

# SENATE BILL No. 501

May 15, 2003, Introduced by Senators SCHAUER, HAMMERSTROM, BASHAM, OLSHOVE, KUIPERS, LELAND, BARCIA, ALLEN, CHERRY, JELINEK, CLARK-COLEMAN, GOSCHKA, SWITALSKI, HARDIMAN, BERNERO and JACOBS and referred to the Committee on Commerce and Labor.

A bill to amend 1981 PA 230, entitled  
 "Michigan economic and social opportunity act of 1981,"  
 by amending the title and sections 3, 4, 5, 6, 7, 8, 9, 10, and  
 11 (MCL 400.1103, 400.1104, 400.1105, 400.1106, 400.1107,  
 400.1108, 400.1109, 400.1110, and 400.1111), section 11 as  
 amended by 1998 PA 76; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

### TITLE

An act to create a bureau of community services and a  
 commission on economic and social opportunity within ~~the~~  
~~department of labor~~ **a state department** to reduce the causes,  
 conditions, and effects of poverty and promote social and  
 economic opportunities that foster self-sufficiency for low  
 income persons; to provide for the designation of community  
 action agencies; and to prescribe the powers and duties of the

1 **department, the** bureau, the commission, and the community action  
2 agencies.

3       Sec. 3. (1) "Bureau" means the bureau of community  
4 ~~services~~ **action and economic opportunity** created in section 5.

5       (2) "Chief elected official" means a chairperson of a county  
6 board of commissioners, a county executive, a city mayor, a  
7 township supervisor, a village president, or his or her  
8 designee.

9       (3) "Commission" means the commission on **community action and**  
10 economic ~~and social~~ opportunity created in section 6.

11       (4) "Community action agency" means an agency designated  
12 pursuant to section 8.

13       (5) "Community social and economic programs" means those  
14 programs provided under section 675 of **the community services**  
15 **block grant act, subtitle B or title VI of** the omnibus budget  
16 reconciliation act of 1981, **Public Law 97-35, 42 U.S.C. 9904.**

17       (6) "Department" means the department ~~of labor~~ **designated**  
18 **by the governor to receive and distribute community services**  
19 **block grant funds under the community services block grant act,**  
20 **subtitle B of title VI of the omnibus budget reconciliation act**  
21 **of 1981, Public Law 97-35, 42 U.S.C. 9901 to 9924.**

22       (7) "Director" means the director of ~~labor~~ **the department.**

23       Sec. 4. (1) "Executive director" means the chief  
24 administrator of the bureau.

25       (2) "Low income person" means a person who is a member of a  
26 household ~~the~~ **that has a** gross annual income ~~of which~~ **that** is  
27 equal to or less than the poverty standard for the same size

1 household.

2 (3) "Poverty standard" means the ~~official poverty line~~  
3 ~~established by the federal director of the office of management~~  
4 ~~and budget and issued by the United States secretary of health~~  
5 ~~and human services pursuant to section 673(2) of the omnibus~~  
6 ~~budget reconciliation act of 1981, 42 U.S.C. 9902~~ **federal**  
7 **poverty guidelines published annually in the federal register by**  
8 **the United States department of health and human services under**  
9 **its authority to revise the poverty line under section 673(2) of**  
10 **subtitle B of title VI of the omnibus budget reconciliation act**  
11 **of 1981, Public Law 97-35, 42 U.S.C. 9902.**

12 (4) "Service area" means the geographical area ~~within the~~  
13 ~~jurisdiction of~~ **served by** a community action agency.

14 (5) "State program budget" means state funds, federal block  
15 grants, and federal categorical grants that the legislature  
16 appropriates annually for community social and economic  
17 programs.

18 Sec. 5. The bureau of community ~~services~~ **action and**  
19 **economic opportunity** is created within the department. The  
20 director shall appoint an executive director who ~~shall be~~ **is** a  
21 member of the state classified service or the state career  
22 executive service, as established and approved by the civil  
23 service commission. Under the supervision of the department, the  
24 bureau shall serve as a statewide advocate for social and  
25 economic opportunities for low income persons and ~~may~~ **shall** do  
26 all of the following:

27 (a) Coordinate state activities designed to reduce poverty

1 and implement community social and economic programs.

