

**EXECUTIVE REORGANIZATION ORDER**  
**E.R.O. No. 2002-4**

**408.101 Creation of Michigan workforce investment board within Michigan department of career development as type II entity.**

WHEREAS, Article V, Section 1 of the Constitution of the state of Michigan of 1963 vests the executive power in the Governor; and

WHEREAS, Article V, Section 2, of the Constitution of the state of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for effective administration; and

WHEREAS, the current Governor's Workforce Commission was established by Executive Order 1994-26, being Section 408.48 of the Michigan Compiled Laws; to advise the Governor and the then Chief Executive Officer of the Michigan Jobs Commission on matters regarding workforce development with all the authority, powers, duties, functions, and responsibilities of the Governor's Workforce Commission created under Executive Order 1993-3; and

WHEREAS, Executive Order 1999-1, being Section 408.40 of the Michigan Compiled Laws; transferred all of the authority, powers, duties, functions and responsibilities of the Governor's Workforce Commission to the Department of Career Development by a Type II transfer as defined in Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws; and

WHEREAS, the federal Workforce Investment Act of 1998, 29 USC 2801 et seq., was enacted "to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation" (29 USC 2811); and

WHEREAS, as a condition of receiving federal funds, the Workforce Investment Act of 1998 requires each state to establish a state workforce investment board or designate an alternative entity for carrying out duties related to statewide workforce investment activities (29 USC 2821); and

WHEREAS, prior to this Order, the Governor's Workforce Commission served as the alternative entity required under Section 111 of the Workforce Investment Act of 1998 (29 USC 2821); and

WHEREAS, changes in the structure of the Governor's Workforce Commission are needed to reflect the current organization of state government; and

WHEREAS, federal law requires the state to adopt a prescribed state workforce investment board model in order to effect these changes; and

WHEREAS, the federally prescribed state workforce investment board model dictates the number of and types of members of the state workforce investment board; and

WHEREAS, it is necessary to effect changes in the organization of the Executive Branch of government.

NOW, THEREFORE, I, John Engler, Governor of the state of Michigan, pursuant to the powers vested in me by the Constitution of the state of Michigan of 1963 and the laws of the state of Michigan, do hereby order the following:

**I. DEFINITIONS**

As used herein:

A. "Board" means the Michigan Workforce Investment Board established by this Executive Order.

B. "Department of Career Development" means the principal department of state government created by Executive Order 1999-1, being Section 408.40 of the Michigan Compiled Laws, or any act of the legislature enacted subsequent to the issuance of this order.

C. "Department of Community Health" means the principal department of state government created by Executive Order 1996-1, being Section 330.3101 of the Michigan Compiled Laws.

D. "Department of Consumer and Industry Services" means the principal department of state government created by Executive Order 1996-2, being Section 445.2001 of the Michigan Compiled Laws.

E. "Family Independence Agency" means the principal department of state government created by Act No. 280 of the Public Acts of 1939, being Section 400.1 of the Michigan Compiled Laws.

F. "Governor's Workforce Commission" means the entity established by Executive Order 1994-26, being Section 408.48 of the Michigan Compiled Laws.

G. "Local units of government" means counties, townships, cities, villages or federally-recognized Indian tribes.

H. "Member" means a member of the Board appointed by the Governor, the Speaker of the House, or the Senate Majority Leader, as required by federal statute and regulation. "Member" also means the Governor and

other state officials listed in Section II.C.4.h. of this order who also serve as board members as required by federal statute and regulation.

I. "One-Stop Partner" means the lead state agency with responsibility for the following programs and activities described in Section 121(b) of the federal Workforce Investment Act of 1998 (29 USC 2841(b)) and any federal regulations issued pursuant to the Act. Where no state agency has responsibility for such a program or service, a one-stop partner means an entity in the state with expertise relating to such a program. Those programs and activities include:

1. Programs authorized under Title I of the federal Workforce Investment Act of 1998, being 29 USC 2801 et seq., which provide the framework for state and local workforce investment systems and funding streams for services to youths, adults and dislocated workers.

