

HOUSE BILL NO. 5026

September 20, 2023, Introduced by Reps. Martus, Hoskins, Pohutsky, Coffia, Hill, Weiss, Morgan, McFall, Morse, Skaggs, Conlin, Rheingans, Farhat and Aiyash and referred to the Committee on Labor.

A bill to provide for the transition of transition-impacted industries into new industries; to create the community and worker economic transition office in the department of labor and economic opportunity; to create certain advisory committees; and to provide for the powers and duties of certain state governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "community and worker
2 economic transition act".

1 Sec. 3. As used in this act:

2 (a) "Advisory committee" means the community and worker
3 economic transition advisory committee created in section 9.

4 (b) "Department" means the department of labor and economic
5 opportunity.

6 (c) "Department director" means the director of the
7 department.

8 (d) "Disproportionately impacted community" means a community
9 of color, low-to-middle income community, or indigenous community
10 that is or has been directly impacted by pollution.

11 (e) "Eligible entity" means an entity that serves a transition
12 community and is 1 of the following:

13 (i) An economic development district.

14 (ii) A county, municipality, or other political subdivision of
15 this state.

16 (iii) An Indian tribe.

17 (iv) An apprenticeship program that is registered with the
18 United States Department of Labor.

19 (v) An institution of higher education.

20 (vi) A public or private nonprofit organization or association.

21 (f) "Fund" means the community and worker economic transition
22 fund created in section 13.

23 (g) "Municipality" means a city, township, or village.

24 Sec. 5. As used in this act:

25 (a) "Office" means the community and worker economic
26 transition office created in section 7.

27 (b) "Office director" means the director of the office.

28 (c) "Transition community" means a municipality, county, or
29 region that has been affected in the previous 12 months, or that

1 demonstrates it will be impacted in the next 36 months, by the loss
2 of 50 or more jobs in a transition-impacted industry.

3 (d) "Transition-impacted industry" means an industry that is
4 impacted by transition, including all of the following:

5 (i) Fossil fuel energy workers who have employment tied to the
6 generation, transportation, and refinement of fossil fuel.

7 (ii) Internal combustion engine vehicle workers and workers in
8 the supply chain for internal combustion engine vehicles.

9 (iii) Workers in the building and construction trades.

10 (iv) Any other affected workers.

11 (e) "Transition plan" means the community and worker economic
12 transition plan described in section 11.

13 (f) "Transition worker" means a worker in this state who is
14 laid off from employment in a transition-impacted industry on or
15 after the effective date of this act.

16 (g) "Wage differential benefit" means either of the following:

17 (i) Supplemental income covering all or part of the difference
18 between income earned by an individual in previous employment in a
19 transition-impacted industry and income earned by the individual in
20 new employment.

21 (ii) Supplemental income during job retraining.

22 Sec. 7. (1) The community and worker economic transition
23 office is created in the department.

24 (2) The department director shall appoint the office director.
25 The office director shall manage the operations of the office.

26 (3) The office shall do all of the following:

27 (a) Lead interdepartmental coordination on efforts essential
28 to the office's mission.

29 (b) Advance existing initiatives that align with the office's

1 mission, including, but not limited to, the energy transition
2 impact project.

3 (c) Partner with workers, local communities, and employers on
4 the creation of advisory committees that ensure the voices of the
5 impacted are involved in decision making and undertake stakeholder
6 outreach with workers, local communities, and employers to do all
7 of the following:

8 (i) Align and target local, state, and federal programming and
9 establish additional programming to support the office's mission.

10 (ii) Propose and implement plans for different sectors of the
11 economy that align with the office's mission.

12 (iii) Assist in the development, and monitor the implementation,
13 of state and federal laws, rules, regulations, and budgets relating
14 to the office's mission.

15 (iv) As issues emerge, recommend changes in state and federal
16 law, rules, regulations, policies, guidelines, practices,
17 procedures, and budgets relating to the office's mission.

18 (d) Work with the public and private sector to undertake or
19 participate in conferences, inquiries, meetings, or studies that
20 may support the office's mission.

21 (e) Publicize the activities of the office, as appropriate.

22 (f) Other duties as assigned by the director.

23 Sec. 9. (1) The community and worker economic transition
24 advisory committee is created in the department.

25 (2) The advisory committee must consist of the following
26 members:

27 (a) The department director or the department director's
28 designee.

29 (b) The president of the Michigan strategic fund or the

1 president of the Michigan strategic fund's designee. As used in
2 this subdivision, "Michigan strategic fund" means the Michigan
3 strategic fund created in section 5 of the Michigan strategic fund
4 act, 1984 PA 270, MCL 125.2005.

5 (c) The director of the department of environment, Great
6 Lakes, and energy or the director of the department of environment,
7 Great Lakes, and energy's designee.

8 (d) Three individuals appointed by the governor as follows:

9 (i) One individual who represents the office of the governor.

10 (ii) One individual selected from a list of individuals
11 provided by the senate majority leader.

12 (iii) One individual selected from a list of individuals
13 provided by the speaker of the house of representatives.

14 (e) Twelve members appointed by the office director as
15 follows:

16 (i) Three individuals who represent transition workers.

17 (ii) Three individuals who represent transition communities.

18 (iii) Two individuals with professional experience in economic
19 development or workforce retraining.