2 (b) Cooperate with agencies of the state and federal  
3 government and other public agencies, nonprofit private agencies,  
4 and nonprofit organizations in reducing poverty and implementing  
5 community social and economic programs.

6 (c) Receive and expend funds for any purpose authorized by  
7 this act.

8 (d) Provide assistance to units of local government for the  
9 purpose of establishing and operating a community action agency.

10 (e) Designate community action agencies pursuant to  
11 section 8.

12 (f) Provide technical assistance to community action  
13 agencies to improve program planning, program development,  
14 administration, and the mobilization of public and private  
15 resources. In implementing this subdivision, the department  
16 shall contract, when warranted by geographical and other factors  
17 or when warranted to meet the requirements of section 15, with  
18 public agencies, nonprofit private agencies, or nonprofit  
19 organizations.

20 (g) Enter into necessary contracts with community action  
21 agencies for the purpose of coordinating community social and  
22 economic programs and other programs and services ~~as~~ designated  
23 by the bureau and for which funding is appropriated by the  
24 legislature.

25 (h) Contract with public agencies, nonprofit private  
26 agencies, or nonprofit organizations for demonstration programs  
27 and other services necessary to implement this act.

1 (i) Conduct performance assessments of the activities and  
2 programs of community action agencies.

3 (j) Establish, in cooperation with community action  
4 agencies, an educational and public information program designed  
5 to increase public awareness regarding the nature and extent of  
6 poverty in this state and regarding existing community social and  
7 economic programs.

8 ~~(k) Participate in the development of the state program~~  
9 ~~budget and make budget recommendations to the director based upon~~  
10 ~~program budget requests submitted by community action agencies~~  
11 ~~and other public agencies, nonprofit private agencies, and~~  
12 ~~nonprofit organizations pursuant to section 10.~~

13 (k) ~~-(l)-~~ Evaluate state statutes and programs relevant to  
14 the reduction of poverty and recommend appropriate changes to the  
15 governor and the legislature.

16 (l) ~~-(m)-~~ Submit reports to the governor, the legislature,  
17 the state congressional delegation, and other appropriate federal  
18 officials regarding the needs, problems, opportunities, and  
19 contributions of low income persons; the effectiveness of  
20 existing state or federal policies and programs; and recommended  
21 actions to improve economic and social opportunities for low  
22 income persons.

23 ~~(n) Administer the neighborhood assistance program~~  
24 ~~established pursuant to Act No. 56 of the Public Acts of 1980,~~  
25 ~~being sections 125.801 to 125.814 of the Michigan Compiled Laws.~~  
26 ~~The bureau shall administer the neighborhood assistance program~~  
27 ~~in a manner that provides that public agencies, nonprofit private~~

1 ~~agencies, and nonprofit organizations are eligible and shall have~~  
 2 ~~the opportunity for funding for each portion of a program which a~~  
 3 ~~community action agency may undertake.~~

4       **(m) —(e)— Administer the —home— weatherization assistance**  
 5 ~~program —established pursuant to Act No. 615 of the Public~~  
 6 ~~Acts of 1978, as amended, being sections 400.1051 to 400.1071 of~~  
 7 ~~the Michigan Compiled Laws—~~ **created pursuant to 10 C.F.R. part**  
 8 **440.** The bureau shall administer the ~~—home—~~ weatherization  
 9 **assistance** program in a manner that provides that public  
 10 agencies, nonprofit private agencies, and nonprofit organizations  
 11 are eligible and shall have the opportunity for funding for each  
 12 portion of a program ~~—which—~~ **that** a community action agency may  
 13 undertake.

