

**SENATE FISCAL AGENCY  
 MEMORANDUM**

**DATE:** June 30, 2020  
**TO:** Members of the Michigan Senate  
**FROM:** Cory Savino and Michael Siracuse, Fiscal Analysts  
**RE:** Executive Order 2020-107

**Overview**

On May 29, 2020, Governor Whitmer issued Executive Order (EO) 2020-107 to create the Michigan Workforce Development Board within the Department of Labor and Economic Opportunity (LEO). The Board will act in an advisory capacity to the Governor to develop, implement, and modify the State's four-year unified State plan pursuant to the Federal Workforce Innovation and Opportunity Act (WIOA). The Order also rescinds EO 2015-11, amended by EO 2018-13, and abolishes the Michigan Future Talent Council.

The Order cites Article V, Sections 1 and 8 of the Michigan Constitution as authority for the creation of this advisory board. The Order does not include a Type I, II, or III transfer. As the creation of this advisory board does not require the force of law, the Order is not subject to legislative disapproval under Article V, Section 2 of the Michigan Constitution.

**Summary of Order Contents**

Creating the Board

The Board is created as an advisory body within LEO. The Board includes the Governor, or his or her designee, the Director of LEO, or his or her designee, and the following members appointed by the Governor:

- One member of the Michigan House of Representatives, from a list of three candidates submitted by the Speaker of the House.
- One member of the Michigan Senate, from a list of three candidates submitted by the Senate Majority Leader.
- Three Michigan residents representing the workforce and general labor in Michigan.
- Five other Michigan residents, including a director of a Michigan high school career and technical education program, an apprenticeship coordinator of a joint labor-management apprenticeship program, one chief elected official of a city or county in the State, one president of a community college district, and one president of an institution of higher education.
- Twelve Michigan residents representing businesses in Michigan, including a small business owner, a member representing manufacturing business enterprise, a member representing mobility business enterprises, a member representing minority-owned business enterprises, a member representing female-owned business enterprises, a member representing business enterprises employing veterans, returning citizens, or people with disabilities, a member representing business who also is a member of the Michigan Economic Development Corporation (MEDC) Board.

Each of the twelve members representing businesses in Michigan must be a business owner, a chief executive or operating officer of a business, or other business executive or employer with optimum policymaking or hiring authority. At least one of the twelve members representing businesses in Michigan must represent a small business as defined by the US Small Business Administration, and at least one also must be a member of the executive committee of the MEDC.

The Board also includes one nonvoting member of the House, appointed by the Governor from a list of three candidates submitted by the House Minority Leader, and one nonvoting member of the Senate, appointed by the Governor from a list of three candidates submitted by the Senate Minority Leader.

Board members must represent diverse geographic areas of the State, including urban, rural, and suburban areas.

The voting and nonvoting members appointed from the House must be appointed for a term expiring on January 1, 2021. After the initial appointment, those members must be appointed for a two-year term. The voting and nonvoting members appointed from the Senate must be appointed for a term expiring January 1, 2023. After the initial appointment, those members must be appointed for a four-year term. Of the remaining members appointed by the Governor, five must be appointed for a four-year term, five must be appointed for a three-year term, five must be appointed for a two-year term, and five must be appointed for a one-year term. After the initial appointments, those members must be appointed for a four-year term.

#### Charge to the Board

The Board is an advisory board and must assist the Governor with all of the following:

- The development, implementation, and modification of Michigan's four-year unified State plan.
- The review of statewide policies, programs, and recommendation on actions that should be taken to streamline workforce development programs in Michigan.
- The development and improvement of workforce development systems in Michigan.
- The development and updating of comprehensive performance accountability measures to assess the effectiveness of the core programs in Michigan.
- The identification and dissemination of information of best practices, including the effective operation of one-stop centers, the development of effective local boards, and effective training program.
- The development and review of statewide policies affecting the coordinated provision of services through the State's one-stop delivery system.
- The develop of strategies for technological improvements to facilitate access to, and improve the quality of, services provided through the one-stop delivery system.
- The development of strategies for aligning technology and data systems across one-stop partner programs to enhance service delivery and improve efficiencies in reporting on performance accountability measures.
- The development of allocation formulas for the distribution of money for employment and training activities for adults and for youth workforce investment activities.
- The development of strategies to ensure engagement of stakeholders from the State Vocational Rehabilitation Program.