2. Programs authorized under the Wagner-Peyser Act, 29 USC 49 et seq., which establish and maintain a national system of public employment offices, for which the Department of Career Development is the lead state agency.

3. Programs authorized under the Adult Education and Family Literacy Act, 20 USC 9201 et seq., which establish partnerships among the federal government, states and localities to provide adult education and literacy services, for which the Department of Career Development is the lead state agency.

4. Programs authorized under Title I of the Rehabilitation Act of 1973, 29 USC 720 et seq., which assist states in operating statewide comprehensive programs of vocational rehabilitation, for which the Department of Career Development is the lead state agency.

5. Programs authorized under section 403(a)(5) of the Social Security Act, 42 USC 603(a)(5), which establish block grants to states for temporary assistance for needy families, for which the Department of Career Development is the lead state agency.

6. Programs authorized under Title V of the Older Americans Act of 1965, 42 USC 3056 et seq., which promote useful part-time opportunities in community service activities for unemployed low-income persons age 55 or older in order to foster economic self-sufficiency, for which the Department of Community Health is the lead state agency.

7. Programs authorized under the Carl D. Perkins Vocational and Applied Technology Education Act, 20 USC 2301 et seq., which develop the academic, vocational and technical skills of secondary students and post-secondary students enrolled in vocational and technical education programs, for which the Department of Career Development is the lead state agency.

8. Programs authorized under chapter 2 of Title II of the Trade Act of 1974, 19 USC 2271 et seq., which assist and retrain workers unemployed as a result of foreign competition, for which the Department of Career Development is the lead state agency.

9. Activities authorized under Chapter 41 of Title 38 of the United States Code, 38 USC 4100 et seq., which provide job counseling, training and placement service for veterans, for which the Department of Career Development is the lead state agency.

10. Programs authorized under the Community Services Block Grant Act, 42 USC 9901 et seq., which provide assistance to states and local communities, community action agencies and other neighborhood-based organizations, to reduce poverty, revitalize low-income communities, and empower low-income families and individuals to become self-sufficient, for which the Family Independence Agency is the lead state agency.

11. Employment and training activities of the Department of Housing and Urban Development, which provide services and resources to families eligible for public housing to achieve economic independence and self-sufficiency.

12. Programs authorized under state unemployment compensations laws, for which the Department of Consumer and Industry Services is the lead state agency.

## **II. CREATION OF THE MICHIGAN WORKFORCE INVESTMENT BOARD**

A. Consistent with the provisions of the federal Workforce Investment Act of 1998 and regulations issued pursuant to the Act, the Michigan Workforce Investment Board is hereby created within the Michigan Department of Career Development as a Type II entity as defined in Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

B. The Board shall have fifty-three (53) members.

C. The membership of the Board shall be as provided in Section 111(b) of the Workforce Investment Act (29 USC 2821(b)) and regulations issued pursuant to the Act as follows:

1. The Governor.

2. Two (2) members of the Michigan Senate appointed by the Senate Majority Leader.

3. Two (2) members of the Michigan House of Representatives appointed by the Speaker of the House of Representatives.

4. Appointees of the Governor as follows:

a. Twenty-seven (27) members from lists of nominees submitted by state business organizations and business trade associations, who shall be business owners, chief executive or operating officers, or other business executives with optimum policy-making or hiring authority within their respective business including members of local boards described in Section 2832 (b)(2)(A)(i) of Title 29 of the United States Code.

b. Two (2) chief elected officials of local units of government.

c. Two (2) members representing state labor organizations from a list of six (6) individuals who have been nominated by state labor federations.

d. Two (2) members who have experience with respect to youth activities.

e. Two (2) members who have expertise in the delivery of workforce investment activities, who may include the chief executive officers of community colleges or community-based organizations.

f. One (1) member to represent K-12 school districts or public school academies as defined by the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Section 380.1 et seq. of the Michigan Compiled Laws.

g. One (1) member to represent intermediate school districts as defined by the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Section 380.1 et seq. of the Michigan Compiled Laws.