14       ~~(p) Administer other programs and services as designated by~~  
 15 ~~the director or the legislature.~~

16       **(n) Serve as an advocate within the executive branch to**  
 17 **remove administrative barriers to self-sufficiency services and**  
 18 **to seek additional resources for antipoverty strategies.**

19       Sec. 6. (1) A commission on **community action and** economic  
 20 ~~—and social—~~ opportunity is created within the department. The  
 21 commission shall provide an opportunity for low income persons to  
 22 actively participate in the development of policies and programs  
 23 to reduce poverty.

24       (2) The commission shall consist of **6 to** 15 members appointed  
 25 by the governor by and with the advice and consent of the  
 26 senate. ~~—At least 5 members shall be low income persons. Of the~~  
 27 ~~nonlow income members, the commission shall include at least 1~~

~~1 representative of local government, at least 1 representative of~~  
~~2 organized labor, at least 1 representative of the business~~  
~~3 community, and at least 3 representatives of local community~~  
~~4 action agency governing boards. At least 5 members of the~~  
~~5 commission shall reside in rural communities. The governor shall~~  
~~6 designate the chairperson of the commission, who shall serve in~~  
~~7 that capacity at the pleasure of the governor. The executive~~  
~~8 director or designee shall serve as executive secretary to the~~  
~~9 commission.~~ **The commission shall be comprised of equal numbers**  
**10 of elected officials, private sector members, and low income**  
**11 individuals or as nearly equal in number as possible. At least**  
**12 1/3 of the commission members shall be community action agency**  
**13 representatives as either staff or board members. The governor**  
**14 shall designate the chairperson of the commission. The**  
**15 chairperson shall serve at the will of the governor. The**  
**16 executive director or designee of the commission shall serve as**  
**17 executive secretary to the commission.**

**18** (3) ~~Except for members first appointed, the~~ **The** term of  
**19** office of each member shall be 3 years. ~~No member shall serve~~  
**20** ~~more than 2 full terms. Of the members first appointed, 5 shall~~  
**21** ~~serve for 3 years, 5 shall serve for 2 years, and 5 shall serve~~  
**22** ~~for 1 year.~~ Vacancies on the commission shall be filled in the  
**23** same manner as the original appointment for the remainder of the  
**24** unexpired term.

**25** (4) A member of the commission may receive per diem  
**26** compensation and reimbursement of actual and necessary expenses  
**27** while acting as an official representative of the commission.

1 The per diem compensation of the commission and the schedule for  
2 reimbursement of expenses shall be established annually by the  
3 legislature.

4 (5) ~~Eight members~~ **A majority** of the commission ~~shall~~  
5 ~~constitute~~ **constitutes** a quorum. Except as otherwise provided  
6 by rule, action may be taken by the commission by vote of a  
7 majority of the members present at a meeting. The commission  
8 shall meet not less than 4 times a year. A meeting of the  
9 commission may be held anywhere within this state.

10 Sec. 7. The commission shall serve as a statewide forum  
11 concerning state policies and programs to reduce ~~poverty~~  
12 **poverty** and to address the needs and concerns of low income  
13 people in ~~the~~ **this** state. The commission shall do all of the  
14 following:

15 (a) **Convene a state forum every 2 years that includes**  
16 **representatives from the public, private, nonprofit, and low**  
17 **income sectors to analyze poverty trends and make recommendations**  
18 **to reduce poverty.**

19 (b) ~~(a)~~ Convene public meetings to provide low income and  
20 other persons the opportunity to comment upon public policies and  
21 programs to reduce poverty.

22 (c) ~~(b)~~ Advise the executive director concerning the  
23 designation or recision of a designation of a community action  
24 agency.

25 (d) ~~(c)~~ Review and comment upon the annual program budget  
26 request before its submittal to the governor and the legislature  
27 pursuant to section 10.



1       **(e)** ~~—(d)—~~ Advise the governor, the legislature, the state  
2 congressional delegation, and other appropriate federal officials  
3 of the nature and extent of poverty in the state and make  
4 recommendations concerning needed changes in state and federal  
5 policies and programs.

