the federal Wagner-Peyser Act; the North American Free Trade Agreement; the federal Trade Adjustment Assistance program; the federal Welfare-to-Work program; Work First; and, the food stamps employment and training services program.

House Bill 5902 would amend Public Act 219 of 1994, which established the Michigan Community Service Commission, to place the commission in the Department of Career Development, moving it from the Michigan Jobs Commission, as specified in Executive Order No. 1993-2.

House Bill 5903 would amend Public Act 44 of 1964, which authorizes the state board of control for vocational education to accept federal funds, to instead authorize the Department of Career Development to accept federal funds, as well as take any necessary action consistent with state law to comply with the provisions of the Carl D. Perkins Vocational and Applied Technology Education Act.

House Bill 5904 would amend Public Act 111 of 1952, which establishes the Veterans' Vocational School at Pine Lake in Doster, Michigan, to specify that it would operate under the Department of Career Development, instead of the State Board of Education.

House Bill 5905 would repeal Public Act 18 of 1946 which authorized counties to provide and fund adult education programs with the approval of the superintendent of public instruction.

House Bill 5906 would amend the State School Aid Act of 1979 to specify that \$1.8 million allocated to the Department of Education in conjunction with the Department of Career Development to award competitive grants for the purpose of improving manufacturing technology programs offered by public education agencies, be allocated instead to the Department of Career Development, which would assume all authority to administer the program.

House Bill 5907 would amend the Rehabilitation Act of 1964 to specify that the vocational rehabilitation program for disabled people would be administered by the Department of Career Development, rather than the State Board of Education.

House Bill 5908 would amend the State School Aid Act to specify that \$31,027,600 allocated for vocational-technical centers and programs (including parenthood education programs) used to reimburse districts on an added cost basis, according to rules approved by the

superintendent, be submitted to the Department of Career Development, rather than the Department of Education.

House Bill 5909 would amend Public Act 148 of 1943, which provides for the regulation and licensing of proprietary schools by the Board of Education, to require instead that the schools secure their licenses from the department, and that the department be responsible for the inspection and regulation of the schools.

House Bill 5910 would amend Public Act 40 of 1963, which authorizes private trade schools, business schools, correspondence schools, and institutes to solicit students, to be administered by the Department of Career Development, rather than the superintendent of public instruction.

House Bill 5911 would amend Public Act 287 of 1964, which provides for the organization and functions of the state boards of education under the Constitutions of 1908 and 1963, including the appointment and functions of the superintendent of public instruction, to specify that the State Board of Education would no longer have a) jurisdiction and control of the Michigan Rehabilitation Institute for Veterans and Disabled Adults at Pine Lake, and b) responsibility for the inspection of educational corporations as may be provided by law.

House Bill 5912 would amend Public Act 327 of 1931, which provides for the regulation and classification of corporations, including educational corporations, to specify that educational corporations would be regulated by the Department of Career Development, rather than the State Board of Education. Under the law, educational corporations are defined in four classes: w, x, y, and z. Classes w, x, and y have different minimum capital requirements, and class z is reserved for ecclesiastical or religious orders, societies, or corporations that have denominational purposes. The corporations can establish and conduct schools, academies, preparatory schools, or colleges, under certain circumstances.

House Bill 5913 would amend the Revised School Code to require the Department of Career Development to designate the geographical territory as the service area for the operation of an area vocational-technical education program. Currently the State Board of Education designates the areas.

House Bill 5914 would amend the Community College Act of 1966 to specify that the Department of Career Development would designate the service area of a vocational-technical program, rather than that State Board of Education. In addition, the bill would provide that waivers of tuition could be granted by community college trustees when a student participated in a reciprocal agreement for exchange of educational services, if that agreement were approved by the Department of Career Development. Currently the reciprocity waivers must be approved by the State Board of Education. Further, the bill specifies that the chief executive officers of community colleges submit annual written reports (in regard to all matters pertaining to the educational interests of the community college district) both to their trustees, and to the Department of Career Development. Currently those reports are submitted to the trustees and also the Department of Education. The bill also would require the board of trustees of a community college to provide for a system of accounting that met the approval of the Department of Career Development, and to send copies of audit reports to that department. Currently approval is necessary from, and reports are filed with, the State Board of Education.

House Bill 5915 would amend the Higher Education Loan Authority Act to specify that "eligible institution" would include, among other institutions, a vocational school that was approved by the Department of Career Development and by the United States Secretary of Education for purposes of the guaranteed loan program. Currently a vocational school must be approved by the State Board of Education for this purpose.

House Bill 5916 would amend Public Act 102 of 1986 to transfer powers under the Part-time Independent Student Grants Act to the Department of Career Development. Currently under the act, a person is eligible to participate in the grant program if he or she meets certain conditions, including enrollment in an undergraduate program of not less than nine months duration leading to a degree or certificate from a Michigan degree-granting educational institution that is approved by the State Board of Education. Under the bill that approval would be granted by the Department of Career Development.

House Bill 5917 would amend Public Act 303 of 1986 to transfer powers under the Michigan Work-Study Program Act that applies to graduate school to the Department of Career Development. Currently under the act, a recognized graduate or professional graduate school is eligible to participate in the program if it is a degree-granting institution approved by the State Board of Education. Under the bill, that approval would be granted by the Department of Career Development.

House Bill 5918 would amend Public Act 288 of 1986 to transfer powers under the Michigan Work-Study (MWS) Program Act that applies to post-secondary school to the Department of Career Development. Currently under the act, a recognized post-secondary school is eligible to participate in the program if it is a degree-granting institution approved by the State Board of Education. Under the bill, that approval would be granted by the Department of Career Development.

House Bill 5919 would amend Public Act 273 of 1986 to transfer powers under the Michigan Educational Opportunity Grant (MEOG) Program Act to the Department of Career Development. Currently under the law, a recognized post-secondary school is eligible to participate in the MEOG program if the school is a degree-granting public institution approved by the State Board of Education. Under the bill, that approval would be granted by the Department of Career Development.

House Bill 5920 would repeal Public Act 28 of 1964, which transferred the powers, duties and function of the State Board of Control for Vocational Education to the State Board of Education.

House Bill 5921 would amend Public Act 164 of 1975, which created the Commission on Spanish-Speaking Affairs, located it within the Department of Management and Budget, and specified that the director of the office would be selected with the concurrence of the budget director. Under the bill, the Commission on Spanish-Speaking Affairs would be transferred to the Department of Career Development, and its director would be selected with the concurrence of the career development department director.

House Bill 5922 would repeal Public Act 149 of 1919, which designated a State Board of Control for Vocational Education to allocate federal funds under the Smith-Hughes Act of 1917,

for the support of instruction in agriculture, the trades, industries, and home economics, and for the preparation of teachers of vocational subjects.

House Bill 5923 would amend Public Act 16 of 1942 to transfer powers under the federal Grants to Schools Act to the Department of Career Development. Currently under the law, all funds made available to the state by federal appropriations for the purpose and operation of vocational education and vocational rehabilitation, including vocational training for defense workers, is received and administered by the State Board of Control for Vocational Education. Under the bill, these federal funds would be administered by the Department of Career Development.

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.