

**SUBSTITUTE FOR
SENATE BILL NO. 1288**

A bill to establish the Michigan works one-stop service center system to deliver workforce development programs and services tailored to local needs; to provide for Michigan works areas; to provide for local workforce development boards; to provide for education advisory groups; to provide for consolidated access to employment and retention programs in one-stop service centers; and to prescribe the powers and duties of the Michigan works one-stop service center system and of certain state and local governmental officers and agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan works one-stop service center system act".

3 Sec. 3. As used in this act:

4 (a) "Chief elected official" means a chief elected official of
5 a unit of general local government.

1 (b) "Department" means the department of labor and economic
2 growth.

3 (c) "Education advisory group" means an education advisory
4 group described in section 23.

5 (d) "Michigan works agency" means an entity designated to be
6 the administrator for workforce development activities in a local
7 Michigan works area under the guidance of the local workforce
8 development board.

9 (e) "Michigan works area" means a geographic area that the
10 governor designates as a local workforce investment area under
11 section 116 of the workforce investment act, 29 USC 2831, including
12 an area designated and recognized under that act before the
13 effective date of this act.

14 (f) "Michigan works one-stop service center" means a facility
15 designated to provide access to services delivered under the
16 Michigan works one-stop service center system and certified as
17 meeting standards established by the department.

18 (g) "Michigan works one-stop service center system" means the
19 integrated and coordinated system of local boards, agencies,
20 service centers, and advisory groups described in section 5 to
21 deliver workforce development services and implement federal and
22 state law.

23 (h) "Local workforce development board" means a local
24 workforce investment board established as provided in section 9.

25 (i) "Workforce investment act" means the workforce investment
26 act of 1998, 29 USC 2801 to 2945.

27 Sec. 5. (1) The Michigan works one-stop service center system

1 is created to provide an integrated and coordinated system for
2 delivery of workforce development programs and services tailored to
3 local needs, including, but not limited to, portions of services
4 and programs regulated or funded under all of the following state
5 and federal laws:

6 (a) Title I of the workforce investment act, Public Law 105-
7 220.

8 (b) The Wagner-Peyser act, 29 USC 49 to 49c and 49d to 49l-2.

9 (c) Section 221 of the trade act of 1974, 19 USC 2271.

10 (d) Section 57f of the social welfare act, 1939 PA 280, MCL
11 400.57f.

12 (e) Section 6(d)(4) of the food stamp act of 1977, 7 USC 2015.

13 (f) Reed act transfers under 42 USC 1101 to 1110.

14 (2) The system consists of the local workforce development
15 board in each Michigan works area, Michigan works agencies,
16 Michigan works one-stop service centers, and education advisory
17 groups.

18 Sec. 7. The governor shall designate Michigan works areas in
19 the state in accordance with section 116 of the workforce
20 investment act, 29 USC 2831.

21 Sec. 9. The chief elected official in each Michigan works area
22 shall appoint and the governor shall certify a local workforce
23 development board for that Michigan works area in accordance with
24 section 117 of the workforce investment act, 29 USC 2832.

25 Sec. 11. All of the following apply to a local workforce
26 development board:

27 (a) A majority of the members of a local workforce development

1 board shall be representatives of the private sector appointed from
2 a list of individuals nominated by local business organizations and
3 business trade associations.

4 (b) A local workforce development board shall include
5 representatives of education, the department of human services, the
6 department of labor and economic growth, vocational rehabilitation
7 providers, organized labor, economic development organizations, and
8 community-based organizations. Representatives of government
9 agencies shall be nominated by the department.

10 (c) Members of a local workforce development board shall be
11 appointed for fixed and staggered terms.

12 (d) The chairperson of the local workforce development board
13 shall be an individual from the private sector elected by the
14 board.

15 Sec. 13. A local workforce development board shall do all of
16 the following in cooperation with the chief elected officials in
17 the Michigan works area:

18 (a) Develop and submit to the governor a plan for coordinating
19 local workforce development services for employers and job seekers
20 in the area. The plan shall provide for access to designated core
21 services with no fees or charges and shall provide services beyond
22 the core services based on eligibility criteria.

23 (b) Award competitive grants or contracts to eligible
24 providers.

25 (c) Develop a budget.

26 (d) Employ staff necessary to carry out the duties of the
27 board.

1 (e) Solicit and accept grants and donations.

2 (f) Oversee the operation of the one-stop delivery of services
3 through the Michigan works one-stop service center system.

4 (g) Establish local performance standards through negotiation
5 with the department for evaluating and improving the Michigan works
6 one-stop service center system.

7 (h) Coordinate workforce development activities with other
8 economic development activities and strategies in the Michigan
9 works area.

10 (i) Promote private sector employer participation in the
11 Michigan works one-stop service center system.

12 (j) Make available connecting, brokering, and coaching
13 activities through intermediaries to help meet employer hiring
14 needs.

15 (k) Appoint an education advisory group and its chair.

16 (l) Conduct business at public meetings held in compliance with
17 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and make
18 information available to the public concerning performance of its
19 duties or other information requested under the freedom of
20 information act, 1976 PA 442, MCL 15.231 to 15.246.