6       **(f)** ~~—(e)—~~ Advise the director and the governor at least  
7 annually concerning the performance of the bureau in fulfilling  
8 its requirements as prescribed by this act.

9       **(g)** Participate with the bureau to implement a public  
10 education program designated to increase public awareness  
11 regarding the nature and extent of poverty in this state.

12       **(h)** Receive reports from the bureau on strategies to reduce  
13 poverty and make recommendations based on those reports to the  
14 governor.

15       **(i)** In coordination with community action agencies and the  
16 commission, establish an education and public information program  
17 designed to increase public awareness regarding the nature and  
18 extent of poverty in this state and regarding existing community  
19 social and economic programs.

20       **(j)** Evaluate state statutes and programs relevant to the  
21 reduction of poverty and recommend appropriate changes to the  
22 governor and the legislature.

23       **(k)** Submit reports to the governor, the legislature, the  
24 congressional delegation, and other appropriate federal officials  
25 regarding the needs, problems, opportunities, and contributions  
26 of low income persons and the effectiveness of existing state and  
27 federal policies and programs, and recommend actions to improve

1 **economic and social opportunities for low income persons.**

2       Sec. 8. (1) Except as required to meet the requirements of  
3 section 15, the executive director shall designate community  
4 action agencies to fulfill the requirements of this act in the  
5 service areas governed by 1 or more units of local government. A  
6 community action agency designated by the executive director may  
7 be 1 of the following:

8       (a) A public office or agency of a unit of local government  
9 ~~which~~ **that** is designated as a community action agency by the  
10 chief elected official of that unit of government.

11       (b) A public office or agency ~~which~~ **that** is designated as a  
12 community action agency by the chief elected officials of a  
13 combination of 2 or more units of local government.

14       (c) A nonprofit private agency serving 1 or more units of  
15 local government ~~, which private agency has been~~ approved by  
16 the chief elected official of the unit of local government ~~to be~~  
17 ~~served~~ **that includes the service area**, or if more than 1 unit of  
18 local government is ~~to be served~~ **included in the service area**,  
19 by the chief elected officials of the county or counties ~~served~~  
20 **in which the local governments are located** and of at least 2/3 of  
21 the cities, villages, and townships ~~to be served~~ **in the service**  
22 **area** that have a population of not less than 100,000.

23       (d) A public or private nonprofit agency designated by 1 or  
24 more native American tribal governments ~~which~~ **that** have been  
25 established pursuant to state or federal law.

26       (2) Before designating or rescinding the designation of a  
27 community action agency, the executive director shall do all of

1 the following:

2 (a) Consult with the director.

3 (b) Consult with the chief elected official of each county  
4 and of each city, village, or township with a population of not  
5 less than 100,000 within the existing or proposed service area.

6 (c) Hold at least 1 public meeting in the service area to  
7 provide low income and other citizens living within the service  
8 area the opportunity to review and comment upon the strengths and  
9 weaknesses of the existing or proposed community action agency.

10 (d) Consult with and obtain the advice of the commission on  
11 the proposed action.

12 (3) Notwithstanding subsections (1) and (2), each community  
13 action agency ~~which~~ **that** has been designated by the community  
14 services administration pursuant to the economic opportunity act  
15 of 1964, Public Law 88-452, 78 Stat. 508, and ~~which~~ **that** is in  
16 operation on the effective date of ~~this act~~ **the 2003 amendatory**  
17 **act that amended this section** shall continue as a community  
18 action agency.

19 (4) The executive director may rescind the designation of a  
20 community action agency for cause. In implementing this  
21 subsection, the executive director shall follow the procedures  
22 set forth in subsection (2) **and the procedures set forth in the**  
23 **community services block grant act, subtitle B of the omnibus**  
24 **budget reconciliation act of 1981, Public Law 97-35, 42**  
25 **U.S.C. 9901 to 9924.**

26 Sec. 9. A community action agency shall serve as a primary  
27 advocate for the reduction of the causes, conditions, and effects

1 of poverty and shall provide social and economic opportunities  
2 that foster self-sufficiency for low income persons. A community  
3 action agency may engage in activities necessary to fulfill the  
4 intent of this act, including but not limited to the following:

5 (a) Informing ~~the~~ **this** state, units of local government,  
6 private agencies and organizations, and citizens of the nature  
7 and extent of poverty within the service area.

