SENATE BILL NO. 519

September 20, 2023, Introduced by Senators SINGH, MCCANN, HERTEL, MCDONALD RIVET, GEISS, MCMORROW and SHINK and referred to the Committee on Labor.

A bill to provide for the transition of transition-impacted industries into new industries; to create the community and worker economic transition office in the department of labor and economic opportunity; to create certain advisory committees; and to provide for the powers and duties of certain state governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "community and worker economic transition act".

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Sec. 3. As used in this act:
(a) "Advisory committee" means the community and worker economic transition advisory committee created in section 9.
(b) "Department" means the department of labor and economic opportunity.
(c) "Department director" means the director of the department.
(d) "Disproportionately impacted community" means a community of color, low-to-middle income community, or indigenous community that is or has been directly impacted by pollution.
(e) "Eligible entity" means an entity that serves a transition community and is 1 of the following:
(i) An economic development district.
(ii) A county, municipality, or other political subdivision of this state.
(iii) An Indian tribe.
(iv) An apprenticeship program that is registered with the United States Department of Labor.
(v) An institution of higher education.
(vi) A public or private nonprofit organization or association.
(f) "Fund" means the community and worker economic transition fund created in section 13.
(g) "Municipality" means a city, township, or village.

Sec. 5. As used in this act:
(a) "Office" means the community and worker economic transition office created in section 7.
(b) "Office director" means the director of the office.
(c) "Transition community" means a municipality, county, or region that has been affected in the previous 12 months, or that
demonstrates it will be impacted in the next 36 months, by the loss of 50 or more jobs in a transition-impacted industry.

(d) "Transition-impacted industry" means an industry that is impacted by transition, including all of the following:

(i) Fossil fuel energy workers who have employment tied to the generation, transportation, and refinement of fossil fuel.

(ii) Internal combustion engine vehicle workers and workers in the supply chain for internal combustion engine vehicles.

(iii) Workers in the building and construction trades.

(iv) Any other affected workers.

(e) "Transition plan" means the community and worker economic transition plan described in section 11.

(f) "Transition worker" means a worker in this state who is laid off from employment in a transition-impacted industry on or after the effective date of this act.

(g) "Wage differential benefit" means either of the following:

(i) Supplemental income covering all or part of the difference between income earned by an individual in previous employment in a transition-impacted industry and income earned by the individual in new employment.

(ii) Supplemental income during job retraining.

Sec. 7. (1) The community and worker economic transition office is created in the department.

(2) The department director shall appoint the office director. The office director shall manage the operations of the office.

(3) The office shall do all of the following:

(a) Lead interdepartmental coordination on efforts essential to the office's mission.

(b) Advance existing initiatives that align with the office's
mission, including, but not limited to, the energy transition
impact project.

(c) Partner with workers, local communities, and employers on
the creation of advisory committees that ensure the voices of the
impacted are involved in decision making and undertake stakeholder
outreach with workers, local communities, and employers to do all
of the following:

(i) Align and target local, state, and federal programming and
establish additional programming to support the office's mission.

(ii) Propose and implement plans for different sectors of the
economy that align with the office's mission.

(iii) Assist in the development, and monitor the implementation,
of state and federal laws, rules, regulations, and budgets relating
to the office's mission.

(iv) As issues emerge, recommend changes in state and federal
law, rules, regulations, policies, guidelines, practices,
procedures, and budgets relating to the office's mission.

(d) Work with the public and private sector to undertake or
participate in conferences, inquiries, meetings, or studies that
may support the office's mission.

(e) Publicize the activities of the office, as appropriate.

(f) Other duties as assigned by the director.

Sec. 9. (1) The community and worker economic transition
advisory committee is created in the department.

(2) The advisory committee must consist of the following
members:

(a) The department director or the department director's
designee.

(b) The president of the Michigan strategic fund or the

(c) The director of the department of environment, Great Lakes, and energy or the director of the department of environment, Great Lakes, and energy's designee.

(d) Three individuals appointed by the governor as follows:

(i) One individual who represents the office of the governor.

(ii) One individual selected from a list of individuals provided by the senate majority leader.

(iii) One individual selected from a list of individuals provided by the speaker of the house of representatives.

(e) Twelve members appointed by the office director as follows:

(i) Three individuals who represent transition workers.

(ii) Three individuals who represent transition communities.