20 (iv) Two individuals who represent disproportionately impacted
21 communities.

22 (v) Two individuals who represent transition-impacted
23 industries.

24 (3) The first members of the advisory committee must be
25 appointed not later than 90 days after the effective date of this
26 act.

27 (4) The terms of the first members of the advisory committee
28 are as follows:

29 (a) Except as otherwise provided in subdivisions (b) and (c),

1 the first members shall serve 4-year terms.

2 (b) The members described in subsection (2) (d) (ii) and (iii)
3 shall serve 2-year terms.

4 (c) The members described in subsection (2) (e) shall serve 3-
5 year terms.

6 (5) After the first appointments, the term of a member of the
7 advisory committee is 4 years or until a successor is appointed
8 under subsection (2), whichever is later.

9 (6) If a vacancy occurs on the advisory committee, an
10 individual must be appointed in the same manner as the original
11 appointment to fill the vacancy for the balance of the term.

12 (7) The governor may remove a member of the advisory committee
13 for incompetence, dereliction of duty, malfeasance, misfeasance, or
14 nonfeasance in office, or any other good cause.

15 (8) The department director or the department director's
16 designee shall call the first meeting of the advisory committee. At
17 the first meeting, the advisory committee shall elect a member as a
18 chairperson and may elect other officers that it considers
19 necessary or appropriate. The advisory committee shall meet at
20 least quarterly, or more frequently at the call of the chairperson
21 or at the request of a majority of the members.

22 (9) A majority of the members of the advisory committee
23 constitutes a quorum for transacting business. A vote in favor by a
24 majority of the members of the advisory committee serving is
25 required for any action of the advisory committee.

26 (10) The advisory committee shall conduct its business in
27 compliance with the open meetings act, 1976 PA 267, MCL 15.261 to
28 15.275.

29 (11) A writing that is prepared, owned, used, possessed, or

1 retained by the advisory committee in performing an official
2 function is subject to the freedom of information act, 1976 PA 442,
3 MCL 15.231 to 15.246.

4 (12) A member of the advisory committee is not entitled to
5 compensation for service on the advisory committee, but the
6 advisory committee may reimburse a member for actual and necessary
7 expenses incurred in serving.

8 Sec. 11. (1) By July 1, 2025, the advisory committee shall
9 prepare and submit a draft community and worker economic transition
10 plan to the department director and the office director.

11 (2) In developing the draft transition plan, the advisory
12 committee shall consider options to do all of the following:

13 (a) Align and target local, state, and federal resources and
14 leverage additional resources to invest in communities and workers
15 whose transition-impacted industries are subject to significant
16 economic transition.

17 (b) Align and target existing local, state, and federal
18 programming and establish additional programming to support
19 communities and workers whose transition-impacted industries are
20 subject to significant economic transition.

21 (c) Establish benefits for transition workers, including wage
22 differential benefits for affected workers, and eligibility for and
23 the duration of the benefits.

24 (d) Educate dislocated workers, in collaboration with
25 employers of dislocated workers and relevant labor unions,
26 regarding how to apply for transition benefits.

27 (e) Establish and structure a grant program and other
28 potential programmatic support for transition communities and
29 organizations that support transition communities, including

1 eligible entities.

2 (3) In developing the draft transition plan, the advisory
3 committee shall identify and consider all of the following:

4 (a) The projected short-term and long-term costs and benefits
5 to this state of each plan component, including worker benefits,
6 grant programs, and other supports.

7 (b) Potential sources for sustainable short-term and long-term
8 funding for a transition plan and its components.

9 (c) The potential fiscal, economic, workforce, and other
10 implications of extending components of the transition plan to
11 other industries affected by similar economic disruptions.

12 (d) Which components of the transition plan can be implemented
13 by a state department or agency under existing authority and which
14 require additional legislation.

15 (4) Based on the draft transition plan recommended by the
16 advisory committee, and with the approval of the department
17 director, by December 31, 2025, the office director shall submit to
18 the governor and the legislature a final transition plan for this
19 state. The final transition plan must include, at a minimum, all of
20 the following:

21 (a) Benefits, grants, and other components that the office,
22 the department, or another state department or agency will
23 coordinate and implement under existing authority.

24 (b) Benefits, grants, and other components that require
25 additional legislative authority to implement.

26 (c) Sources of funding that may be accessed from federal,
27 state, local, and other sources without additional legislative
28 authority or approval.

29 (d) Sources of funding that require legislative or voter

1 approval.

2 (5) By January 1, 2029, the office director shall submit to
3 the governor and the legislature a written report that recommends
4 changes to this act to better achieve the purposes of this act.

5 Sec. 13. (1) The community and worker economic transition fund
6 is created in the state treasury.

7 (2) The state treasurer shall deposit money and other assets
8 received from any other source in the fund. The state treasurer
9 shall direct the investment of money in the fund and credit
10 interest and earnings from the investments to the fund.

11 (3) Money in the fund at the close of the fiscal year remains
12 in the fund and does not lapse to the general fund.

13 (4) The department is the administrator of the fund for audits
14 of the fund.

15 (5) The department shall expend money from the fund on
16 appropriation for only 1 or more of the following purposes:

17 (a) The costs of the department and the office in
18 administering this act.

19 (b) To implement the transition plan.

20 (c) Any other purpose described in this act.