h. Four (4) members representing the lead state agencies, or their successor agencies, with responsibility for one-stop programs, as follows:

- i. the Director of the Department of Career Development,
- ii. the Director of the Department of Community Health,
- iii. the Director of the Department of Consumer and Industry Services, and
- iv. the Director of the Family Independence Agency.

i. Five (5) members appointed by the Governor to represent other one-stop partners as required by the federal Workforce Investment Act, including representatives of the Department of Housing and Urban Development, the Workforce Investment Act Job Corps program, the Workforce Investment Act Native American Programs, the Workforce Investment Act Migrant and Seasonal Farmworker Programs, and Workforce Investment Act Youth Opportunity Grant Program.

j. Two (2) members of the general public appointed by the Governor.

D. An individual appointed to serve as a Board member shall serve only while serving in the office of the respective organization, agency or entity in subparagraphs C.2. through C.4. that qualifies him or her for membership on the Board.

E. All members of the Board shall be individuals with optimum policymaking authority within the organizations, agencies or entities that they represent as required by federal statute and regulation.

F. The Board shall represent geographically diverse regions of Michigan to the extent required by federal statute and regulation.

G. Except as otherwise provided in this subsection, members of the Board shall hold office for a term of three (3) years.

1. Members appointed from Michigan House of Representatives and the Michigan State Senate shall serve a term during the term of the legislature in which they were appointed.

2. Of the members initially appointed to represent Michigan business entities, nine (9) members shall be appointed for a term of three (3) years, nine (9) members shall be appointed for a term of two (2) years, and nine (9) members shall be appointed for a term of one (1) year.

3. The members initially appointed as chief elected officials of local units of government shall be appointed for a term of two (2) years.

4. The members initially appointed to represent youth activities shall be appointed for a term of two (2) years.

5. The members initially appointed to represent workforce investment activities shall be appointed for a term of one (1) year.

6. The member initially appointed to represent K-12 school districts shall be appointed for a term of one (1) year.

7. The member initially appointed to represent intermediate school districts shall be appointed for a term of one (1) year.

8. The members initially appointed to represent other one-stop partners shall be appointed for a term of one (1) year.

H. A vacancy on the commission caused by the expiration of a term or other cause of termination of membership on the commission shall be filled in the same manner as the original appointment.

I. A member appointed to fill a vacancy created other than by expiration of a term shall be appointed for the unexpired term of the member who he or she is to succeed in the same manner as the original

appointment. A member may be reappointed for additional terms.

### **III. CHARGE TO THE MICHIGAN WORKFORCE INVESTMENT BOARD**

A. The Board shall be advisory in nature and shall assist the Governor with the following functions as described in Section 111(d) of the federal Workforce Investment Act of 1998 (29 USC 2821(d)) and any regulations issued pursuant to the Act:

1. Development of the state Workforce Investment Act plan.
2. Development and continuous improvement of a statewide workforce investment system involving:
  - a. Formation of linkages to assure coordination of effort and to prevent duplicative activity among programs and services available through the one-stop delivery system; and
  - b. Review of local Workforce Investment Act plans.
3. Provide comments on the state performance measures taken pursuant to the Carl D. Perkins Vocational and Applied Technology Education Act, 20 USC 2323(b.)
4. Designation of local workforce investment areas.
5. Development of allocation formulas for the distribution of funds to local workforce investment areas for adult employment and training activities and youth activities.
6. Development and continuous improvement of comprehensive state performance measures to assess the effectiveness of state workforce investment activities, including state adjusted levels of performance.
7. Preparation of the state's Workforce Investment Act annual report.
8. Development of the statewide employment statistics system.
9. Development of a Workforce Investment Act incentive grant application and application process.

