COMMUNITY AND WORKER ECONOMIC TRANSITION ACT

Act 232 of 2023

AN ACT to provide for the adjustment of transition-impacted workers into new industries; to create the community and worker economic transition office in the department of labor and economic opportunity; to allow the creation of certain advisory committees; to make certain appropriations; and to provide for the powers and duties of certain state governmental officers and entities.

History: 2023, Act 232, Eff. Feb. 13, 2024

The People of the State of Michigan enact:

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408.911 Short title.

Sec. 1.

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

History: 2023, Act 232, Eff. Feb. 13, 2024

408.913 Definitions; D to M.

Sec. 3.

As used in this act:
(a) "Department" means the department of labor and economic opportunity.
(b) "Department director" means the director of the department.
(c) "Municipality" means a city, township, or village.

History: 2023, Act 232, Eff. Feb. 13, 2024

408.915 Definitions; O to T.

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 activities" means those activities in which transition workers may participate to avoid suffering economic harm. Transition activities includes, but is not limited to, all of the following activities:
(i) Educating transition workers regarding various programs available to them.
(ii) Replacing lost income, gaps in income, and benefits for transition workers.
(iii) Services for transition workers, such as education, training, career counseling, skills-matching, maintaining employment with current employer or reemployment services, and financial planning assistance.

(iv) Replacing lost tax base revenue for transition communities.

(v) Promoting the hiring of transition workers and the creation of jobs in transition communities that provide comparable or higher wages and benefits to jobs in transition-impacted industries.

(d) "Transition community" means a municipality, county, or region that has been affected since September 23, 2020 or that demonstrates it will be impacted between the effective date of this act and January 1, 2040, by the loss of 50 or more jobs in a transition-impacted industry.

(e) "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.

(f) "Transition plan" means the community and worker economic transition plan developed under section 7(3)(f) as described in section 9.

(g) "Transition worker" means a worker in this state who has been laid off from employment in a transition-impacted industry since September 23, 2020 or who is or will be laid off from employment in a transition-impacted industry on or after the effective date of this act and before January 1, 2040.

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History: 2023, Act 232, Eff. Feb. 13, 2024

408.917 Community and worker economic transition office; appointment office director; powers and duties; annual written report.

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) Support and participate in interdepartmental coordination on efforts essential to the office's mission as defined by the office director.

(b) Advance and support existing initiatives that align with the office's mission, including, but not limited to, the energy transition impact project established under Executive Directive No. 2020-10.

(c) Partner with workers, local communities, employers, and labor organizations to ensure the voices of the impacted are involved in decision making and undertake stakeholder outreach with workers, local communities, employers, and labor organizations 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) Develop a community and worker economic transition plan as described in section 9. The office may create an advisory committee to assist with the development of the transition plan. If an advisory committee is formed under this subdivision, the advisory committee must include individuals from transition communities, transition-impacted industries, and labor organizations.

(g) Evaluate the outcomes of the transition plan for transition workers and transition communities, including evaluating the quality of replacement jobs, to better allocate wages, benefits, and tax base replacement.

(h) Identify funds to support transition activities for transition workers, transition communities, and transition-impacted industries. The office must consider all of the following sources of funds:

(i) Existing state programs that can be utilized to support transition workers, transition communities, and transition-impacted industries, or that can be more closely aligned with transition needs.

(ii) New state funds that might need to be developed to address transition activities not addressed by existing programs.

(iii) Federal grants, loans, or other funding that can be used to support transition workers, transition communities, and transition-impacted industries.

(iv) Private funds, including funds from foundations or for-profit entities.

(i) Other duties as assigned by the office director that are related to the office's mission.

(4) In addition to any other funds appropriated for the office, private funds received by the department for the office are appropriated and may be expended for the creation, implementation, and administration of the office and its activities.

(5) Beginning 1 year after the effective date of this act, the office director shall annually submit a written report to the legislature that includes all of the following:

(a) Information regarding the utilization of transition activities.

(b) A description of transition-impacted industries, transition communities, and transition workers.

(c) An evaluation of the transition plan, including, but not limited to, the outcomes of the transition plan.

History: 2023, Act 232, Eff. Feb. 13, 2024

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408.919 Community and worker economic transition plan; options; evaluation; submission of plan to governor and legislature.

Sec. 9.

(1) In developing the community and worker economic transition plan under section 7(3)(f), the office 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) Identify transition activities that are not addressed by existing resources and make recommendations for new programs as necessary, including, but not limited to, programs to support transition workers with supplemental income, health care benefits, and retirement benefits and programs that provide transition workers with access to education and training opportunities.

(d) Implement or engage in other programs, policies, or activities that will assist transition communities, transition workers, and companies in transition-impacted industries.

(2) In developing the transition plan, the office shall evaluate all of the following:

(a) The projected short-term and long-term 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.

(3) With the approval of the department director, by December 31, 2025, the office director shall submit to the governor and the legislature the transition plan for this state.

(4) The office may undertake any activities authorized under this act before submitting the transition plan.

History: 2023, Act 232, Eff. Feb. 13, 2024