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Senate Bill 1288 (as introduced 6-1-06)
Sponsor: Senator Valde Garcia
Committee: Commerce and Labor

Date Completed: 6-13-06

CONTENT

The bill would create the "Michigan Works One-Stop Service Center System Act" to codify the workforce development system, including provisions for Michigan Works areas, local workforce development boards, education advisory groups, and consolidated access to employment and retention programs in one-stop service centers. The bill would do all of the following:

- Create the Michigan workforce development system under the Department of Labor and Economic Growth (DLEG) to provide services and programs regulated or funded under various State and Federal laws.**
- Require the Governor to designate Michigan Works areas, and require the chief elected official in each area to appoint a local workforce development board for that area, in accordance with Federal law.**
- Specify criteria for local workforce development board members, including that a majority represent the private sector.**
- Establish responsibilities of local workforce development boards, including development of a plan to coordinate services for employers and job seekers, which would have to provide designated core services free of charge.**
- Specify conflict-of-interest requirements and prohibitions.**
- Require the Governor to create a Michigan Works agency in each Michigan Works area.**
- Require each Michigan Works agency to serve as the primary administrator for State- and Federally funded workforce development services and activities in its area.**
- Require that services be provided only through service providers selected by a competitive procurement process, and not directly by a local board or Michigan Works agency, unless no other provider could furnish the services at a reasonable cost.**
- Require a local workforce development board to appoint an education advisory group to advise the board on educational issues in its Michigan Works area.**

"Michigan works system" would mean the integrated and coordinated system of local boards, agencies, service centers, and advisory groups described in the bill to deliver workforce development services and implement Federal and State law.

"Michigan works area" would mean a geographic area that the Governor designates as a local workforce investment area under the Federal Workforce Investment Act, including an area designated before the bill's effective date.

"Michigan works agency" would mean an agency designated to be the primary administrator for workforce development activities in a local Michigan Works area under the guidance of the local workforce development board.

"Michigan works one-stop service center" would mean a facility designated to provide access to services delivered under the Michigan Works system.

Workforce Development System

The bill would create the Michigan workforce development system "to provide an integrated and coordinated system for delivery of workforce development programs and services tailored to local needs", including services and programs regulated or funded under Section 57f of the Social Welfare Act (MCL 400.57f) and under all of the following Federal laws:

- Title I of the Workforce Investment Act (Public Law 105-220).
- The Wagner-Peyser Act (29 USC 49 to 49c and 49d to 49f-2).
- Section 221 of the Trade Act (19 USC 2271).
- Section 6(d)(4) of the Food Stamp Act (7 USC 2015).
- Reed Act transfers under 42 USC 1101 to 1110.

(Section 57f of the Social Welfare Act requires participation in the Work First program by members of family independence assistance groups.)

The system would consist of the workforce development board in each Michigan Works area working cooperatively with the chief elected local official, Michigan Works agencies, Michigan Works one-stop service centers, and education advisory groups.

The system would be under the general supervision of DLEG, which would have to provide it with statewide career guidance, labor market and labor exchange information, and a management information system that supported the Michigan Works one-stop service centers.

Michigan Works Areas & Local Workforce Development Boards

The Governor would have to designate Michigan Works areas in the State in accordance with Section 116 of the Federal Workforce Investment Act (29 USC 2831). The chief elected official in each Michigan Works area would have to appoint, and the Governor would have to certify, a local workforce development board for that Michigan Works area, in accordance with Section 117 of the Workforce Investment Act (29 USC 2832).

A majority of local workforce development board members would have to represent the private sector, appointed from a list of individuals nominated by local business organizations and business trade associations. A board would have to include representatives of education, the Department of Human Services, DLEG, vocational rehabilitation providers, organized labor, economic development organizations, and community-based organizations. Representatives of government agencies would have to be nominated by DLEG. Board members would be appointed for fixed and staggered terms. The chairperson of a local board would have to be an individual from the private sector, elected by the board.

A local workforce development board would have to do all of the following, in cooperation with the chief elected officials in the workforce development area:

- Develop and submit to the Governor a plan for coordinating local workforce development services for employers and job seekers in the area.
- Identify providers eligible to provide youth services, training services for adults and dislocated workers, and intensive services.
- Award competitive grants or contracts to eligible providers.
- Develop a budget.
- Employ staff necessary to carry out the duties of the board.
- Solicit and accept grants and donations.
- Oversee the operation of the one-stop delivery of services through the Michigan Works system.

