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TO: Councilmember Coleman Young II

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DATE: April 2, 2025

CC:

**Detroit Employment Solutions Corporation
FY 2025-2026 Budget Analysis**

1. Skilled Trades & Workforce Shortages: Detroit continues to face challenges in meeting the 51 % local hiring requirement for city-funded construction projects. What innovative approaches is DESC implementing to expand training pipelines and ensure more Detroiters are prepared for high-demand trades?

Over the past several years, Detroit at Work has refined its strategy to prepare Detroiters for jobs within the skilled trades. Our strategy is informed both by the needs of contractors and the needs and interests of Detroit job seekers. We solicit feedback from contractors and talk with union leaders to better understand their workforce demands, including entrance and skill requirements for jobs and apprenticeship programs. We closely track Detroit at Work program activities and analyze outcomes on a monthly and quarterly basis. We utilize Labor Market Information (LMI) to inform our understanding of the construction industry, which tracks past trends in overall industry employment. We meet regularly with staff from CRIO to track trends related to compliance fees, identifying the jobs where contractors are unable to meet the 51% requirement. While the State of Michigan's Labor Market Information is useful for industry trends, it does not accurately project current and expected demand for workers. Therefore, Detroit at Work must rely on its employer (contractor) and union partners to provide accurate projections of their expected workforce needs. We use this information, coupled with data on Detroit job seekers' career interests, skills, qualifications, and need for support, to guide our recruitment, program development and training investment activities. First and foremost, Detroit at Work only invests in training connected to direct employment.

To avoid investing in training programs that do not lead to employment, Detroit at Work utilizes a



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rigorous application process that requires training institutions to provide signed letters from employer partners that quantify their near-term demand for specific occupations. When a training provider applies for funding, they must include a written commitment from the employer (contractor) to interview graduates from the program. Proposals that include a cash or in-kind contribution from the employer score additional points during the evaluation process. Our leading objective is to fund training programs that result in 80% of graduates obtaining training-related employment. If a training program's job-placement rate falls below 70%, DESC places the provider on probation, and the program must show improvement before the next scorecard is issued to continue being a Detroit at Work program. If the program has a job-placement rate that falls below 50% it is removed from Detroit at Work's training program options.

Further, we actively solicit projects that include an employer commitment to contribute financially to the program and hire all graduates; these are known as Customized Training Programs.

Connecting Detroiters to skilled trades apprenticeship programs and careers comes with many challenges, including the following: Nearly all the major apprenticeship programs require a high school diploma or GED, except for the Laborers, Roofers, and Painters & Allied Trades. In 2019 (the most recent year available), there were 72,271 Detroiters over the age of 25 without a high school diploma or equivalent. Most of the key apprenticeship programs require math and reading levels that exclude the majority of Detroit at Work job seekers. Most require a Work Keys Level of 5 or higher in at least one subject (Math, Reading, Locating). This translates roughly to a grade level of 10th or higher. In contrast, Detroit at Work customers who complete an academic assessment have an average math score equivalent to the 6.6 grade level and an average reading score of 7.8 grade level. Nearly all the apprenticeship programs require access to reliable transportation, a valid driver's license and the ability to pass a drug test. 41% of our customer base indicate they do not have access to reliable transportation. Detroiters who already have a job are often unable to quit their current job to attend training. The loss of income would mean they are unable to meet the basic needs of their families, including rent, food, childcare, and other essential needs. Some Detroiters are unaware of the opportunities and benefits of a career in the skilled trades. Skilled trades and construction contractors, like all our employer partners, express frustration finding workers who possess problem-solving, critical thinking and soft skills such as punctuality, regular attendance and workplace-appropriate communication. These skills are more difficult to quantify. We do not have information on the exact percentage of Detroit job seekers who lack such skills. Many unions require new apprentices to have a sponsoring employer who will hire the worker while they complete the apprenticeship program. In other instances, an individual may be accepted without a sponsoring employer but is unable to get regular work if they are not selected by contractors for jobs. Detroit residents are less likely to have the social networks that allow them to identify a sponsoring employer.

To address these challenges and to build a pipeline for more advanced skilled trades occupations, Detroit at Work has developed comprehensive, holistic, evidence-based programs

that point to long-term career pathways. Overall, our goal is to provide programs that lead to immediate employment. The residents who come to us are almost solely interested in training as a means to an end – a job that can support themselves and their families. However, we also recognize the necessity and benefits of developing a pipeline for more advanced skilled trades occupations. Our career pathways strategy allows someone to enter and exit at multiple points depending on their needs and goals. We use a combination of state, philanthropic, federal and local funds, including Executive Order compliance fees, to support Detroit at Work training programs. For those with limited work history, no high school diploma and/or basic skills gaps, we provide a range of foundational skills programs. These programs build basic work readiness and academic skills. They are not always tied to a specific industry or job and are instead intended to help increase skills so that graduates can go straight into entry level employment or additional training. We also support programs that help individuals obtain their high school diploma or equivalent.