8 (b) Developing, administering, and operating community social  
9 and economic programs to reduce poverty within the service area.

10 (c) Providing a range of services and activities having a  
11 measurable and potentially major impact on causes of poverty in  
12 the community or in the service areas of the community.

13 (d) Providing activities designed to assist low income  
14 participants, including the elderly poor, to secure and retain  
15 meaningful employment; to attain an adequate education; to make  
16 better use of available income; to obtain and maintain adequate  
17 housing and a suitable living environment; to obtain emergency  
18 assistance through loans or grants to meet immediate and urgent  
19 individual and family needs, including the need for health  
20 services, nutritious food, housing, and employment-related  
21 assistance; to remove obstacles and solve problems which block  
22 the achievement of self-sufficiency; to achieve greater  
23 participation in the affairs of the community; and to make more  
24 effective use of other programs related to the purposes of this  
25 section.

26 (e) Providing on an emergency basis for the provision of  
27 supplies and services, nutritious food items, and related

1 services necessary to counteract conditions of starvation and  
2 malnutrition among the poor.

3 (f) Providing and establishing linkages between governmental  
4 and other social services programs to assure the effective  
5 delivery of services to low income individuals.

6 (g) To encourage the use of entities in the private sector of  
7 the community in efforts to reduce poverty.

8 (h) ~~-(e)-~~ Conducting pilot and demonstration projects with  
9 innovative approaches to reduce poverty, improve services, and  
10 utilize resources.

11 (i) ~~-(d)-~~ Providing and advocating for training and technical  
12 assistance to public and private agencies, community groups, and  
13 units of local government to better define human problems, to  
14 improve services, and to facilitate citizen participation,  
15 including that of low income persons.

16 (j) ~~-(e)-~~ Increasing interagency coordination and cooperation  
17 in serving low income persons. **If possible, community action**  
18 **agencies shall enter into partnership and collaboration with**  
19 **other organizations to meet economic self-sufficiency goals.**

20 (k) ~~-(f)-~~ Entering into contracts with federal, state, and  
21 local public and private agencies and organizations as necessary  
22 to carry out the purposes of this act.

23 (l) ~~-(g)-~~ Mobilizing federal, state, and local public and  
24 private financial resources and material and volunteer resources  
25 to reduce poverty and increase social and economic  
26 opportunities.

27 ~~-(h)- Developing an annual program budget request pursuant to~~

1 ~~section 10.~~

2 ~~—— (i) Receiving and accepting grants or gifts to support or~~  
3 ~~promote the activities authorized by this act.~~

4 (m) Mobilizing community involvement from private and  
5 nonprofit sectors, including, but not limited to, businesses,  
6 economic and job development organizations, nonprofit faith-based  
7 communities, technical colleges and institutions of higher  
8 education, and the public sector, including, but not limited to,  
9 townships, cities, counties, and this state to address issues of  
10 poverty. Community action agencies shall coordinate with  
11 welfare-to-work strategies and implement strategies that increase  
12 household income and assets that lead to long-term economic  
13 self-sufficiency.

14 (n) Serving populations with barriers to self-sufficiency  
15 such as individuals and families with low incomes, senior  
16 citizens, young children, homeless persons, physically and  
17 developmentally disabled persons, low wage workers, and adults  
18 without literacy skills or basic education or adequate skills  
19 needed for the workplace.

20 (o) ~~—(j)—~~ Engaging in any other activity necessary to fulfill  
21 the intent of this act.