- Establish local performance standards through negotiation with the Governor for evaluating and improving the workforce development system.
- Coordinate workforce development activities with other economic development activities and strategies in the Michigan Works area.
- Promote private sector employer participation in the Michigan Works system.
- Make available connecting, brokering, and coaching activities through intermediaries to help meet employer hiring needs.
- Appoint an education advisory group and its chair.
- Conduct business at public meetings held in compliance with the Open Meetings Act and make information concerning the performance of the board's duties available to the public.
- Perform any other duties, functions, or responsibilities required of the board to implement the Workforce Investment Act or State or Federal law.

The plan developed by a board and submitted to the Governor would have to provide for access to designated core services with no fees or charges, and would have to provide services beyond the core services based on eligibility criteria.

A local workforce development board and each member of it would have to avoid a conflict of interest with board duties. An individual could not be appointed to or serve on a board if he or she had an ownership interest in, or were employed by, an organization that received money under the direct control of the board or if the individual engaged in any other activity that created a conflict of interest or what would appear to a reasonable person to be a conflict of interest. An individual who had an interest in or was employed by an entity that received money under the partial or complete control of a local workforce development board could be appointed to or continue to serve on the board, however, if he or she did not hold a policy-making position with the entity and would not receive other than a remote or incidental benefit from the board's decisions. The bill specifies that this exception to the strict conflict-of-interest policy would apply to allow board representation from entities such as a school that enrolled students with tuition paid from funds under the board's control, a government agency from which representation was required, and an employer that accepted compensation for extraordinary costs of providing on-the-job training from funds under the board's control.

Michigan Works Agencies

The Governor would have to create a Michigan Works agency in each Michigan Works area, from agencies designated by the local workforce development board in cooperation with chief elected officials. A Michigan Works agency would have to be one of the following:

- A public office or agency of a local unit of government within the Michigan Works area.
- A private nonprofit agency servicing one or more local units of government within the Michigan Works area.
- A nonprofit organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code (26 USC 501).

A Michigan Works agency would have to serve as the primary administrator for State- and Federally funded workforce development services and activities in its Michigan Works area. A local agency could engage in any activity necessary to fulfill the intent of the proposed Act, including the following:

- Informing the State, local units of government, private agencies and organizations, and the general public of the nature and extent of the need for workforce development services for businesses and individuals within the Michigan Works area.
- Developing and administering local workforce development programs within the Michigan Works area.
- Conducting pilot and demonstration projects with innovative approaches to reduce unemployment, improve services, and use resources.

- Providing and advocating for training and technical assistance to public and private agencies, community groups, and local units of government to define problems better, improve services, and facilitate citizen participation.
- Increasing interagency coordination and cooperation in serving businesses and individuals.
- Entering into agreements with Federal, State, and local public and private agencies and organizations if necessary to carry out the purposes of the proposed Act.
- Receiving and accepting grants or gifts to support or promote the activities authorized by the Act.
- Implementing and operating a Michigan Works one-stop service center.
- Engaging in any other activity necessary to fulfill the intent of the Act.

Except for incumbent worker training and business services, a Michigan Works agency could not provide workforce development services directly to job seekers and individual trainees without the agreement of the Governor.

A local workforce development board or Michigan Works agency could provide State- or Federally funded workforce development services to program applicants and participants only through service providers selected by a competitive procurement process established by DLEG or that met any applicable Federal law or regulations. A board or agency, however, could provide those services directly to program applicants and participants without contracting with a service provider, if the Governor determined after a competitive procurement process that no other provider was capable of providing the required services at a reasonable cost.

Except as otherwise provided, a local workforce development board or Michigan Works agency could enter any agreement necessary to deliver services under the proposed Act.

Education Advisory Group

A local workforce development board would have to appoint an education advisory group to operate in the Michigan Works area and serve in an advisory capacity to the board on educational issues. The board would have to appoint the group's chairperson.

An education advisory group would have to include local workforce development board members and representatives of employers, labor representatives, local school districts, postsecondary institutions, intermediate school districts, career and technical educators, public school parents, and academic educators. An education advisory group member would have to be employed in the sector he or she represented.

The conflict-of-interest provisions described above would not apply to members of an education advisory group.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. The bill would codify the existing Michigan Works! System structure, consistent with Federal law, boilerplate language in appropriation bills, and policy statements including "The Michigan Works! System Governance and Minimum Standards", adopted in 2001.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.