(iii) Two individuals with professional experience in economic development or workforce retraining.

(iv) Two individuals who represent disproportionately impacted communities.

(v) Two individuals who represent transition-impacted industries.

(3) The first members of the advisory committee must be appointed not later than 90 days after the effective date of this act.

(4) The terms of the first members of the advisory committee are as follows:

(a) Except as otherwise provided in subdivisions (b) and (c),
the first members shall serve 4-year terms.

(b) The members described in subsection (2)(d)(ii) and (iii) shall serve 2-year terms.

(c) The members described in subsection (2)(e) shall serve 3-year terms.

(5) After the first appointments, the term of a member of the advisory committee is 4 years or until a successor is appointed under subsection (2), whichever is later.

(6) If a vacancy occurs on the advisory committee, an individual must be appointed in the same manner as the original appointment to fill the vacancy for the balance of the term.

(7) The governor may remove a member of the advisory committee for incompetence, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

(8) The department director or the department director's designee shall call the first meeting of the advisory committee. At the first meeting, the advisory committee shall elect a member as a chairperson and may elect other officers that it considers necessary or appropriate. The advisory committee shall meet at least quarterly, or more frequently at the call of the chairperson or at the request of a majority of the members.

(9) A majority of the members of the advisory committee constitutes a quorum for transacting business. A vote in favor by a majority of the members of the advisory committee serving is required for any action of the advisory committee.

(10) The advisory committee shall conduct its business in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(11) A writing that is prepared, owned, used, possessed, or
retained by the advisory committee in performing an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(12) A member of the advisory committee is not entitled to compensation for service on the advisory committee, but the advisory committee may reimburse a member for actual and necessary expenses incurred in serving.

Sec. 11. (1) By July 1, 2025, the advisory committee shall prepare and submit a draft community and worker economic transition plan to the department director and the office director.

(2) In developing the draft transition plan, the advisory committee shall consider options to do all of the following:

(a) Align and target local, state, and federal resources and leverage additional resources to invest in communities and workers whose transition-impacted industries are subject to significant economic transition.

(b) Align and target existing local, state, and federal programming and establish additional programming to support communities and workers whose transition-impacted industries are subject to significant economic transition.

(c) Establish benefits for transition workers, including wage differential benefits for affected workers, and eligibility for and the duration of the benefits.

(d) Educate dislocated workers, in collaboration with employers of dislocated workers and relevant labor unions, regarding how to apply for transition benefits.

(e) Establish and structure a grant program and other potential programmatic support for transition communities and organizations that support transition communities, including ...
eligible entities.

(3) In developing the draft transition plan, the advisory committee shall identify and consider all of the following:

(a) The projected short-term and long-term costs and benefits to this state of each plan component, including worker benefits, grant programs, and other supports.

(b) Potential sources for sustainable short-term and long-term funding for a transition plan and its components.

(c) The potential fiscal, economic, workforce, and other implications of extending components of the transition plan to other industries affected by similar economic disruptions.

(d) Which components of the transition plan can be implemented by a state department or agency under existing authority and which require additional legislation.

(4) Based on the draft transition plan recommended by the advisory committee, and with the approval of the department director, by December 31, 2025, the office director shall submit to the governor and the legislature a final transition plan for this state. The final transition plan must include, at a minimum, all of the following:

(a) Benefits, grants, and other components that the office, the department, or another state department or agency will coordinate and implement under existing authority.

(b) Benefits, grants, and other components that require additional legislative authority to implement.

(c) Sources of funding that may be accessed from federal, state, local, and other sources without additional legislative authority or approval.

(d) Sources of funding that require legislative or voter
approval.

(5) By January 1, 2029, the office director shall submit to
the governor and the legislature a written report that recommends
changes to this act to better achieve the purposes of this act.

Sec. 13. (1) The community and worker economic transition fund
is created in the state treasury.

(2) The state treasurer shall deposit money and other assets
received from any other source in the fund. The state treasurer
shall direct the investment of money in the fund and credit
interest and earnings from the investments to the fund.

(3) Money in the fund at the close of the fiscal year remains
in the fund and does not lapse to the general fund.

(4) The department is the administrator of the fund for audits
of the fund.

(5) The department shall expend money from the fund on
appropriation for only 1 or more of the following purposes:
(a) The costs of the department and the office in
administering this act.
(b) To implement the transition plan.
(c) Any other purpose described in this act.