21 (m) Any other duties, functions, or responsibilities required
22 of the board to implement the workforce investment act or state or
23 federal law.

24 Sec. 15. (1) A local workforce development board and each
25 member of the board shall avoid a conflict of interest with duties
26 of the board. Except as provided in subsection (2), an individual
27 shall not be appointed to or serve on a local workforce development

1 board if he or she has an ownership interest in or is employed by
2 an organization that receives money under the direct control of the
3 board or if the individual engages in any other activity that
4 creates a conflict of interest or what would appear to a reasonable
5 person to be a conflict of interest.

6 (2) An individual who has an interest in or is employed by an
7 entity that receives money under the partial or complete control of
8 the local workforce development board may be appointed to or
9 continue to serve on the board if the individual does not hold a
10 policy-making position with the entity and would not receive other
11 than a remote or incidental benefit from the board's decisions.

12 (3) The exception to the strict conflict of interest policy
13 provided in subsection (2) applies to allow local workforce
14 development board representation from entities such as a school
15 that enrolls students with tuition paid from funds under the
16 control of the board, a government agency from which representation
17 is required, and an employer that accepts compensation for
18 extraordinary costs of providing on-the-job training from funds
19 under the board's control.

20 Sec. 17. The local workforce development board and local
21 officials in each Michigan works area shall designate an entity to
22 perform administrative functions. The entity shall be 1 of the
23 following:

24 (a) A public office or agency of a local unit of government
25 within the Michigan works area.

26 (b) A private nonprofit agency servicing 1 or more units of
27 local government within the Michigan works area.

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1 (c) A nonprofit organization exempt from tax under section
2 501(c)(3) of the internal revenue code, 26 USC 501.

3 (d) An entity organized under the urban cooperation act of
4 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, or 1967 (Ex
5 Sess) PA 8, MCL 124.531 to 124.536.

6 Sec. 19. (1) An administrative entity designated under section
7 17 shall serve as the administrator for state and federal funding
8 provided to the workforce development board for workforce
9 development services and activities in the Michigan works area.
10 Subject to subsection (2), an administrative entity designated
11 under section 17 may engage in any activity necessary to fulfill
12 the intent of this act, including, but not limited to, the
13 following:

14 (a) Informing the state, units of local government, private
15 agencies and organizations, and the general public of the nature
16 and extent of the need for workforce development services for
17 businesses and individuals within the Michigan works area.

18 (b) Developing and administering local workforce development
19 programs within the Michigan works area.

20 (c) Conducting pilot and demonstration projects <<to research the
effectiveness of>>
21 innovative approaches to reduce unemployment, improve services, and
22 utilize resources.

23 (d) Providing and advocating for training and technical
24 assistance to public and private agencies, community groups, and
25 local units of government to better define problems, improve
26 services, and facilitate citizen participation.

27 (e) Increasing interagency coordination and cooperation in

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1 serving businesses and individuals.

2 (f) Entering into agreements with federal, state, and local
3 public and private agencies and organizations if necessary to carry
4 out the purposes of this act.

5 (g) Receiving and accepting grants or gifts to support or
6 promote the activities authorized by this act.

7 (h) Implementing and operating Michigan works one-stop service
8 centers.

9 (i) Engaging in any other activity necessary to fulfill the
10 intent of this act.

11 (2) Except for incumbent worker training and business
12 services, an administrative entity designated under section 17
13 shall not provide workforce development services directly to job
14 seekers and individual trainees without the approval of the
15 governor.

<<(3) The department shall establish criteria and procedures for
approving all pilot or demonstration projects described in subsection
(1)(c) that are funded by the department.>>

16 Sec. 21. (1) Except as provided in subsection (2), an
17 administrative entity designated under section 17 shall provide
18 state or federally funded workforce development services to program
19 applicants and participants only through service providers selected
20 by a competitive procurement process established in accordance with
21 department policy and applicable state law.

22 (2) An administrative entity designated under section 17 may
23 provide state or federally funded services directly to program
24 applicants and participants without contracting with a service
25 provider, if the department determines after a competitive
26 procurement process that no other provider is capable of providing
27 the required services within the limits of available funding and

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1 cost to benefit analysis.

2 (3) Except as otherwise provided in this section, an
3 administrative entity designated under section 17 may enter into
4 any agreement necessary to deliver services under this act.

5 Sec. 23. (1) A local workforce development board shall appoint
6 an education advisory group to operate in the Michigan works area
7 and serve in an advisory capacity to the board on educational
8 issues. The board shall appoint the chairperson of that group.

9 (2) An education advisory group appointed under this section
10 shall include local workforce development board members and
11 representatives of employers, labor representatives, local school
12 districts, postsecondary institutions, intermediate school
13 districts, career and technical educators, public school parents,
14 and academic educators. An education advisory group member shall be
15 employed in the sector he or she represents.

16 (3) The conflict of interest provisions in section 15 do not
17 apply to the members of an education advisory group appointed under
18 this section.

<<Sec. 25. The department shall oversee and evaluate the activities
of the Michigan works agencies and shall require Michigan works agencies
to report information to the department to facilitate the oversight. All
the reported information shall be available to the public.>>