22 Sec. 10. ~~—(1)— Each community action agency and each public~~  
23 ~~agency, nonprofit private agency, and nonprofit organization~~  
24 ~~desiring funds annually shall develop and submit a program budget~~  
25 ~~request for funds appropriated from the state program budget.~~  
26 ~~The executive director annually shall publish guidelines~~  
27 ~~detailing the nature and extent of information required in the~~

1 ~~program budget request for the succeeding fiscal year.~~

2 **Distribution of funds to community action agencies shall meet**  
3 **federal requirements.**

4 ~~(2) Within 12 months after the effective date of this act,~~  
5 ~~the department shall promulgate rules detailing the formula for~~  
6 ~~the distribution of state program budget funds. The rules shall~~  
7 ~~take into consideration the distribution of low income persons~~  
8 ~~residing in the service areas of the community action agencies as~~  
9 ~~well as other factors that the director and the executive~~  
10 ~~director consider appropriate.~~

11 Sec. 11. ~~(1) A community action agency that is a~~  
12 ~~nonprofit agency, as provided in section 8(1)(c) or (d), shall~~  
13 ~~establish a governing board of directors which shall consist~~  
14 **that consists** ~~of not less than 15 nor more than 51 members. the~~  
15 **following:**

16 (a) **One-third are elected public officials. An elected**  
17 **public official may act through his or her representative.**

18 (b) **One-third of the members are low income,**  
19 **elderly, or consumers with disabilities.** ~~residing in the service~~  
20 ~~area of the community action agency. Consumer representatives~~  
21 ~~shall be selected through a democratic process pursuant to~~  
22 ~~guidelines established by the department. One-third of the~~  
23 ~~members shall be representatives of the units of local government~~  
24 ~~and public agencies within the service area of the community~~  
25 ~~action agency.~~

26 (c) **One-third of the members shall represent the private**  
27 **sector, including representatives of business and industry,**

1 agriculture, labor, and religious and civic organizations.

2 ~~located within the service area of the community action agency.~~

3 ~~(2) The board of directors shall be responsible for all of~~  
4 ~~the following:~~

5 ~~—— (a) The appointment and dismissal of an executive director of~~  
6 ~~the community action agency.~~

7 ~~—— (b) The approval of contracts, annual program budget requests~~  
8 ~~required by section 10, and operational policies of the community~~  
9 ~~action agency.~~

10 ~~—— (c) The performance of an annual audit by the auditor general~~  
11 ~~or a certified public accountant appointed by the auditor~~  
12 ~~general.~~

13 ~~—— (d) The establishment of policies for the operation of the~~  
14 ~~community action agency.~~

15 ~~—— (e) Advising the chief elected officials of the units of~~  
16 ~~local government within the service area of the nature and extent~~  
17 ~~of poverty within the area and recommending needed changes in~~  
18 ~~federal, state, and local policies and programs.~~

19 ~~—— (f) The convening of public meetings to provide low income~~  
20 ~~and other persons the opportunity to comment upon public policies~~  
21 ~~and programs to reduce poverty.~~

22 ~~—— (g) Annually evaluating the policies and programs of the~~  
23 ~~community action agency. The board shall submit the evaluation~~  
24 ~~and recommendations to improve the administration of the~~  
25 ~~community action agency to the bureau, the chief elected official~~  
26 ~~of each county within the service area, and to the chief elected~~  
27 ~~official of each unit of local government within the service area~~



1 ~~that has a population of not less than 100,000. The evaluation~~  
2 ~~and recommendations shall be considered a public document in~~  
3 ~~accordance with section 14(2).~~

4 ~~—— (3) A board may establish standing committees, including an~~  
5 ~~executive committee, as necessary to conduct its business in an~~  
6 ~~effective and efficient manner, provided that each committee~~  
7 ~~shall have the same proportional representation of consumer,~~  
8 ~~public, and private members as the governing board.~~

9       Enacting section 1. Sections 12 and 20 of the Michigan  
10 economic and social opportunity act of 1981, 1981 PA 230, MCL  
11 400.1112 and 400.1120, are repealed.