- The preparation of certain annual reports.
- The development of the statewide workforce and labor market information system.
- The development of other policies to promote statewide objectives for, and enhance the performance of, a workforce development system in Michigan.

The Board must perform other functions and responsibilities required of it under the WIOA. The Board also may provide policy advice across workforce areas. The Board must actively participate in convening Michigan's workforce development system's stakeholders.

As requested by the Governor or the Director, the Board must advise the Governor and Director regarding policies in workforce development, adult education, career and technical education, community college, and the workforce elements of economic development. These policies must involve local workforce development boards, universities, community colleges, K-12 schools, and other stakeholders. The Board must provide other information, advice, or assistance as requested by the Governor or Director.

### Board Operations

The Department must assist the Board in the performance of its duties and provide personnel to staff the Board. The budgeting, procurement, and management functions of the Board will be performed under the direction and supervision of the Director.

The Director must ensure adequate representation of all core programs within the Department by consulting regularly with each lead administrator for a core program within the Department and providing each lead administrator an opportunity for input into the State plan or other workforce development policy efforts.

The Board must adopt procedures consistent with the WIOA, Michigan law, and the Order governing its organization and operations.

A Board member may not vote by proxy and, except as otherwise expressly provided in the Order, may not designate an alternate to participate in Board members during the member's absence. A Board member may not vote on a matter under the Board's consideration that would provide direct financial benefit to the member or his or her immediate family member. A member may not engage in any other activity determined by the Governor to constitute a conflict of interest, as specified in the State plan.

The Board must comply with the Freedom of Information Act, and all information regarding the Board's activities must be made available to the public.

The Board may establish advisory workgroups, and make inquires, studies, investigations, hold hearings, and receive comments from the public. The Board also may consult with outside experts in order to perform its duties. The Board may hire or retain contractors, subcontractors, advisors, consultants, and agents, and may make and enter into contracts necessary or incidental to the exercise of its power and the performance of its duties as the Director deems advisable and necessary.

Board members may not receive additional compensation for participation on the Board, but may receive reimbursement for necessary travel and expenses.

The Board may hire a director or other staff to assist it in carrying out its functions. The Board must establish a set of rules of objective qualification for the position of Board Director

The Board may be funded with money available under the WIOA and non-Federal money as appropriated and available for that use. The Board may accept donations of labor, services, or other things of value from any public or private agency or person.

#### Rescission of EO 2015-11.

The Order rescinds EO 2015-11, as amended by EO 2018-13, and abolishes the Michigan Future Talent Council.

#### Implementation

All departments, agencies, committees, commissioners, or officers of the State, or any political subdivision of the State, must give the Board, or any members, any necessary assistance the Board or its members require in the performance of the Board's duties.

If any portion of the Order is found to be unenforceable, the rest of the Order remains in effect.

#### **Fiscal Impact**

The Department will incur the costs for staff and support that is provided to the Board. Members of the Board must serve without compensation; however, they may be reimbursed for necessary travel and expenses consistent with current law, rules, and procedures, subject to available funding. Additionally, the Board may use funds to support staff or other outside support.

The typical annual costs to support an advisory board range from \$10,000 to \$200,000, depending on the travel expenses and staff demands. The costs will be determined by demand and available funding within LEO. Accordingly, there is no anticipated need for additional funding beyond the Michigan Future Talent Council's previous spending levels.

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c: Christopher Harkins, Director  
Kathryn Summers, Associate Director