

**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.>>