B. The Board shall also advise the Director of the Department of Career Development on the operation of the following programs:

1. The Work First Program, authorized by Section 57f of the Social Welfare Act, Act No. 280 of the Public Acts of 1939, as amended, being Section 400.57f of the Michigan Compiled Laws.
2. The Food Stamp Employment and Training Program, authorized under the federal Food Stamp Act of 1977, as amended by the Balanced Budget Act of 1997, 7 USC 2015 (d)(4).
3. The Career Preparation System, authorized under Sections 67 and 68 of the School Aid Act, Act No. 94 of the Public Acts of 1979, as amended, being Sections 388.1667 and 388.1668 of the Michigan Compiled Laws.
4. The North American Free Trade Agreement Transitional Adjustment Assistance Program, authorized under chapter 2 of Title II of the Trade Act of 1974, 19 USC 2271 et seq.
5. The Adult Education Programs, authorized under Sections 107 and 108 of the School Aid Act, Act No. 94 of the Public Acts of 1979, as amended, being Sections 388.1707 and 388.1708 of the Michigan Compiled Laws.

### **IV. OPERATIONS OF THE MICHIGAN WORKFORCE INVESTMENT BOARD**

A. A majority of the members of the Board shall be representatives of Michigan business entities as required by federal statute and regulation.

B. As required by federal statute and regulation, the Governor shall designate as chairperson of the Board a member representing state business entities who shall serve at the pleasure of the Governor.

C. The Board may promulgate bylaws, not inconsistent with law and with this Order, governing its organization, operation and procedure.

D. A majority of the serving members consisting of a majority of members representing state business entities constitutes a quorum for the transaction of business at a meeting. Members participating in a meeting by the use of telephonic or video equipment shall be deemed present at the meeting. The Board shall act by a majority vote of its members. Voting shall be conducted in person or by use of telephonic or video equipment.

E. The Board shall meet at the call of the chairperson and as may be provided in the bylaws of the Board. Meetings of the Board may be held at any location within the state of Michigan. Gubernatorial appointees unable to comply with attendance requirements specified in the Board's bylaws, upon request of the chair, shall resign from the board.

F. The Board may, as appropriate, make inquiries, studies, and investigations, hold hearings, and receive comments from the public.

G. The Board may establish one or more subcommittees consisting of Board members to investigate and analyze specific issues, consistent with the charge to the Board contained in Section III of this order. The chair of the Board shall designate the members of each subcommittee established by the Board. Subcommittees shall recommend proposed actions, plans, comments, formulas, measures, reports or policies to the Board, consistent with the Board's charge. The Board may adopt, reject or modify recommendations proposed by subcommittees.

H. Members of the Board shall serve without compensation. Members of the Board may receive reimbursement for necessary travel and expenses according to the relevant procedures of the Civil Service Commission and the Department of Management and Budget.

I. The Board may hire or retain such contractors, sub-contractors, advisors, consultants and agents, and may make and enter into contracts necessary or incidental to the exercise of the powers of the Board and the performance of its duties as the Director of the Department of Career Development may deem advisable and necessary, in accordance with the relevant statutes, rules and procedures of the Civil Service Commission and the Department of Management and Budget.

J. Subject to appropriations and other applicable law, the Board may apply for, receive and expend monies from any source, public or private, including but not limited to, gifts, grants, donations of monies and government appropriations. The Board may also accept donations of labor, services or other things of value from any public or private agency or person.

K. Members of the Board shall refer all legal, legislative and media contacts to the Department of Career Development.

L. The Board shall be staffed by personnel within the Department of Career Development, as designated by the Director.

M. The Auditor General, or a certified public accountant appointed by the Auditor General, may annually conduct and remit to the Governor and the Legislature an audit of the Board and, in the conduct of the audit, shall have access to records of the Board at any time.

#### **V. MISCELLANEOUS**

A. All departments, boards, commissioners, or officers of the state or of any political subdivision thereof shall give to the Board, or to any member or representative thereof, any necessary assistance required by the Board, or any member or representative thereof, in the performance of the duties of the Board so far as is compatible with its, his or her duties; free access shall also be given to any books, records or documents in its, his or her custody, relating to matters within the scope of inquiry, study or investigation of the Board.

B. Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against or before the appropriate successor of any entity affected by this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder thereof.

D. The Governor's Workforce Commission, established by Executive Order 1994-26, is hereby abolished.

**History:** 2002, E.R.O. No. 2002-4, Eff. May 26, 2002.