

**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; to make certain appropriations; 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 established under Executive Directive No.
28 2020-10.

29 (c) Partner with workers, local communities, employers, and

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

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

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

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

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

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

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

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

25 (g) Evaluate the outcomes of the transition plan for
26 transition workers and transition communities, including evaluating
27 the quality of replacement jobs, to better allocate wages,
28 benefits, and tax base replacement.

29 (h) Identify funds to support transition activities for

1 transition workers, transition communities, and transition-impacted
2 industries. The office must consider all of the following sources
3 of funds:

4 (i) Existing state programs that can be utilized to support
5 transition workers, transition communities, and transition-impacted
6 industries, or that can be more closely aligned with transition
7 needs.

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

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

13 (iv) Private funds, including funds from foundations or for-
14 profit entities.

15 (i) Other duties as assigned by the office director that are
16 related to the office's mission.

17 (4) In addition to any other funds appropriated for the
18 office, private funds received by the department for the office are
19 appropriated and may be expended for the creation, implementation,
20 and administration of the office and its activities.

21 (5) Beginning 1 year after the effective date of this act, the
22 office director shall annually submit a written report to the
23 legislature that includes all of the following:

24 (a) Information regarding the utilization of transition
25 activities.

26 (b) A description of transition-impacted industries,
27 transition communities, and transition workers.

28 (c) An evaluation of the transition plan, including, but not
29 limited to, the outcomes of the transition plan.

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

4 (a) Align and target local, state, and federal resources and
5 leverage additional resources to invest in communities and workers
6 whose transition-impacted industries are subject to significant
7 economic transition.

8 (b) Align and target existing local, state, and federal
9 programming and establish additional programming to support
10 communities and workers whose transition-impacted industries are
11 subject to significant economic transition.

12 (c) Identify transition activities that are not addressed by
13 existing resources and make recommendations for new programs as
14 necessary, including, but not limited to, programs to support
15 transition workers with supplemental income, health care benefits,
16 and retirement benefits and programs that provide transition
17 workers with access to education and training opportunities.

18 (d) Implement or engage in other programs, policies, or
19 activities that will assist transition communities, transition
20 workers, and companies in transition-impacted industries.

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

23 (a) The projected short-term and long-term benefits to this
24 state of each plan component, including worker benefits, grant
25 programs, and other supports.

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

28 (c) The potential fiscal, economic, workforce, and other
29 implications of extending components of the transition plan to

1 other industries affected by similar economic disruptions.

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

5 (3) With the approval of the department director, by December
6 31, 2025, the office director shall submit to the governor and the
7 legislature the transition plan for this state.

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