

**SUBSTITUTE FOR
SENATE BILL NO. 519**

A bill to provide for the adjustment of transition-impacted workers into new industries; to create the community and worker economic transition office in the department of labor and economic opportunity; to allow the creation of 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".

3 Sec. 3. As used in this act:

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

6 (b) "Department director" means the director of the



1 department.

2 (c) "Municipality" means a city, township, or village.

3 Sec. 5. As used in this act:

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

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

7 (c) "Transition activities" means those activities in which
8 transition workers may participate to avoid suffering economic
9 harm. Transition activities includes, but is not limited to, all of
10 the following activities:

11 (i) Educating transition workers regarding various programs
12 available to them.

13 (ii) Replacing lost income, gaps in income, and benefits for
14 transition workers.

15 (iii) Services for transition workers, such as education,
16 training, career counseling, skills-matching, maintaining
17 employment with current employer or reemployment services, and
18 financial planning assistance.

19 (iv) Replacing lost tax base revenue for transition
20 communities.

21 (v) Promoting the hiring of transition workers and the
22 creation of jobs in transition communities that provide comparable
23 or higher wages and benefits to jobs in transition-impacted
24 industries.

25 (d) "Transition community" means a municipality, county, or
26 region that has been affected since September 23, 2020 or that
27 demonstrates it will be impacted between the effective date of this
28 act and January 1, 2040, by the loss of 50 or more jobs in a
29 transition-impacted industry.



1 (e) "Transition-impacted industry" means an industry that is
2 impacted by transition, including all of the following:

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

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

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

8 (iv) Any other affected workers.

9 (f) "Transition plan" means the community and worker economic
10 transition plan developed under section 7(3)(f) as described in
11 section 9.

12 (g) "Transition worker" means a worker in this state who has
13 been laid off from employment in a transition-impacted industry
14 since September 23, 2020 or who is or will be laid off from
15 employment in a transition-impacted industry on or after the
16 effective date of this act and before January 1, 2040.

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

19 (2) The department director shall appoint the office director.
20 The office director shall manage the operations of the office.

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

22 (a) Support and participate in interdepartmental coordination
23 on efforts essential to the office's mission as defined by the
24 office director.

25 (b) Advance and support existing initiatives that align with
26 the office's mission, including, but not limited to, the energy
27 transition impact project.

28 (c) Partner with workers, local communities, employers, and
29 labor organizations to ensure the voices of the impacted are



1 involved in decision making and undertake stakeholder outreach with
2 workers, local communities, employers, and labor organizations to
3 do all of the following:

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

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

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

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

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

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

18 (f) Develop a community and worker economic transition plan as
19 described in section 9. The office may create an advisory committee
20 to assist with the development of the transition plan. If an
21 advisory committee is formed under this subdivision, the advisory
22 committee must include individuals from transition communities,
23 transition-impacted industries, and labor organizations.

24 (g) Identify funds to support transition activities for
25 transition workers, transition communities, and transition-impacted
26 industries. The office must consider all of the following sources
27 of funds:

28 (i) Existing state programs that can be utilized to support
29 transition workers, transition communities, and transition-impacted



1 industries, or that can be more closely aligned with transition
2 needs.

3 (ii) New state funds that might need to be developed to address
4 transition activities not addressed by existing programs.

5 (iii) Federal grants, loans, or other funding that can be used
6 to support transition workers, transition communities, and
7 transition-impacted industries.

8 (iv) Private funds, including funds from foundations or for-
9 profit entities.

10 (h) Other duties as assigned by the office director.

11 Sec. 9. (1) In developing the community and worker economic
12 transition plan under section 7(3)(f), the office shall consider
13 options to do all of the following:

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

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

22 (c) Identify transition activities that are not addressed by
23 existing resources and make recommendations for new programs as
24 necessary, including, but not limited to, programs to support
25 transition workers with supplemental income, health care benefits,
26 and retirement benefits and programs that provide transition
27 workers with access to education and training opportunities.

28 (d) Implement or engage in other programs, policies, or
29 activities that will assist transition communities, transition



1 workers, and companies in transition-impacted industries.

2 (2) In developing the transition plan, the office shall
3 evaluate all of the following:

4 (a) The projected short-term and long-term benefits to this
5 state of each plan component, including worker benefits, grant
6 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 (e) The outcomes of the transition plan for transition workers
16 and transition communities, including evaluating the quality of
17 replacement jobs, to better allocate wages, benefits, and tax base
18 replacement.

19 (3) With the approval of the department director, by December
20 31, 2025, the office director shall submit to the governor and the
21 legislature the transition plan for this state.

22 (4) The office may undertake any activities authorized under
23 this act before submitting the transition plan.