Our services help to ensure those interested in training are set up for success. That process is comprised of:

- Individualized career coaching to help set career and employment goals and identify and resolve any barriers that stand in the way.*
- Direct support with transportation, childcare, and work-related uniforms and tools, leveraging both federal funds as well as the Executive Order fee funds earmarked by City Council for this purpose.*
- Essential skills training provided in workshop format and/or on the job; this training builds skills required for success in the workplace in the 21st century.*
- Career exploration services, including exposure to careers in the skilled trades through engaging videos profiling Detroit-based contractors and Detroit residents engaged in training and/or employment, as part of the 10,000 Opportunities Detroit at Work video series.*
- Training programs also include job shadowing and guest speakers so that trainees can directly see and hear from professionals in their chosen field.*

See attached Construction Report that outlines our comprehensive and most recent data of Detroit at Work’s impact on construction-related fields, as we report to Council each quarter.

2. Funding Sustainability: The Skills for Life program-funded through \$75 million in ARPA dollars-has been crucial in workforce development. What alternative funding strategies are being explored to ensure its longevity after ARPA funds are exhausted?

Skills for Life will sunset in March 2025 in alignment with the established contract. Enrollment, activities, and participant achievements are now all complete. It was intended to be a one-time program established through American Rescue Plan Act funds (ARPA), as approved by City Council to provide an opportunity for Detroiters to work for the City and earn educational and/or technical credentials simultaneously. It accomplished its intent, and the model will now serve as a foundation for programming with other employers. In fact, conversations with some employers are already underway.

3. Detroit at Work Impact: Since the expansion of nine career centers citywide, what measurable outcomes-such as employment placement rates and wage increases-indicate the success of this initiative, and how will DESC continue to scale its impact?

In 2019, following a formal and extensive RFP process, DESC procured providers to grow our system from three to nine centers as described above. Since that time, we have:

As a system, we have consistently met or exceeded our required performance metrics as required by the State of Michigan who delivers our federal funding under the Workforce Innovation & Opportunity Act (WIOA). We consistently do this across our adult and youth service centers in employment rates, median earnings, credential attainment, and measurable skills gains.

Our PATH (Partnership Accountability Training and Hope) program has continued to exceed the required work participation rate. This program is designed to assist Michigan families who are receiving limited cash assistance through Michigan Department of Health and Human Services and can include single-parent or two-parent families with dependent children. Detroit is home to more than a quarter of these participating families across the state.

In addition, we placed 5,000 Detroiters at the Mack Avenue Stellantis plant, are working with 5,000 more through our Detroit at Work Scholarship programs to improve their skills and employment prospects, maintain an employer database of 4,000+, and successfully secured commitments in writing from 22 Detroit employers who prioritize Detroiters in their hiring practices, including support of youth through the Grow Detroit's Young Talent Program.

And through it all, Detroit at Work maintains over an 85% customer satisfaction rate for those who found employment or completed training. While we will continue to refine our service model and footprint, the system today can celebrate many achievements.

DETROIT AT WORK BY THE NUMBERS

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
# Trained	2,755	2,753	2,311	2,612	3,381	3,278	3,716
# Placed	5,067	6,061	4,718	7,287*	4,917	5,836	5,122
Avg. Hourly Wage of Career Center grads	\$14.39	\$14.67	\$15.50	\$15.76	\$17.49	\$17.14	\$17.58
GDYT Youth Placements	8,201	8,281	8,006	8,048	8,068	8,546	8,643

* Includes 3,295 individuals who started work with Stellantis at the end of PY19 and throughout PY20

DETROIT AT WORK BY THE NUMBERS

A TEN-YEAR REVIEW



	2014-2024
# Detroiters Trained	29,737
# Detroiters Hired	57,795
Over \$6.50 Increase in Average Hourly Wage	\$17.58
GDYT Youth Placed in Summer Employment	77,206

DAW Quarterly Cumulative Construction Report

July 2018 – December 2024



TRAINING

4,516 people enrolled into occupational training

Count	Program Type
46	Automotive Technology
119	Blight/Lead Removal
234	Carpentry
105	Electrical Wiring/Residential
388	Heavy Equipment
116	HVAC
114	Masonry
99	Other
381	Pre-Apprenticeship (Access for all)
2,706	Transportation / CDL
208	Welding
4,516	TOTAL

EMPLOYMENT

Placements = 3,482 | Average Wage = \$31.72/hour

Employers - Transportation:

- AGA Express: Truck Driver
- Amazon Detroit: Delivery Driver, FC-1, Fulfillment Associate, Seasonal, Warehouse Associate
- Fulfillment Associate, Loader, Warehouse Associate, Packager,
- Atlantic Keys Logistics: Delivery Driver
- City of Detroit: CDL-B Driver, Operator
- Comprehensive Logistics: Forklift Operator, Laborer
- Coyote Logistics: Customer Service Representative, Dispatch Support Representative
- Crown Staffing Solutions (Dearborn): Forklift Operator, Packager, Production/Assembler
- DDOT: Mechanic, Diesel Mechanic, Transportation Equipment Operator, Transportation Operator, Driver, Coach Service Attendant, Customer Service Representative, Customer Service Paratransit Worker
- DHL: Logistics Coordinator
- EJKJ logistics: Delivery Driver
- FEDEX Ground: Packager, Package Handler
- GFL Environmental: Driver
- Hercules Concrete, LLC.: Driver
- Hire Tec Inc.: Car Porters, Quality Inspector
- Malacy Staffing: Hi-Lo Driver
- Piedmont Airlines: Ramp Agent
- PPG Coating: Forklift Operator
- Priority Waste: Driver, Loader, Residential Refuse Specialist
- Ram Produce: CDL-A Delivery Driver
- SMS Staffing Solutions: Transporter
- Student Transportation Service: Bus Attendant, Bus Driver
- Suburban Truck Driving Training School: Driver
- Universal Logistics: Truck Driver, Forklift Operator, Shipping and Receiving Clerk, Warehouse Associate
- UPS: Driver Helper, Warehouse Worker
- Vetbuilt Building Group: Forklift Operator, Hi-Lo Driver
- Western Express: Driver

DAW Quarterly Cumulative Construction Report

July 2018 – December 2024



EMPLOYMENT CONTINUED

Employers – Construction:

- Ajax Paving Industries Inc: Finisher, Machine Operator, Laborer, Paver
- Angel Hands Remodeling & Restoration: Clean Out Laborer
- Backer Landscaping Inc.: Landscaper, Landscape Foreman
- Bloom Roofing Systems: Roofer
- C.A. Hull: Construction Laborer, Carpenter, Concrete Finisher
- City Abatement Services: Abatement Worker
- Comprehensive Logistics: Forklift Operator
- Container and Design Services: Welder
- Dacapo Companies: Laborer
- Dan’s Excavating Inc: Construction Laborer
- Dearborn Mid-West Conveyor: Welder
- Denn-Co Construction, Inc.: Carpenter
- Detroit Training Institute of Technology: Maintenance Worker, Maintenance Electrician, and Service Technician
- Detroit Grounds Crew: Ground Keeper
- Doetsch Environmental Services, Inc.: Sewer Cleaning Technician
- Gallagher-Kaiser Corporation: Welder
- Go Green Contracting: Asbestos Abatement Worker, Laborer
- Great Lakes Contracting Solutions, LLC: Laborer, Cement Finisher
- GS Group: Industrial Hygienist, Construction Worker
- J Milburn Mechanical: HVAC Installer and Technician
- KOH Industry: Clean Out Laborer
- Lear Corporation: Team Member
- Mark Anthony Contracting, Inc.: Concrete Finisher, Laborer
- Marvasos Greenhouses Inc.: Laborer
- Merlo Construction: Laborer, Foreman
- Multifamily Commercial Construction: Carpenter
- MMA Flooring Company: Sander, Finisher
- Payne Landscaping: Laborer
- Pioneer Molding: Maintenance Electrician
- Phoenix Landscaping: Foreman
- PrimeTime Demolition: Demolition Technician
- Ram Construction: Laborer
- RECONN Utility Services: Utility Inspection Technician
- Reliable Landscaping Inc: Landscaper, Manager, Laborer
- Reister Co.: Landscape Designer
- Ric-Man Construction, Inc.: Construction worker
- Royal Roofing, Co. Inc: Roofer
- Sentech Services: Laborer
- Skill Set Construction & Landscaping: Construction Laborer, General Laborer
- The Trusted Professionals: Painter, Building Finisher
- The Professional Group: Ground Worker
- Workforce Development Institute: Apprentice

TYPES OF POSITIONS

<ul style="list-style-type: none">• Apprentice• Asbestos Abatement Worker• Bus Attendant• Bus Driver• Carpenter• Car porters• CDL A delivery Driver• CDL-B driver• Cement Finisher• Clean Out Laborer• Concrete finisher• Construction Laborer• Coach Service Attendant• Customer Service Representative• Customer Service Paratransit Worker• Delivery Driver• Diesel Mechanic	<ul style="list-style-type: none">• Demolition Technician• Driver• Driver Helper• Equipment Operator• FC-1• Finisher• Flagger• Foreman• Forklift Operator• Fulfillment Associate• General Laborer• Ground Keeper• Ground Worker• Hi-Lo Driver• HVAC Installer & Technician• Industrial Hygienist• Laborer• Landscaper• Landscape Designer	<ul style="list-style-type: none">• Landscape Foreman• Loader• Logistics coordinator• Machine Operator• Maintenance Electrician• Maintenance Worker• Manager• Mechanic• Painter• Painter and building finisher• Package Handler• Packager• Paver• Production/Assembler• Quality inspector• Ramp Agent• Residential Refuse Specialist• Roofer• Sander	<ul style="list-style-type: none">• Seasonal Fulfillment Associate• Service Technician• Sewer Cleaning Technician• Shipping and Receiving Clerk• Transit Equipment Operator• Transporters• Transportation Equipment Operator• Transportation Operator• Team Members• Truck Driver• Utility Inspection Technician• Vehicle operators• Warehouse Associate• Welder
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